

E-Finance For Digital and Financial Investments Company
(S.A.E)
Interim Condensed Consolidated Financial Statements
For The Financial Period Ended September 30, 2023
And Review Report



Hazem Hassan

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Review Report on Interim Condensed Consolidated Financial Statements

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

Introduction

We have performed a review for the accompanying interim condensed consolidated statement of financial position of E-Finance for Digital and Financial Investments Company (S.A.E) as of September 30, 2023, the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity, cash flows for the period ended September 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 September 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".



Hazem Hassan

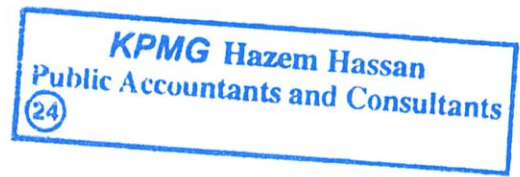
Translation of review report
originally issued in Arabic

Conclusion

Except for the impact of the above in paragraphs 1 and 2, 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 September 30, 2023, nor its financial performance and its cash flows for the period ended September 30, 2023, according to Egyptian Accounting Standard No. (30) "Interim Financial Reporting".

KPMG Hazem Hassan
Public accountants and consultants

Cairo, November 14, 2023

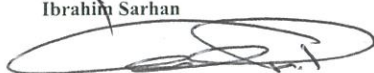


E-finance for Digital and Financial Investments Company (S.A.E)
Interim condensed Consolidated statement of Financial position as of

	Note No.	September 30, 2023 L.E.	December 31, 2022 L.E.
Assets			
Non current assets			
Fixed assets	5	343 084 860	322 943 167
Intangible assets	6	94 090 753	60 625 403
Projects under construction		159 595 446	143 514 867
Investment at FVTOCI	8	140 204 024	140 202 008
Investment at FVTPL	7	57 786 600	57 786 600
Equity-Accounted investees (Associates)	10	128 674 845	96 727 878
Deferred tax assets	11-2	3 502 374	4 405 894
Contract asset		30 621 977	15 690 529
Prepaid employee benefits		2 056 694	4 095 419
Employees Loans -ESOP		3 052 870	55 581 185
Right of use assets		62 864 224	56 402 404
Total non current assets		1 025 534 667	957 975 354
Current assets			
Inventory		94 103 691	41 505 204
Trade and other receivables	12	2 416 898 273	1 682 426 115
Due from related parties	27	11 591 610	18 477 269
Financial investments at amortized cost	9	1 206 466 525	2 356 623 232
Cash and cash equivalents	13	1 819 924 432	877 780 131
Total current assets		5 548 984 531	4 976 811 951
Total assets		6 574 519 198	5 934 787 305
Owners equity & Liabilities			
Owners equity			
Paid-up capital	14	924 444 445	924 444 445
Share Premium (Special reserve)	15	1 956 462 107	1 956 462 107
Reserves		632 964 295	654 880 050
Employee Share Option Plan reserve	32	247 111 100	247 111 100
Treasury Shares	16	(9 463 441)	(5 036 004)
Retained earnings		1 267 352 834	796 117 725
Equity attributable to owners of the company		5 018 871 340	4 573 979 423
Non controlling interest	19	66 437 266	56 836 093
Total Equity		5 085 308 606	4 630 815 516
Liabilities			
Non- Current Liabilities			
Lease liability		38 042 361	27 783 650
Credit facilities	17	16 929 657	31 939 225
Deferred tax Liability		-	-
Employee benefits		253 719 548	206 810 785
Total non current liabilities		308 691 566	266 533 660
Current liabilities			
Lease liability		29 568 083	32 075 339
Trade and other Payables	18	772 419 925	708 752 566
Due to related parties	27	27 755 594	-
Credit facilities	17	21 229 296	75 409 758
Income tax payable	11-4	329 546 128	221 200 466
Total current liabilities		1 180 519 026	1 037 438 129
Total Liabilities		1 489 210 592	1 303 971 789
Total equity and liabilities		6 574 519 198	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 limited review 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

	<u>Note No.</u>	<u>From July 1, 2023</u> <u>till</u> <u>September 30, 2023</u>	<u>From July 1, 2022</u> <u>till</u> <u>September 30, 2022</u>	<u>From Jan 1, 2023</u> <u>till</u> <u>September 30, 2023</u>	<u>From Jan 1, 2022</u> <u>till</u> <u>September 30, 2022</u>
Revenues	20	1 029 331 545	675 835 866	2 764 762 318	1 937 798 652
Cost of revenues	21	(475 151 903)	(282 607 296)	(1 274 268 190)	(856 638 843)
Gross profit		554 179 642	393 228 570	1 490 494 128	1 081 159 809
Other revenue		129 626	61 683	5 472 795	4 884 660
General and administrative expenses	23	(86 309 746)	(50 596 222)	(239 551 027)	(180 377 551)
Employee Share Option Plan expense	32	(519 696)	(33 446 389)	(35 041 826)	(33 446 389)
Marketing and selling expenses	24	(16 853 188)	(15 938 920)	(36 468 002)	(53 686 716)
No longer needed/ (Impairment) in trade and other receivables		5 001 235	(57 361 876)	4 445 212	(63 361 876)
Other expenses		(1 232 000)	(1 383 500)	(5 968 000)	(4 608 000)
Operating Profit		454 395 873	234 563 346	1 183 383 280	750 563 937
Dividends income from investments at FVOCI	22	-	-	62 838 230	31 625 598
Finance cost	25	(2 301 610)	(6 368 055)	(50 590 543)	(18 502 703)
Income from Equity-accounted investees	10	20 516 661	7 003 515	33 696 969	19 439 893
Finance Income	26	131 865 535	84 257 489	389 307 142	242 511 120
Net profit for the period before tax		604 476 459	319 456 295	1 618 635 078	1 025 637 845
Income tax expense	11-1	(171 039 289)	(114 402 599)	(459 097 360)	(334 061 499)
Net profit for the period		433 437 170	205 053 696	1 159 537 718	691 576 346
profit attributable to:					
Owners of the company		428 993 906	202 780 602	1 147 363 264	682 455 096
Non controlling interest		4 443 264	2 273 094	12 174 454	9 121 250
Net profit for the period		433 437 170	205 053 696	1 159 537 718	691 576 346
Basic Earning per share	33			0.562	0.306

