

E-finance for Digital and Financial investments “S.A.E”
Separate Financial Statements and Auditor's Report
For the Financial Year Ended December 31, 2023



Hazem Hassan
Public Accountants & Consultants

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Auditor's Report
To the Shareholders of
E-finance for Digital and Financial investments "S.A.E"

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of E-finance for Digital and Financial investments (E-finance for technology solutions formerly) "the company" which comprise the separate balance Sheet as at December 31, 2023, the separate Statement of Profit or Loss, Separate statement of comprehensive income, separate statement of change in equity, separate statement of Cash Flow for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Separate Financial Statements

These separate financial statements are the responsibility of the group's management. The management is responsible for preparing and presenting the separate financial statements in a fairly presented in accordance with Egyptian accounting standards and in the light of the prevailing Egyptian laws. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error, and this responsibility includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



Hazem Hassan

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Basis for Opinion

1- As described in Note 11 to the financial statements, the Company carried its investment in certain equity instruments at cost instead of fair value as at 31 December, 2022. This accounting treatment was not in accordance with EAS 47, 'Financial Instruments'. The Company's management believed that it was unable to obtain a reliable measure of fair value as at 31 December, 2022 because quoted market prices were not available for the instruments. A reliable measure of fair value for the Company's investment in the instruments could have been obtained through other means. It was impracticable for us to quantify the financial effects of the adjustments to investment in the instruments, income taxes and other comprehensive income, which would have resulted from using fair values for the period then ended. However, As at 31 December 2023, the Company carried its investment in these equity instruments at of fair value in accordance with EAS 47 'Financial Instruments'. No retrospective adjustment was made to the comparative information.

Opinion

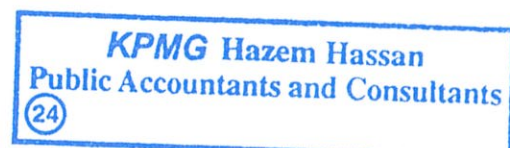
Except for the impact of the matters described above in the basis for opinion paragraph, in our opinion that the separate financial statements referred to above express fairly and clearly, in all their material respects, the separate financial position of E-finance for digital and financial investments on December 31, 2023, and its separate financial performance and separate cash flows for the year ended on December 31, 2023, in accordance with Egyptian accounting standards and accordance to the Egyptian laws and regulations relevant to the preparation of these separate financial statements.

KPMG

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo,

29 February 2024



E-Finance for Digital and Financial Investments Company (S.A.E)
 Separate Statement of Financial position as of

	Note No.	31 December 2023 L.E.	31 December 2022 L.E.
Assets			
Non current assets			
Fixed assets	(4-2)/5	77 405 393	71 077 453
Project Under Construction	6	-	1 725 821
Prepaid employee benefits	8	603 911	1 627 168
Due from related parties	1-33	195 267 568	195 267 568
Equity-investment at FVTOCI	(4-4)/11	1 074 419 294	197 637 600
Investments in subsidiaries	10	1 362 865 422	1 037 351 045
Advances to employee-ESOP shares		-	11 769 336
Right of use assets	7-1 (19-4)	11 782 141	-
Deferred tax assets	(2-6-4)/(2-12)	-	18 687 543
Total non current assets		2 722 343 729	1 535 143 534
Current assets			
Other receivables	14	147 173 655	112 044 163
Payments under investment	2-33	105 201 265	4 928 750
Due from related parties	2-32	80 462 996	97 084 390
Loans	34	105 111 110	-
Financial investments at amortized cost	13	665 688 580	1 931 376 152
Cash and cash equivalents	(9-4)/15	989 551 700	627 153 869
Equity-investment at FVTPL	9	463 961 532	-
Income tax	4-12	5 394 529	8 758 797
Total current assets		2 562 545 367	2 781 346 121
Total assets		5 284 889 096	4 316 489 655
Owners equity & Liabilities			
Owners equity			
Paid-up capital	(10-4)/16	924 444 445	924 444 445
Share Premium (Special reserve)	17	1 956 462 107	1 956 462 107
Reserves	(11-4)/20	1 191 256 844	563 784 373
Employee Share Option Plan (Share-based Payment)	39	505 435 841	247 111 100
Treasury Shares	18	(196 529 636)	(5 036 004)
Retained earnings		491 905 600	478 298 377
Total Equity		4 872 975 201	4 165 064 398
Liabilities			
Non-Current Liabilities			
Lease liability	7-2(19-4)	11 003 816	-
Employee benefits Liabilities(End of service)	(4-7)/22	147 090 583	95 564 656
Deferred tax Liabilities		172 875 429	-
Total non current liabilities		330 969 828	95 564 656
Current liabilities			
Trade and other payable	21	78 638 039	55 860 601
Lease liability	7-2(19-4)	1 038 611	-
Due to related parties	32-3	1 267 417	-
Total current liabilities		80 944 067	55 860 601
Total Liabilities		411 913 895	151 425 257
Total equity and liabilities		5 284 889 096	4 316 489 655

The attached notes from (1) to (41) are an integral part of these separate financial statements and to be read with them.
 The Audit report is attached.

Chairman & Managing Director
 Ibrahim Sarhan




Translation from Arabic

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

Separate Statement of Profit or Loss for the Financial year ended 31 December

	<u>Note No.</u>	<u>2023</u>	<u>2022</u>
		<u>L.E.</u>	<u>L.E.</u>
Revenue	(4-14) / 23	808 004 001	547 901 984
Cost of Sales	24	(169 844 513)	(127 769 178)
Gross profit		638 159 488	420 132 806
Other revenue	25	45 677 308	38 873 073
General and administrative expenses	26	(50 442 989)	(34 996 917)
Employee Share Option Plan (Share-based Payment) Expense	36	(84 405 933)	(33 262 547)
Marketing and selling expenses	27	(67 810 884)	(67 785 395)
Other expenses	28	(3 007 000)	(7 184 260)
Operating Profit		478 169 990	315 776 760
Finance cost	29	(2 196 888)	(58 935)
Finance Income	30	458 752 258	273 032 224
Net profit for the year before tax		934 725 360	588 750 049
Income tax expense	(4-6)/(12-1)	(130 714 565)	(92 083 784)
Net profit for the year after tax		804 010 795	496 666 265
Basic Earning Per Share	37/(13-4)	0.36	0.22

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Translation from Arabic

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

Separate Statement of Comprehensive income for the year ended 31 December

	<u>2023</u>	<u>2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Net profit for the year	804 010 795	496 666 265
<u>Other comprehensive income items:-</u>		
Actuarial (loss) / gain from employee benefit plan	(2 362 125)	1 145 934
Revaluation FVTOCI	876 781 694	-
Income Tax related to other comprehensive income	(196 744 406)	(257 834)
Total other comprehensive income	<u>677 675 163</u>	<u>888 100</u>
Total comprehensive Income for the year	<u><u>1481 685 958</u></u>	<u><u>497 554 365</u></u>

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

Separate Statement of change in shareholders equity for the Financial year ended 31 December 2023

	Paid up Capital	Other Reserve	Employee Share Option Plan Reserve	Treasury Shares	Share Premium (Special Reserve)	Retained earnings	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance as at 1/1/ 2022	888 888 889	148 909 046	-	-	2 345 616 021	250 990 286	3 634 404 242
Comprehensive Income							
Net profit for the year ended 31 December 2022	-	-	-	-	-	496 666 265	496 666 265
Other comprehensive income items	-	888 100	-	-	-	-	888 100
Total comprehensive income	-	888 100	-	-	-	496 666 265	497 554 365
Transaction with the company's shareholders							
Legal Reserve	-	413 987 227	-	-	(389 153 914)	(24 833 313)	-
Capital increase 17-March-2022	35 555 556	-	-	-	-	(35 555 556)	-
Granting Share Option Plan to Employees	-	-	247 111 100	-	-	-	247 111 100
Treasury Stocks	-	-	-	(5 036 004)	-	-	(5 036 004)
Dividends according to the ordinary general assembly meeting held in March 31, 2022-BOD and employees	-	-	-	-	-	(31 191 526)	(31 191 526)
Dividends according to the ordinary general assembly meeting held in March 31, 2022-Shareholders	-	-	-	-	-	(177 777 779)	(177 777 779)
Total transaction with shareholders	35 555 556	413 987 227	247 111 100	(5 036 004)	(389 153 914)	(269 358 174)	33 105 791
Balance as of December 31, 2022	924 444 445	563 784 373	247 111 100	(5 036 004)	1 956 462 107	478 298 377	4 165 064 398

The attached notes from (1) to (41) are an integral part of these separate financial statements and to be read with them.

