

E-Finance For Digital and Financial Investments Company
(S.A.E)
Interim Condensed Consolidated Financial Statements
For The Financial Period Ended June 30, 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 Consolidated Financial Statements

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

Introduction

We have performed a review for the accompanying interim condensed consolidated statement of financial position of E-Finance for Digital and Financial Investments Company (S.A.E) as of June 30, 2023, the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity, cash flows for the period ended June 30, 2023, a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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 Group, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim condensed consolidated financial statements.

Base for Conclusion

- 1- The Group continued to record some investments under equity investment at fair value through other comprehensive income amounting to EGP 53,599,000 on June 30, 2023 (EGP 53,599,000 on December 31, 2023), at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments".
- 2- As shown in disclosure No. 12, the Group did not apply the expected credit losses model for some accounts receivable balances and accrued revenues pertaining to some of its subsidiaries (Technological operations for financial institutions E-Finance Company and Smart Card Operation Technology Company E-CARDS) and this accounting treatment does not comply with the requirements of Egyptian Accounting Standard No. 47, "Financial instruments".
- 3- The group did not provide us with reviewed financial statements for one of the companies it has invested in, using the equity method as described in Note 10 (Technological Operation for Health Insurance Services (E Health)). Therefore, we were unable to verify the value of the investment and the group's share of losses from this investment.

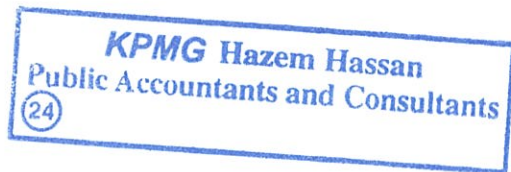
Hazem Hassan

Conclusion

Except for the impact of the above in paragraphs 1 and 2 and except for adjustments in the interim condensed consolidated financial statements of which we would have been aware if the above in paragraph 3 has not occurred, Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements do not fairly and clearly present in all material aspects the financial position of the Group as of June 30, 2023, nor its financial performance and its cash flows for the period ended June 30, 2023, according to Egyptian Accounting Standard No. (30) "Interim Financial Reporting".

KPMG Hazem Hassan
Public accountants and consultants

Cairo August 14, 2023

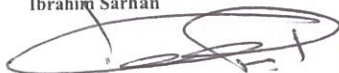


E-finance for Digital and Financial Investments Company (S.A.E)
Interim condensed Consolidated statement of Financial position as of

	Note No.	June 30, 2023 L.E.	December 31, 2022 L.E.
Assets			
Non current assets			
Fixed assets	5	332 184 977	322 943 167
Intangible assets	6	71 657 282	60 625 403
Projects under construction		157 079 571	143 514 867
Equity-investment at FVTOCI	8	140 204 024	140 202 008
Financial-investment at FVTPL	7	57 786 600	57 786 600
Equity-Accounted investees (Associates)	10	108 158 184	96 727 878
Deferred tax assets	11-2	-	4 405 894
Contract asset		38 755 037	15 690 529
Prepaid employee benefits		2 736 269	4 095 419
Employees Loans -ESOP		6 418 025	55 581 185
Right of use assets		72 444 230	56 402 404
Total non current assets		987 424 199	957 975 354
Current assets			
Inventory		80 180 624	41 505 204
Work in progress		21 512 493	29 225 609
Trade and other receivables	12	2 027 806 244	1 653 200 506
Due from related parties	27	22 545 071	18 477 269
Financial investments at amortized cost	9	1 445 821 786	2 356 623 232
Cash and cash equivalents	13	1 484 959 936	877 780 131
Total current assets		5 082 826 154	4 976 811 951
Total assets		6 070 250 353	5 934 787 305
Owners equity & Liabilities			
Owners equity			
Paid-up capital	14	924 444 445	924 444 445
Share premium	15	1 956 462 107	1 956 462 107
Reserves		593 258 476	654 880 050
ESOP reserve	32	247 111 100	247 111 100
Treasury shares	16	(14 443 724)	(5 036 004)
Retained earnings		1 014 741 345	796 117 725
Equity attributable to owners of the company		4 721 573 749	4 573 979 423
Non controlling interest	19	61 946 487	56 836 093
Total Equity		4 783 520 236	4 630 815 516
Liabilities			
Non- Current Liabilities			
Lease liability		38 807 088	27 783 650
Credit facilities	17	20 743 433	31 939 225
Deferred tax Liability	11-2	12 923 895	-
Employee benefits		241 604 257	206 810 785
Total non current liabilities		314 078 673	266 533 660
Current liabilities			
Lease liability		38 399 863	32 075 339
Trade and other Payables	18	733 525 595	708 752 566
Credit facilities	17	21 229 296	75 409 758
Income tax payable	11-4	179 496 690	221 200 466
Total current liabilities		972 651 444	1 037 438 129
Total Liabilities		1 286 730 117	1 303 971 789
Total equity and liabilities		6 070 250 353	5 934 787 305

The attached notes from (1) to (33) are an integral part of these interim condensed consolidated financial statements and to be read with them.
The review report is attached

Chairman & Managing Director
Ibrahim Sarhan




Chief executive Financial Officer
Essam Bahgat



Translation from Arabic

E-finance for Digital and Financial Investments Company (S.A.E)

Interim Condensed Consolidated statement of Profit or Loss for the financial period ended

	<u>Note No.</u>	<u>From April 1,2023 till</u> <u>June 30,2023</u>	<u>From April 1,2022 till</u> <u>June 30,2022</u>	<u>From Jan 1,2023 till</u> <u>June 30,2023</u>	<u>From Jan 1,2022 till</u> <u>June 30,2022</u>
Revenues	20	967 461 519	702 452 657	1 735 430 773	1 261 962 786
Cost of sales	21	(416 263 367)	(286 882 802)	(799 116 287)	(574 031 546)
Gross profit		551 198 152	415 569 855	936 314 486	687 931 240
Other revenue		2 052 834	2 103 135	5 343 169	4 822 976
General and administrative expenses	23	(78 137 827)	(73 491 886)	(153 241 281)	(129 781 322)
Marketing and selling expenses	24	(11 948 632)	(21 266 065)	(19 614 814)	(37 747 796)
Employee Share Option Plan expense	32	(25 881 874)	-	(34 522 130)	-
Impairment in trade and other receivables		(556 023)	-	(556 023)	(6 000 000)
Other expenses		(2 133 900)	(1 033 000)	(4 736 000)	(3 224 500)
Operating Profit		434 592 730	321 882 039	728 987 407	516 000 598
Dividends income from equity investments at FVOCI	22	53 758 400	-	62 838 230	31 625 598
Finance cost	25	(7 442 482)	(6 475 732)	(48 288 933)	(12 134 647)
Income from Equity-accounted investees	10	3 623 852	5 762 329	13 180 308	12 436 378
Finance Income	26	120 411 764	83 548 329	257 441 607	158 253 629
Net profit for the period before tax		604 944 264	404 716 965	1 014 158 619	706 181 556
Income tax expense	11-1	(164 313 927)	(116 493 762)	(288 058 071)	(219 658 901)
Net profit for the period		440 630 337	288 223 203	726 100 548	486 522 655
profit attributable to:					
Owners of the company		436 426 116	279 348 388	718 369 358	479 674 534
Non controlling interest		4 204 221	8 874 815	7 731 190	6 848 121
Net profit for the period		440 630 337	288 223 203	726 100 548	486 522 655
Basic Earning per share	33			0.34	0.20

The attached notes from (1) to (33) are an integral part of these interim condensed consolidated financial statements and to be read with them.

Translation from Arabic

E-finance for Digital and Financial Investments Company (S.A.E)

Interim Condensed Consolidated statement of Comprehensive income for the financial period ended

	<u>From April 1,2023</u> <u>till June 30,2023</u>	<u>From April 1,2022</u> <u>till June 30,2022</u>	<u>From Jan 1,2023</u> <u>till June 30,2023</u>	<u>From Jan 1,2022</u> <u>till June 30,2022</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Net profit for the period	440 630 337	288 223 203	726 100 548	486 522 655
<u>Other comprehensive income</u>				
Actuarial gain from employee benefit	8 720 858	791 770	15 761 417	4 093 914
FX through OCI	(5 332 516)	-	(5 332 516)	-
Income Tax related to other comprehensive income	(1 962 192)	(112 315)	(3 546 317)	(855 295)
Total other comprehensive Income	1 426 150	679 455	6 882 584	3 238 619
Total comprehensive Income for the period	442 056 487	288 902 658	732 983 132	489 761 274
Attributable to:				
Owners of the company	438 344 008	279 928 991	725 686 227	482 759 747
Non controlling interest (Note 19)	3 712 479	8 973 667	7 296 905	7 001 527
Total comprehensive Income for the period	442 056 487	288 902 658	732 983 132	489 761 274

The attached notes from (1) to (33) are an integral part of these interim condensed consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company (S.A.E)

Interim Condensed Consolidated statement of change in shareholders equity for the financial period ended June 30, 2023