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

	<u>From July 1, 2023</u> <u>till</u> <u>September 30, 2023</u> <u>L.E.</u>	<u>From July 1, 2022</u> <u>till</u> <u>September 30, 2022</u> <u>L.E.</u>	<u>From Jan 1, 2023</u> <u>till</u> <u>September 30, 2023</u> <u>L.E.</u>	<u>From Jan 1, 2022</u> <u>till</u> <u>September 30, 2022</u> <u>L.E.</u>
Net profit for the period	433 437 170	205 053 696	1 159 537 718	691 576 346
Other comprehensive income				
Actuarial gain from employee benefit	9 969 664	(45 660)	25 731 081	4 048 254
FX through OCI	312 223	-	(5 020 293)	-
Income Tax related to other comprehensive income	(2 243 176)	10 274	(5 789 493)	(910 857)
Total other comprehensive Income	8 038 711	(35 386)	14 921 295	3 137 397
Total comprehensive Income for the period	441 475 881	205 018 310	1 174 459 013	694 713 743
Attributable to:				
Owners of the company	436 942 863	202 833 668	1 162 629 090	685 560 493
Non controlling interest (Note 19)	4 533 018	2 184 642	11 829 923	9 153 250
Total comprehensive Income for the period	441 475 881	205 018 310	1 174 459 013	694 713 743

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

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

	Paid in Capital	Legal Reserve	General Reserve	Treasury Shares	ESOP Reserve	Share Premium (special reserve)	Reserve Realized from Spin-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.	L.E.	L.E.	L.E.
Balance at the beginning of January 2022	888 888 889	55 230 530	20 000 000	-	-	2 345 616 021	69 713 888	9 192 764	493 817 689	3 882 519 781	61 018 783	3 943 538 564
Comprehensive Income												
Net profit for the period ended September, 30 2022	-	-	-	-	-	-	-	-	682 455 096	682 455 096	9 121 250	691 576 346
Other comprehensive Income Items	-	-	-	-	-	-	-	3 105 397	-	3 105 397	32 000	3 137 397
Total comprehensive Income	-	-	-	-	-	-	-	3 105 397	682 455 096	685 560 493	9 153 250	694 713 743
Transaction with the owners of the company												
Dividends according to the ordinary general assembly meeting held 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)	-	-	-
Treasury Shares	-	-	-	(1 345 051)	-	-	-	-	-	(1 345 051)	-	(1 345 051)
Employee share option plane	-	-	-	-	57 113 613	-	-	-	-	57 113 613	-	57 113 613
Legal Reserve	-	389 153 914	-	-	-	(389 153 914)	-	-	-	-	(8 446 141)	(8 446 141)
NCI Share of dividends	-	-	-	-	-	-	-	-	-	-	(1 681 927)	(1 681 927)
Dividends BOD and Employees	-	-	-	-	-	-	-	-	(155 750 000)	(155 750 000)	-	(157 431 927)
Total transaction with the owners of the company	35 555 556	389 153 914	-	(1 345 051)	57 113 613	(389 153 914)	-	-	(400 274 858)	(308 950 740)	(10 128 068)	(319 078 808)
Balance as of September 30, 2022	924 444 445	444 444 444	20 000 000	(1 345 051)	57 113 613	1 956 462 107	69 713 888	12 298 161	775 997 927	4 259 129 534	60 043 965	4 319 173 499

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

Translation from Arabic

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

	Paid in Capital	Legal Reserve	General Reserve	Share Premium (special reserve)	ESOP Reserve	Reserve Resulted from Spin-Off	Treasury Shares	Other Reserves	Retained earnings	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.	L.E.
Balance at the beginning of January 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 September 30, 2023	-	-	-	-	-	-	-	-	1 147 363 264	1 147 363 264	12 174 454	1 159 537 718
other Comprehensive income items	-	-	-	-	-	-	-	15 265 826	-	15 265 826	(344 531)	14 921 295
Total comprehensive income	-	-	-	-	-	-	-	15 265 826	1 147 363 264	1 162 629 090	11 829 923	1 174 459 013
Transaction with the owners of the company	-	-	-	-	-	-	-	-	(404 349 189)	(404 349 189)	-	(404 349 189)
Dividends according to the ordinary general assembly meeting held in March 21 ,23	-	-	-	-	-	-	-	-	(32 532 308)	-	-	(32 532 308)
Legal Reserve	-	32 532 308	-	-	-	-	(4 427 437)	-	-	(4 427 437)	-	(4 427 437)
Treasury Shares	-	-	-	-	-	-	-	-	1 939 413	1 939 413	-	1 939 413
Gain on Treasury shares	-	-	-	-	-	-	-	-	69 713 889	-	-	69 713 889
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	-	-	-	-	-	-	-	-	-	-	(1 951 021)	(1 951 021)
Dividends for BOD and Employees	-	-	-	-	-	-	-	-	(310 899 960)	(310 899 960)	(279 745)	(311 179 705)
Total transaction with the owners of the company	-	32 532 308	-	-	-	(69 713 889)	(4 427 437)	-	(676 128 155)	(717 737 173)	(2 228 750)	(719 965 923)
Balance as of September 30 , 2023	924 444 445	580 644 065	20 000 000	1 956 462 107	247 111 100	-	(9 463 441)	32 320 230	1 267 352 834	5 018 871 340	66 437 266	5 085 308 606