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

Separate Statement of change in shareholders equity for the Financial year ended 31 December 2023

	Paid up Capital	Other Reserve	Employee Share Option Plan Reserve	Treasury Shares	Share Premium (Special Reserve)	Retained earnings	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance as at 1/1/2023	924 444 445	563 784 373	247 111 100	(5 036 004)	1 956 462 107	478 298 377	4 165 064 398
Comprehensive Income	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	-	804 010 795	804 010 795
Other comprehensive income items	-	677 675 163	-	-	-	-	677 675 163
Total comprehensive income	-	677 675 163	-	-	-	804 010 795	1 481 685 958
Transaction with the company's shareholders							
Legal Reserve from spon-off	-	(69 713 888)	-	-	-	69 713 888	-
Treasury Stocks	-	-	-	(191 493 632)	-	1 939 412	(189 554 220)
Granting Share Option Plan to Employees	-	-	258 324 741	-	-	-	258 324 741
Dividends according to the ordinary general assembly meeting held	-	-	-	-	-	(119 759 849)	(119 759 849)
Dividends profits for stakeholders	-	-	-	-	-	(722 785 827)	(722 785 827)
Legal Reserve	-	19 511 196	-	-	-	(19 511 196)	-
Total transaction with shareholders	-	(50 202 692)	258 324 741	(191 493 632)	-	(790 403 572)	(773 775 155)
Balance as of December 31, 2023	924 444 445	1 191 256 844	505 435 841	(196 529 636)	1 956 462 107	491 905 600	4872 975 201

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Translation from Arabic

E-Finance for Digital and Financial Investments Company (S.A.E)
Separate Statement of Cash flows for the Financial year ended 31 December

	<u>2023</u>	<u>2022</u>
	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>		
Net profit before tax	934 725 360	588 750 049
<u>Adjustments to reconcile net profit to</u>		
Fixed assets depreciation	4 332 060	2 853 371
Amortization of Right of used assets	406 280	-
Investment income from financial investment at FVTOCI	(62 838 230)	(31 625 598)
Investment income from financial investment at FVTPL	(69 164 255)	-
Investment Income from financial assets at amortized Cost	(270 946 363)	(228 094 020)
Interest from lease contracts	391 170	-
Capital gain	-	(65 926)
Employee Share Option Plan Expense	68 200 364	33 262 547
Foreign currency exchange transactions	-	(29 321)
	<u>605 106 386</u>	<u>365 051 102</u>
Change in other debit balances	(214 924 603)	(88 451 049)
Change in due from related parties	25 199 374	(181 850 242)
Change in other credit balances	24 400 427	17 035 214
Change in due to related parties	1 713 878	-
Cash flow result from operating activities	<u>441 495 462</u>	<u>111 785 025</u>
Changing in Employee Share Option Plan	17 995 226	8 900 796
Payment to employee benefits(End of service)	-	(61 992)
Employee end of service benefit formed	39 427 653	36 421 136
Amortization of Prepaid employee benefits	1 350 049	1 138 000
Dividends for employees and the board of directors	(119 759 848)	(31 191 525)
Net cash flow provided from/(used in) operating activities	<u>380 508 542</u>	<u>126 991 440</u>
<u>Cash flow from investing activities</u>		
Proceeds from Financial investments at Amortized Cost	190 721 110	86 747 864
Proceeds/(Payments) for the acquisition of financial investments at amortized cost	1 291 723 552	(1 333 961 009)
Proceeds from dividends from financial investments at FVTOCI	56 554 407	28 508 002
Payment of acquiring fixed assets and project under Construction	(8 934 177)	(5 449 821)
Payment of purchasing financial investments at FVTOCI	-	(60 786 600)
Payment of purchasing financial investments at FVTPL	(394 797 277)	-
Net cash flow (used in) investing activities	<u>1 135 267 615</u>	<u>(1 284 941 564)</u>
<u>Cash flow from financing activities</u>		
Payment of Purchasing Treasury Shares	(189 554 219)	(5 036 004)
Payment to aquire investment in associate	(135 390 000)	(20 999 985)
Payments of Lease contracts	(537 168)	-
Loans for sister's companies	(105 111 110)	-
Payment of Dividends to shareholder	(722 785 829)	(177 777 780)
Net cash flow (used in) result from financing activities	<u>(1 153 378 326)</u>	<u>(203 813 769)</u>
Net change in cash & cash equivalent during the year	<u>362 397 831</u>	<u>(1 361 763 893)</u>
Cash & cash equivalent at beginning of the year	621 616 848	1 983 380 741
Cash & cash equivalent at end of the year	(15) <u>984 014 679</u>	<u>621 616 848</u>

The attached notes from (1) to (41) are an integral part of these separate financial statements and to be read with them.

1- Company's background

1-1 Legal entity

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

Shareholders	%	Country
Saudi Egyptian Investment Company	25.7%	Kingdom of Saudi Arabia
National Investment Bank	21.8%	Egypt
Banque Misr	6.7%	Egypt
Egypt Bank Company for Technological Advancement L.L.C	6.7%	Egypt
Egyptian Company for Investment Projects (ECIP) L.L.C	6.7%	Egypt
National Bank of Egypt	6.7%	Egypt
Public Offering Shares	25.7%	-
	100%	

1-2 Company's Purpose:-

- 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.
- The company may have an interest or participate in any way with companies and others that carry out business similar to its business or that may help it to achieve its offer in Egypt or abroad. This is in accordance with the provisions of the law and its executive regulations.

2- Financial statement approval

The Separate financial statements were approved for issuance by the Company' Board of Directors on February 29, 2024

3- Basis of preparation of separate financial statement

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

3-1 Compliance by the Accounting Standards and Laws:

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

Presentation Currency:

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

3-2 Consolidated financial statements

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

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

3-3 Use of professional judgment and estimates

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

Estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. The following are the main judgments and estimates that materially affect the company's separate financial statements:

Judgment

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

The existence of significant influence of investments in equity instruments

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

Equity accounted investees (associate)

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

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 separate 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.

Estimate of expected credit losses

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

Impairment of non-financial assets

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

Defined Benefit Plan

The defined benefit plan cost and the present value of the obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. This includes determining the discount rate,

future salary increases, mortality rates, and employee turnover. Due to the complexities involved in valuation and its long-term nature, the defined benefit obligation is highly sensitive to changes in these assumptions, and all assumptions are reviewed at each financial position date.

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

Fair value measurement

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

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

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

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

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

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

4 The most significant applied accounting policies

The accounting policies mentioned below are applied in a consistent manner during the financial periods presented in these separate financial statements.

4-1 Translating transactions in foreign currencies

The Company holds its accounts in Egyptian pound, and transactions are recognized in foreign currency books based on the prevailing price of foreign currencies and at the end of each financial period. fair value denominated in a foreign currency using the exchange rates prevailing at the date that the fair value was determined, and items of a non-monetary nature that are measured at historical cost are translated using rate prevailing at date of transaction.

Gains or losses from translation of non-monetary items that are measured at fair value are recognized in a manner consistent with the recognition of gains or losses from the change in the fair value of the item. That is, translation differences related to items for which gains or losses from the change in fair value are recognized in other comprehensive income items or in the statement of profit or loss within other comprehensive income items or in the statement of profit or loss, respectively.

4-2 **Fixed assets**

Recognition and measurement of Fixed assets are recognized at cost minus the accumulated depreciation and impairment losses. It includes all expenses to bring assets to place and the subsequent costs are added to book value separately – if any- only when there are future economic benefits that can be reliably estimated.

The repair and maintenance are charged at income statement of the period for the year that it belongs to, the capital gain or losses are recognized as difference between net selling return – if any- and the net book value for every asset of these assets

Depreciation is charged to the separate income statement according to the straight-line method based on the estimated useful life of each type of fixed assets, so that it reflects the benefit from the economic benefits of the assets, and the company's management reviews the remaining useful lives of fixed assets periodically to determine whether they are compatible with ages previously estimated useful life, and if there is a significant difference, the assets are depreciated over the estimated remaining period.

	Assets Useful life
Buildings	50 years
Network	4 years
Air conditioners and elevators	10 years
Computer	From 1 to 7 years
Furniture, tools and electrical appliances	From 2 to 4 years
Lease hold Improvements	Useful life or contract term whichever comes first

Fixed assets are disposed when they are disposed of or when no future economic benefits are expected from their use or sale in the future. Any profits or losses that arise when the asset is disposed are recognized in the separate statement of profit or loss in the period in which the asset is disposed.

Land is recognized at its historical cost and is not depreciated.

The company determines, at each financial position date, whether there is an indication that a fixed asset has impaired. When the book value of the asset exceeds its recoverable amount, it is considered that there is impairment of the asset and thus it is reduced to its recoverable value. Impairment loss is recognized in the separate statement of profit or loss.

The loss resulting from impairment is only refunded if there has been a change in the assumptions used to determine the asset's recoverable value since the last loss resulting from impairment was proven, and the refund of the loss resulting from the impairment is limited so that the book value of the asset does not exceed its recoverable amount or the book value that was to be determined (net after depreciation) unless the impairment loss is recognized with respect to the asset in previous years. And the response to the loss resulting from impairment is recorded in the statement of profit or loss.