	Paid up Capital	Legal Reserve	General Reserve	Share Premium	ESOP Reserve	Reserve Resulted from Spin-Off	Treasury Shares	Other Reserves	Retained earnings	Equity attributable to owners of the company	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance at the Beginning of Jan. 2023	924 444 445	548 111 757	20 000 000	1 956 462 107	247 111 100	69 713 889	(5 036 004)	17 054 404	796 117 725	4 573 979 423	56 836 093	4 630 815 516
Comprehensive Income												
Net profit for the Period ended 30 June 2023	-	-	-	-	-	-	-	-	718 369 358	718 369 358	7 731 190	726 100 548
other Comprehensive income items	-	-	-	-	-	-	-	7 316 869	-	7 316 869	(434 285)	6 882 584
Total comprehensive income	-	-	-	-	-	-	-	7 316 869	718 369 358	725 686 227	7 296 905	733 983 132
Transaction with the owners of the company												
Dividends according to the ordinary general assembly meeting held in March 21 ,23	-	-	-	-	-	-	-	-	(404 349 189)	(404 349 189)	-	(404 349 189)
Legal Reserve	-	775 446	-	-	-	-	-	-	(775 446)	-	-	-
Treasury Shares	-	-	-	-	-	(69 713 889)	(9 407 720)	-	-	(9 407 720)	-	(9 407 720)
Transfer of reserve resulted from, spin off to retained earnings according to GAM dated March 21, 2023	-	-	-	-	-	-	-	-	69 713 889	-	-	-
NCI Share of capital increase	-	-	-	-	-	-	-	-	-	-	2 016	2 016
NCI Share of dividends	-	-	-	-	-	-	-	-	-	-	(1 920 399)	(1 920 399)
Dividends for BOD and Employees	-	-	-	-	-	-	-	-	(164 334 992)	(164 334 992)	(268 128)	(164 603 120)
Total transaction with the owners of the company	-	775 446	-	-	-	(69 713 889)	(9 407 720)	-	(499 745 738)	(578 091 901)	(2 186 511)	(580 278 412)
Balance as of June 30 , 2023	924 444 445	548 887 203	20 000 000	1 956 462 107	247 111 100	-	(14 443 724)	24 371 273	1 014 741 345	4 721 573 749	61 946 487	4 783 520 236

The attached notes from (1) to (33) are an integral part of these interim condensed consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company (S.A.E)
Interim Condensed Consolidated statement of change in shareholders equity for the financial period ended June 30, 2023

Translation from Arabic

	Paid up Capital	Legal Reserve	General Reserve	Share Premium	Reserve Resulted from Split-Off	Other Reserves	Retained earnings	Equity attributable to owners of the company	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance at the Beginning of Jan. 2022	888 888 889	55 290 529	20 000 000	2 345 616 021	69 713 889	9 192 764	493 817 689	3 882 519 781	61 018 783	3 943 538 564
Comprehensive Income										
Net profit for the period ended June, 30 2022	-	-	-	-	-	-	479 674 534	479 674 534	6 848 121	486 522 655
Other comprehensive Income items	-	-	-	-	-	3 085 213	-	3 085 213	153 406	3 238 619
Total comprehensive income	-	-	-	-	-	3 085 213	479 674 534	482 759 747	7 001 527	489 761 274
Transaction with the owners of the company										
Dividends according to the ordinary general assembly meeting held on March 17 ,2022	-	-	-	-	-	-	(208 969 302)	(208 969 302)	-	(208 969 302)
Capital Increase dated 17 march 2022	35 555 556	-	-	-	-	-	(35 555 556)	-	-	-
Legal Reserve	-	389 153 915	-	(389 153 915)	-	-	-	-	-	-
NCI Share of dividends	-	-	-	-	-	-	-	-	(8 423 632)	(8 423 632)
Dividends BOD and Employees	-	-	-	-	-	-	(48 298 374)	(48 298 374)	(1 696 162)	(49 994 536)
Total transaction with the owners of the company	35 555 556	389 153 915	-	(389 153 915)	-	-	(292 823 232)	(257 267 676)	(10 119 794)	(267 387 470)
Balance as of June 30 , 2022	924 444 445	444 444 444	20 000 000	1 956 462 106	69 713 889	12 277 977	680 668 991	4 108 011 852	57 900 516	4 165 912 568

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>		
Profit for the period before income tax	1 014 158 619	706 181 556
Adjusted as the follows:		
Fixed assets depreciation expenses	33 030 619	24 430 058
Amortization expenses of intangible assets	11 265 643	2 931 684
Amortization expenses of right of use asset	17 140 297	17 000 058
Amortization of paid in advance- employee benefits	1 359 150	1 359 150
Income from Equity-investment- at FVTOCI	(62 838 230)	(31 625 598)
Debit interest	6 483 662	12 134 647
Credit interest	(65 514 038)	(158 256 855)
Revenue from Financial investments at amortized cost	(191 927 569)	-
End of service benefit formed	57 035 361	42 630 806
Provision formed for Impairment of trade and other receivables	556 023	(6 000 000)
Finance cost-right of use asset	4 417 367	3 513 744
Foreign currency translation	-	3 226
Contract asset depreciation	2 796 668	-
income from Equity-Accounted investees (Associates)	(13 180 306)	(12 436 378)
Lease Termination loss /(gain)	3 944 847	(2 620 815)
	818 728 113	599 245 283
Change in inventory	(38 675 420)	2 155 202
Change in work in progress	7 713 116	(23 348 828)
Change in trade and other receivables	(401 369 750)	(229 988 218)
Change in due from related parties	(4 067 802)	(3 026 710)
Change in trade and other payables	(10 322 780)	72 318 886
Change in due to related parties	-	5 616 622
Cashflow provided from operating activities	372 005 477	422 972 237
Debit interest paid	(6 483 662)	(12 134 647)
Credit interest collected	65 514 038	38 633 834
Payment to employee end of service	(6 480 472)	(474 983)
Dividends paid to employees and board members	(164 603 101)	(49 994 536)
Collection from employees Loans -ESOP	49 163 160	-
Income taxes paid (Note no. 11-4)	(215 162 775)	(155 034 183)
Net cash flow provided from operating activities	93 952 665	243 967 722
<u>Cash flow from investing activities</u>		
Proceeds from dividends of Equity-investment- at FVOCI	56 379 407	28 508 002
Proceeds from investments at amortized cost	57 386 221	42 459 880
Proceeds from investments from sister companies	1 750 000	-
Payment of acquiring Equity-investment- at FVOCI	-	(2 900 000)
Payment of fixed assets and projects under construction	(57 522 728)	(38 463 130)
Payment of acquiring Equity-Accounted in investees (Associates) companies	-	(25 999 985)
Payment of acquiring Contract asset	(25 663 578)	-
Payment of purchasing intangible assets	(20 809 525)	(16 341 404)
Proceeds from/(Payment) of acquiring investments at amortized cost	1 006 957 280	(1554 420 653)
Net cash flow provided from / (used in) investing activities	1 018 477 077	(1 567 157 290)
<u>Cash flow from financing activities</u>		
Financial interest (paid-lease contracts)	(4 417 367)	(3 513 744)
Payment for purchasing treasury stocks	(9 407 720)	-
Lease liability paid	(19 779 008)	(16 565 071)
Dividends paid to shareholders	(406 269 588)	(217 392 934)
(Used in) credit facilities	(65 376 254)	(10 875 886)
Net cash flow (used in) financing activities	(505 249 937)	(248 347 635)
Net change in cash & cash equivalent during the period	607 179 805	(1571 537 203)
Cash & cash equivalent at beginning of the period	872 243 110	2 361 563 261
Cash & cash equivalent at end of the period (Note no. 13)	1 479 422 915	790 026 058

The attached notes from (1) to (33) are an integral part of these interim condensed consolidated financial statements and to be read with them.

1- Company's background

1-1 Legal entity

E finance for Digital and Financial Investments

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

Khales for digital payments services

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

Smart Card Operation Technology Company E Cards

- The company was established in the name of Smart card operation technology company E Cards, Commercial Registry, Investment Cairo No. 146132, joint stock companies on 29/01/2020 in accordance with the provisions of Law No. 159 of 1981, the Joint Stock Companies Law and its executive regulations.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters: Building No. A3 B 82 - Smart Village - Km 28 Cairo-Alexandria Desert Road – Giza.

Technology Company for Ecommerce Operations E-Aswaaq Misr

- The company was established in the name of the Electronic Market Operation Technology Company for Ecommerce Operations E-ASWAAQ MISR, Commercial Registry of Cairo Investment No. 150444 Joint Stock Companies on 01/07/2020 in accordance with the provisions of Law 159 of 1981, the Joint Stock Companies Law and its executive regulations.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters: Building No. B 2111 - Smart Village - Km 28 Cairo-Alexandria Desert Road.

E Nable for Outsourcing Services Company

- The company was established in the name of E Nable for outsourcing services, Commercial Registry, Cairo Investment No. 159506, joint stock companies on 29/12/2020, in accordance with the provisions of Law 72 of 2017.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters, Building No. B115, Smart Village, Km 28, Cairo-Alexandria Desert Road.

Technological operations for financial institutions E-Finance Company (S.A.E)

- The company was established in the name of Technological Operations for Financial Institutions -S.A.E-, Commercial Registry, Cairo Investment No. 159585, joint-stock companies on 30/12/2020, in accordance with the provisions of Law 72 of 2017
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters: Building No. A3B 82 - Smart Village - Kilo 28 Cairo-Alexandria Desert Road - Giza.
- The company was established as a result of the demerge process, so that the demerged company would succeed the demerger company on the date of September 30 , 2020, and replace it legally regarding its rights and obligations, and this according to what was assigned to it by decision of Economic Performance Sector for the demerge(From the committee formed under Resolution No. 380 of 2020), Likewise, the demerged company replaces the demerger company in all contracts and agreements that were concluded before the spin-off, Also the demerged company replaces the demerger company legally in all asset ownership included in relation to its rights and obligations and also in all licenses granted to the demerger company before the demerge.

Technological Operation for Tax Solutions (E Tax) (SAE)

- The company was established in the name of the E Tax (Technological Operations for Tax Solutions E-TAX company), Commercial Registry, Cairo Investment No. 161093, joint-stock companies on 01/02/2021, in accordance with the provisions of Law 159 of 1981.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters, Building No. B104, Smart Village, Km 28, Cairo-Alexandria Desert Road.

Technological Operation for Health Insurance Services (E Health)

- The company was established in the name of the E Health (Technological Operation for Health Insurance Services), Commercial Registry, Cairo Investment No. 172265 joint-stock companies on 13/09/2021, in accordance with the provisions of Law 159 of 1981.
- The duration of the company is 25 years starting from the date of registration in the commercial register.
- The company's headquarters, Building No. 24th Roushdy Basha St, branched from Salah Salem St, Safeer square, Heliopolis, Cairo.