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

	September 30, 2023	September 30, 2022
	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>		
Profit for the period before income tax	1 618 635 078	1 025 637 845
Adjusted as the follows:		
Fixed assets depreciation expenses	55 693 600	38 212 006
Amortization expenses of intangible assets	18 297 560	5 314 044
Amortization expenses of right of use asset	26 882 008	25 500 923
Amortization of paid in advance- employee benefits	2 038 725	2 036 025
Income from Equity-investment- at FVTOCI	(62 838 230)	(31 625 598)
Debit interest	8 360 813	18 502 703
Credit interest	(120 097 032)	(50 219 908)
Revenue from Financial investments at amortized cost	(269 210 110)	(192 266 685)
End of service benefit formed	84 137 293	46 086 361
Allowance formed for Impairment of trade and other receivables	(4 445 212)	63 361 876
Finance cost-right of use asset	7 986 981	5 004 894
Foreign currency translation	-	(24 527)
ESOP	-	33 446 389
Contract asset depreciation	4 402 645	-
income from Equity-Accounted investees (Associates)	(33 696 969)	(19 439 893)
Lease Termination (gain)	(301 695)	(2 620 815)
	1 335 845 455	966 905 640
Change in inventory	(51 302 056)	2 399 290
Change in trade and other receivables	(798 352 618)	(441 699 423)
Change in due from related parties	6 885 659	(7 773 347)
Change in trade and other payables	28 883 807	51 770 625
Change in due to related parties	27 755 594	-
Cashflow provided from operating activities	549 715 841	571 602 785
Debit interest paid	(8 360 813)	(18 502 703)
Credit interest collected	120 097 032	50 219 908
Payment to employee end of service	(11 497 449)	(14 651 984)
Dividends paid to employees and board members	(311 179 705)	(188 623 108)
Collection from employees Loans -ESOP	70 443 198	-
Income taxes paid (11-4)	(215 337 775)	(194 090 913)
Net cash flow provided from operating activities	193 880 329	205 953 985
<u>Cash flow from investing activities</u>		
Proceeds from dividends of investment- at FVOCI	56 554 407	28 508 002
Proceeds from dividends of Equity-Accounted in investees (Associates) companies	1 749 999	-
Proceeds from investments at amortized cost	170 505 222	37 867 147
Payment of acquiring investment- at FVOCI	-	(2 900 000)
Payment of acquiring investment- at FVTPL	-	(57 786 600)
Payment of fixed assets and projects under construction	(93 601 467)	(91 437 552)
Payment of acquiring Equity-Accounted in investees (Associates) companies	-	(25 999 985)
Payment of acquiring Contract asset	(20 432 926)	-
Payment of purchasing intangible assets	(50 274 913)	(27 474 825)
Payment of acquiring investments at amortized cost	1 195 019 573	(1 513 278 214)
Net cash flow (used in) investing activities	1 259 519 895	(1 652 502 027)
<u>Cash flow from financing activities</u>		
Lease liability paid	(33 277 659)	(29 003 508)
Change in treasury Shares	(2 488 024)	-
Dividends paid to shareholders	(406 300 210)	(186 223 919)
(Used in)credit facility	(69 190 030)	(52 460 456)
Net cash flow (used in)financing activities	(511 255 923)	(267 687 883)
Net change in cash & cash equivalent during the period	942 144 301	(1714 235 925)
Cash & cash equivalent at beginning of the period	872 243 110	2 361 563 261
Cash & cash equivalent at end of the period (13)	1 814 387 411	647 327 336

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

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.

digitalTechnological 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, networks and mainframe computers.

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

- 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 September 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.

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

- Import, export and commercial agencies.
- Establish operating systems for banking services through the Internet and mobile phones.
- Trade secured documents electronically.
- Managing, maintaining and operating computer equipment, and networks, and the internal systems of banks, networks, and mainframes.
- Providing specialized operating services for information and communication technology systems.

E Nable for Outsourcing Services Company

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

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

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

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

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

- Provide the managerial and operating services and developing the electronic tax system including: -
 - 1- E-invoice service provider and e-receipt service provider.
 - 2- E-tax portal
 - 3- Providing field technical support services for the above-mentioned projects, providing consulting services and technological solutions to the Egyptian Tax Authority, and providing services and technological solutions to the Real Estate Tax Authority.

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

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

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

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

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

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

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

2- Financial statement approval

The Interim Condensed Consolidated financial statements were approved for issuance by the Company' Board of Directors on November 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 obliges 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

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

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:

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.

Leases and their cancellation

The lease obligation is initially measured by the present value of rent payments that were not paid on the start date, discounted using the interest rate included in the lease or, if this rate could not be easily determined, the incremental borrowing rate as the discount rate.

The Group determines the additional borrowing rate by obtaining interest rates from various external funding sources and making some adjustments to reflect the terms of the lease and the type of leased asset.

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 September 30, 2023, 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" - Egyptian Accounting Standard No. (30) "Interim Financial Reporting" - Egyptian Accounting Standard No. (31) "Impairment of Assets" - Egyptian Accounting Standard No. (35) amended 2023 - "Agriculture". - Egyptian Accounting Standard No. (49) "Leasing Contracts" 	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option. Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	The amendments of adding the option to use the revaluation model are effective for financial periods starting on or after January 1, 2023, retrospectively , cumulative impact of the preliminary applying of the revaluation model shall be added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.
Egyptian Accounting Standard No. (34) amended 2023 "Investment property " .	<ol style="list-style-type: none"> 1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: <ul style="list-style-type: none"> - Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" - Egyptian Accounting Standard No. (5) "Accounting Policies, 	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	The amendments of adding the option to use the fair value model are effective for financial periods starting on or after January 1, 2023 retrospectively , cumulative impact of the preliminary applying of the fair value model shall be added to the balance of retained earnings

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

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<p>Changes in Accounting Estimates and Errors".</p> <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.	or losses at the 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.	<p>1- This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a)</p>	<p>Management is currently assessing the potential</p>	<p>These amendments are effective for annual financial periods</p>

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New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
(35) amended 2023 "Agriculture".	<p>- (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>	impact on the financial statements from the application of amendments to the standard.	starting <u>on or after January 1, 2023</u> <u>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.
Egyptian Accounting Standard No. (50) "Insurance Contracts".	<p>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.</p> <p>2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".</p> <p>3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50).</p>	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.