4-3 Impairment in fixed assets :-

On an annual basis - or whenever necessary - the company reviews the book values of its tangible assets to determine whether there are evidence or indications of the possibility of impairment in their value, if the impairment losses in its value. If the recoverable amount of an asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

In the case of using logical and fixed bases to distribute assets to the cash-generating units, the general assets of the company are also distributed to those units. If this is not possible, the company's general assets are distributed to the smallest company of cash-generating units that the company can determine using logical and consistent bases.

For intangible assets that do not have a definite useful life or are not yet available for use, an annual test for impairment is conducted in their value, or as soon as there is any indication that those assets are subject to impairment.

The recoverable amount of an asset or a cash-generating unit is represented by the "fair value less costs to sell" or "value in use", whichever is greater.

Estimated future cash flows from the use of the asset or cash-generating unit are discounted using a pre-tax discount rate to arrive at the present value of those flows, which expresses their value in use. This rate reflects current market assessments of the time value of money and the risks associated with that asset, which have not been taken into account when estimating the future cash flows generated by it. If the estimated recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, the carrying amount of that asset (or a cash-generating unit) is reduced to reflect its recoverable amount.

The impairment losses are immediately recognized in the income statement. When, in a later period, the impairment loss recognized in prior periods is derecognized, the carrying amount of the asset (or the cash-generating unit) is increased in line with the new estimated recoverable amount, provided that the revised carrying amount does not exceed the original carrying amount that would have been possible that the asset reaches it if the loss resulting from impairment in its value has not been recognized in previous years. This reverse adjustment of impairment losses is immediately recognized in the income statement.

4-4 Financial Instruments

Financial Assets

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the company becomes a party to the contractual provisions of the instrument.

Upon initial recognition, the entity shall measure the financial asset or financial liability at its fair value added or deduct it, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that can be directly attributable to the acquisition or issuance of the financial asset or financial liabilities, with the exception of the due from customers who, if the amounts owed to them do not include a significant financing component.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVTOCI – Debt investment; FVTOCI – equity instrument; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity instrument that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI, so this election is made on an investment-by-investment basis.

All financial assets not measured at amortized cost or FVTOCI as described above are measured at FVTPL and this includes all derivative financial assets. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business Model Assessment:

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets.
- How the performance of the portfolio is evaluated and reported to the company's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- How managers of the business are compensated – e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers:

- Contingent events that would change the amount or timing of cash flows.
- Terms that may adjust the contractual coupon rate, including variable-rate features.
- Prepayment and extension features; and
- Terms that limit the company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses:

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss at derecognition is recognized in profit or loss.
Equity investments at FVTOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVTOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified to be measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is a financial derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Derecognition
Financial assets

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

4-5 Impairment

1) Non-derivative financial assets

Financial instruments and contract assets

The company recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost.
- Debt investments measured at FVTOCI; and
- Contract assets.

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of a default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 360 days past due.

The company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as releasing security (if any is held); or
- The financial asset according to the terms of payment and the nature of each sector for individual customers and considering the study of expected credit losses prepared by the company.

The company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

The calculation of expected credit losses excludes the following: -

1. Debt instruments issued by the Egyptian government in the local currency.
2. Current accounts and deposits in the local currency with banks operating in Egypt that are due within one month from the date of the financial position.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.

A breach of contract such as a default or being more than 120 days past due; The restructuring of a loan or advance by the company on terms that the company would not consider otherwise; It is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVTOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the company has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

4-6 Income tax

Income tax is calculated according to the Egyptian laws.

4-6-1 Current tax

Current taxes for the current period and previous periods that have not been paid yet are recognized as a liability, but if the taxes that were actually paid in the current period and previous periods exceed the value due for these periods, then this increase is recognized as an asset. Current tax liabilities (assets) for the current and prior periods are measured at the value expected to be paid to (recovered from) the tax authority, using tax rates (and tax laws) in effect at the end of the financial period.

Current income tax related to recognized items is recognized directly in equity in owner's equity statement and not in the statement of profit or loss.

Management periodically assesses the positions taken in the tax returns in relation to cases in which the applicable tax regulations are subject to interpretation and makes provisions where appropriate.

4-6-2 Deferred tax

Deferred income tax is recognized by following the liabilities method on temporary differences between the recognized value of the asset or liability for tax purposes (tax basis) and its value included in the statement of financial position (accounting basis) at the end of the financial period.

The deferred tax liability is recognized for all temporary differences that are subject to tax, except for the following:

- When the deferred tax liability arises from the first recognition of goodwill and the first recognition of the asset or liability in a process that does not represent a business combination which, at the date of the operation's origination, had no effect on both the accounting profit and the tax profit (tax loss).
- With regard to taxable temporary differences related to investments in subsidiaries and sister companies and stakes in joint ventures, when the parent company, investor, or stake

holder is able to control the timing of the reversal of the temporary differences and it is likely that the temporary differences will not be reversed in the foreseeable future.

A deferred tax asset is recognized for all deductible temporary tax differences to the extent that the tax profit is expected to be sufficient to offset the deductible temporary difference, tax deductions and carry forward tax losses, except for the following:

- When the deferred tax asset relates to deductible temporary tax differences that arose from the initial recognition of an asset or liability in a process that does not represent a business combination and at the date of the operation's establishment, it had no effect on both the accounting profit and the tax profit (tax loss).
- For deductible temporary differences related to investments in subsidiaries and sister companies and stakes in joint ventures, they are recognized only to the extent that it is likely that the temporary differences will reflect (i.e. become taxable as deductions) in the foreseeable future and that there will be a future tax profit. Which can be used for these temporary differences' opposite.

At the end of each financial period, the entity reassesses the carrying amount of the deferred tax asset and is reduced to the extent that sufficient expected tax profits are no longer available to benefit from all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at the end of each financial period, and deferred tax assets that have not been previously recognized are recognized to the extent that it becomes probable that a future tax profit will allow the value of the deferred tax asset to be absorbed.

Deferred tax is included as income or expense in the statement of profit or loss for the period, except for the tax that results from a transaction or event in the same period or other period directly within equity.

The entity makes a set-off between the deferred tax asset and the deferred tax liability only if the establishment has a legal right to set off a set-off between the current tax asset and the current tax liability, and the deferred tax assets and deferred tax liabilities relate to income taxes imposed by the same tax administration on the same taxable entity.

4-7 End of service benefit

The company manages a defined benefit plan for its employees. This plan is not funded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The re-measurements that include actuarial profits or losses are recognized immediately in the statement of financial position and the counterparty, whether indebted or creditor of the retained earnings, is through other comprehensive income in the period in which they occur. Reclassification of measurements is not made to the statement of profit or loss in subsequent periods.

The cost of past service is recognized as an expense on one of the following dates - whichever comes first:

- When an amendment or reduction to the system occurs. or
- When the entity recognizes the costs of the related restructuring.

The company calculates the net interest expense by applying a discount rate to the defined benefit obligation. The company recognizes changes in the following defined benefit obligation under "cost of sales" and "general and administrative expenses" in the profit or loss statement (as per the functional classification):

- Service costs which include current service cost, past service costs, curtailment gains and losses, non-routine adjustments and compromises.
- Net interest expense

4-8 Social Insurance

The company makes contributions to the national organization for social insurance and is calculated as a percentage of employees' salaries. The company's obligations are limited to these contributions, which are expensed when due.

4-9 Cash and cash equivalents.

Cash and cash equivalents include cash balances in the fund, current accounts with banks, time deposits, treasury bills and investment fund deposits, which do not exceed three months - if any - and the bank balance is considered an overdraft, which will be paid upon request as part of the company's management of funds for the purposes of preparing the separate cash flow statement.

4-10 Share capital

Issuance of shares

The additional costs directly related to the issuance of new shares are calculated by deducting these net costs from equity after deducting income tax, if any.

Share capital repurchase.

The value paid to purchase equity capital shares recorded in equity must be recognized as a change in the equity value including the purchase expenses. Shares purchased are classified as treasury shares and deducted from total equity.

4-11 Legal reserve

In accordance with the requirements of the Companies Law and the Company's Articles of Association, 5% of the annual net profit is deducted to form a legal reserve. The legal reserve is used to increase the share capital or reduce the company's losses. The deduction of this percentage stops when the reserve balance reaches 50% of the issued capital of the company, and in the event that this reserve falls below the mentioned percentage, the formation of this amount must be set aside.

4-12 Employees' share of profit

In accordance with the articles of association, the company pays a cash share to the employees in the profits in accordance with the rules proposed by the company's board of directors and approved by the general assembly. The employees' share of profits is recognized as a dividend in the statement of changes in equity and as a liability during the financial year in which the company's shareholders approve this distribution.

4-13 Earnings per share

The company displays the basic share of the share of its ordinary shares. The basic share is calculated by dividing the profit or loss related to the shareholders on their contribution to the ordinary shares of the company by the weighted average number of ordinary shares outstanding during the year. Since the distribution of profits is an inherent right of the owners

of the company, no liability is recognized by the employees in the profits whose distribution has not been declared until the date of the financial statements (retained earnings).

