

E-Finance For Digital and Financial Investments Company
(S.A.E)
Interim Condensed Separate 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 Separate Financial Statements

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

Introduction

We have performed a review for the accompanying interim condensed separate statement of financial position of E-Finance for Digital and Financial Investments Company (S.A.E) as of June 30, 2023, the related interim condensed separate 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 financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed separate financial statements based on our review.

Scope of Review

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

Base for Conclusion

- 1- The company continued to record some investments under equity investment at fair value through other comprehensive income amounting to EGP 53 599 000 on June 30, 2023(EGP 53 599 000 on December 31, 2022), at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments".
- 2- The company did not provide us with reviewed financial statements for one of the companies it has invested in, as stated in Note (8) (Technological Operation for Health Insurance Services (E Health). Consequently, we were unable to verify the value of the investment.



Hazem Hassan

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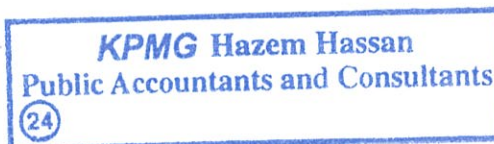
Conclusion

Except for the impact of the above in paragraphs 1 and except for adjustments in the interim condensed separate financial statements of which we would have been aware if the above in paragraph 2 has not occurred, Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed separate financial statements do not fairly and clearly present in all material aspects the financial position of the Company as of 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



Translation from Arabic

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

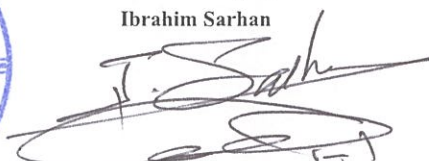
	<u>Note No.</u>	<u>June 30, 2023</u> <u>L.E.</u>	<u>December 31, 2022</u> <u>L.E.</u>
<u>Non current assets</u>			
Fixed assets	5	70 974 483	71 077 453
Project Under Constructions		1 725 821	1 725 821
Prepaid employee benefits		1 058 168	1 627 168
Due from related parties	24-1	195 267 568	195 267 568
Equity-investment at FVTPL	7	57 786 600	57 786 600
Investments in subsidiaries and associate companies	8	1 087 341 045	1 037 351 045
Equity-investment at FVOCI	6	139 851 000	139 851 000
Employee loans-ESOP		1 173 756	11 769 336
Deferred tax assets	(9-2)	22 711 363	18 687 543
Total non current assets		1 577 889 804	1 535 143 534
<u>Current assets</u>			
Trade and other receivables	11	173 130 537	125 731 710
Due from related parties	24-2	162 129 508	97 084 390
Financial investments at amortized cost	10	1 282 255 046	1 931 376 152
Cash and cash equivalents	12	1 034 824 622	627 153 869
Total current assets		2 652 339 713	2 781 346 121
Total assets		4 230 229 517	4 316 489 655
<u>Owners equity & Liabilities</u>			
<u>Owners equity</u>			
Paid-up capital	13	924 444 445	924 444 445
Share Premium (Special reserve)	14	1 956 462 107	1 956 462 107
Reserves		500 003 478	563 784 373
ESOP reserve		247 111 100	247 111 100
Treasury Shares	15	(14 443 724)	(5 036 004)
Retained earnings		466 403 234	478 298 377
Total Equity		4 079 980 640	4 165 064 398
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
Employee benefits Liabilities (End of service)		113 645 222	95 564 656
Total non current liabilities		113 645 222	95 564 656
<u>Current liabilities</u>			
Trade and other payables	17	36 603 655	55 860 601
Total current liabilities		36 603 655	55 860 601
Total Liabilities		150 248 877	151 425 257
Total equity and liabilities		4 230 229 517	4 316 489 655

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

Chief executive Financial Officer
Essam Bahgat




Chairman & Managing Director
Ibrahim Sarhan



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

	<u>Note No.</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
		<u>L.E.</u>	<u>L.E.</u>
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Chief executive Financial Officer
Essam Bahgat

Chairman & Managing Director
Ibrahim Sarhan

Translation from Arabic

E-Finance for Digital and Financial Investments Company

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

	<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>
		<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Revenue	18	53 758 400	-	362 221 160	217 631 048
Cost of Revenue	19	(40 471 908)	(28 807 675)	(78 267 102)	(61 872 878)
Gross profit		13 286 492	(28 807 675)	283 954 058	155 758 170
Other Income		4 234 403	4 222 712	21 300 221	15 165 610
General and administrative expenses	20	(14 602 790)	(12 410 506)	(24 369 772)	(18 728 339)
Employee Share Option Plan (Share-based Payment) Expense	28	(8 619 460)	-	(11 245 730)	-
Marketing and selling expenses	21	(8 973 263)	(18 233 302)	(13 683 031)	(28 209 157)
Other expenses		(874 500)	(302 000)	(1 755 000)	(1 016 000)
Operating Profit		(15 549 118)	(55 530 771)	254 200 746	122 970 284
Finance cost	22	(53 412)	(10 886)	(1 013 850)	(125 920)
Finance Income	23	90 617 940	71 688 713	200 347 581	137 551 871
Net profit for the period before tax		75 015 410	16 147 056	453 534 477	260 396 235
Income tax expense	(9-1)	(12 740 411)	(7 932 138)	(63 310 556)	(39 181 046)
Net profit for the period after tax		62 274 999	8 214 918	390 223 921	221 215 189
Basic Earning Per Share	29	0.10	(0.0046)	0.18	0.10