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

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	<p>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:</p> <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 ". 		

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

5- Fixed Assets

	<u>Lands & buildings</u>	<u>Computers</u>	<u>Leasehold improvement</u>	<u>Office furniture & Tools & 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>
<u>Cost</u>									
Cost as of 1/1/2022	156 402 336	274 653 685	29 097 938	61 384 891	28 706 154	90 916 287	29 434 321	1 606 105	672 201 717
Additions	-	60 926 317	6 736 217	6 377 061	2 271 249	7 082 113	1 082 864	-	84 475 821
Disposals	-	-	-	-	-	(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
<u>Accumulated depreciation</u>									
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	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 31/12/2022	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 31/12/2022	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 Sep 30, 2022

Fixed Assets

	<u>Lands & buildings</u>	<u>Computers</u>	<u>Leasehold improvement</u>	<u>Office furniture & tools & 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	-	44 757 170	4 023 809	3 458 557	2 358 404	22 020 562	902 386	-	77 520 888
Transferred to Contant Assets	-	-	-	(197 598)	-	-	-	-	(197 598)
Transferred to Intangible Asset	-	(1 487 997)	-	-	-	-	-	-	(1 487 997)
Disposals during the period	-	(22 364)	-	-	-	-	-	-	(22 364)
Cost as of September 30, 2023	156 402 336	378 826 811	39 857 964	71 022 911	33 335 807	120 003 086	31 419 571	1 606 105	832 474 591

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	1 494 021	29 345 141	7 340 262	9 599 677	1 812 849	4 691 725	1 360 829	49 096	55 693 600
Disposals accumulated depreciation	-	(22 364)	-	-	-	-	-	-	(22 364)
Accumulated depreciation as of 31/12/2023	21 359 205	242 609 731	22 930 589	54 741 704	26 035 554	93 183 168	27 092 784	1 436 996	489 389 731
Net book value as of September 30, 2023	135 043 131	136 217 080	16 927 375	16 281 207	7 300 253	26 819 918	4 326 787	169 109	343 084 860

Depreciation charged to the following items

	<u>Sep 30, 2023</u>	<u>Sep 30, 2022</u>
	<u>EGP</u>	<u>EGP</u>
Cost of sales (Note 21)	46 501 303	27 867 659
General and administrative expenses (Note 23)	9 192 297	10 344 347
Total depreciation of assets	55 693 600	38 212 006

E finance for Digital and Financial Investments Company

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

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Intangible assets

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
<u>Cost</u>		
The beginning cost of the period/year	76 428 234	27 445 439
Transferred from projects under construction	1 487 997	--
Transferred from fixed assets	--	8 254 613
Additions during the period/year	50 274 913	40 728 182
End cost of the period/year cost	128 191 144	76 428 234
<u>Deduct:</u>		
Beginning accumulated amortization for the period/year	15 802 831	6 588 686
Amortization for the period/year	18 297 560	9 214 145
Accumulated amortization at end of the period	34 100 391	15 802 831
Net Book Value at end of the period	94 090 753	60 625 403

Amortization is charged within the following items:

	<u>The financial</u> <u>period ended</u> <u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>The financial</u> <u>period ended</u> <u>September 30,</u> <u>2022</u> <u>L.E</u>
Cost of revenue (Note 21)	6 473 999	3 657 649
General and Administrative Expenses (Note 23)	11 823 561	1 656 395
	18 297 560	5 314 044

7 Investments at fair value through Profit or Loss

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

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
	<u>L.E</u>	<u>L.E</u>
Nclude Fund for fintech innovation	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 shall be paid over a period of four years starting 12 months after the payment. The first payment is in quarterly installments, and the fund manager has the right to request exceptional payments during the investment period of the fund, net proceeds available for distribution (whether Investment Proceeds or income from Short-Term Investments) will be allocated among the Non-Defaulting Partners in proportion to their respective Capital Contributions, and then distributed to the General Partner and each Non-Defaulting Partner and not later than ninety (90) days after they are realized in respect of Investment Proceeds, as follows:

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

8 Investments at fair value through OCI

		<u>Investment Value</u>	
	<u>%</u>	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>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
		<u>140 204 024</u>	<u>140 202 008</u>

- * 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.

E finance for Digital and Financial Investments Company

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

- **** The investments are the value of the contribution of 9.99% in the Egyptian Company for Electronic Commerce Technology (MTS), and the payment represents 100% of the issued capital, which was Registered in the Commercial Registry under No. 45813 on May 17, 2010.
- ***** Investments are the value of the contribution of 10% in the Egypt Delta Payments Company (SAE), which was Registered in the Commercial Registry under No. 8573 on February 21, 2019 during 2022 the amount of 500 000 was paid, so the paid-up capital amounted to 100%.
- ****** Investments are the value of the cost of acquiring 25 000 shares of the International Company for Consulting and Information Systems (ACIS) according to the company's fair value report. The company's contribution is 10% in the company's issued capital, the company has continued to measure the investment at cost, as the cost is an appropriate estimate of fair value. Whereas the latest available information is insufficient to measure fair value, and since there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within the range.
- ******* The investment presents the share of non-controlling interest share in the companies of the group.