4-14 Revenue from contracts with customers

Revenue from contracts with clients is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for such transfer.

The company recognizes revenue from contracts with customers based on a five-step model as set out in EAS (48) and is given below:

Step 1 – Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 – Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 – Determine the transaction price: The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 – Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 – Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is met:

- a) The performance of the Company does not create an asset with an alternative use for the company, and that the company has an enforceable right to payment for performance completed to date.
- b) Company performance creates or improves a customer-controlled asset at the same time as the asset is being constructed or improved.
- c) The customer simultaneously receives and consumes the benefits provided by the entity's performance once the Company has performed.

For performance obligations, if any of the above conditions are not met, revenue is recognized at the point in time at which the performance obligation is satisfied.

If the Company fulfils the performance obligation by providing the services that have been promised, this creates an asset based on a contract in exchange for consideration gained from performance. In the event that the consideration received by the customer exceeds the amount of revenue that has been recognized, a contract obligation may arise.

Revenue is measured at the fair value of the consideration received or receivable, after taking into account the contractual terms of payment, and after excluding taxes and fees. The Company reviews its revenue arrangements against specific criteria to ascertain whether it is acting as principal or agent.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and that revenue and costs, where applicable, can be measured reliably.

4-15 Interest Income

Interest income is recognized according to the accrual principle on the basis of time proportional distribution, taking into consideration the principal outstanding and the effective interest rate applied for the period to the maturity date.

4-16 Expenses

All expenses are recognized, including the cost of sales, general, administrative, marketing and financing expenses, and are included in the separate statement of profit or loss in accordance with the principle of accrual in the fiscal year in which those expenses were realized.

4-17 Borrowing costs

Borrowing costs directly related to the acquisition, construction or production of a qualifying asset that requires an extended period of time to prepare it for use in its intended purposes or for its sale are capitalized as part of the cost of the asset. Other borrowing costs are charged as an expense in the period in which they are recognized in the separate statement of profit or loss using the effective interest rate method. Borrowing costs are the interest and other costs that the company spends on borrowing the money.

4-18 Provisions

A provision is recognized when the entity has a present obligation (legal or constructive) as a result of past events and it is probable that the settlement of that obligation will result in an outflow from the group in the form of resources that include economic benefits and that the estimated costs of meeting those obligations are likely to occur and it is possible to estimate the value of the obligation reliably.

The value that is recognized as a provision represents the best estimates available for the consideration required to settle the current obligation at the date of the financial statements if the risks and uncertainties surrounding that obligation are taken into consideration.

When a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount of the provision represents the present value of those cash flows. If the cash flows are discounted, the book value of the provision increases in each period to reflect the time value of money resulting from the passage of the period. This increase in the provision is recorded in the financing expenses in the income statement.

4-19 Lease contracts

The Company, as a lessee, recognizes the “right of use” asset and the lease liability at the commencement date of the lease.

At the initial recognition, the right-of-use asset is measured as the amount equal to the initially measured lease liability, adjusted for pre-contract lease payments, initial direct cost and lease incentives, and the discounted value of the estimated costs of decommissioning and removing the asset. In the subsequent measurement, the right-of-use asset is measured at cost less accumulated amortization and accumulated impairment losses. amortization is calculated on a straight-line basis over the estimated useful life of the right-of-use assets or the lease term - whichever is less.

On initial recognition, Lease liabilities are measured at the present value of the lease payments unpaid on that date and related services fixed over the lease term, and the lease payments must be discounted using the incremental borrowing rate. Generally, the company uses the

incremental borrowing rate as the discount rate. The lease liability is then measured at amortized cost using the effective interest rate method.

The right-of-use assets and lease liability will be subsequently re-measured if one of the following events occurs:

- The change in the rental price due to the linkage to the rates or rate that became effective during the period.
- Amendments to the lease agreement.
- Reassess the lease term.

Leases of non-core assets not related to the Company's principal operating activities, which are by nature short-term (less than 12 months including renewal options) and leases of low-value commodities are recognized in the separate statement of profit or loss as incurred.

When the company acts as a lessor, it determines at the inception of the contract whether each lease contract is a financing contract or an operating contract.

In classifying each lease, the Company makes a comprehensive assessment of whether the lease conveys substantially all of the benefits and benefits associated with ownership of the underlying. And if that is the case, then it is a lease and it is an operating contract, and if so. As part of this assessment, each specific indicator takes into account whether the lease contract is a major part of the economic life of the asset.

The Company recognizes lease payments received under operating leases as revenue on a straight-line basis over the term of the lease.

Significant Rules

Egyptian Accounting Standard No. 49 requires a company to assess the lease term as the non-cancellable lease period in line with the lease with the period for which the company has extension options that it is certain to exercise, the periods specified by the company, and the periods for which the company has termination options that It is uncertain that the company will implement it.

4-20 Share based payment.

The fair value of share-based payment transactions settled in the form of equity instruments is recognized as an expense, and as a corresponding increase in equity, during the year to maturity. The amount recognized as an expense is adjusted to reflect the number of grants for which the related service and performance conditions are expected to be met, so that the amount ultimately recognized is based on the number of equity instruments granted that satisfy the relevant service conditions and non-market performance conditions at the maturity date.

4-21 Associates and sister Companies

4-21-1 Subsidiaries

The subsidiary is created and managed by another facility (the parent company), and the company controls when it includes various returns by increasing and integrating its capabilities to influence the returns through its parts. Control is assumed to exist when the company owns, whether directly or indirectly through its subsidiaries, more than half of the rights of choice in those special cases in which it clearly appears that such ownership does not represent it.

The company is reconsidering the monitoring of the four children who indicated landmarks and conditions, where there are various elements of controls.

This means that investments in companies vary in cost, unless they are designated as non-current investments held for the purpose of selling them, in which case they are measured by book value or strategic value, less the costs necessary to sell, whichever is lower. However, in the event that some signs and indications appear of the possibility of an occurrence of impairment in the value of investments in subsidiaries in the history of famous celebrities, then the popularity of the book value and the ability to invest in the recoverability is highlighted and the impairment is removed directly from the income statement.

4-21-2 Sister Companies

These are companies over which the company has direct or indirect influence, but not to the point of control. Usually, the company has an ownership stake of 20% to 50% of the voting rights.

The purchase method is used in accounting for the acquisitions of these companies, and the cost of the acquisition is measured by the fair value or the consideration provided by the company for the purchase and/or equity instruments issued and/or obligations incurred by the company and/or obligations accepted on behalf of the acquiring company. On the exchange date, in addition to any costs directly attributable to the acquisition process, the net assets, including the identifiable acquired potential liabilities, are measured at their fair value on the acquisition date, regardless of the existence of any minority rights. The excess of the acquisition cost over the fair value of the company's share in it is considered Net: If the acquisition cost is less than the fair value of the aforementioned net, the difference is recorded directly in the income statement under other operating revenues (expenses).

Subsidiary and sister companies are accounted for in the company's independent financial statements using the cost method. According to this method, investments are recorded at the acquisition cost, including any goodwill and deducted from any impairment losses.

Dividends are recorded in the income statement when the distribution of these profits is approved and the company's right to collect them is established.

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

Notes to the Separate Financial Statements for the Financial Year ended December 31, 2023

5- Fixed Assets

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

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

Notes to the Separate Financial Statements for the Financial Year ended December 31, 2023

5- Fixed Assets

	<u>L.E.</u>	<u>Computers</u>	<u>Decorations</u>	<u>Furniture, Equipments and electrical appliances</u>	<u>Networks and electrical appliances</u>	<u>Total</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
<u>Cost</u>						
Cost as of 1/1/2023	86 402 332	1 369 627	802 988	1 437 895	1 999 067	92 011 909
Additions during the year	-	3 809 576	2 166 034	4 541 444	142 948	10 660 002
Cost as of 31/12/2023	86 402 332	5 179 203	2 969 022	5 979 339	2 142 015	102 671 911

Accumulated depreciation

Accumulated depreciation as of 1/1/2023	19 865 184	636 791	22 304	419 296	17 881	20 961 456
Depreciation of the year	1 992 029	1 166 689	89 221	554 577	529 546	4 332 062
Accumulated depreciation as of 31/12/2023	21 857 213	1 803 480	111 525	973 873	547 427	25 293 518
Net book value as of 31/12/2023	64 545 119	3 375 723	2 857 497	5 005 466	1 594 588	77 378 393

Depreciation charged under the following items:

	<u>31/12/2023</u>	<u>31/12/2022</u>
	<u>L.E.</u>	<u>L.E.</u>
Cost of Revenue (Note 23)	2 340 033	861 342
General & Administrative expenses (Note 25)	1 992 029	1 992 029
	<u>4 332 062</u>	<u>2 853 371</u>

6- projects under consusrction

	December 31,2023	December 31,2022
	L.E	L.E
Solar panels at headquarters	-	1 725 821
Total	-	1 725 821

7- Lease contracts.