1-2- Group's Purpose:

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

- Providing specialized operating services for information and communication technology systems, whether inside or outside the Arab Republic of Egypt (except for the Sinai region, prior approval of the authority is required) and these services include the following:
 - Managing, operating and maintaining all devices, equipment and computer networks.
 - Production, issuance, printing, packaging, management and operation of a smart card system.
 - Managing and operating the applications for providing banking services over the phone and through the Internet, electronic payment services, and electronic circulation of secured documents.
- Establishing, managing and operating the systems and management of customer service centres through the phone, and implementing, managing and operating the networks and central activity for the internal systems of the banks.
- Establishing and managing training centres for preparing researchers and information technology transfer centres.
- Training for operating, managing and maintaining the computer, card system and applications for providing banking services, customer service centres and applications for electronic payment services.
- Technology business incubators and entrepreneurship support.
- Information and communication technology industry, including its industrial activities, design and development of electronics, data centres and outsourcing activities, software development and technology education.
- Description, design and development of computer systems of various kinds.
- Production, development and operations of embedded systems, and training on them.
- Description and design work for data transmission and circulation networks.
- Implementation and management of data transmission and circulation networks.
- Providing technical, financial and administrative support to the companies to which the company contributes and works in the field of digital transformation and supporting them in developing their business volume.

Khales for digital payments services

- Providing specialized operating services for information and communication technology systems and digital payments.
- Managing, operating and maintaining banks' internal computer equipment and networks, networks and mainframe computers.
- Establishing operating systems for banking services through the Internet and by telephone, providing electronic payment and collection services, and handling secured documents electronically.
- Description, analysis and design work for software, databases and applications of various kinds.
- Designing and producing programs and applications, establishing databases and electronic information systems, operating and training for using them.
- The production of electronic content in various forms such as sound, image and data.
- Entering data to computers and by electronic means.
- Description and design work for data transmission and circulation networks.
- Establishing and managing training centres for preparing researchers and centres for transferring information technology and training to use them.
- Establishing, managing and developing consulting and study centres specialized in the fields of information and communication.
- Design, operation and maintenance of payment systems and electronic receipts systems.
- Trade in telecommunications equipment of all kinds, its spare parts and accessories, computers, its spare parts and accessories, and the supply of integrated systems for networks.
- Wired and wireless communication networks contracting business of all kinds, and the supply of their spare parts and requirements.
- Establishing, managing and operating outlets for the company to provide its services.
- Providing all consultations for the operation, management and maintenance of the computer, card system and applications (except for legal advice, consultations and studies related to evaluation on the occasion of capital increase and acquisition, as well as financial advice on securities for the activities of companies operating in the field of securities stipulated in Article 27 of the Capital Market Law and its executive regulations).
- Establishing and operating a center for preparing, training and developing human resources.

Smart Card Operation Technology Company E Cards:-

- Preparing, designing, operating, issuing, maintaining and supplying cards, smart chips and electronic programs to identify individuals and programs for issuing electronic documents.
- Description, design and management of data transmission and circulation networks for smart cards by various electronic means.
- Supply of electronic supplies, devices and programs for smart entities facilities.
- Preparing, designing, operating and maintaining electronic identification systems for individuals and integrating them into secure smart cards.
- Providing consultations in the field of smart cards and technological solutions (except for what is related to stock markets as well as markets, legal advice, consultations and studies related to evaluation when increasing capital and acquisition, as well as financial advice on securities for the activities of companies operating in the field of securities stipulated in Article 27 of Capital Market Law and its executive regulations).
- Preparing training courses in the field of operating, managing and maintaining smart card systems and banking services applications.

E finance for Digital and Financial Investments Company**Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023**

- Preparing and designing short, medium and long-range radar stickers with smart chips, considering the Minister of Defence and Military Production Decision No. 64 of 2003.
- Import, export and commercial procurement.
- The company is bound by the provisions of Law No. 120 of 1982 and Law No. 121 of 1982 in the matter of the importers' registry regulating the business of the commercial agency, and the establishment of the company does not create any right to practice its purpose except after obtaining the necessary licenses to practice its purpose from the competent authorities without breaching the provisions of the laws regulating arranging for that purpose
- Establishing and operating a factory for manufacturing, printing and packaging smart cards, smart chips and fingerprint identification devices.
- Manufacturing, printing and packaging of smart cards, smart chips and fingerprint identification devices for individuals in third parties, without breaching the provisions of applicable laws, regulations, and decisions, and on the condition of obtaining the necessary licenses to practice these activities.
- The company may participate in any way with companies and others that carry out activities similar to its work or that may assist it in achieving its purpose in Egypt or abroad, and it may also merge with it, acquire it or join it in accordance with the provisions of the law.

Technology Company for Ecommerce Operations E-ASWAAQ MISR

- Establishing, developing and operating electronic markets.
- Create, design, develop, operate, manage, maintain and advertise for e-commerce platforms and applications.
- Online marketing.
- E-commerce.
- The work of designing and producing programs and applications, establishing databases and electronic information systems, operating and training them for agricultural, industrial, technological and exporting fields.
- Establishing voice, video and data transmission networks and providing value-added services after obtaining a license from the concerned authorities.
- Communications and Internet services.
- Providing electronic payment services.
- Publicity and Advertising.
- Holding and organizing exhibitions (except for tourist exhibitions), conferences, public parties and symposiums, on the condition that the necessary licenses are issued for each exhibition separately.
- Carrying out graphic design work.
- Providing technical and technological consultations and technical support services to the sectors operating in the field of microfinance.
- Mediation in ending the administrative procedures for electronic services at the non-governmental agencies.
- Providing logistical services from sea and air freight of goods, unloading and sea transport.
- Managing and operating call centres.
- Collecting bills electronically.
- Establishing, operating and managing warehouses.
- Import, export and commercial agencies.
- Establish operating systems for banking services through the Internet and mobile phones.
- Trade secured documents electronically.

E finance for Digital and Financial Investments Company**Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023**

- Managing, maintaining and operating computer equipment, and networks, and the internal systems of banks, networks, and mainframes.
- Providing specialized operating services for information and communication technology systems.

E Nable for Outsourcing Services Company

- The information and communication technology industry, including its industrial activities, the core of electronics development, data centres, outsourcing activities, software development and technology education.
- Entering data on computers and by electronic means.
- Description and design of computer systems of various kinds.
- Description and design work for data transmission and circulation networks and Implementation and management of data transmission networks.
- Communications and Internet services
- Establishing voice, video and data transmission networks and providing value-added services after obtaining a license from the concerned authorities.
- Establishing, managing, operating and maintaining stations and networks of wired and wireless communication and satellites after obtaining a license from the concerned authorities, and this does not include radio and television.
- Activities related to the transformation of traditional content from sound, image and data to digital content, including the digitization of scientific, cultural and artistic content.
- Establishing, operating and managing call centres.
- The company may participate in any way with companies and others that carry out similar activities or that help it achieve its purpose in Egypt or abroad.

Technological operations for financial insittutions E-Finance Company (S.A.E)

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

Technological Operation for Tax Solutions company (E tax) (SAE)

Assisting the Ministry of Finance in the following purposes after following the legally established methods of contracting:

- Provide the managerial and operating services and developing the electronic tax system including: -
 - 1- E-invoice service provider and e-receipt service provider.
 - 2- E-tax portal

- 3- Providing field technical support services for the above-mentioned projects, providing consulting services and technological solutions to the Egyptian Tax Authority, and providing services and technological solutions to the Real Estate Tax Authority.

That does not conflict with the aforementioned objectives of the ministry, without breaching the provisions of the applicable laws, regulations and decisions, and on condition that the necessary licenses are issued to practice these activities.

The company may participate at any time it wants to cooperate with it in achieving its purpose in Egypt or abroad, it may also merge with it, buy it or attach it to it, in accordance with the provisions of the law.

Technological Operation for Health Insurance Services (E-Health) Company

Managing and operating the technological services of the comprehensive health insurance system.

- Specialized digital services for the health insurance sector and the health sector all over the Republic.

This is without breaching the provisions of applicable laws, regulations and decisions, and on condition that the necessary licenses are issued to practice these activities.

The company may participate in any way with companies and others that carry out activities similar to its activities or that may assist it in achieving its purpose in Egypt or abroad, and it may also merge with it, buy it or attach it to it, in accordance with the law.

2- Financial statement approval

The Interim Condensed Consolidated financial statements were approved for issuance by the Company' Board of Directors on Aug 14, 2023

3- Basis of measurement

The Interim Condensed Consolidated financial statements are prepared according to the going concern assumption and the historical cost principle, except for financial assets and liabilities that are measured at fair value which are financial derivatives, financial assets and liabilities classified at fair value through profit or loss, and financial assets classified at fair value through other comprehensive income, as well as financial assets and liabilities measured at amortized cost. Historical cost is generally based on the fair value of the consideration given to acquire the assets.

3-1 Compliance with the Accounting Standards and Laws:

- The attached Interim Condensed Consolidated financial statements were prepared according to the Egyptian Accounting Standards released by the minister of investment number 110 for 2015 and in the light of Egyptian laws and regulations in force. the Egyptian accounting standards require referring back to IFRS regarding the events and transactions which do not have an applicable Egyptian accounting standard or legal requirements that clarify a way for treatment.

3-2 Presentation Currency:

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

3-3 Consolidation basis

The Interim Condensed Consolidated financial statements consist of the financial statements of the parent company and its subsidiaries at each financial position date. the parent company has control over the investee company if it has all the following:

- control over the investee (i.e., the existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure to variable returns resulting from the partnership in the investee, or its possession of rights to these returns.
- The ability to use its power over the investee to influence the amount of returns from it.