9 Financial Investment at amortized cost

Treasury bills in the financial position represent as the following:

<u>Purchasing value L.E</u>	<u>Purchasing date</u>	<u>Due date</u>	<u>Return Percentage %</u>	<u>Duration</u>	<u>Return L.E</u>	<u>Balance as of 30, September 2023 L.E</u>	<u>Face Value L.E</u>
104 970 613	2023-07-18	2023-10-17	23.42%	91	3 969 508	108 940 121	320 000 000
59 996 363	2023-07-18	2023-11-14	24.46%	119	1 404 648	61 401 011	63 575 000
302 345 600	2023-07-18	2023-10-17	20.80%	91	11 485 060	313 830 660	200 000 000
231 466 200	2023-07-18	2023-10-17	20.50%	91	8 804 406	240 270 606	551 125 000
400 377 960	2023-07-06	2023-10-03	21.00%	89	17 487 600	417 865 560	565 250 000
62 446 923	2023-08-09	2023-11-07	24.05%	90	1 711 644	64 158 567	62 500 000
1 161 603 659					44 862 866	1 206 466 525	1 762 450 000

10 Equity accounted investees (associate)

	%	Investment Value	
		September 30,	December 31,
		2023 L.E	2022 L.E
Technological Operation for Tax Solutions (E Tax)*	35%	34 999 975	34 999 975
Group Share in retained earnings		29 799 536	1 847 127
Group Share of Period results		37 760 674	27 952 411
Dividend distributions during the period		(1 750 000)	-
		<u>100 180 185</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		(4 063 705)	(8 071 610)
		<u>22 864 660</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>
Total Investment in Associates		<u>128 674 845</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 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 value of the investment represents the group's share of 5 million shares in the African e-commerce platform company E COMM, benefit of 4.9 million shares for the Technology Company for Ecommerce Operation E-Aswaaq Misr, and 100 thousand shares for the benefit of a E finance for Digital and Financial Investments Company, which was established as per commercial register No.184604 dated on April 10, 2022, with an issued and paid-in capital of 10 million pounds, with a nominal value of 1 pound per share.

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

11 **Tax:**

11-1 **Income tax**

	For the financial period ended	
	September 30, 2023	September 30, 2022
	<u>L.E</u>	<u>L.E</u>
Current Income Tax Expenses	330 175 830	221 719 180
Treasury Bills Tax	53 842 023	37 275 138
Dividends income tax	73 506 658	51 299 877
Dividends income tax from Equity investment at FVOCI	6 458 823	3 117 596
Deferred tax (income)	(4 885 974)	20 649 708
Tax at Profit and Loss	<u>459 097 360</u>	<u>334 061 499</u>
Deferred income tax at other comprehensive income	<u>5 789 493</u>	<u>910 857</u>

11-2 **Deferred tax**

A) **Recognized deferred tax assets**

	September 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	-	17 409 573	--	19 362 385
obligations of the employee benefits	57 086 899	-	46 532 427	-
Undistributed Dividends income	-	44 154 238	--	34 297 778
Tax Losses	6 612 981	-	11 457 460	-
Unrealized foreign currency exchange	1 366 306	-	76 170	-
	<u>65 066 186</u>	<u>61 563 811</u>	<u>58 066 057</u>	<u>53 660 163</u>
Net deferred tax assets	<u>3 502 375</u>	<u>-</u>	<u>4 405 894</u>	<u>-</u>
<u>Deducts:</u> the previously charged deferred tax assets	(4 405 894)			
<u>Add:</u> the deferred tax assets charged to the statement of other comprehensive income	5 789 493			
Deferred taxes for the period as income	<u>4 885 974</u>			

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

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
Impairment loss on trade receivable and other debit balances	10 250 056	11 510 600
	<u>8 434 033</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 Income Tax payable

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
Accrued Income Tax (at beginning of the period)	221 200 466	181 109 076
Formed during the period	330 175 830	314 180 227
Dividends tax payable	43 743 399	-
Income tax paid during the period	(215 162 775)	(226 556 009)
Debit -Withholding tax	(50 410 792)	(47 532 828)
	<u>329 546 128</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 Examined for the years from 2016 to 2020 and forms is being extracted.
- The company has not been examined from 2020 until now.

B) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- The company's tax inspection and assessment were carried out from the beginning of the activity until 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 differences has been settled.
- The years from 2019 to 2021 is currently being inspected.
- The years 2019 to 2021 are currently being examined.

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 have 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.

E finance for Digital and Financial Investments Company

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

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.

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 have not been inspected yet.

d) Stamp tax

- The company's records have 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 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 September 30, 2023

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.
- 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 records have not been inspected till now.

d) Stamp tax

- The company's records have 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 September 30, 2023

12 Trade and other receivables :

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
Accounts receivable	1 226 710 189	1 026 209 116
Expected credit loss	(37 484 593)	(43 643 036)
	<u>1 189 225 596</u>	<u>982 566 080</u>
<u>Other Debit Balances</u>		
Prepaid expenses	87 481 884	65 766 852
Suppliers -Advance payment	116 902 882	52 062 731
Paid on Investment	105 201 265	4 928 750
Accrued revenue and accrued interests	732 489 982	400 556 611
Deposits with others	12 152 591	9 508 901
Deposits with others - Work Retention	59 117 681	57 976 127
Income Tax	-	8 758 797
Value-added tax	15 860 145	17 009 875
Letter of guarantee margin	28 368 955	3 176 294
Withholding tax	13 035 186	11 058 693
Work in progress	26 961 099	29 255 609
Prepaid employees' benefits	2 718 298	2 718 298
Notes Receivable	505 466	-
(Employee Share Option Plan)	19 725 180	37 638 063
Others	15 223 276	6 989 624
Impairment in other debit balances	(8 071 213)	(7 515 190)
Total other debit balances	<u>1 227 672 677</u>	<u>699 890 035</u>
Total trade and other debit balance	<u>2 416 898 273</u>	<u>1 682 426 115</u>

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

	<u>Technological</u> <u>operations for financial</u> <u>institutions company</u> <u>(E-Finance)</u>	<u>Smart Cards</u> <u>Operation Technology</u> <u>Company</u> <u>(E CARDS)</u>	<u>Others</u>	<u>Total</u>
Accounts receivable	900 258 226	315 560 394	10 891 569	1 226 710 189
Accrued revenue and accrued interest	598 594 058	97 936 482	35 959 442	732 489 982
Total	<u>1 498 852 284</u>	<u>413 496 876</u>	<u>46 851 011</u>	<u>1 959 200 171</u>

* E-Cards company didn't prepare ECL study for the not collected balances especially since they are related to national projects, and Technological operations for financial institutions company (E-Finance) didn't prepare ECL study for Accounts receivables balance.