7-1 Right of use assets

	December 31, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Beginning balance of the year	-	-
Additions during year *	12 188 421	-
Ending Balance of the year	12 188 421	-
Accumulated Amortization Beginning balance	-	-
Amortization of the year	406 280	-
Net Right of use	11 782 141	-

7-2 Lease Liability

	December 31, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Beginning balance of the year	-	-
Additions during the year	12 188 421	-
Finance Cost	391 174	-
Lease payment	(537 168)	-
Balance at the end of the year	12 042 427	-
They are divided as follows: -		
Contract lease liability – non-current liability	11 003 816	-
Contract lease liability- current liability	1 038 611	-
Balance at the end of the year	12 042 427	-

8 Prepaid employee benefits

According to the decision of the Board of Directors held on February 25, 2020, the proposal submitted by the Personnel Affairs Department regarding adding the benefit of providing cars to the senior management and the managing director, instead of the monthly transportation allowance, was approved, after presenting the proposal to the Financial Benefits Committee, Compensation and Remuneration.

	December 31, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Beginning Balance of the year	2 765 168	3 903 168
Depreciation of the year	(1 350 049)	(1 138 000)
Transfer to the Associates company	711 708	-
Ending Balance of the year	2 126 827	2 765 168

E-Finance for Digital and Financial Investments Company (S.A.E)
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Distributed as follows:

Prepaid employee benefits – Short term (Note 13)	1 522 916	1 138 000
Prepaid employee benefits – Long term	603 911	1 627 168
Total	2 126 827	2 765 168

Amount charged to Profit & Loss statement:

	2023	2022
Cost of Sales (Note 23)	1 350 049	1 138 000
	1 350 049	1 138 000

9 Investment in fair value through Profit or Loss

On June 20, 2023 the company's board of directors decided to allocate 15% of the company's available cash as a maximum portfolios, provides that these portfolios are assigned to three or four major portfolio management companies in the market with a stop loss point at the level of 20% and accordingly, the company Has already started investing and the following is a statement of these investments:

<u>Portfolio Manager</u>	<u>Purchasing value</u>	<u>Profit Returned</u>	<u>Profit of Revaluation</u>	<u>Dividend</u>	<u>Tax Dividend</u>	<u>Commissions</u>	<u>Available Liquid</u>	<u>Balance 31 December 2023</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>
	400 000 000	12 760 667	50 978 258	5 425 330	(271 267)	1 170 538	(6 101 994)	463 961 532

10 Financial investments in subsidiaries and Associate Companies

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

	<u>Investment Classification</u>	<u>%</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
			<u>L.E</u>	<u>L.E</u>
Khales for Digital Payment Services Company (S.A.E.) - A	Subsidiary	%70	81 817 685	74 723 406
Smart Card Operation Technology Company E-Cards (S.A.E) - B	Subsidiary	%89	139 765 967	136 210 815
The Technology Company for Ecommerce Operations E-Aswaaq Misr (S.A.E) - C	Subsidiary	%61	124 646 005	32 421 570
E-nable for Outsourcing Services (eNable) (S.A.E) - D	Subsidiary	%99.98	85 170 620	29 281 150
Technological Operation for Financial Institution E-finance Company (S.A.E)	Subsidiary	%99.99	861 465 195	694 714 154
-E				
Total investments in subsidiaries			1 292 865 472	967 351 095

E-Finance for Digital and Financial Investments Company (S.A.E)
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Technological Operation for Tax solutions e tax (S.A.E) - F	Sister	%35	34 999 975	34 999 975
Insurance Services Operation Technology Company (S.A.E) – G	Sister	%35	34 999 975	34 999 975
Total investment in sisters companies			69 999 950	69 999 950
			1 362 865 422	1 037 351 045

- A- The value of the company's contribution of 70% in the issued capital of Khales for Digital Payment Services Company (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 144515 on December 30, 2019.(An additional investment value was added in exchange for the number of 580 271 shares at a discounted price that were granted to Khales's employees, with a value of 4 723 406 Egyptian pounds)(Note34). (and added extra value 474 459 shares free to Khales's employees with value 7 094 279 Egyptian Pounds.
- B- The value of the company's contribution of 89% in the issued capital of the Smart Card Operation Technology Company E-Cards (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 146132 on January 29, 2020. (An additional investment value was added in exchange for the number of 333 024 shares at a discounted price That were granted to E-Card employees, with a value of 2 710 815 Egyptian pounds) (and added extra value 230 256 shares free to E-card's employees with value 3 555 153 Egyptian Pounds.
- C- The value of the company's contribution of 61% in the issued capital of The Technology Company for Ecommerce Operations E-Aswaaq Misr (S.A.E) and the payer represents 100% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 150444 on 1 July,2020. (An additional investment value added in exchange for the number of 610 783 shares at a discounted price that granted to E-Aswaaq employees, with a value of 4 971 570 Egyptian pounds (and added extra value 441 997 shares free to E-aswaaq employees with value 6 824 434 Egyptian Pounds).According to the meeting held on June 15, 2023, the board of directors has decided to increase the company's authorized capital by an amount of 140 million Egyptian pounds. The company's share of this increase is 85 million Egyptian pounds.
- D- The value of the company's contribution of 99.98% in the issued capital of the E-nable for Outsourcing Services (eNable) (S.A.E) and the payment represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 159506 on 29 -December-2020. (An additional investment value was added in exchange for the number of 526 554 shares at a discounted price that were granted to eNable employees, with a value of 4 286 149 Egyptian pounds) (and added extra value 382 090 shares free to E-nable employees with value 5 889 471 Egyptian Pounds). According to the meeting held on March 13, 2023, the board of directors has decided to complete 50% of the company's share in the increased authorized capital, with a value of 49,999,990 Egyptian pounds.
- E- The value of the company's contribution of 99.99% in the issued capital of the Technological Operation for Financial Institution E-finance Company (S.A.E), and the payer represents 100% of the company's share in the issued capital, which was

established by registration in the Commercial Register No. 159585 dated on December 30, 2020. (An additional investment value was added in exchange for the number of 11 640 862 shares at a discounted price that were granted to E-finance employees, with a value of 94 756 617 Egyptian pounds) (and added extra value 10 799 938 shares free to E-finance employees with value 166 751 041 Egyptian Pounds).

- F- The value of the company's contribution of 35% in the issued capital of the Technological Operation for Tax solutions e-tax (S.A.E), and the payer represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 161093 dated on February 1, 2021.
- G- The value of the company's contribution of 35% in the issued capital of the Insurance Services Operation Technology Company E-Health (S.A.E), and the payer represents 25% of the company's share in the issued capital, which was established by registration in the Commercial Register No. 172265 dated on September 13, 2021.

11 Investment in fair value through other comprehensive income

	Investment Value	
	December 31, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Balance of financial investment at FVTOCI	1 074 319 294	197 637 600
	<u>1 074 319 294</u>	<u>197 637 600</u>

The value of investments lies in the contribution to following companies:

- Egyptian State Technology Services Company ESERVE (SAE):
- Egyptian Company for Electronic Commerce Technology (MTS)
- Technology (MTS).
- Egyptian Company for Electronic Commerce
- Egypt Delta Payments Company (SAE).
- International Company for Consulting and Information Systems (ACIS)
- Nclude Financial Technology Innovation Fund (Limited partnership),
- **Accounting classifications and fair values:**

-
- The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.
-

31 December 2023					
	Carrying amount		Fair Value		
	FVOCI	FVTPL	Level 3	Level 1	
Equity securities	1 074 319 294	463 961 532	1 074 319 294	463 961 532	
31 December 2022					
Equity securities	197 988 608	-	197 988 608	-	

Valuation techniques and significant unobservable inputs:

The following tables show the valuation techniques used in measuring Level 3 fair values for financial instruments in the statement of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value:

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Equity securities	<ul style="list-style-type: none"> Discounted cash flows: The valuation model considers the present value of the expected future payments, discounted using a risk-adjusted discount rate. Net assets value. P/E multiplier 	<ul style="list-style-type: none"> Expected cash flows (31 December 2023: EGP 767M–2282M). Risk-adjusted discount Rate taking into consideration risk free rate, beta, tax rate and country risk. PE 7.8X 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> the expected cash flows were higher (lower); or the risk-adjusted discount rate were lower (higher).