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

E-Finance for Digital and Financial Investments Company

Interim Condensed Separate Statement of Comprehensive income for the financial period

	<u>From April 1,2023 till June 30,2023</u>	<u>From April 1,2022 till June 30,2022</u>	<u>From Jan 1,2023 till June 30,2023</u>	<u>From Jan 1,2022 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	62 274 999	8 214 918	390 223 921	221 215 189
<u>Other comprehensive income :-</u>				
Actuarial gain from employee benefit plan	3 827 737	23 083	7 655 475	389 375
Income Tax related to other comprehensive income	(861 241)	(5 193)	(1 722 482)	(87 609)
Total other comprehensive income	2 966 496	17 890	5 932 993	301 766
Total comprehensive Income	65 241 495	8 232 808	396 156 914	221 516 955

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

E-Finance for Digital and Financial Investments Company		Interim Condensed Separate Statement of change in shareholders equity for the financial Period ended June 30, 2023						Translation from Arabic	
		Paid up Capital	Legal Reserve	General Reserve	Reserve resulted from spin-off	Other Reserves	Share Premium (Special Reserve)	Retained earnings	Total
		L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as of 1/1/2022		888 888 889	55 290 530	20 000 000	69 713 888	3 904 628	2 345 616 021	250 990 285	3 634 404 241
Comprehensive Income items									
Net profit for the period		-	-	-	-	-	-	221 215 189	221 215 189
Other comprehensive income		-	-	-	-	301 766	-	-	301 766
Total comprehensive income		-	-	-	-	301 766	-	221 215 189	221 516 955
Transaction with the company's shareholders									
Transferred to Legal Reserve		-	389 153 914	-	-	-	(389 153 914)	-	-
Capital Increase in March 17, 2022		35 555 556	-	-	-	-	-	(35 555 556)	-
Dividends according to the ordinary general assembly meeting held in xx		-	-	-	-	-	-	(208 969 303)	(208 969 303)
Total transaction with shareholders		35 555 556	389 153 914	-	-	-	(389 153 914)	(244 524 859)	(208 969 303)
Balance as of June 30, 2022		924 444 445	444 444 444	20 000 000	69 713 888	4 206 394	1 956 462 107	227 680 615	3 646 951 893

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

E-Finance for Digital and Financial Investments Company

Translation from Arabic

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

	Paid-Up Capital	Legal Reserve	General Reserve	Reserve resulted from spin-off	Other Reserves	Employee Share Option Plan Reserve	Treasury Stock	Share Premium (Special Reserve)	Retained earnings	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as of 1/1/ 2023	924 444 445	469 277 757	20 000 000	69 713 888	4 792 728	247 111 100	(5 036 004)	1 956 462 107	478 298 377	4165 064 398
Comprehensive Income Items:										
Net profit for the period	-	-	-	-	-	-	-	-	390 223 921	390 223 921
Other comprehensive income items	-	-	-	-	5 932 993	-	-	-	-	5 932 993
Total comprehensive income	-	-	-	-	5 932 993	-	-	-	390 223 921	396 156 914
Transaction with the owners's of the company										
Transfere of Legal reserve resulted from the spin off to retained earnings according to the Ordinary general assembly meeting held in 21 March 2022	-	-	-	(69 713 888)	-	-	-	-	69 713 888	-
Treasury Stock	-	-	-	-	-	-	(9 407 720)	-	-	(9 407 720)
Dividends according to the ordinary general assembly meeting held in March 21, 2023 - BOD and Employees	-	-	-	-	-	-	-	-	(67 483 763)	(67 483 763)
Dividends according to the ordinary general assembly meeting held in March 21, 2023	-	-	-	-	-	-	-	-	(404 349 189)	(404 349 189)
Total transaction with the owner's of the company	-	-	-	(69 713 888)	-	-	(9 407 720)	-	(402 119 064)	(481 240 672)
Balance as of June 30 , 2023	924 444 445	469 277 757	20 000 000	-	10 725 721	247 111 100	(14 443 724)	1 956 462 107	466 403 234	4 079 980 640

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

E-Finance for Digital and Financial Investments Company
Interim Condensed Separate Statement of Cash flows for the financial period