Generally, there is an assumption that owning the majority of voting rights leads to control. To support this assumption and when the group has less than the majority of voting rights or similar rights of the investee, the group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- Contractual arrangements with other vote holders of the investee company
- Right arising from other contractual arrangements
- The group's voting rights and potential voting rights

The Group reassesses whether the company controls the investee or not, if facts and circumstances indicate that there are changes in one or more of the three elements of control. Grouping of a subsidiary begins when the group obtains control of the subsidiary and stops when the group loses control of the subsidiary. The assets, liabilities, revenues and expenses of the subsidiary that were acquired or disposed of during the period are included in the Interim Condensed Consolidated financial statements from the date of the group's control until the date the group ceases to control the subsidiary.

The balances, transactions, revenues and expenses exchanged between the group companies are completely eliminated.

The rights of non-controlling interest holders in the Interim Condensed Consolidated financial position are presented under equity in a separate clause from the equity holders of the parent company.

When the Group loses its ultimate or joint control over a subsidiary or joint venture that oblige to joint control and instead retains a significant influence over it, then it recognizes the remaining investment as an investment in an associate and measures it at its fair value on the date of losing the ultimate or joint control. The fair value of the investment remaining on the date of losing the ultimate or joint control, is considered a cost at initial recognition of the investment in an associate.

E-Finance for Digital and Financial Investments Company (the parent company) owns, directly and indirectly, the following rights in its subsidiaries:

Subsidiaries	Activity	Country of incorporation	Direct and indirect ownership percentage
Khales for Digital Payment Services	Digital payments services	Egypt	70%
Smart Card Operation Technology Company (E Cards)	Smart card operation	Egypt	89.7%
The Technology Company for E-commerce Operations(E Aswaaq Misr)	Operation of electronic markets	Egypt	61%
Enable for outsourcing services	Establishing and operating communications centres	Egypt	99.98%
Technological operation for financial institutions (E Finance)	Operating technology of financial institution	Egypt	99.99%

3-4 Use of professional judgment and estimates

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

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

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

Judgment

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

Equity Accounted in investees (associate)

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

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

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

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

Estimates and assumptions

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

The useful life of fixed assets

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

Defined Benefit Plan

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

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

Fair value measurement

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

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

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

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

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

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

Allowance for expected credit losses for trade receivables

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

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

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

4 The most significant accounting policies applied

The accounting policies that are applied in a consistent manner during the financial period ended June 30, 2022, are the same accounting policies applied for the consolidated financial statements of the year ended December 31, 2022, and these policies were applied consistently all over the presented periods in the condensed consolidated 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".	<ul style="list-style-type: none"> - These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - 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: - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". - Egyptian Accounting Standard No. (24) "Income Taxes" 	<p>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.</p> <p>Management is currently assessing the potential impact</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</p>

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. (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" 	on the financial statements from the application of amendments to the standard.	applies this model for the first time.
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	<p>1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property.</p> <p>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:</p> <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" - Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" - Egyptian Accounting Standard No. (49) "Leasing Contracts" 	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</u> retrospectively , 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.
Egyptian Accounting Standard No.	<p>1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent</p>	Management is currently studying the possibility of	The amendments of adding the option to use the revaluation

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
(36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	<p>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>changing the applied accounting policy and using the revaluation model option stated in the standard and assessing</p> <p>the potential impact on the financial statements in case of using this option.</p>	<p>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 harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented.</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 this treatment for the first time.</p>

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
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: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (10) "Fixed Assets". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) "Investment property". 	<p>Management is currently evaluating the potential impact on the financial statements from the application of the standard.</p>	<p>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.</p>

E-finance for Digital and Financial Investments Company (S.A.E)

Notes To the Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

-5 Fixed Assets

Cost

	<u>Lands & buildings</u>	<u>Computers</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipment</u>	<u>Networks</u>	<u>Point of sales</u>	<u>ATM</u>	<u>Vehicles</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Cost as of 1/1/2022	156 402 336	274 653 685	29 097 938	61 384 891	28 706 154	90 916 287	29 434 321	1 606 105	672 201 717
Additions during the year	-	60 926 317	6 736 217	6 377 061	2 271 249	7 082 113	1 082 864	-	84 475 821
Disposals during the year	-	-	-	-	-	(15 876)	-	-	(15 876)
Cost as of 31/12/2022	156 402 336	335 580 002	35 834 155	67 761 952	30 977 403	97 982 524	30 517 185	1 606 105	756 661 662

Accumulated depreciation

Accumulated depreciation as of 1 Jan 2022	17 873 155	185 164 578	9 983 268	32 186 728	23 217 038	85 840 020	23 832 561	1 322 439	379 419 787
Depreciation of the year	1 992 029	28 122 376	5 607 059	12 955 299	1 005 667	2 667 299	1 899 394	65 461	54 314 584
Disposals accumulated depreciation	-	-	-	-	-	(15 876)	-	-	(15 876)
Accumulated depreciation as of 30/06/2022	19 865 184	213 286 954	15 590 327	45 142 027	24 222 705	88 491 443	25 731 955	1 387 900	433 718 495
Net book value as of 30/06/2022	136 537 152	122 293 048	20 243 828	22 619 925	6 754 698	9 491 081	4 785 230	218 205	322 943 167

E-finance for Digital and Financial Investments Company (S.A.E)

Notes To The interim condensed consolidated Financial Statements for the financial period ended June 30, 2023

Fixed Assets

	<u>Lands & buildings</u>	<u>Computers</u>	<u>Leasehold improvement</u>	<u>Office furniture & fixtures & Electrical equipments</u>	<u>Networks</u>	<u>Point of sale</u>	<u>ATM</u>	<u>Vehicles</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
<u>Cost</u>									
Cost as of 1/1/2023	156 402 336	335 580 002	35 834 155	67 761 952	30 977 403	97 982 524	30 517 185	1 606 105	756 661 662
Additions during the period	-	26 616 687	4 442 784	1 898 994	1 310 090	8 967 560	721 909	-	43 958 024
Transferred to Contract Assets	-	-	-	(197 598)	-	-	-	-	(197 598)
Transferred to Contract Asset	-	(1 487 997)	-	-	-	-	-	-	(1 487 997)
Disposals during the period	-	(22 364)	-	-	-	-	-	-	(22 364)
Cost as of 30/06/2023	156 402 336	360 686 328	40 276 939	69 463 348	32 287 493	106 950 084	31 239 094	1 606 105	798 911 727

Accumulated depreciation

Accumulated depreciation as of 1/1/2023	19 865 184	213 286 954	15 590 327	45 142 027	24 222 705	88 491 443	25 731 955	1 387 900	433 718 495
Depreciation of the period	996 015	18 098 084	2 731 283	6 682 866	1 036 766	2 541 936	910 939	32 730	33 030 619
Disposals accumulated depreciation	-	(22 364)	-	-	-	-	-	-	(22 364)
Accumulated depreciation as of 30/06/2023	20 861 199	231 362 674	18 321 610	51 824 893	25 259 471	91 033 379	26 642 894	1 420 630	466 726 750
Net book value as of June 30, 2023	135 541 137	129 323 654	21 955 329	17 638 455	7 028 022	15 916 705	4 596 200	185 475	332 184 977

Depreciation charged to the following items

	<u>Jun 30, 2023</u>	<u>Jun 30, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Cost of sales (Note 21)	27 101 791	17 651 452
General and administrative expenses (Note 23)	5 928 828	6 778 606
Total depreciation of assets	33 030 619	24 430 058

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Intangible assets

	June 30, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
<u>Cost</u>		
The beginning cost of the period/year	76 428 234	27 445 439
Transferred from fixed assets	1 487 997	--
Transferred from projects under construction	--	8 254 613
Additions during the period/year	20 809 525	40 728 182
End of the period/year cost	98 725 756	76 428 234
<u>Deduct:</u>		
Beginning accumulated amortization for the period/year	15 802 831	6 588 686
Amortization for the period/year	11 265 643	9 214 145
Accumulated amortization at end of the period/year	27 068 474	15 802 831
Net Book Value at end of the period/year	71 657 282	60 625 403

Amortization is charged within the following items:

	The financial period ended June 30, 2023 <u>L.E</u>	The financial period ended June 30, 2023 <u>L.E</u>
Cost of revenue (Note 21)	3 939 078	2 252 267
General and Administrative Expenses (Note 23)	7 326 565	679 417
	11 265 643	2 931 684

7 **Financial Investment at fair value through Profit or Loss**

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

	June 30, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
Nclude Fund for fintech innovation	57 786 600	57 786 600
	57 786 600	57 786 600

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

E finance for Digital and Financial Investments Company**Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023**

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

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

8 Equity Investments at fair value through OCI

	<u>%</u>	<u>Investment Value</u>	
		<u>June 30, 2023</u>	<u>December 31, 2022</u>
		<u>L.E</u>	<u>L.E</u>
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.) *	%10.2	18 000 000	18 000 000
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E) **	%9.99	33 599 000	33 599 000
Delta Egypt Payments Company (S.A.E) ***	%10	2 000 000	2 000 000
The International Company for Consulting and Information Systems (ACIS) ****	%10	86 152 000	86 152 000
Other investments*****		453 024	451 008
		140 204 024	140 202 008

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

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

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

**** Investments are the value of the cost of acquiring 25 000 shares of the International Company for Consulting and Information Systems (ACIS) according to the company's fair value report. The company's contribution is 10% in the company's issued capital, the company has continued to measure the investment at cost, as the cost is an appropriate estimate of fair value. Whereas the latest available information is insufficient to measure fair value, and since there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within the range.