12 Tax

12-1 Income tax

	<u>2023</u> <u>L.E</u>	<u>2022</u> <u>L.E</u>
Current Income Tax Expenses	1 470 008	-
Tax dividends income from investments through FVTOCI	6 283 823	3 117 596
Tax dividends income from investments in subsidiaries	73 681 625	50 882 140
Treasury bills tax	54 189 273	45 618 804
Deferred tax (Benefits)	(5 181 434)	(7 534 756)
Tax dividends profit shares	271 269	-
Current and deferred tax income	<u>130 714 564</u>	<u>92 083 784</u>
Deferred income tax on other comprehensive income	<u>196 744 406</u>	<u>257 834</u>

12-2 Deferred tax

A) Deferred tax assets (liabilities) recognized

E-Finance for Digital and Financial Investments Company (S.A.E)
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	December 31, 2023		December 31, 2022	
	Assets	Liabilities	Assets	Liabilities
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Fixed assets		3 597 104	-	2 814 505
Employee benefit liability	33 095 382		21 502 048	-
Revaluation FVTPL		5 097 826		
Revaluation FVTOCI		197 275 881		
	33 095 382	205 970 811	21 502 048	2 814 505
Net deferred tax assets	-	<u>172 875 429</u>	<u>18 687 543</u>	-
Deducts the previously charged deferred tax assets			18 687 543	
Deducts deferred tax assets charged to the statement of other comprehensive			(196 744 406)	
Deferred taxes for the Year (Benefit)			<u>(5 181 434)</u>	

12-3 Adjustment of the effective tax rate

		2023 <u>L.E</u>		2022 <u>L.E</u>
Net Profit of the year before Tax		934 725 360		588 750 049
Income Tax Based on Tax rate	22.5%	<u>210 313 206</u>	22.5%	<u>132 567 761</u>
Other Adjustments		(261 085 521)		(154 958 574)
Revenues exempted		<u>(743 635 237)</u>		<u>(518 219 646)</u>
The tax Base		<u>(69 995 398)</u>		<u>(84 428 171)</u>
Current and deferred income tax	13.98%	<u>130 714 565</u>	15.64%	<u>92 083 784</u>

12-4 Income Tax payable(Debit)

	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
Income Tax (Debit) at beginning of the year	(8 758 797)	(9 466 207)
Formed during the year	1 470 008	707 410
Income tax payment for consultation services	<u>1 894 260</u>	-
	<u>(5 394 529)</u>	<u>(8 758 797)</u>

12-5 Tax position

A) corporate tax

- The company had tax exemption until December 31, 2017, and the company was subject to tax according to the letter of the General Authority for Investment and Free Zones, starting from January 1, 2018.

- The company submits the tax return on the corporate profits tax on the legal dates, and the company pays the tax due based on these returns.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 and dispute for the years 2008/2015 was ended.
- The company has tax examined for the years from 2016 until 2020.
- Tax returns were submitted periodically and on time

B) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- The company's tax inspection and assessment were carried out from the beginning of the activity until 2016, and all dues were paid.
- The company is being examined for the years 2016, 2019 and 2020
- The company has been tax examined for the years from 2017 until 2018.

C) General sales tax and value added tax

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

D) Stamp Tax

- The tax was examined for the company from the beginning of the activity until 2014, and the company paid all tax dues.
- The company is being tax examined for the years from 2015 until 2020.

E) Withholding taxes

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

13 Financial investments at amortized cost

Treasury bills in the financial position represent as the following:

Purchasing value	Purchasing date	Due date	Return Percentage	Duration	Return	Balance at December,31 2023	Face Value
L.E			%		L.E	L.E	L.E
470 260 000	24/10/2023	23/1/2024	25.37%	91	17 517 187	487 777 187	500 000 000
169 392 600	01/10/2023	26/3/2024	25.37%	91	8 518 793	177 911 393	190 000 000
639 652 600					26 035 980	665 688 580	690 000 000

14 Other receivables

	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
Prepaid expenses	1 440 794	157 158
Deposits with others	651 200	180 000
Value added tax (VAT)	15 860 145	16 605 642
Letter of guarantees *	25 439 221	-
Prepaid employee benefits (note 8)	1 522 916	1 138 000
Withholding Tax	4 002 238	4 002 238
Supplier Advance Payment	2 447 115	3 232 477
Accrued Revenue**	38 280 418	23 047 171
Accrued Dividends income	47 370 863	47 370 151
ESOP Employee's Share	5 486 066	11 711 956
Other	4 672 679	4 599 370
	152 284 765	112 044 163

- *Letter of guarantees represents our restricted cash against L.G issued for one of the subsidiaries till finishing the date of the procedures of providing the subsidiary with bank facilities from the same bank where E-finance holding issued the L.G
- ** the accrued revenue represents rent income from subsidiaries (E-finance operation and E-cards) with an amount of 22 215 855 L.E . Income from consultation services with related parties with an amount of 10 326 922 L.E and dividend from E-cards related to prior years with an amount of 5 737 641 L.E .

15 Cash and cash Equivalents.

	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
Banks – Saving Accounts	918 407 077	159 091 189
Banks - time deposits	54 700 327	55 656 098
Investment funds*	16 444 296	412 406 582
Balance of cash and cash equivalents	989 551 700	627 153 869

*Investment Funds

	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
Themar Fund, QNB	7 848 846	6 714 722
Sioula Fund	8 464 637	7 308 409
NI Fund 15/30	-	21 749 920
Diamond - AAIB	-	376 519 831
Youm by youm Account - Bank Misr	130 813	113 700
	16 444 296	412 406 582

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

	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
Cash and Its equivalents.	989 551 700	627 153 869
<u>Deduct:</u>		
Investment funds pledged to meet letters to guarantee		
For third parties	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>984 014 679</u>	<u>621 616 848</u>

16 Capital

16.1 The authorized capital

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

16. -2 Issued and paid-up capital

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

Investment Projects, by 9.09%, and this was indicated in the commercial register on December 29, 2016.

- The extraordinary general assembly held on March 21, 2018 decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) Egyptian) paid in full distributed in the same proportions of shareholder ownership.
- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full distributed in the same Shareholders ownership percentages and this was entered in the Commercial Registry on December 19, 2018.
- The Extraordinary General Assembly held on December 23, 2019, decided to increase the issued capital by an amount of 300 million Egyptian pounds, to make the issued capital 800 million Egyptian pounds (eight hundred million Egyptian pounds) paid in full, and the entry was made in the company's commercial register on December 15, 2019.
- The extraordinary general assembly convened on December 23, 2019, decided to amend the par value of the share to 0.5 Egyptian pounds (fifty piasters) instead of 100 Egyptian pounds (one hundred Egyptian pounds) so that the issued capital becomes 800 million Egyptian pounds (eight hundred million Egyptian pounds) distributed on 1.6 billion shares,
- The Extraordinary General Assembly held on October 13, 2021 decided to increase the capital by an amount of 88 888 889 Egyptian pounds (eighty-eight million eight hundred and eighty-eight thousand eight hundred and eighty-nine Egyptian pounds) so that the issued capital amounted to 88 888 889 Egyptian pounds (Eight hundred eighty-eight Egyptian pounds) One million eight hundred and eighty-eight thousand eight hundred and eighty-nine Egyptian pounds) distributed over the number of 1 777 777 778 shares.
- The Ordinary General Assembly, held on September 15, 2021, decided to approve the authorization of 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 value of fifty piasters per share, with a total value of 35 555 556 pounds. The capital is Egyptian pounds by 1 848 889 888 share on You are limited to the ESOP system. On January 31, 2022, the company's board of directors convened to establish and sign annotation in the commercial register on March 17, 2022. The percentage of joining the fund is 3.84%, according to the calculation.

17. Share Premium

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

18. Treasury shares

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

"On November 14th, 2023, the company's board of directors decided to complete the purchase of treasury shares, up to a maximum of 1% (18.8 million shares) of the total company shares, not exceeding 250 million pounds, in accordance with the new regulations governing exceeding treasury shares, the purchase transactions carried out during the fiscal year:

"The following is a statement of purchase transactions carried out during the fiscal year".

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	<u>L.E</u>	<u>Shares</u>	<u>L.E</u>	<u>Shares</u>
Balance at the beginning of the year	5 036 004	366 767	--	--
Purchased share during the year	196 551 415	10 544 119	5 036 004	366 767
Sold shares during the year	(6 997 195)	(368 000)	--	--
From selling the year	1 939 412	--	--	--
Balance at the end of the year	<u>196 529 636</u>	<u>10 542 886</u>	<u>5 036 004</u>	<u>366 767</u>

19. Credit facilities

<u>Bank</u>	<u>Authorized facility limit on 31 December 2023</u>	<u>Used until December 31, 2023</u>	
	<u>L.E or Its equivalents of Foreign Currency</u>	<u>L.E</u>	<u>Nature of facility</u>
Banque Misr	100 000 000		Limit to issuing local letters of guarantee
QNB	50 000 000		Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000		Current debt limit
Commercial International Bank	<u>150 000 000</u>		Current debt limit
	400 000 000		

20. Reserves

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>
Legal Reserve *	488 788 952	469 277 757
General Reserve **	20 000 000	20 000 000
Spin-off Reserve ***	--	69 713 888
Other reserves ****	2 962 079	4 792 728
Revaluation reserve*****	679 505 813	--
	<u>1 191 256 844</u>	<u>563 784 373</u>

- * In accordance with the requirements of the Companies Law and the Company's Articles of Association, 5% of the annual net profit is deducted to form a legal reserve. The legal reserve is used to increase the share capital or reduce the company's losses. The deduction of this percentage stops when the reserve balance reaches 50% of the issued capital of the company, and in the case that this reserve falls below the mentioned percentage, the formation of this amount must be set aside.
- ** According to Article (54) of the company's articles of association, an extraordinary reserve is formed based on the proposal of the company's board of directors and approved by the general assembly in March 19, 2019 to form 20 million pounds as general reserve.
- *** According to Demerge Project that issued from GAFI on 15 December 2020 which approved from general assembly on 20 December 2021 that stated exclude the properties (Land and Building) along with related retained earnings, so the company has decreased the retained earnings by 69 713 888 EGP from the retained earnings of 2020 under account Demerge Reserve.
- **** Other Reserves includes Actuarial gain in other comprehensive income.