	<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>		
Net profit for the period	453 534 477	260 396 235
<u>Adjustments to reconcile net profit to</u>		
<u>Net cash flow from operating activities</u>		
Fixed assets depreciation	1 899 520	1 413 445
Prepaid Amortization of employee benefits	569 000	569 000
Dividend income from equity investment at FVOCI	(64 588 229)	(31 625 598)
Investment Income from Financial Assets at Amortized Cost	(153 616 440)	-
Credit Interest	(46 731 141)	(137 603 785)
Debit interest	-	125 920
Employee end of service benefit formed	22 260 849	22 139 792
Foreign Currency Exchange	-	3 226
	<u>213 328 036</u>	<u>115 418 235</u>
Change in Trade and other receivables	(81 839 075)	(145 172 790)
Change in due from related parties	(61 569 926)	(134 379 719)
Change in Trade and other payables	(19 256 946)	(11 524 663)
Change in due to related parties	-	4 976 774
Cash flow Resulted from / (used in) operating activities	<u>50 662 089</u>	<u>(170 682 163)</u>
Collected credit interest	46 731 141	27 222 795
Collected Debit interest	-	(125 920)
Change in Advances to employee-ESOP shares	13 161 081	-
Dividends to Board and employees Rewards	(67 483 763)	(31 191 525)
Net cash Resulted from / (used in) operating activities	<u>43 070 548</u>	<u>(174 776 813)</u>
<u>Cash flow from investing activities</u>		
Proceeds of investments at amortized cost	62 761 790	39 000 000
Payments for the acquisition of investments at amortized cost	709 252 468	(1304 499 900)
Payment of purchasing investments in associate companies	(49 990 000)	(20 999 985)
Proceeds from dividends from equity investments at FVOCI	58 129 406	28 508 003
Payment of purchasing fixed assets	(1 796 550)	(374 228)
Payment from dividends from equity investments at FVOCI	-	(3 000 000)
Net cashflow Resulted from /(used in) investing activities	<u>778 357 114</u>	<u>(1 261 366 110)</u>
<u>Cash flow from financing activities</u>		
Payment of purchasing Treasury Stocks	(9 407 720)	-
Dividends Payment	(404 349 189)	(177 777 778)
Net cash used in financing activities	<u>(413 756 909)</u>	<u>(177 777 778)</u>
Net change in cash & cash equivalent during the period	<u>407 670 753</u>	<u>(1 613 920 701)</u>
Cash & cash equivalent at beginning of the period	<u>621 616 848</u>	<u>1 983 380 741</u>
Cash & cash equivalent at end of the period	<u>1 029 287 601</u>	<u>369 460 040</u>

(Note 12)

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

1- Company's background

1-1 Legal entity

- The company was established in the name of Raya for Technology of Operating Financial Institutions Company, and the name has been modified to E-finance for Digital and Financial investment Company- S.A.E- an Egyptian joint stock company - Giza Commercial Registry No. 15026 on 08/06/2005 in accordance with the provisions of Law No. 8 of 1997 Law of Guarantees And investment incentives, as amended by Law No. 72 of 2017 and Law No. 159 of 1981 and its executive regulations.
- The demerged company on 31 December 2020 will replace the demerge legally in terms of its rights and obligations, in what it has in rights and what it owes in obligations with what was included in the decision issued by the economic performance sector in the division (from the committee formed pursuant to a decision No. 380 of 2020), and the demerged company shall replace the demerger company in all contracts and agreements concluded before the demerge, as well as in all lease contracts concluded by the demerger company before the demerge. And replace it legally in what it have in rights and what it owes in obligations as well as all licensed agreements.
- The duration of the company is twenty-five years, starting from the date of registration in the commercial register.
- The company's headquarters: Building No. A3B 82 - Smart Village - Kilo 28 Cairo-Alexandria Desert Road - Giza.

1-2 Company's Purpose:

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

2- Financial statement approval

The interim separate condensed financial statements were approved for issuance by the Company' Board of Directors on 14 August,2023.

3- Basis of preparation of separate financial statement

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

3-1 Compliance by the Accounting Standards and Laws:

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

3-2 Presentation Currency:

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

3-3 Consolidated financial statements

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

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

3-4 Use of professional judgment and estimates

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

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

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

Judgment

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

The existence of significant influence of investments in equity instruments

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

Investments in subsidiaries and associate companies

Investments in subsidiaries are recorded at the time of acquisition at cost, and in the event of impairment in the recoverable value of any investment from its book value, the book value is adjusted by the value of impairment and charged to the profit or loss statement for each investment separately. The associate company is a firm for which the company has significant influence through sharing in the financial and operational decision for this firm but not to the extent of control or Joint control. The value of investments in associate companies is stated in the company's financial statements at cost.

Estimates and assumptions

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

The useful life of fixed assets

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

Estimate of expected credit losses

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

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

Impairment of non-financial assets

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

Defined Benefit Plan

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

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

Fair value measurement

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

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

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

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

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

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

4 The most significant applied accounting policies

The accounting policies are applied when preparing the interim condensed financial statements on June 30, 2023, are the same as the accounting policies applied in the separate financial statements on December 31, 2022. The accounting policies that mentioned below are applied in a consistent manner during the financial periods presented in these separate financial statements.

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

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

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	<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" - 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" 	<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 on the financial statements from the application of amendments to the standard.</p>	<p>The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023, retrospectively</u>, cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.</p>
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	<ol style="list-style-type: none"> 1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". 	<p>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</p>	<p>The amendments of adding the option to use the fair value model are effective for financial periods starting <u>on or after January 1, 2023 retrospectively</u>, cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings or losses at the</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. (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" 	of using this option.	beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	<p>1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets.</p> <p>2- The company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should 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 consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.</p>	<p>Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in the standard and assessing</p> <p>the potential impact on the financial statements in case of using this option.</p>	<p>The amendments of adding the option to use the revaluation model are effective for financial periods starting <u>on or after January 1, 2023, retrospectively,</u> cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.</p>
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	<p>1- This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10)</p>	<p>Management is currently assessing the potential impact on the financial statements from the application of</p>	<p>These amendments are effective for annual financial periods starting <u>on or after January 1, 2023 retrospectively,</u> cumulative impact of</p>

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<p>"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>	amendments to the standard.	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.
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: 	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting <u>on or after July 1, 2024</u> , and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.

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. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ". 		