13 **Cash and cash Equivalents**

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
Banks – Saving Accounts	1 454 796 709	284 149 617
Banks - time deposits	171 668 214	83 776 719
Investment funds*	193 264 787	509 786 964
Cash on hand	194 722	66 831
Balance of cash and cash equivalents	<u>1 819 924 432</u>	<u>877 780 131</u>

*** Investment Funds**

	<u>September 30, 2023</u> <u>L.E</u>	<u>December 31, 2022</u> <u>L.E</u>
Themar Fund-QNB	7 495 515	6 714 722
30/15 Fund	-	21 749 919
Diamond Fund - AAIB	177 542 400	473 900 214
SEYOLA fund	8 101 475	7 308 409
Youm by youm Account - Bank Misr	125 397	113 700
	<u>193 264 787</u>	<u>509 786 964</u>

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

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>September 30,</u> <u>2023</u> <u>L.E</u>
Cash and Its equivalents	1 819 924 432	653 845 742
<u>Deduct:</u>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(6 518 406)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>1 814 387 411</u>	<u>647 327 336</u>

14 Capital

14-1 The authorized capital

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

14-2 Issued and paid-up capital

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

E finance for Digital and Financial Investments Company

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

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, 2023 amounted to EGP 1 956 462 107 (December 31, 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.

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

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.

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.

On Sep 26th, 2023 a quantity of 120 000 shares at average price 19.0433 EGP with a total amount of 2 285 196 EGP. Were sold

On Sep 27th, 2023 a quantity of 10 000 shares at average price 19.00 EGP with a total amount of 190 000 EGP were sold

On Sep 29th, 2023 a quantity of 238 000 shares at average price 19.00 EGP with a total amount of 4 522 000 EGP were sold

The total treasury shares as of September 30, 2023 amounted 9 463 441 EGP.

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

17 Credit Facilities

<u>Bank</u>	<u>Authorized facility limits on September 30, 2023 L.E or Its equivalents of Foreign Currency</u>	<u>Used until September 30, 2023 L.E</u>	<u>Letter of Credit and Letter of Guarantee L.E</u>	<u>Nature of facility</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	38 158 953	--	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	38 158 953	82 773 860	

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

18 Trade and other payables

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
Accounts payable	435 000 823	369 501 437
	<u>435 000 823</u>	<u>369 501 437</u>
Other credit balances		
Accrued expenses	99 646 124	81 887 672
Payroll tax	19 774 306	6 549 033
Value Added Tax (VAT)	16 131 478	34 327 499
Advance payment from Customer	46 681 869	130 987 800
Withholding tax	15 778 276	8 118 535
Insurance for work guarantee	749 563	696 477
Deferred Revenue	64 999 044	42 474 337
Others	73 658 442	34 209 776
Total other credit balances	<u>337 419 102</u>	<u>339 251 129</u>
Total Trade and other payables	<u>772 419 925</u>	<u>708 752 566</u>

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

19 Non-Controlling interest

	<u>E- Finance</u>	<u>E-Cards</u>	<u>Khales</u>	<u>E-Aswaq</u>	<u>E-nable</u>	<u>Total</u>
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 comprehensive income for the period	73 280	(425 088)	4 187 888	7 993 575	268	11 829 923
NCI Share in capital increase					2 016	2 016
The share of dividends	(70 279)	--	(2 160 405)	--	(82)	(2 230 766)
Total non-controlling interests as of September 30, 2023	85 824	10 747 978	34 532 398	21 067 678	3 388	66 437 266

E finance for Digital and Financial Investments Company

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

20 Revenues:

	<u>From July1, 2023 till September 30, 2023</u>	<u>From July1, 2022 till September 30, 2022</u>	<u>From Jan1, 2023 till September 30, 2023</u>	<u>From Jan1, 2022 till September 30, 2022</u>
	<u>L.E</u>	<u>L.E.</u>	<u>L.E</u>	<u>L.E</u>
Installation services and card operation revenue	399 695 503	218 894 610	1 136 079 787	663 155 378
Integrated solutions revenue	64 116 518	64 819 526	191 856 239	195 234 981
Hosting services revenue	281 448 753	240 631 835	882 473 169	548 098 132
Maintenance and network	123 373 074	77 318 544	173 630 665	177 552 565
Installations and technical support revenue	107 131 385	45 139 897	253 874 391	233 566 052
Cards Center Revenue	30 924 571	21 010 440	79 091 662	80 878 606
Other	22 641 741	8 022 014	47 756 405	39 312 938
	1 029 331 545	675 835 866	2 764 762 318	937 798 652
				1

21 Cost of revenue

	<u>From July, 1 2023 till September 30, 2023</u>	<u>From July1, 2022 till September 30, 2022</u>	<u>From Jan1, 2023 till September 30, 2023</u>	<u>From Jan1, 2022 till September 30, 2022</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Salaries and Wages and employee benefit	195 164 599	119 628 327	561 571 811	356 929 369
Consultancy and Technical support	57 938 789	59 268 496	192 630 205	165 530 416
Card Center	48 455 241	28 690 162	141 427 800	84 081 171
Programs license & communications	91 115 654	28 344 776	196 486 986	104 770 354
Cost of goods sold	45 799 299	16 610 209	91 124 849	79 919 364
Depreciation of fixed assets (Note 5)	19 399 512	10 216 207	46 501 303	27 867 659
Amortization of ROU asset	4 684 303	9 037 895	15 042 367	12 168 645
Amortization of intangible assets (Note 6)	2 534 921	1 405 382	6 473 999	3 657 649
Contract Asset Depreciation	1 605 977	--	4 402 645	--
Employee benefits (cars)	531 852	531 851	1 595 554	1 664 458
Other Costs	7 921 756	8 873 991	17 010 671	20 049 758
	475 151 903	282 607 296	1 274 268 190	856 638 843