21- Trade and other payables

	December 31, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Accounts payable	23 343 520	21 225 020
	23 343 520	21 225 020
<u>Other credit balance</u>		
Accrued expenses	33 024 692	14 694 624
Payroll tax	15 888 174	962 354
Withholding Tax	3 749 743	3 617 122
Board of directors Rewards	2 289 199	5 301 884
Other Credit balances	342 711	10 059 597
	78 638 039	55 860 601

22- Liability of the employee benefits system - (end of service benefits)

Based on the decision of board of directors on March 9, 2010, it has been decided to approve the end of service benefit system for the employees and the managing director, whereby the company's employees benefit from it upon the end of their service period in the company in accordance with the conditions specified in the regulations approved by the company's board of directors, provided that the company's management invests the system's funds the best possible investment.

22-1- Movement in the present value of the employee (end of service) benefit plan

	December 31, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Liability at beginning of the year	95 564 656	59 661 417
Interest Cost	14 812 522	8 650 906
Current service cost	24 615 131	27 770 230
Transferred to subsidiaries	-	(133 049)
Transferred from subsidiaries to the holding	9 736 149	823 078
Actuarial (gain) on the liability recognized in other comprehensive income	2 362 125	(1 145 934)
Paid during the year	-	(61 992)
Liabilities at end of the year	147 090 583	95 564 656

22-2- The amounts recognized in the separate statement of profit or loss

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Current Service Cost	14 812 522	8 650 906
The interest cost	24 615 131	27 770 230
	39 427 653	36 421 136

22-3- Quantitative sensitivity analysis and its effect on the benefit obligation, as follows

Assumptions

	Sensitivity analysis			
	December 31, 2023		December 31, 2022	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	0.5%	0.5%	0.5%	0.5%
Discount rate	2 362 125	2 362 125	198 867 917	214 753 653
Current salary rate	2 362 125	2 362 125	214 753 653	198 867 917
	%1	%1	%1	%1
Death rate	2 805 227	2 805 227	213 949 160	199 672 410

The above sensitivity analysis has been determined based on a method that captures the effect on the benefit obligation as a result of reasonable changes in the key assumptions that occur at the end of the reporting period. Sensitivity analysis is based on a change in a material assumption, while all other assumptions are held constant. A sensitivity analysis may not be reflective of any actual change in the defined benefit obligation because it is unlikely that changes in the assumptions will occur when separated from each other.

23-1- The most important actuarial assumptions used in calculating the liability according to the actuarial expert's study

	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
Discount rate	%15	15.50%
Gross salary rate	%10.50	10.50%

23-2- Demographic Data

	2023 <u>L.E</u>	2022 <u>L.E</u>
Number of employees involved	45	34
average age (year)	42.2	42.9
Average Monthly Salary (EGP)	125 931	108 614
Average service life (year)	6	5.14

24- Revenue:

	2023 <u>L.E</u>	2022 <u>L.E</u>
Operation revenues	8 349 525	7 454 982
Dividend income from equity investments through FVTOCI	62 838 230	31 625 598
Dividend income from financial investments in subsidiaries	736 816 246	508 821 404
	808 004 001	547 901 984

25- Cost of sales

	2023 <u>L.E</u>	2022 <u>L.E</u>
Salaries and Wages	99 470 667	61 274 773
Employee reward	13 448 939	18 568 469
Cost of the employee benefit System	39 427 653	36 421 136
Maintenance cost	645 883	94 782
Technical advice and support	2 340 033	9 410 676
Depreciation expense	13 161 289	861 342
Employee benefits (cars) (Note 7)	1 350 049	1 138 000
	169 844 513	127 769 178

26- Other Revenues:

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Board Reward	33 144 178	23 585 778
Rents	12 527 130	13 014 164
Other revenue	6 000	2 273 131
	<u>45 677 308</u>	<u>38 873 073</u>

27- General and Administrative Expenses

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Amortization for right of use assets	406 280	-
Depreciation of fixed assets (Note 5)	1 992 029	1 992 029
Consulting	7 434 663	10 419 465
Facility Expenses	2 302 394	1 531 237
Maintenance Expenses	2 508 490	800 649
Rent	844 264	1 119 250
Donations	7 785 000	5 250 001
Hospitality	2 611 153	2 760 920
Social contribution expense	1 140 939	850 454
Training Provision 1%	8 610 567	-
Office supplies	1 296 244	735 951
Gifts	1 797 212	495 175
Cars expense	1 317 525	465 598
Stationary	781 216	349 419
Other expenses	9 615 013	8 226 769
	<u>50 442 989</u>	<u>34 996 917</u>

28- Selling and Marketing Expenses

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Exhibitions	43 428 441	24 566 471
Public Relations	4 244 017	2 566 413
Advertisements	7 523 000	28 867 208
Website	488 034	290 003
Subscriptions	3 547 837	142 543
Shoot	1 539 000	-
Other Marketing Expenses	7 040 555	11 352 757
	<u>67 810 884</u>	<u>67 785 395</u>

29- Other Expenses

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Attendance, remuneration and allowances for members of the Board of Directors	2 608 000	6 949 760
Other	399 000	234 500
	<u>3 007 000</u>	<u>7 184 260</u>

30- Finance Costs

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Lease contract – expenses	391 170	--
Losses foreign transaction	968 344	--
Bank interests	837 374	58 935
	<u>2 196 888</u>	<u>58 935</u>

31- Finance income

	2023	2022
	<u>L.E</u>	<u>L.E</u>
Foreign currencies exchange gain	-	29 321
Income from Investment in cash funds	6 818 991	9 398 242
Income from Investments at Amortized Cost	270 946 363	228 094 020
Bank interest on current accounts	100 212 400	34 493 881
Bank interest on deposits	6 499 138	1 016 760
Loan Interest	5 111 110	-
Financial Investments at FVOCI income	69 164 255	-
	<u>485 752 258</u>	<u>273 032 224</u>

E-Finance for Digital and Financial Investments Company (S.A.E)
Notes to The Separate Financial Statements for The Financial year ended December 31, 2023

32-Related parties

32-1- Related parties are represented in investee companies, major shareholders, companies controlled by or jointly affected by these parties, board of directors and employee of top management, pricing policies and the duration of these transactions are approved by the company's management and shareholders.

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

32-2 Due from Related Parties (Short term):

	Relationship	Transaction type	Volume of transactions	Balance as at 31 December 2023	Balance as at 31 December 2022
Smart Card Operation Technology Company E-Cards	Subsidiary	Transferred to debit balance	28 518 658	28 518 658	-
		Payment on behalf			-
E-enable for Outsourcing Services (eNable)	Subsidiary	Payment on behalf	(296 463)	15 588 296	15 884 759
E-finance Technological Operation For Financial Institutions	Subsidiary	Payment on behalf	(42 760 344)	10 293 431	53 053 775
Technological Operation for Tax solutions e-tax	Associate	Payment on behalf	(140 461)	15 285 347	15 425 808
E-Aswaaq The Technology Company for Ecommerce Operations	Subsidiary	Payment on behalf	(2 011 320)	271 014	2 282 334
Khales for Digital Payment Services Company	Subsidiary	Payment on behalf	(2 163 564)	-	2 163 564
E-Health (Technological Operation for Health Insurance Services)		Payment on behalf	2 232 100	10 506 250	8 274 150
				80 462 996	97 084 390
32-2 Due to Related Parties (Short term):					
Khales for Digital Payment Services Company	Subsidiary	Payment on behalf	1 267 417	1 267 417	-
				1 267 417	-

33- Payment Under Investments

Payments under the investments are as follows:

	Balance as of	
	31 December 2023	31 December 2022
33-1 Payment under investments – Long term		
E Card	195 267 568	195 267 568
	195 267 568	195 267 568

In accordance with the decision of the company's Board of Directors No. 3 of 2023, held on 3/21/2023, it was approved to increase the capital of ECard Company by a maximum of 200 million.