E-Finance for Digital and Financial Investments Company

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

5- Fixed Assets

	<u>Lands & buildings</u>	<u>Computers</u>	<u>Leasehold Improvements</u>	<u>Furniture, Equipments and electrical appliances</u>	<u>Networks and electrical appliances</u>	<u>Total</u>
<u>Cost</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Cost as of 1/1/2023	86 402 332	1 396 627	802 988	1 437 895	1 999 067	92 038 909
Additions during the period	-	1 001 236	-	652 370	142 944	1 796 550
Balance as of March 31, 2023	86 402 332	2 397 863	802 988	2 090 265	2 142 011	93 835 459
<u>Accumulated depreciation</u>						
Accumulated depreciation as of 1/1/2023	19 865 184	636 791	22 304	419 296	17 881	20 961 456
Depreciation of the period	996 015	398 566	44 610	198 534	261 795	1 899 520
Accumulated depreciation as of June 30, 2023	20 861 199	1 035 357	66 914	617 830	279 676	22 860 976
Net book value as of June 30, 2023	65 541 133	1 362 506	736 074	1 472 435	1 862 335	70 974 483
<u>Depreciation charged under the following items:</u>						
	<u>From Jan 1, 2023 till June 30, 2023</u>	<u>From Jan 1, 2022 till June 30, 2022</u>				
	<u>L.E.</u>	<u>L.E.</u>				
Cost of Revenue (Note 19)	903 505	417 430				
General & Administrative expenses (Note 20)	996 015	996 015				
	1 899 520	1 413 445				

E-Finance for Digital and Financial Investments Company

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

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

6 Equity investment at FVOCI

	<u>%</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
		<u>L.E</u>	<u>L.E</u>
Misr for Government Technological Services –			
ESERVE (S.A.E.) *	%10.20	18 000 000	18 000 000
Misr Technology Services -MTS (S.A.E) **	%9.99	33 599 000	33 599 000
Delta Misr Company (S.A.E) ***	%10	2 000 000	2 000 000
El Alameya for Consultations & Information System (ACIS) ****	%10	86 152 000	86 152 000
E -Comm Africa (S.A.E) *****	%1	100 000	100 000
		139 851 000	139 851 000

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

* Investments are the value of the contribution of 10.20% in the Misr for Government Technological Services- ESERVE (S.A.E), which was Registered in the Commercial Registry under No. 105277 on May 7, 2017.

** The investments are the value of the contribution of 9.99% in Misr Technology Services (MTS), which was Registered in the Commercial Registry under No. 45813 on May 17, 2010.

*** Investments are the value of the contribution of 10% in the Delta Misr Company (S.A.E), which was Registered in the Commercial Registry under No. 8573 on February 21 2019. during 2022, the amount of 500 000 pounds will be paid, so that the payment will be 100% of the capital.

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

***** Investments are the value of the cost of acquiring 100,000 shares of the E -Comm Africa (S.A.E) according to the company's fair value report. The company's contribution is 1% in the company's issued capital

7 Equity investment at FVTPL

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

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

* This investment is the value of the Contribution in Nclude FinTech Innovation Fund (Limited Partnership), which was established on March 13, 2022, under the regulations of the Financial Services Regulatory Authority of the Abu Dhabi Global Market. "Nclude," is investing in Financial Institutions and Fintech start-ups in Egypt and beyond. The investment period is 5 years, and the life of the fund is 10 years. The company's investment in the fund is 10 million US dollars. 3 million US dollars have been paid, equivalent to 57 786 600 Egyptian pounds, and the rest will be paid over a period of four years starting 12 months after the first Payment of 3 Million US dollars on quarterly installments, and the fund manager has the right to request exceptional payments during the investment period of the fund , net proceeds available for distribution (whether Investment Proceeds or income from Short-Term Investments) will be allocated among the Non-Defaulting Partners in proportion to their respective Capital Contributions, and then distributed to the General Partner and each Non-Defaulting Partner and not later than ninety (90) days after they are realized in respect of Investment Proceeds, as follows:

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

8 Investments in subsidiaries and Associate Companies

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

	<u>%</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
		<u>L.E</u>	<u>L.E</u>
Khales for Digital Payment Services Company (S.A.E.) - A	%70	74 723 406	74 723 406
Smart Card Operation Technology Company E-Cards (S.A.E.) - B	%89	136 210 815	136 210 815
The Technological Company for Ecommerce Operations E-Aswaaq Misr (S.A.E.) - C	%61	32 421 570	32 421 570
E-nable for Outsourcing Services (eNable) (S.A.E.) - D	%99.98	79 271 150	29 281 150
Technological Operation for Financial Institution E-finance Company (S.A.E.) -E	%99.99	694 714 154	694 714 154
Technological Operation for Tax solutions e tax (S.A.E.) - F	%35	34 999 975	34 999 975
Insurance Services Operation Technology Company e-Health (S.A.E.) – G	%35	34 999 975	34 999 975
		1 087 341 045	1 037 351 045

- A- The value of the company's contribution of 70% in the issued capital of Khales for Digital Payment Services Company (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 144515 on December 30, 2019 (An additional investment value has been added for 580 271 shares at a discounted price that were granted to Khales employees at a value of 4 723 406 Egyptian pounds).
- B- The value of the company's contribution of 89% in the issued capital of the Smart Card Operation Technology Company E-Cards (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 146132 on January 29, 2020. (An additional investment value has been added for 333 024 shares at a discounted price that were granted to E-Cards employees at a value of 2 710 815 Egyptian pounds).
- C- The value of the company's contribution of 61% in the issued capital of The Technology Company for Ecommerce Operations E-Aswaaq Misr (S.A.E) and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 150444 on 1 July, 2020. (An additional investment value has been added for 610 783 shares at a discounted price that were granted to E-Aswaaq Misr employees at a value of 4 971 570 Egyptian pounds).
- D- The value of the company's contribution of 99.98% in the issued capital of the E-nable for Outsourcing Services (eNable) (S.A.E) and the payment represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 159506 on 29 -December-2020. (An additional investment value has been added for 526 554 shares at a discounted price that were granted to eNable employees at a value of 4 286 149 Egyptian pounds). According to the meeting held on 27/3/2023, the Board of Directors has decided to complete 50% of the company's share in the issued capital, with a value of 49,999,990 Egyptian pounds.