E finance for Digital and Financial Investments Company

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

22 Dividends income from equity investments at FVOCI:

	<u>From July1,</u> <u>2023 till</u> <u>September</u> <u>30, 2023</u> <u>L.E</u>	<u>From July1,</u> <u>2022 till</u> <u>September</u> <u>30, 2022</u> <u>L.E</u>	<u>From Jan1,</u> <u>2023 till</u> <u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>From Jan1,</u> <u>2022 till</u> <u>September 30,</u> <u>2022</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	25 535 240
The international company for consultancy and information systems (ACIS)	--	--	411 804	1 144 301
	<u>--</u>	<u>--</u>	<u>62 838 230</u>	<u>31 625 598</u>

23 General and Administrative Expenses

	<u>From July1,</u> <u>2023 till</u> <u>September</u> <u>30, 2023</u> <u>L.E</u>	<u>From July1,</u> <u>2022 till</u> <u>September</u> <u>30, 2022</u> <u>L.E</u>	<u>From Jan1,</u> <u>2023 till</u> <u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>From Jan1,</u> <u>2022 till</u> <u>September 30,</u> <u>2022</u> <u>L.E</u>
Wages and Salaries and employee benefit	26 146 072	23 480 918	84 382 734	71 488 468
Amortization of ROU asset	5 057 408	(537 032)	11 839 641	13 332 277
Stamps and deductions	4 545 325	2 444 351	17 522 194	13 496 084
Fixed Assets Depreciation (Note 5)	3 263 469	3 562 086	9 192 297	10 344 347
Consulting and legal fees	3 467 193	3 869 814	15 220 420	13 664 958
Comprehensive social insurance	3 135 774	2 357 930	8 641 911	6 105 246
Donations	--	1 880 667	9 500 000	7 514 001
Maintenance Expenses	4 571 183	3 325 203	12 759 250	6 910 701
Employee benefits (cars)	147 723	147 723	443 170	443 170
Amortization of intangible assets (Note 6)	4 496 996	976 978	11 823 561	1 656 395
Cleaning & Hospitality	2 631 189	1 665 670	6 537 481	5 876 842
Other expenses	28 847 414	7 421 914	51 688 368	29 545 062
	<u>86 309 746</u>	<u>50 596 222</u>	<u>239 551 027</u>	<u>180 377 551</u>

24 Selling and Marketing Expenses

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

	<u>From July1, 2023 till September 30, 2023</u> <u>L.E</u>	<u>From July1, 2022 till September 30, 2022</u> <u>L.E</u>	<u>From Jan1,2023 till September 30, 2023</u> <u>L.E</u>	<u>From Jan1,2022 till September 30 ,2022</u> <u>L.E</u>
Exhibitions	10 755 868	5 714 962	18 625 671	12 069 057
Public Relations	363 378	517 249	1 768 666	1 328 438
Advertisements	2 669 343	2 456 220	5 373 044	26 668 363
Other Marketing Expenses	3 064 599	7 250 489	10 700 621	13 620 858
	16 853 188	15 938 920	36 468 002	53 686 716

25 Finance Cost

	<u>From July1, 2023 till September 30, 2023</u> <u>L.E</u>	<u>From July1, 2022 till September 30, 2022</u> <u>L.E</u>	<u>From Jan1,2023 till September 30, 2023</u> <u>L.E</u>	<u>From Jan1,2022 till September 30, 2022</u> <u>L.E</u>
Foreign exchange loss	(2 838 192)	2 883 001	34 242 749	7 086 538
Bank Interest expense	1 877 151	1 993 904	8 360 813	6 411 271
Finance cost-lease contracts	3 262 651	1 491 150	7 986 981	5 004 894
	2 301 610	6 368 055	50 590 543	18 502 703

26 Finance income

	<u>From July1, 2023 till September 30, 2023</u> <u>L.E</u>	<u>From July1, 2022 till September 30, 2022</u> <u>L.E</u>	<u>From Jan1, 2023 till September 30, 2023</u> <u>L.E</u>	<u>From Jan1, 2022 till September 30, 2022</u> <u>L.E</u>
Revenues from Investment in financial investment	85 275 734	73 889 437	288 038 248	198 271 866
Bank interest on Current accounts	46 589 801	10 368 052	101 268 894	44 239 254
	131 865 535	84 257 489	389 307 142	242 511 120

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

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 company has benefited from the partial exemption from the disclosure requirements mentioned in Egyptian Accounting Standard No. 15 "Related Party Disclosure in accordance with paragraphs 25, 26 and 27.

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

		Balance	
		<u>September 30,</u>	<u>December 31,</u>
		<u>2023</u>	<u>2022</u>
		<u>L.E</u>	<u>L.E</u>
<u>Due from Related Parties:</u>	<u>Relations Nature</u>	<u>Volume of Transactions during the period</u>	
E Tax (Technological Operation for Tax Solutions)	Associate	Purchases Payment on behalf (9 922 399)	9 922 399
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf 3 036 740	8 554 870
		11 591 610	18 477 269

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

				Balance	
		<u>Volume of</u> <u>Transactions</u> <u>during the period</u>	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>	
<u>Relations</u> <u>Nature</u>	<u>Transaction</u> <u>Nature</u>				
<u>Due to Related Parties:</u>		Sales	57 150		
		Purchases	(62 763 729)		
E Tax (Technological Operation for Tax Solutions)	Associate	Payment on behalf	34 950 985	27 755 594	-
				<u>27 755 594</u>	<u>-</u>

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.