	Balance as of	
	31 December 2023	31 December 2022
33-2 Payment under investments – Short term		
*Nexta	35 201 315	4 928 750
**EHealth	69 999 950	-
	105 201 265	4 928 750

*According to the contract concluded with Nexta Company, it was agreed to invest in Nexta Company at an amount equivalent to the value of 3 million dollars (to be paid in installments according to the price of the dollar in the Central Bank on the date of payment). This amount was paid in installments until the contractual work was completed until the full amount was paid. It is converted into an equity investment.

** In accordance with the approval of the Board of Directors of EHealth, which was held on February 28, 2023, to pay an amount of 200 million pounds from shareholders, representing 50% of the issued capital, the company paid its share of that increase on September 7, 2023.

**E-Finance for Digital and Financial Investments Company (S.A.E)
Notes to The Separate Financial Statements for The Financial year ended December 31, 2023**

34- Loan to Subsidiaries

	Balance	
	31 December 2023	31 December 2022
ECards	105 111 110	-
	105 111 110	-

In accordance with the decision of the company's Board of Directors No. 7 of 2023, held on 8/14/2023, financing of the subsidiaries was approved, including the implementation of some projects at the subsidiaries, allowing the acceleration of the required expansions in the group companies, in the form of a short-term loan with interest equal to the interest granted. From Egyptian banks, with a maximum of 150 million. Accordingly, a contract was concluded with ECards Company on September 1, 2023, stipulating that the company be granted a loan worth 100 million with a fixed interest of 16%, provided that the loan is repaid in quarterly installments for a period of one year.

35- Payment to top management:

The top Management includes the board of directors and the managers of the company. The salaries and benefits paid to the top management are as follows during the financial year ended in:

	December 31, 2023	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Salaries and Benefits	45 601 467	74 173 162
Board of directors' allowance	2 608 000	6 949 760
Other allowances	399 000	234 500
	48 608 467	81 57 422

36- 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 receivables from employees, Treasury bill, investments through OCI, 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 14)

Due from related parties

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

Investments

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

B) Market risk

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

Exposure to interest rate risk

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

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

	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Cash and Cash Equivalent	984 014 679	621 616 848
	<u>984 014 679</u>	<u>621 616 848</u>
	December 31, 2023 <u>L.E</u>	December 31, 2022 <u>L.E</u>
<u>Fixed interest rate financial instruments</u>		
Treasury Bills	665 688 580	1 931 376 152
Lonas	105 111 110	-
	<u>770 799 690</u>	<u>1 931 376 152</u>

Exposure to foreign exchange rate risk

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

	Exchange rate	December 31, 2023 <u>Net Liabilities</u>	December 31, 2022 <u>Net Liabilities</u>
<u>Foreign Currencies</u>			
US Dollar	30.94	640 696	86 067
KSA	8.25	109 933	

C) Liquidity risk

The company's management monitors the company's cash flows, financing and liquidity requirements of the company. The company's goal is to achieve a balance between continuity of financing and flexibility by obtaining loans from banks. The company manages liquidity risk by maintaining adequate reserves and by obtaining borrowing facilities, whereby the company maintains credit limits of 400 million Egyptian pounds by continuously monitoring expected and actual cash flows and matching the maturity of assets and financial liabilities.

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

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

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

On 31 December 2023	Net Book Value <u>L.E</u>	Less than year <u>L.E</u>	From 2 to 5 years <u>L.E</u>	More than 5 years <u>L.E</u>
Suppliers and other credit balances	78 638 039	78 638 039		
Lease Contracts	19 139 618	1 038 611	18 101 007	
Employees benefits	147 090 583	-		147 090 583
Other liability	1 267 417	1 267 417		
Total	246 135 657	80 944 067	18 101 007	147 090 583

37- Capital Management

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

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

	December 31, 2023 <u>LE</u>	December 31, 2022 <u>LE</u>
Total liability	411 913 895	151 425 257
Less		
Cash & Equivalent	(989 551 700)	(627 153 869)
Net Liability	(577 637 805)	(475 728 612)
Total Equity	4 872 975 201	4 165 064 398
Percentage of net liabilities to total equity	(11.8)%	(11.42)%

38- 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:

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

39- Employee share option plan

- The extraordinary general assembly of the company, held on September 23, 2019, approved the addition of a new section to the parent company's articles of association, related to rewarding and motivating employees and managers.

- On September 15, 2021, the Extraordinary General Assembly decided to approve the reward and incentive system for the company's employees, by promising to sell shares at affordable prices and granting free shares, at a rate of 4% of the issued capital, and these shares are provided by increasing the capital from the retained earnings. The nominal value of the share is distributed as follows: -

1) 1% of the shares allocated to the system under the promise to sell at concessional prices (40% of the average share price for 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 system is required not to be less than the period he spent in the service of the company for a full year before the ownership of the shares was transferred to him, and to have obtained an estimate of no less than 90% on his annual performance evaluation reports prepared by the company's competent department. It is permissible, by a decision of the supervision committee, to include additional criteria or excluding one of the two conditions in the article, after obtaining the approval of the Financial Regulatory Authority and provided that no beneficiary votes on a decision related to it, and the company is committed to including it in its annual disclosure. The period of this system is five years starting from the approval of the system by the General Authority for Financial Supervision.

On January 16, 2022, the system for motivating and rewarding employees was approved by the Financial Regulatory Authority, and on January 25, the General Authority for Investment and Free Zones approved the system for motivating and rewarding employees. On January 21, 2022, the company's board of directors convened to approve an increase in the company's capital by 4% related to the employee motivation and reward system.

On the date of September 8, 2022, the company's board of directors approved the decisions of the Reward and Incentive Committee regarding activating the reward and incentive system by 1% of the company's shares, provided that 25% of the shares allocated to the system are activated, with the promise to sell at affordable prices on the date of September 29, 2022, and a chairman was delegated The Board of Directors to complete the remaining percentage later according to the financial performance of the company, and the percentage of 25% is

4 181 114 shares, with an estimated value of 14.4 Egyptian pounds per share, with a total value of 58 117 484 Egyptian pounds (after deducting the nominal value of the shares), and according to the system, the shares were sold For employees at a reduced value of 5.76 Egyptian pounds per share, so that the value that the company will bear on behalf of the

company's employees and its subsidiaries is a total amount of 34 034 268 Egyptian pounds, distributed as follows:

The number of 985 575 shares, valued at 8 022 580 Egyptian pounds, pertaining to the employees of the parent company and its sister companies, were charged to the profit or loss statement, and the number of 3 195 539 shares, valued at 26 011 687 Egyptian pounds, pertaining to the employees of the subsidiaries, which were recorded as additional investments in each company with respect to it.

On November 14, 2022, the rest of the shares allocated to the system were activated, according to the promise to sell at affordable prices. These shares amounted to 13 596 664 shares, with an estimated value of 14.4 Egyptian pounds per share, with a total value of 188 993 630. Egyptian pounds (after deducting the nominal value of the shares), and according to the system, the shares were sold to employees at a reduced value of 5.76 Egyptian pounds per share, so that the value that the company will bear on behalf of the employees of the company and its subsidiaries is a total of 110 676 845 Egyptian pounds distributed as follows:

The number of 3 100 733 shares with a value of 25 239 967 Egyptian pounds pertaining to the employees of the parent company and its sister companies were charged to the statement of profits or losses and the number of 10 495 930 shares with a value of 85 436 878 Egyptian pounds pertaining to the employees of the subsidiaries were recorded as additional investments in each company with respect to it.

The balance of workers' advances on December 31, 2022, amounted to EGP 23 481 292, after deducting the amounts collected from employees.

On November 14, 2023, the first tranche of free shares was activated, consisting of 16 730 877 shares (sixteen million, seven hundred and thirty thousand, eight hundred and seventy-seven shares) with a value of 15.94 pounds per share. The cost incurred and charged to the consolidated income statement amounted to 306 629 075 pounds (after deducting the nominal value of the shares)

40- Basic Earnings per share

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

	31/12/2023	31/12/2022
	<u>L.E</u>	<u>L.E</u>
Net profit for the year distributable	804 010 795	496 666 265
Employees Share and BOD	(148 257 693)	(91 897 526)
Net profit distributable to common shareholders	102655 753	405 208 738
Average number of shares outstanding during the year for basic earnings (share)	1 801 743 548	1 780 132 875
Basic share in earnings for the year (EGP/share)	0.36	0.22

41- Capital commitments

Its many represented in the value of unpaid portion of the group's contribution to the capital of the invested companies as at December 31, 2023 and its statement is as follows.

	Share	31 December 2023	31 December 2022
	%	<u>L.E</u>	<u>L.E</u>
Technological Operation for Tax Solutions company (E tax)	%35	104 999 925	104 999 925
Nclude Financial Technology Innovation	%9	172 392 500	172 392 500
Technological Operation for Health Insurance Services (E-Health)	%35	34 999 975	104 999 925
		<u>312 392 400</u>	<u>382 392 350</u>