***** The investment presents the share of non-controlling interest share in the companies of the group.

E finance for Digital and Financial Investments Company

Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

9 Financial Investment at amortized cost

Treasury bills in the financial position represent as the following:

Purchasing value <u>L.E</u>	Purchasing date	Due date	Return Percentage %	Duration	Return <u>L.E</u>	Balance as of 30 , June 2023 <u>L.E</u>	Face Value <u>L.E</u>
95 662 315	11/01/2023	11/07/2023	20.00	181	7 163 814	102 826 129	105 150 00
181 676 000	22/01/2023	18/07/2023	20.80	177	13 168 435	194 844 435	200 000 00
500 013 667	17/01/2023	18/07/2023	20.50	182	36 845 092	536 858 759	551 125 00
513 009 595	22/01/2023	18/07/2023	21.00	177	37 542 257	550 551 852	565 250 00
59 304 375	11/05/2023	08/08/2023	22.10	89	1 436 236	60 740 611	62 500 00
<u>1 349 665 952</u>					<u>96 155 834</u>	<u>1 445 821 786</u>	<u>1 484 025 00</u>

10 **Equity accounted investees (associate)**

	%	Investment Value	
		June 30, 2023	December 31, 2022
		<u>L.E</u>	<u>L.E</u>
Technological Operation for Tax Solutions (E Tax)*	35%	34 999 975	34 999 975
Group Share in retained earnings		28 049 536	1 847 127
Group Share of Period results		15 137 977	27 952 411
		<u>78 187 488</u>	<u>64 799 513</u>
E Health (Technological Operation for Health Insurance Services)**	35%	34 999 975	34 999 975
Group Share in retained earnings		(8 071 610)	--
Group Share of Period results		(1 957 669)	(8 071 610)
		<u>24 970 696</u>	<u>26 928 365</u>
E-Comm Africa	30.9%	5 000 000	5 000 000
		<u>5 000 000</u>	<u>5 000 000</u>
<u>Total Investment in Associates</u>		<u>108 158 184</u>	<u>96 727 878</u>

* The investment in associate companies amounted to 1 399 999 shares in Technological Operation for Tax Solutions (e Tax) representing 35% of the issued capital, which was established on February 1, 2021 with an issued capital 400 million pounds and paid up capital of 100 million Egyptian pounds with par value 100 Pounds.
The company share in the retained earnings at the financial position date is 34 187 513 EGP (29 799 538 as of 31 Dec. 2022).

** The investment in associate companies amounted to 1 399 999 shares in E Health (Technological Operation for Health Insurance Services) representing 35% of the issued capital, which was established on September 13, 2021 with an issued capital 400 million pounds and paid up capital of 100 million Egyptian pounds with par value 100 Pounds.

The company's share in retained earnings at the financial position date is amounted to (10 029 279) EGP (8 071 610) as of 31 Dec, 2022) .

*** The value of the investment represents the group's share of 5 million shares in the African e-commerce platform company E COMM, benefit of 4.9 million shares for the Technology Company for Ecommerce Operation E-Aswaaq Misr, and 100 thousand shares for the benefit of a E finance for Digital and Financial Investments Company, which was established as per commercial register No.184604 dated on April 1, 2022, with an issued and paid-in capital of 10 million pounds, with a nominal value of 1 pound per share.

E finance for Digital and Financial Investments Company

Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

11 Tax:

11-1 Income tax

	For the financial period ended	
	June 30, 2023	June 30, 2022
	<u>L.E</u>	<u>L.E</u>
Current Income Tax Expenses	199 666 970	140 581 545
Treasury Bills Tax	38 385 513	23 983 745
Dividends income tax	29 763 293	18 600 545
Dividends income tax from Equity investment at FVOCI	6 458 823	3 117 595
Deferred tax (income)	13 783 472	33 375 471
Tax at Profit or Loss statement	<u>288 058 071</u>	<u>219 658 901</u>
Deferred income tax at other comprehensive income	<u>3 546 317</u>	<u>855 295</u>

11-2 Deferred tax

A) Recognized deferred tax assets

	June 30, 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	--	18 292 012	--	19 362 385
obligations of the employee benefits	54 253 686	--	46 532 427	--
Undistributed Dividends income	--	59 289 471	--	34 297 778
Tax Losses	8 852 181	--	11 457 460	--
Unrealized foreign currency exchange	1 551 721	--	76 170	--
	<u>64 657 588</u>	<u>77 581 383</u>	<u>58 066 057</u>	<u>53 660 163</u>
Net deferred tax assets	<u>--</u>	<u>12 923 895</u>	<u>4 405 894</u>	<u>--</u>
Deducts: the previously charged deferred tax assets	(4 405 894)			
Add: the deferred tax assets charged to the statement of other comprehensive	3 546 317			
Deferred taxes for the period as (expense) income	<u>13 783 472</u>			

E finance for Digital and Financial Investments Company**Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023****B) Unrecognized deferred tax assets**

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Impairment loss on trade receivable and other debit balances	11 635 706	11 510 600
	<u>11 365 706</u>	<u>11 510 600</u>

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

11-3 Adjustment of the effective tax rate

		For the financial period ended June 30, 2023		For the financial period ended June 30, 2022
		<u>L.E</u>		<u>L.E</u>
Net Profit for the period before Tax		1 014 158 619		706 181 556
Tax Income Based on Tax rate	22.5%	<u>228 185 690</u>	22.5%	<u>158 890 850</u>
Adjustments		(126 749 865)		(81 374 690)
The tax base		<u>887 408 754</u>		<u>624 806 866</u>
Current and deferred income tax	28.4%	<u>288 058 071</u>	31.1%	<u>219 658 901</u>

11-4 Income Tax payable

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Accrued Income Tax (at beginning of the period)	221 200 466	181 109 076
Formed during the period	199 666 970	314 180 227
Income tax paid	(215 162 775)	(226 556 009)
Debit -Withholding tax	<u>(26 207 971)</u>	<u>(47 532 828)</u>
	<u>179 496 690</u>	<u>221 200 466</u>

11-5 Tax position

E-finance for Digital and Financial investments

A) corporate tax

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

B) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- The company's tax inspection and assessment were carried out from the beginning of the activity until 2018, and all dues were paid.
- The company has not been tax examined for the years from 2019 until now.

C) Sales tax and value added tax

- The company submits monthly tax returns regularly on legal dates.
- The tax was examined for the company until 2015, and the company was informed of the tax differences of 258 thousand Egyptian pounds, which were fully paid.
- The company's tax examination was carried out for the years from January 1, 2016 until December 31, 2018, and forms are being extracted.

D) Stamp Tax

- The tax was examined for the company from the beginning of the activity until 2014, and the company paid all tax dues.
- The company has not been tax inspected for the years from 2015 until now.

F) Withholding taxes

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

Khales for Digital Payment Services Company

a) Corporate tax

- The company submits the tax return on the corporate profits tax on the legal dates, and the company pays the tax due from the reality of these returns.
- The company's records has not been inspected yet.

B) Payroll tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company has not been tax examined until now.

C) Value added tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records have not been inspected yet.

E finance for Digital and Financial Investments Company

Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

D) Stamp tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records have not been inspected yet.

Smart Card Operation Technology Company E-CARDS

a) Corporate tax

- The company submit the tax return on its legal dates.
- The company's records have not been inspected yet.

b) Payroll tax

- The company is committed to withholding and paying the tax on the legal dates.
- The company regularly submits monthly and quarterly return
- The company has not been tax examined until now.

c) Value added tax

- The company is registered in value-added tax on 18 March 2020.
- The company regularly submits monthly returns on a regular basis.
- The company's records has not been inspected yet.

d) Stamp tax

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

The Technology Company for Ecommerce Operations E-ASWAAQ MISR

a) Corporate tax

- The company submit the tax return on its legal dates.
- The company's records have not been inspected yet.

b) Payroll tax

- The company pays the tax on the legal dates.
- The company regularly submits monthly and quarterly return.
- The company has not been tax examined until now.

c) Value added tax

- The company is registered in value-added tax.
- The company regularly submits monthly returns on a regular basis.
- The company has not been tax examined until now.

d) Stamp tax

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

E-nable Outsourcing Services Company

a) Corporate tax

- The company submit the tax return on its legal dates.
- The company's records have not been inspected yet..

b) Payroll tax

- The company pays the tax on the legal dates.

E finance for Digital and Financial Investments Company

Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

- The company regularly submits monthly and quarterly return
- The company has not been tax examined until now.

c) Value added tax

- The company is registered in value-added tax on 28 March 2021.
- The company regularly submits monthly returns.
- The company's record has not been inspected till now.

d) Stamp tax

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

Technological Operation for Financial Institution E-finance Company (S.A.E)

a) Corporate tax

- The company submit the tax return on its legal dates.
- The company's records have not been inspected yet.

b) Payroll tax

- The company has not been examined yet .
- The company deducts and submits the tax on the legal dates.
- The company regularly submits monthly and quarterly return.

c) Value added tax

- The company has been registered on 24 February 2021.
- The company submits its returns monthly and quarterly and has not been inspected yet.

d) Stamp tax

- The company has not been examined till now.

E finance for Digital and Financial Investments Company

Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

12 Trade and other receivables :

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Accounts receivable	980 671 334	1 026 209 116
Impairment in Accounts receivable	(43 643 036)	(43 643 036)
	<u>937 028 298</u>	<u>982 566 080</u>
<u>Other Debit Balances</u>		
Prepaid expenses	91 708 616	65 766 852
Suppliers -Advance payment	60 628 876	52 062 731
Paid on Investment	24 507 832	4 928 750
Accrued revenue and accrued interests	737 787 894	400 556 611
Deposits with others	11 570 171	9 508 901
Deposits with others - Work Retention	56 899 561	57 976 127
Income Tax	5 863 476	8 758 797
Value-added tax	17 779 622	17 009 875
Letter of guarantee margin	29 373 515	3 176 294
Withholding tax	13 179 550	11 058 693
Work in progress	6 503 091	--
Prepaid employees' benefits	2 718 298	2 718 298
Notes Receivable	718 420	--
Other debit balances (Employee Share Option Plan)	30 840 571	37 638 063
Others	8 769 666	6 989 624
Impairment in other debit balances	(8 071 213)	(7 515 190)
Total debit balances	<u>1 090 777 946</u>	<u>670 634 426</u>
Total trade and other receivables	<u>2 027 806 244</u>	<u>1 653 200 506</u>

*** The Accounts Receivables, Accrued revenue and accrued interests balances for the Group as of June 30, 2023 are Formed as follows:**

	<u>Technological operations for financial institutions company (E-Finance)</u>	<u>Smart Cards Operation Technology Company (E CARDS)</u>	<u>Others</u>	<u>Total</u>
Accounts receivable	723 571 396	245 045 551	12 054 387	980 671 334
Accrued revenue and accrued interest	609 605 298	101 264 828	26 917 768	737 787 894
Total	<u>1 333 176 694</u>	<u>346 310 379</u>	<u>38 972 155</u>	<u>1 718 459 228</u>

* E-Cards company didn't prepare ECL study for the remaining balances, this is due to the quality of these debts, especially since they are related to national projects, and there are assurances that they will be collected in the subsequent period.