- E- The value of the company's contribution of 99.99% in the issued capital of the Technological Operation for Financial Institution E-finance Company (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 159585 dated on December 30, 2020. (An additional investment value has been added for 11 640 862 shares at a discounted price that were granted to Technological Operation for Financial Institution E-finance employees at a value of 94 756 617 Million Egyptian pounds).
- F- The value of the company's contribution of 35% in the issued capital of the Technological Operation for Tax solutions e-tax (S.A.E), and the payer represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 161093 dated on February 1, 2021.
- G- The value of the company's contribution of 35% in the issued capital of the Insurance Services Operation Technology Company E-Health (S.A.E), and the payer represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 172265 dated on September 13, 2021.

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

9 Tax

9-1 Income tax

	<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>
Current Income Tax Expenses	2 111 454	-
Tax dividends income from equity investments through FVOCI	6 458 823	3 117 595
Tax dividends income from equity investments in subsidiaries	29 763 293	18 600 545
Treasury bills tax	30 723 288	22 076 199
Deferred tax (Benefit)	(5 746 302)	(4 613 293)
Current and deferred tax expense / (income)	63 310 556	39 181 046
Deferred income tax on other comprehensive income	1 722 482	87 609

9-2 Deferred tax

Deferred tax assets (liabilities) recognized

A-	<u>June 30, 2023</u>		<u>December 31, 2022</u>	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Depreciation of fixed assets	-	2 858 812	-	2 814 505
Employee benefit liability	25 570 175	-	21 502 048	-
	25 570 175	2 858 812	21 502 048	2 814 505
Net deferred tax assets	22 711 363	-	18 687 543	-
Deduct: the previously charged deferred tax assets	(18 687 543)			
Add: the deferred tax assets charged to the statement of other comprehensive income	1 722 482			
Deferred taxes for the period Benefit	5 746 302			

B) Adjustment of the effective tax rate

	<u>From Jan</u> <u>1,2023 till June</u> <u>30,2023</u> <u>L.E</u>		<u>From Jan</u> <u>1,2022 till June</u> <u>30,2022</u> <u>L.E</u>
Net Profit of the period before Tax	453 534 477		260 396 235
Income Tax Based on Tax rate 22.5%	102 045 257	22.5%	58 589 153
Expenses that are not deductible and others	(139 360 048)		16 058 686
Revenues exempted	(304 790 189)		(299 301 728)
The tax Base	<u>9 384 240</u>		<u>(22 846 807)</u>
Current and deferred income tax	<u>63 310 556</u>	13.9%	<u>39 181 046</u>
			15%

9-3 Income Tax payable

	<u>June 30, 2023</u> <u>L.E</u>	<u>December 31,2022</u> <u>L.E</u>
Income Tax (Debit) at the beginning of the period	(8 758 797)	(9 466 207)
Formed during the period	2 111 454	-
Income tax paid on consulting services	783 767	707 410
	<u>(5 863 476)</u>	<u>(8 758 797)</u>

9-4 Tax position

A) corporate tax

- The company had tax exemption until December 31, 2017, and the company was subject to tax according to the letter of the General Authority for Investment and Free Zones, starting from January 1, 2018.
- The company submits the tax return on the corporate profits tax on the legal dates, and the company pays the tax due based on these returns.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 was re-examined and the inspections and dispute for the years 2008/2015 were ended and the tax settlements was ended with a tax 3 052 209 EGP and the payment was made.
- The years 2016/2020 have been examined and the forms are being extracted.

B) Payroll tax

- The company's tax inspection and assessment were carried out from the beginning of the activity until 2016, and all dues were paid.
- The company has been examined for the years 2017 and 2018 and the difference has been paid.
- The company being examined for the years from 2019/2020 .

E-Finance for Digital and Financial Investments Company
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C) General sales tax and value added tax

- The tax was examined for the company until 2015, and the company was informed of the tax differences of 258 thousand Egyptian pounds, which were fully paid.
- The tax was examined for the company from 2016 till 31 December 2018, and the tax differences were fully paid.
- Currently examining taxes for the years from 2019 to 2021

D) Stamp Tax

- The tax was examined for the company from the beginning of the activity until 2014.
- The company has not been tax inspected for the years from 2015 until 2020.