E-finance for Digital and Financial Investments Company

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

September 30, 2023

	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>
Revenues	1,136,079,787	191,856,239	882,473,169	173,630,665	253,874,391	79,091,662	47,756,405	2,764,762,318
Depreciation of fixed assets	(22,381,682)	(1,893,419)	(20,581,692)	(2,275,124)	(2,356,550)	(9,068,264)	(13,863,583)	(72,420,314)
Salaries and Wages and employee benefit	(213,943,474)	(27,141,627)	(93,134,624)	(13,829,965)	(93,482,168)	(11,678,023)	(108,361,930)	(561,571,811)
Other Costs	(314,308,443)	(19,745,772)	(56,763,500)	(85,623,862)	(86,871,401)	(48,067,857)	(28,895,230)	(640,276,065)
Gross Profit(Loss)	585,446,188	143,075,421	711,993,353	71,901,714	71,164,272	10,277,518	(103,364,338)	1,490,494,128
%Gross Profit(Loss)	52%	75%	81%	41%	28%	13%	-216%	54%
Other Expenses and revenues	(99,246,116)	(9,189,025)	(38,588,683)	(13,640,700)	(13,948,771)	(16,745,095)	319,499,340	128,140,950
Net Profit / (loss) before Tax	486,200,072	133,886,396	673,404,670	58,261,014	57,215,501	(6,467,577)	216,135,002	1,618,635,078
%Net Profit/ (loss) before Tax	43%	70%	76%	34%	23%	-8%	453%	59%

E-finance for Digital and Financial Investments Company

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

	<u>September 30, 2022</u>						
	Installation Services Operation of Cards &	Integrated solution	Cloud Service	Maintenance and Networks	Technical & Consultancy Support	Card Center	others
	<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	663 155 378	195 234 981	548 098 132	177 552 565	233 566 052	80 878 606	39 312 938.00
Depreciation of fixed assets	(7 506 108)	(919 039)	(10 743 894)	(3 010 265)	(4 589 923)	(9 561 925)	(7 362 799.00)
Salaries and Wages and employee benefit	(130 971 143)	(23 230 626)	(41 056 214)	(18 524 693)	(56 709 894)	(7 116 267)	(79 320 532)
Other Cost	(191 903 903)	(48 708 194)	(60 461 867)	(88 337 998)	(14 674 365)	(27 683 072)	(24 246 123)
Gross Profit/(Loss)	332 774 224	122 377 122	435 836 157	67 679 609	157 591 870	36 517 342	(71 616 516)
%Gross Profit/(Loss)	50%	63%	80%	38%	67%	45%	-182%
Other Expenses and revenue	(99 626 992)	(25 073 853)	(43 951 024)	(13 863 932)	(21 721 511)	(19 023 923)	167 739 272
Net Profit before Tax	233 147 232	97 303 269	391 885 133	53 815 677	135 870 359	17 493 419	96 122 756
%Net Profit before Tax	35%	50%	71%	30%	58%	22%	245%
							53%

29 Objectives and policies of financial instruments risk management

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

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

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

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

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

A) Credit risk

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

Other financial assets and cash deposits

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

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

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

Due from related parties

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

Trade and other receivables

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

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

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
Trade and other receivables	2 416 898 273	1 682 426 115
Due from related parties	11 591 610	18 477 269
Cash and Cash equivalents	1 819 924 432	877 780 131
Financial Investments at amortized cost	1 206 466 525	2 356 623 232
Financial Investments at FVTOCI	140 204 024	140 202 008
Employees loans	3 052 870	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 September 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:

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Financial Assets	1 819 924 432	877 780 131
	<u>1 819 924 432</u>	<u>877 780 131</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. 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 Asset / Liability</u>	
		<u>In Foreign</u> <u>Currency</u>	<u>In EGP</u>
US Dollar	30.94	372 763	11 533 288
Euro	32.71	6 228	203 718

C) Liquidity risk

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

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

E finance for Digital and Financial Investments Company

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

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

September 30, 2023

	<u>Net Book Value</u>	<u>Less than year</u>	<u>From 1 to 2</u>	<u>From 2 to 5</u>
	<u>L.E</u>	<u>L.E</u>	<u>years</u>	<u>years or more</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Trade and other payables	772 419 925	772 419 925	--	--
Other Obligations	253 719 548	--	--	253 719 548
Due to related parties	27 755 594	27 755 594	--	--
Income tax Payable	329 536 128	329 536 128	--	--
Bank facilities	38 158 953	21 229 296	16 929 657	--
Lease liability	67 610 444	29 568 083	38 042 361	--
Total	1 489 210 592	1 180 519 026	54 972 018	253 719 548

December 31, 2022

	<u>Net Book Value</u>	<u>Less than year</u>	<u>From 1 to 2</u>	<u>From 2 to 5</u>
	<u>L.E</u>	<u>L.E</u>	<u>years</u>	<u>years or more</u>
	<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
Lease Liability	59 858 989	32 075 339	27 783 650	--
Total	1 303 971 789	1 037 437 949	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.

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Total liability	1 489 210 592	1 303 971 789
Less cash & Equivalent	(1 819 924 432)	(877 780 131)
Net Liability	(330 713 840)	426 191 658
Total Equity	5 085 308 606	4 630 815 516
Net liability: total equity percentage	(%6.50)	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:

	<u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>December 31,</u> <u>2022</u> <u>L.E</u>
Letters of Guarantee	2 379 101	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 8, 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 14, 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, and therefore the tax was due and was loaded into the profit or loss statement for the financial period ended on September 30, 2023 in the amount of 35 041 826 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.

	<u>For the financial</u> <u>period ended</u> <u>September 30,</u> <u>2023</u> <u>L.E</u>	<u>For the financial</u> <u>period ended</u> <u>September 30,</u> <u>2022</u> <u>L.E</u>
Net profit for the period for the owners of the company (EGP)	1 147 363 264	682 455 096
BOD and employees share suggested / actual (EGP)	(138 838 018)	(137 966 468)
Net Profit available for ordinary shares (EGP)	1 008 525 246	544 488 628
Average number of shares outstanding during the period for basic earnings (share)	1 794 148 556	1 777 678 096
Basic share in earnings for the period (EGP/share)	0.562	0.306