13 Cash and cash Equivalents

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Banks – Saving Accounts	1 189 166 594	284 149 617
Banks - time deposits	280 639 814	83 776 719
Investment funds*	15 035 285	509 786 964
Cash on hand	118 243	66 831
Balance of cash and cash equivalents	1 484 959 936	877 780 131

*** Investment Funds**

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Themar Fund, QNB	7 184 714	6 714 722
30/15 Fund	--	21 749 919
Diamond Fund - AAIB	--	473 900 214
SEYOLA fund	7 729 923	7 308 409
Youm by youm Account - Bank Misr	120 648	113 700
	15 035 285	509 786 964

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

	June 30, 2023	June 30, 2022
	<u>L.E</u>	<u>L.E</u>
Cash and Its equivalents	1 484 959 936	795 563 079
Deduct:		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	1 479 422 915	790 026 058

14 Capital

14-1 The authorized capital

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

14-2 Issued and paid-up capital

- The issued capital on the date of the company's incorporation amounted to 60 million Egyptian pounds distributed over 600 thousand shares with a par value of 100 Egyptian pounds in the commercial register on 16 August 2005.
- The issued capital was increased by 60 million Egyptian pounds based on the decision of the extraordinary general assembly meeting of the company held on December 20, 2006, so that the issued and paid-up capital of the company became 120 million Egyptian pounds.
- The extraordinary general assembly held on December 11, 2013 decided to transfer an amount of 55 million Egyptian pounds (fifty-five million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become the issued and paid-up capital after the increase of 175 million Egyptian pounds (one hundred seventy five million Egyptian pounds) distributed with the same proportions of ownership of the shareholders and this was recorded in the Commercial Registry on May 20, 2014.
- The extraordinary general assembly held on March 24, 2016 decided to transfer an amount of 50 million Egyptian pounds (fifty million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become the issued and paid-up capital after the increase 225 million Egyptian pounds (two hundred twenty five million Egyptian pounds) Distributed with the same proportions of shareholder ownership and this was recorded in the Commercial Registry on August 1, 2016.
- The extraordinary general assembly convened on November 20, 2016 decided to increase the issued capital of the company by an amount of 22.5 million Egyptian pounds (twenty-two million five hundred thousand Egyptian pounds) to make the issued capital after the increase 247.5 million Egyptian pounds (two hundred forty-seven million five hundred thousand Egyptian pounds) And the payment of it is 236.25 million Egyptian pounds (two hundred thirty-six million and two hundred fifty thousand Egyptian pounds) with the reduction of ownership percentages for shareholders after the entry of a new shareholder, the Egyptian Company for Investment Projects, by 9.09%, and this was indicated in the commercial register on December 29, 2016.
- The extraordinary general assembly held on March 21, 2018 decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) paid in full, distributed with the same proportions of shareholder ownership.
- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the

increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full, distributed with the same Shareholders ownership percentages and this was recorded in the Commercial Registry on December 19, 2018.

- The Extraordinary General Assembly held on September 23, 2019 decided to increase the issued capital by an amount of 300 million Egyptian pounds, to make the issued capital 800 million Egyptian pounds (eight hundred million Egyptian pounds) paid in full, and the entry was made in the company's commercial register on December 15, 2019.
- The extraordinary general assembly held on September 23, 2019 decided to amend the par value of the share to 0.5 Egyptian pounds (fifty piasters) instead of 100 Egyptian pounds (one hundred Egyptian pounds) so that the issued capital becomes 800 million Egyptian pounds (eight hundred million Egyptian pounds) distributed on 1.6 billion shares.
- The Extraordinary General Assembly, held on October 13, 2021, decided to increase the capital by an amount of 88,888,889 Egyptian pounds (eighty-eight million, eight hundred and eighty-eight thousand and eight hundred and eighty-nine Egyptian pounds), so that the issued capital is amounted to 888 888 889 Egyptian pounds (eight hundred eighty-eight million, eight hundred and eighty-eight thousand and eight hundred and eighty-nine Egyptian pounds) distributed over 1 777 777 778 shares.
- The Extraordinary General Assembly, held on September 15, 2021, decided to approve authorizing the company's board of directors to take the necessary measures to increase the issued capital by 4%, by issuing 71 111 111 shares, with a nominal value of fifty piasters per share, with a total value of 35 55 556 pounds. The increase is limited to Reward and incentive system On January 31, 2022, the company's board of directors convened to approve the increase, and the commercial registry was Recorded on March 17, 2022.

15 Share premium (Special reserves)

The share capital of E-Finance for Financial and Digital Investments LLC has been increased. The number of 177 777 778 at a price of 13.98 pounds per share. The value of those shares was collected with a total amount of 2 485 333 336 Egyptian pounds. This value was reduced by direct expenses related to the issuance of capital increase shares amounting to 50 828 426 million Egyptian pounds, as well as by the nominal value of the shares amounting to 88 888 889 Egyptian pounds, so the issue premium balance on December 31, 2021 amounted to 2 345 616 021 Egyptian pounds. An amount of EGP 389 153 915 was transferred to the legal reserve so that the share premium balance on September 30 , 2022 amounted to EGP 1 956 462 107.

16 Treasury Stocks

The Board of Directors, held on September 8th, 2022, decided to acquire a treasury shares with a ceiling of 5% of total capital shares through 9 months, through the local market/price.

On September 29th, 2022 a quantity of 99 682 shares at average price 13.49 EGP with a total amount of 1 345 051 EGP.

On October 2nd, 2022 a quantity of 250 000 shares at average price 13.84 EGP with a total amount of 3 460 629 EGP.

On October 12th, 2022 a quantity of 17 085 shares at average price 13.48 EGP with a total amount of 230 324 EGP.

On May 7th, 2023 a quantity of 69 000 shares at average price 17.66 EGP with a total amount of 1 218 793 EGP.

On May 9th, 2023 a quantity of 50 000 shares at average price 17.60 EGP with a total amount of 880 000 EGP.

On May 9th, 2023 a quantity of 20 000 shares at average price 17.70 EGP with a total amount of 353 983 EGP.

On Jun 8th, 2023 a quantity of 200 341 shares at average price 17.84 EGP with a total amount of 3 573 977 EGP.

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Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

On Jun 5th, 2023 a quantity of 103 078 shares at average price 17.79 EGP with a total amount of 1 833 494 EGP.

On Jun 5th, 2023 a quantity of 6 469 shares at average price 17.80 EGP with a total amount of 115 148 EGP.

On Jun 8th, 2023 a quantity of 79 345 shares at average price 18.05 EGP with a total amount of 1 432 324 EGP.

The total treasury shares as of Jun 30 , 2023 amounted 14 443 724 EGP.

17 Credit Facilities

Bank	Authorized facility limits on June 30 2023	Used until June 30, 2023	Letter of Credit and Letter of Guarantee	Nature of facility
	L.E or Its equivalents of Foreign Currency	<u>L.E</u>	<u>L.E</u>	
QNB	50 000 000	--	--	Existing debt limit
QNB	81 500 000	--	--	Limit to issuing letters of credit
QNB	50 000 000	--	--	Limit to issuing letters of guarantee
QNB	45 000 000	--	--	Limit to issuing letters of guarantee
Banque Misr	100 000 000	--	--	Limit to issuing letters of guarantee
Banque Misr	50 000 000			Import letters of credits
Banque Misr	80 000 000			Existing debt limit
QNB	100 000 000			Existing debt limit
QNB	200 000 000			Limit to issuing letters of guarantee
National Bank of Egypt	75 000 000			Existing debt limit
National Bank of Egypt	75 000 000			Limit to issuing letters of guarantee
Egyptian Bank for Imports Development	100 000 000			Existing debt limit
Ahli United Bank	150 000 000			Existing debt limit
Arab African International Bank	50 000 000	41 972 729	--	Existing debt limit
Arab African International Bank	75 000 000	--	--	Limit to issuing letters of credit
Arab African International Bank	75 000 000	--	--	Limit to issuing letters of guarantee
Arab African International Bank	500 000	--	--	Issuance limit for issuing credit cards with a guarantee of deposits
Ahli United Bank	500 000 000	--	82 773 860	Existing debt limit for multiple purpose*
Faisal Islamic Bank	80 000 000	--	--	Limit for purchasing of goods and production requirement
Commercial International Bank	150 000 000	--	--	Existing debit limit
Total	2 087 000 000	41 972 729	82 773 860	

18 Trade and other payables

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Accounts payable	375 739 988	369 501 437
	<u>375 739 988</u>	<u>369 501 437</u>
Other credit balances		
Accrued expenses	63 280 635	81 887 672
Payroll tax	19 888 740	6 549 033
Value Added Tax (VAT)	20 249 630	34 327 499
Advance payment from Customer	100 780 982	130 987 800
Withholding tax	9 323 322	8 118 535
Insurance for work guarantee	1 228 263	696 477
Deferred Revenue	87 598 522	42 474 337
Dividends Payable	7 813 822	--
Others	47 621 691	34 209 776
Total other credit balances	<u>357 785 607</u>	<u>339 251 129</u>
Total Trade and other payables	<u>733 525 595</u>	<u>708 752 566</u>