E) Withholding taxes

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

10 Financial investments carried by amortized cost

<u>Purchasing value</u>	<u>Purchasing date</u>	<u>Due date</u>	<u>Return Percentage</u>	<u>Duration</u>	<u>Net Return</u>	<u>Balance as of June 30, 2023</u>	<u>Face Value</u>
L.E					L.E	L.E	L.E
181 676 000	22/1/2023	18/7/2023	20.80%	177	13 168 434	194 844 434	200 000 000
500 013 668	17/1/2023	18/7/2023	20.50%	182	36 845 092	536 858 760	551 125 000
513 009 595	22/1/2023	18/7/2023	21.00%	177	37 542 257	550 551 852	565 250 000
1 194 699 263					87 555 783	1 282 255 046	1 316 375 000

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

11 Debtors and other debit balances

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Prepaid expenses	1 882 122	157 158
Deposits with others	180 000	180 000
Value added tax (VAT)	15 860 145	16 605 642
Income Tax (Note 9-3)	5 863 476	8 758 797
Prepaid employee benefits	1 138 000	1 138 000
Withholding Tax	4 002 238	4 002 238
*coverage of the guarantee letters	25 439 221	-
Supplier Advance Payment	5 188 701	3 232 477
Advance Payments for the investment	24 507 832	4 928 750
Accrued Revenue	21 846 282	23 047 171
Accrued dividends income	54 409 340	47 370 151
ESOP Employee's share	9 146 455	11 711 956
Other	3 666 725	4 599 370
	<u>173 130 537</u>	<u>125 731 710</u>

* The coverage of the guarantee letters is represented by held amounts against letters issued on behalf of a subsidiary company until the completion of procedures for granting credit facilities to the same bank from which the guarantee letters were issued.

12 Cash and cash Equivalents

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Banks – Saving Accounts	964 132 071	159 091 189
Banks - time deposits	55 657 266	55 656 098
Investment funds*	15 035 285	412 406 582
Balance of cash and cash equivalents	<u>1 034 824 622</u>	<u>627 153 869</u>

***Investment Funds**

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Themar Fund, QNB	7 184 714	6 714 722
Sioula Fund	7 729 923	7 308 409
Fund 30/15	-	21 749 920
Diamond Fund	-	376 519 831
Youm by youm Account - Bank Misr	120 649	113 700
	<u>15 035 286</u>	<u>412 406 582</u>

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Cash and cash equivalents	1 034 824 622	374 997 061
<u>Deduct:</u>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>1 029 287 601</u>	<u>369 460 040</u>

13 Capital

13-1 The authorized capital

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

13-2 Issued and paid-up capital

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

- The extraordinary general assembly held on March 21, 2018, decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) paid in full distributed in the same proportions of shareholder ownership.
- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full distributed in the same Shareholders ownership percentages and this was entered in the Commercial Registry on December 19, 2018.
- The Extraordinary General Assembly held on December 23, 2019, decided to increase the issued capital by an amount of 300 million Egyptian pounds, to make the issued capital 800 million Egyptian pounds (eight hundred million Egyptian pounds) paid in full, and the entry was made in the company's commercial register on December 15, 2019.
- The extraordinary general assembly convened on December 23, 2019, decided to amend the par value of the share to 0.5 Egyptian pounds (fifty piasters) instead of 100 Egyptian pounds (one hundred Egyptian pounds) so that the issued capital becomes 800 million Egyptian pounds (eight hundred million Egyptian pounds) distributed on 1.6 billion shares,
- The Extraordinary General Assembly held on October 13, 2021 decided to increase the capital by an amount of 88 888 889 Egyptian pounds (eighty-eight million eight hundred and eighty-eight thousand eight hundred and eighty-nine Egyptian pounds) so that the issued capital amounted to 88 888 889 Egyptian pounds (Eight hundred eighty-eight Egyptian pounds) One million eight hundred and eighty-eight thousand eight hundred and eighty-nine Egyptian pounds) distributed over the number of 1 777 777 778 shares.
- The Extraordinary General Assembly, held on September 15, 2021, decided to approve authorizing the company's board of directors to take the necessary measures to increase the issued capital by 4%, by issuing 71 111 111 shares, with a nominal value of fifty piasters per share, with a total value of 35 555 556 pounds, provided that the increase is limited to ESOP system. On January 31, 2022, the company's board of directors convened to approve the increase, and the commercial register was entered on March 17, 2022 to be 3.84% After Increase.

14 Share Premium

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

15 Treasury Stocks

On September 8, 2022, the company's board of directors decided to purchase treasury shares with a maximum of 5% of the company's total shares over a period of 9 months, provided that the purchase is made through the local market at market prices. On September 29, the company's management purchased 99 682 shares at an average price of 13.49 with a total value of 1 345 051 Egyptian pounds. On October 2, 2022, 250,000 shares were purchased, at an average price of 13.84, with a total value of 3,460,629 Egyptian pounds, and on October 12, 2022, 17,085 shares were purchased, with an average price of 13.48 pounds per share, and a total value of 230,324 pounds. Egyptian, On May 7, 2023, 69,000 shares were purchased at an average price of 17.6637 Egyptian pounds per share, with a total value of 1,218,793 Egyptian pounds. On May 9, 2023, 50,000 shares were purchased at an average price of 17.6 Egyptian pounds per share, with a total value of 880,000 Egyptian pounds. On May 10, 2023, 20,000 shares were purchased at an average price of 17.6992 Egyptian pounds per share, with a total value of 353,983 Egyptian pounds. On June 8, 2023, 200,341 shares were purchased at an average price of 17.8395 Egyptian pounds per share, with a total value of 3,573,977 Egyptian pounds. On June 5, 2023, 103,078 shares were purchased at an average price of 17.7874 Egyptian pounds per share, with a total value of 1,833,494 Egyptian pounds. On June 5, 2023, 6,469 shares were purchased at an average price of 17.8 Egyptian pounds per share, with a total value of 115,148 Egyptian pounds. On June 8, 2023, 79,345 shares were purchased at an average price of 18.0518 Egyptian pounds per share, with a total value of 1,432,324 Egyptian pounds. The total value of treasury shares as of June 30, 2023, amounted to 14,443,724 Egyptian pounds.

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

16 Credit facilities

<u>Bank</u>	Authorized facility limits on June 30, 2023 L.E or Its equivalents of Foreign Currency	Used until June 30, 2023 <u>L.E</u>	<u>Nature of facility</u>
Banque Misr	100 000 000		Limit to issuing local letters of guarantee
Banque Misr	50 000 000		Import letters of credits
Banque Misr	80 000 000		Current debt limit
QNB	50 000 000		Current debt limit
National Bank of Egypt	75 000 000		Current debt limit
National Bank of Egypt	75 000 000		Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000		Current debt limit
The United National Bank	150 000 000		Current debt limit
Arab African International Bank	75 000 000		Limit on issuing letter of credits
Arab African International Bank	75 000 000		Limit to issue letters of guarantee
Arab African International Bank	500 000		Issuance limit for issuing credit cards with a guarantee of deposits
Commercial International Bank	150 000 000		Current debt limit

17 Trade and other Payables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Accounts payable	8 093 172	21 225 020
	<u>8 093 172</u>	<u>21 225 020</u>
<u>Other credit balance</u>		
Accrued expenses	9 613 142	14 694 624
Payroll tax	12 746 309	962 354
Withholding tax	3 426 537	3 617 122
Board of Directors Rewards	2 289 200	5 301 884
Other Credit balances	435 295	10 059 597
Total other credit balances	<u>36 603 655</u>	<u>55 860 601</u>

E-Finance for Digital and Financial Investments Company
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18 Revenue:

	<u>From April,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From April,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>	<u>From Jan,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From Jan,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>
Dividend income from equity investments through FVOCI	53 758 400	–	64 588 229	31 625 598
Dividend income from financial investments in subsidiaries and Associates	–	–	297 632 931	186 005 450
	53 758 400	–	362 221 160	217 631 048

19 Cost of Revenue

	<u>From April,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From April,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>	<u>From</u> <u>Jan1,2023 till</u> <u>June 30,2023</u> <u>L.E</u>	<u>From Jan1,2022</u> <u>till June 30,2022</u> <u>L.E</u>
Salaries and Wages	37 561 739	26 741 096	72 193 462	59 456 617
Maintenance cost	76 788	4 694	97 070	15 262
Depreciation of Fixed Assets (Note 5)	480 156	417 430	903 505	417 430
Professional Technical support	1 978 644	1 345 665	4 412 446	1 345 665
Employee benefits (cars)	374 581	298 790	660 619	637 904
	40 471 908	28 807 675	78 267 102	61 872 878

20 General and Administrative Expenses

	<u>From April,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From April,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>	<u>From Jan,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From Jan,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>
Depreciation of fixed assets (Note 5)	498 007	301 945	996 015	996 015
Consulting	2 561 321	3 729 736	4 435 295	5 678 496
Facility Expenses	414 741	312 862	1 025 774	598 189
Maintenance Expenses	229 502	54 912	306 322	245 991
Rent	–	6 150	529 264	622 600
Donations	5 500 000	3 333 334	7 500 000	3 583 334
Hospitality expenses	981 560	1 139 422	1 482 158	1 596 608
Other expenses	4 417 659	3 532 145	8 094 944	5 407 106
	<u>14 602 790</u>	<u>12 410 506</u>	<u>24 369 772</u>	<u>18 728 339</u>

21 Selling and Marketing Expenses

	<u>From April,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From April,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>	<u>From Jan,1,</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From Jan,1,</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>
Exhibitions	5 701 307	259 407	8 063 811	2 027 009
Public Relations	100 000	173 600	648 490	266 600
Advertisements	1 554 685	15 648 150	1 753 785	23 612 501
Other Marketing Expenses	1 617 271	2 152 145	3 216 945	2 303 047
	<u>8 973 263</u>	<u>18 233 302</u>	<u>13 683 031</u>	<u>28 209 157</u>

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22 Finance Expenses

	<u>From April,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From April,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>	<u>From Jan1,</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From Jan1,</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>
Bank charges	149 163	10 886	736 911	125 920
(Gain)/ Loss Foreign currencies exchange	(95 751)	-	276 939	-
	<u>53 412</u>	<u>10 886</u>	<u>1 013 850</u>	<u>125 920</u>

23 Finance income

	<u>From April,1</u> <u>2023 till June</u> <u>30,2023</u> <u>L.E</u>	<u>From April,1</u> <u>2022 till June</u> <u>30,2022</u> <u>L.E</u>	<u>From</u> <u>Jan1,2023 till</u> <u>June 30,2023</u> <u>L.E</u>	<u>From Jan1,2022</u> <u>till June 30,2022</u> <u>L.E</u>
Gain (Loss) from translation foreign transactions	-	3 274	-	(3 226)
Income from investment in cash funds	-	1 041 290	5 414 057	2 915 288
Revenue on Investments at amortized cost	68 760 227	63 706 580	153 616 440	110 380 990
Bank interest on current accounts	20 154 389	6 840 251	38 095 535	24 161 501
Bank interest on deposits	1 703 324	97 318	3 221 549	97 318
	<u>90 617 940</u>	<u>71 688 713</u>	<u>200 347 581</u>	<u>137 551 871</u>