19 Non-Controlling interest

	E- Finance	E-Cards	Khales	E-Aswaq	E-nable	Total
Balance on January 1, 2022	63 256	23 300 121	32 864 952	4 789 442	1 012	61 018 783
The share of non-controlling interests in comprehensive income for the period	62 555	(4 702 311)	2 323 040	8 284 661	174	5 968 119
The share of non-controlling interests in dividends for the year	(42 988)	(7 424 744)	(2 683 077)	--	--	(10 150 809)
Total non-controlling interest as of December 31, 2022	82 823	11 173 066	32 504 915	13 074 103	1 186	56 836 093
The share of non-controlling interests in comprehensive income for the period	44 956	(1 005 280)	1 922 213	6 334 860	156	7 296 905
NCI Share in capital increase	--	--	--	--	2 016	2 016
The share of non-controlling interest in dividends	(28 040)	--	(2 160 405)	--	(82)	(2 188 527)
Total non-controlling interests as of June 30, 2023	99 739	10 167 786	32 266 723	19 408 963	3 276	61 946 487

E finance for Digital and Financial Investments Company
Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

20 Revenues:

	From April 1, 2023 till June 30, 2023	From April 1, 2022 till June 30, 2022	From Jan1,2023 till June 30, 2023	From Jan1,2022 till June 30, 2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Installation services and card operation revenue	374 803 431	220 803 598	736 384 284	444 260 768
Integrated solutions revenue	63 520 894	64 801 692	127 739 721	130 415 455
Hosting services revenue	393 384 441	226 514 212	601 024 416	307 466 297
Maintenance and network	20 428 333	71 243 577	50 257 591	100 235 021
Installations and technical support revenue	62 806 497	86 720 958	146 743 006	188 425 755
Cards Center Revenue	31 867 219	17 036 265	48 167 091	59 868 566
Other	20 650 704	15 332 356	25 114 664	31 290 924
	967 461 519	702 452 658	1 735 430 773	1 261 962 786

21 Cost of revenue

	From April 1, 2023 till June 30, 2023	From April 1, 2022 till June 30, 2022	From Jan1,2023 till June 30, 2023	From Jan1,2022 till June 30, 2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Salaries and Wages and employee benefit	184 163 426	116 055 841	366 407 212	237 301 042
Consultancy and Technical support	80 745 117	65 580 976	134 691 416	106 261 920
Card Center	48 930 570	16 216 810	92 972 559	55 391 008
Programs license & communications	54 756 049	33 489 825	105 371 332	76 425 579
Cost of goods sold	16 929 627	35 836 692	45 325 550	63 309 155
Depreciation of fixed assets (Note 5)	14 614 693	9 515 444	27 101 791	17 651 452
Amortization of ROU asset	6 694 455	1 567 310	10 358 064	3 130 750
Amortization of intangible assets (Note 6)	2 075 355	1 300 966	3 939 078	2 252 267
Contract Asset Depreciation	1 650 749	—	2 796 668	—
Employee benefits (cars)	531 851	546 141	1 063 702	1 132 607
Other Costs	5 171 475	6 772 797	9 088 915	11 175 766
	416 263 367	286 882 802	799 116 287	574 031 546

22 Dividends income from equity investments at FVOCI:

	From April 1, 2023 till June 30, 2023	From April 1, 2022 till June 30, 2022	From Jan1,2023 till June 30, 2023	From Jan1,2022 till June 30, 2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Egyptian Company for the Governmental Technology ESERVE (S.A.E)	--	--	8 668 029	4 946 057
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E)	53 758 400	--	53 758 400	25 535 240
The international company for consultancy and information systems (ACIS)	--	--	411 801	1 144 301
	<u>53 758 400</u>	<u>--</u>	<u>62 838 230</u>	<u>31 625 598</u>

23 General and Administrative Expenses

	From April 1, 2023 till June 30, 2023	From April 1, 2022 till June 30, 2022	From Jan1,2023 till June 30, 2023	From Jan1,2022 till June 30, 2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Wages and Salaries and employee benefit	29 130 825	23 336 019	58 236 662	48 007 550
Amortization of ROU asset	1 714 263	6 934 216	6 782 233	13 869 309
Stamps and deductions	8 943 977	7 845 108	12 976 869	11 051 733
Fixed Assets Depreciation (Note 5)	809 843	3 336 107	5 928 828	6 778 606
Consulting and legal fees	6 682 292	5 875 557	11 753 227	9 795 143
Comprehensive social insurance	2 919 826	1 967 779	5 506 137	3 747 316
Donations	5 500 000	3 383 334	9 500 000	5 633 334
Maintenance Expenses	3 927 702	1 629 742	8 188 067	3 585 498
Employee benefits (cars)	147 724	173 024	295 447	295 447
Amortization of intangible assets (Note 6)	4 481 971	343 330	7 326 565	679 417
Other expenses	13 879 404	18 667 670	26 747 246	26 337 969
	<u>78 137 827</u>	<u>73 491 886</u>	<u>153 241 281</u>	<u>129 781 322</u>

24 Selling and Marketing Expenses

	From April 1, 2023 till June 30, 2023	From April 1, 2022 till June 30, 2022	From Jan1,2023 till June 30, 2023	From Jan1,2022 till June 30, 2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Exhibitions	6 254 803	1 643 091	7 869 803	6 354 097
Public Relations	302 100	360 973	1 405 288	811 189
Advertisements	2 237 605	15 886 582	2 703 701	24 212 143
Other Marketing Expenses	3 154 124	3 375 419	7 636 022	6 370 367
	11 948 632	21 266 065	19 614 814	37 747 796

25 Finance Cost

	From April 1, 2023 till June 30, 2023	From April 1, 2022 till June 30, 2022	From Jan1,2023 till June 30, 2023	From Jan1,2022 till June 30, 2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Foreign exchange loss	1 739 033	1 580 954	37 080 941	4 203 536
Bank Interest expense	2 861 041	3 183 559	6 483 662	4 417 367
Finance cost-lease contracts	2 842 408	1 711 219	4 724 330	3 513 744
	7 442 482	6 475 732	48 288 933	12 134 647

26 Finance income

	From April 1, 2023 till June 30, 2023	From April 1, 2022 till June 30, 2022	From Jan1,2023 till June 30, 2023	From Jan1,2022 till June 30, 2022
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Revenues from Investment in financial investment	88 642 053	72 586 180	202 492 819	124 385 654
Bank interest on Current accounts	31 769 711	10 962 149	54 948 788	33 867 975
	120 411 764	83 548 329	257 441 607	158 253 629

E finance for Digital and Financial Investments Company

27 Related parties

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

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

			<u>Volume of Transactions during the period</u>	<u>June 30, 2023</u> <u>L.E</u>	<u>December 31, 2022</u> <u>L.E</u>	<u>Balance</u>
	<u>Relations Nature</u>	<u>Transaction Nature</u>				
<u>Due from Related Parties:</u>						
		Sales	57 150			
		Purchases and services	(26 386 003)			
E Tax (Technological Operation for Tax Solutions)	Associate	Payment on behalf	29 735 876	13 329 422	9 922 399	
		Purchases and services	356 490			
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	304 289	9 215 649	8 554 870	
				22 545 071	18 477 269	

28 Segment reporting

The company has (7) sectors that can be disclosed as shown below, which are the strategic business units of the company. Strategic business units offer different products and services, and they are managed separately because they require different strategies. For each of the strategic business units, the Company's senior management reviews internal management reports on at least a quarterly basis.

The following summary explains the operations in each of the reporting sectors of the company:

- Sector (A) - services and operation of cards
- Sector (B) - integrated solutions
- Sector (C) - installations and technical support services
- Sector (E) - Card Center services
- Sector (F) - hosting services
- Sector (G) - maintenance and network contracts
- Sector (H) - other

Segment results that are disclosed to senior management (company chairman, CEO), chief operating officer (COO), and chief financial officer (CFO) include items that are directly proportional to the sector in addition to those that can be allocated on an acceptable basis.

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

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Notes to the Interim Condensed Consolidated Financial Statement for the financial period ended June 30, 2023

	Jun 30, 2023		Technical				Total	
	Installation Services Operation of Cards &	Integrated solution	Cloud Service	Maintenance and Networks	Support	Card Center	Others	
	L.E	L.E	L.E	L.E	L.E	L.E	L.E	L.E
Revenues	736 384 284	127 739 721	601 024 416	50 257 591	146 743 006	48 167 091	25 114 664	1 735 430 773
Depreciation of fixed assets	(15 276 277)	(1 153 561)	(11 581 922)	(1 412 787)	(1 439 463)	(6 350 819)	(6 980 770)	(44 195 599)
Salaries and Wages and employee benefit	(140 463 884)	(18 077 373)	(63 017 995)	(6 223 611)	(57 922 824)	(8 018 165)	(72 683 360)	(366 407 212)
Other Costs	(215 404 559)	(39 220 498)	(58 509 745)	(23 478 854)	(7 202 281)	(32 175 699)	(12 521 840)	(388 513 476)
Gross Profit(Loss)	365 239 564	69 288 289	467 914 754	19 142 339	80 178 438	1 622 408	(67 071 306)	936 314 486
%Gross Profit(Loss)	50%	54%	78%	38%	55%	3%	-267%	54%
Other Expenses and revenues	(75 528 508)	(7 266 023)	(29 865 716)	(4 693 971)	(8 790 265)	(14 389 171)	218 377 787	77 844 133
Net Profit / (loss) before Tax	289 711 056	62 022 266	438 049 038	14 448 368	71 388 173	(12 766 763)	151 306 481	1 014 158 619
%Net Profit/ (loss) before Tax	39%	49%	73%	29%	49%	-27%	602%	58%

E-finance for Digital and Financial Investments Company

Notes to the Interim Condensed Consolidated Financial Statement for the financial period ended June 30, 2023

Jun 30, 2022

	Installation Services Operation of Cards &	Integrated solution	Cloud Service	Maintenance and Networks	Technical & Consultancy Support	Card Center	others	Total
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Revenue	444 260 768	130 415 455	307 466 297	100 235 021	188 425 755	59 868 566	31 290 924	1 261 962 786
Depreciation of fixed assets	(6 962 514)	(730 571)	(3 428 728)	(747 043)	(3 064 810)	(5 106 398)	(2 994 405)	(23 034 469)
Salaries and Wages and employee benefit	(83 661 197)	(17 032 456)	(20 713 316)	(8 230 040)	(36 668 892)	(4 814 819)	(66 180 322)	(237 301 042)
Other Cost	(106 347 083)	(27 760 093)	(41 923 286)	(41 781 079)	(22 643 855)	(37 167 542)	(36 073 097)	(313 696 035)
Gross Profit/(Loss)	247 289 974	84 892 335	241 400 967	49 476 859	126 048 198	12 779 807	(73 956 900)	687 931 240
%Gross Profit/(Loss)	56%	65%	79%	49%	67%	21%	-236%	55%
Other Expenses and revenue	(48 913 080)	(13 423 162)	(14 090 210)	(3 200 983)	(8 394 921)	(13 385 286)	119 657 958	18 250 316
Net Profit before Tax	198 376 894	71 469 173	227 310 757	46 275 876	117 653 277	(605 479)	45 701 058	706 181 556
%Net Profit before Tax	45%	55%	74%	46%	62%	-1%	146%	56%

29 Objectives and policies of financial instruments risk management

The Company is exposed to the following risks arising from the use of financial instruments:

- A) Credit risk
- B) Market risk
- C) Liquidity risk

This note provides information about the Company's exposure to each of the risks mentioned above, and the Company's objectives, policies and processes in relation to measuring and managing these risks.

The company's board of directors is responsible for developing and supervising a framework for managing the risks that the company is exposed to. The top management of the company is responsible for setting and monitoring risk management policies and submitting reports to the Board of Directors dealing with its activities on a regular basis.

The current framework for managing financial risks in the Company is a combination of formally documented risk management policies in specific areas and undocumented risk management policies used in other areas.

A) Credit risk

They are financial losses that the company incurs in the event that the client or the counterparty fails to fulfill its obligations that are regulated by the financial instrument contract, and then the company is exposed to credit risk mainly from clients, notes and other receipts, and due from related parties as well as from its financial activities, including balances with Banks.

Other financial assets and cash deposits

With respect to credit risk arising from the company's other financial assets at amortized cost, the entity is exposed to credit risk as a result of default by the counterparty in payment to a maximum equivalent to the carrying value of these assets.

The financial sector manages credit risk arising from bank balances, and the company limits its exposure to credit risk by depositing balances with international banks only or with reputable local banks, and local banks are subject to the supervision of the Central Bank of Egypt, and thus the risk of exposure to credit risk is weak.

The maximum exposure to risk is limited to the balances shown in (Note 13)

Due from related parties

Balances due from related parties are considered to have a minimum credit risk where the maximum exposure is equivalent to the book value of these balances Investments

Trade and other receivables

Credit risk arises based on the company's control policy, procedures and systems related to risk management. The credit strength of the customer is measured based on a credit score card for each individual customer and the credit limit is determined based on this evaluation. The company's revenues are due to a large company of clients with financial solvency and the outstanding balances of customers are constantly monitored, and the company conducts a study of impairment in every financial year.

E finance for Digital and Financial Investments Company
Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

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

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Trade and other receivables	2 027 806 244	1 653 200 506
Due from related parties	22 545 071	18 477 269
Cash and Cash equivalents	1 484 959 936	877 780 131
Financial Investments at amortized cost	1 445 821 786	2 356 623 232
Financial Investments at FVTOCI	140 204 024	140 202 008
Financial Investments at FVTPL	57 786 600	57 786 600
Employees loans	6 418 025	55 581 185

The Company determines the degree of credit risk based on data identified as expected of loss risk (The historical collection for the customer, customer contract terms) and historical credit terms. Credit risk grades are determined using qualitative and quantitative factors that indicate the risk of default.

The expected credit loss is assessed as follows:

- 1- The customer list has been divided into two sectors.
- 2- Each sector is divided by the age of trade receivables debt.
- 3- Each sector was reviewed according to the historical events of each sector. According to the study conducted, the expected default rate is derived from each of the above period.
- 4- General economic conditions

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

B) Market risk

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

Exposure to interest rate risk

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

E finance for Digital and Financial Investments Company
Notes to The Interim Condensed Consolidated Financial Statements for the financial period ended June 30, 2023

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

	June 30, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Cash and Cash equivalent	1 484 959 936	877 780 131
	1 484 959 936	877 780 131
	June 30, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
<u>Fixed interest rate financial instruments</u>		
Financial investments at amortized cost	1 445 821 786	2 356 623 232
	1 445 821 786	2 356 623 232

Exposure to foreign exchange rate risk

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

<u>Foreign Currencies</u>	<u>Exchange rate</u>	<u>Net Liability</u>	
		<u>In Foreign Currency</u>	<u>In EGP</u>
US Dollar	30.94	(332 163)	(10 277 123)
Euro	33.37	7 232	308 073

C) Liquidity risk

The group's management monitors the group's cash flows, financing and liquidity requirements of the group. The group's goal is to achieve a balance between continuity of financing and flexibility by obtaining loans from banks. The group manages liquidity risk by maintaining adequate reserves and by obtaining borrowing facilities, whereby the parent company maintains credit limits of 2 Billion Egyptian pound by continuously monitoring expected and actual cash flows and matching the maturity of assets and financial liabilities.

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

E finance for Digital and Financial Investments Company

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

June 30, 2023

	Net Book Value	Less than year	From 1 to 2	From 2 to 5
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Trade and other payables	733 525 595	733 525 595	--	--
Other Obligations	241 604 257	--	--	241 604 257
Bank facilities	41 972 729	21 229 296	20 743 433	--
Income tax payable	179 496 690	179 496 690	--	--
Lease liability	77 206 951	38 399 863	38 807 088	--
Total	1 273 806 222	972 651 444	59 550 521	241 604 257

December 31, 2022

	Net Book Value	Less than year	From 1 to 2	From 2 to 5
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Trade and other payables	708 752 566	708 752 566	--	--
Other Obligations	535 360 234	296 610 044	31 939 225	206 810 785
Income tax payable	221 200 466	221 200 466	--	--
Lease Liability	59 858 989	32 075 339	27 783 650	--
Total	1 525 172 255	1 258 638 415	59 772 875	206 810 785

30 Capital Management

For the purpose of managing the company's capital, it includes the capital, the issued capital, and all other equity reserves of the company's shareholders.

The parent company manages its capital structure and makes adjustments to it in light of changes in business conditions as well as to meet future developments of the activity. No changes were made in the objectives, policies or processes during the year, and the Company is not subject to any external requirements imposed on its capital.

	June 30, 2023	December 31, 2022
Total liability	1 286 730 117	1 303 971 789
Less cash & Equivalent	(1 484 959 936)	(877 780 131)
Net Liability	(198 229 819)	426 191 658
Total Equity	4 783 520 236	4 630 815 516
Net liability: total equity percentage	(4.14%)	9.20%

31 Contingent liabilities

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

	June 30, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Letters of Guarantee	82 773 860	206 286 539

32 Employees Share Option Plan

- The extraordinary general assembly of the company, held on December 23, 2019, agreed to add a new chapter to the company's articles of association, which is concerned with rewarding and motivating employees and managers.
- On September 15, 2021, the Extraordinary General Assembly decided to approve the employee stock ownership plan for the company's employees by promising to sell shares at decreased prices and granting free shares, with percentage 4% of the issued capital, and these shares are provided by increasing The capital from the retained earnings at the nominal value of the share is distributed as follows: -
 - 1) 1% of the shares allocated to the scheme under the system of promise to sell at reduced price (40% of the average share price through a period of three months).
 - 2) 3% of the shares allocated to the system are granted free of charge to the beneficiaries.
- The beneficiary of the plan must meet the plan requirements of the services period to be not less than one year before transferring the ownership of the shares to him/her, and his/her evaluation rate is not less than 90% on the annual performance evaluation reports prepared by the competent department of the company. One of these conditions could be by passed or other extra conditions could be added to them, after obtaining the approval of the Financial Supervisory Authority, and provided that no owe of the beneficiaries has voted on a decision relevant to his/her benefit, and the company is committed to include it in its annual disclosure. The period of this plan is five years starting from the adoption of the plan by the Financial Supervisory Authority.
- On January 16, 2022, the Financial Regulatory Authority approved the Employee Incentive and Reward System, and on January 25, the General Authority for Investment and Free Zones approved the Employee Incentive and Reward System. On January 21, 2022, the Board of Directors of the Company met to approve the increase of the company's capital by 4% related to the employee incentive system.
- On September 29, 2022 the chairman was delegated to complete the remaining according to the financial performance, The 25% represents 4 181 114 Shares, with a total value of 58 117 484 EGP, (after deducting the nominal value of shares) and according to the system the shares were sold for employees with a reduced value of 5.76 EGP, so the group bear on behalf of the employees 34 034 268 EGP Recognized in the consolidated statement of profit and loss for the year ended Dec 31, 2022.
- On November 14th, 2022 the remaining shares were activated with a total 13 596 664 Shares with a total value 188 993 630 EGP (after deducting the nominal value) , so the group bears on behalf of the employees 110 676 845 EGP which has been recognized in the consolidated statement of profit and loss for the year ended Dec 31, 2022.
- 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 8 640 256 Egyptian pounds.

33 Earnings per share

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

	For the financial period ended June 30, 2023 <u>L.E</u>	For the financial period ended June 30, 2022 <u>L.E</u>
Net profit for the period for the owners of the company (EGP)	718 369 358	479 674 534
BOD and employees share suggested / actual (EGP)	(100 028 834)	(119 080 850)
Net Profit available for ordinary shares (EGP)	618 340 524	360 593 684
Average number of shares outstanding during the period for basic earnings (share)	1 793 647 756	1 777 777 778
Basic share in earnings for the period (EGP/share)	0.34	0.20