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

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Related parties

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

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

24-1 Due from Related Parties:

			<u>Transaction</u> <u>Volume during</u> <u>the period</u>	<u>Balance</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>Relations</u> <u>Nature</u>	<u>Transaction Nature</u>			<u>L.E</u>	<u>L.E</u>
Smart Card Operation Technology Company E-Cards	Subsidiary	Debit Balance		195 267 568	195 267 568	195 267 568
				195 267 568	195 267 568	
24-2 <u>Due from Related Parties:</u>						
Smart Card Operation Technology Company E-Cards	Subsidiary	Payment on behalf	58 477 209	58 477 209		-
E-nable for Outsourcing Services (eNable)	Subsidiary	Payment on behalf	2 675 889	18 560 648		15 884 759
E-finance Technological Operation For Financial Institutions	Subsidiary	Payment on behalf	(16 439 071)	36 614 704		53 053 775
Technological Operation for Tax solutions e-tax	Associate	Payment on behalf	49 783	15 475 591		15 425 808
E-Aswaaq The Technology Company for Ecommerce Operations	Subsidiary	Payment on behalf	20 628 878	22 911 212		2 282 334
Khales for Digital Payment Services Company	Subsidiary	Payment on behalf	50 488	2 214 052		2 163 564
E-Health (Technological Operation for Health Insurance Services)	Associate	Collection	(398 058)	7 876 092		8 274 150
				162 129 508		97 084 390

25 Objectives and policies of financial instruments risk management

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

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

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

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

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

A) Credit risk

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

Other financial assets and cash deposits

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

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

The maximum exposure to risk is limited to the balances shown in (Note 12)

Due from related parties

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

Investments

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

B) Market risk

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

E-Finance for Digital and Financial Investments Company
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Exposure to interest rate risk

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

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Cash and cash equivalents	1 034 824 622	627 153 869
	<u>1 034 824 622</u>	<u>627 153 869</u>
	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
<u>Fixed interest rate financial instruments</u>		
Treasury bills	1 282 255 046	1 931 376 152
	<u>1 282 255 046</u>	<u>1 931 376 152</u>

Exposure to foreign exchange rate risk

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

<u>Foreign Currencies</u>	<u>Value</u>	<u>Exchange rate</u>	<u>Net Liabilities</u>
US Dollar	5 700	30.92	176 244
Euro	7 650	34.17	261 400

C) Liquidity risk

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

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

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

<u>On June 30, 2023</u>	Net Book Value	Less than year	From 2 to 5 years	More than 5 years
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Trade and other payables	36 603 655	36 603 655	-	-
Other liability	113 645 222	-	-	113 645 222
Total	150 248 877	36 603 655	-	113 645 222

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

26 Capital Management

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

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Total liability	150 248 877	151 425 257
<u>Less</u>		
Cash & Equivalent	(1 034 824 622)	(627 153 869)
Net Liability	(884 575 745)	(475 728 612)
Total Equity	4 079 980 640	4 165 064 398
Percentage of net liabilities to total equity	(%21.7)	(%11.4)

27 Contingent liabilities

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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Letter of Guarantee	2 379 101	206 286 538

28 Employee share option plan

- The extraordinary general assembly of the company, held on September 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 Employee Reward and Incentive System was approved by the Financial Supervisory Authority, and on January 25, the General Authority for Investment and Free Zones approved the ESOP. On January 21, 2022, the company's board of directors convened to approve the company's capital increase by 4%, related to the ESOP.

- On the date of September 8, 2022, the company's board of directors approved the decisions of the reward and incentive committee regarding activating the employees share option plan (ESOP) by 1% of the company's shares, provided that 25% of the shares allocated to the plan will be activated, with the promise to sell at affordable prices on the date of September 29, 2022. And the Chairman was delegated to complete the remaining percentage later in accordance with the company's financial performance, and the 25% will be 4 108,893 shares with an estimated value of 14.4 Egyptian pounds per share, with a total value of 57 113 613 Egyptian pounds (after deducting the nominal value of the shares) and according to the system the shares were sold For employees, at a reduced value of 5.76 Egyptian pounds per share, so the value that the company will bear on behalf of the company's employees and its subsidiaries is a total of 33 446 389 Egyptian pounds distributed as follows:

A number of 934 492 shares worth 7 606 765 Egyptian pounds belonging to the employees of the parent company were charged to the statement of profits or losses at December 31, 2022, and 3 174 401 shares valued at 25 839 624 Egyptian pounds belonging to employees of the subsidiaries were recorded as additional investments in each company in its own right.

During the first quarter of 2023, the ban on selling shares was lifted for the first 100%, 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 11 245 730 Egyptian pounds.

29 **Basic Earnings per share**

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

	<u>From Jan 1,2023 till June 30,2023</u>	<u>From Jan 1,2022 till June 30,2022</u>
	<u>L.E</u>	<u>L.E</u>
Net profit for the period	390 223 921	221 215 189
Share of employees and Board members proposed/actual (EGP)	(70 068 471)	(35 855 286)
Net profit distributable to common shareholder	320 155 450	185 359 903
Average number of shares outstanding during the period for basic earnings (share)	1 794 882 143	1 777 777 778
Basic earning per share for the period (EGP/share)	0.18	0.10