finance Investment Group

ANNUAL REPORT 2021

YEAR
OF ACHIEVEMENT

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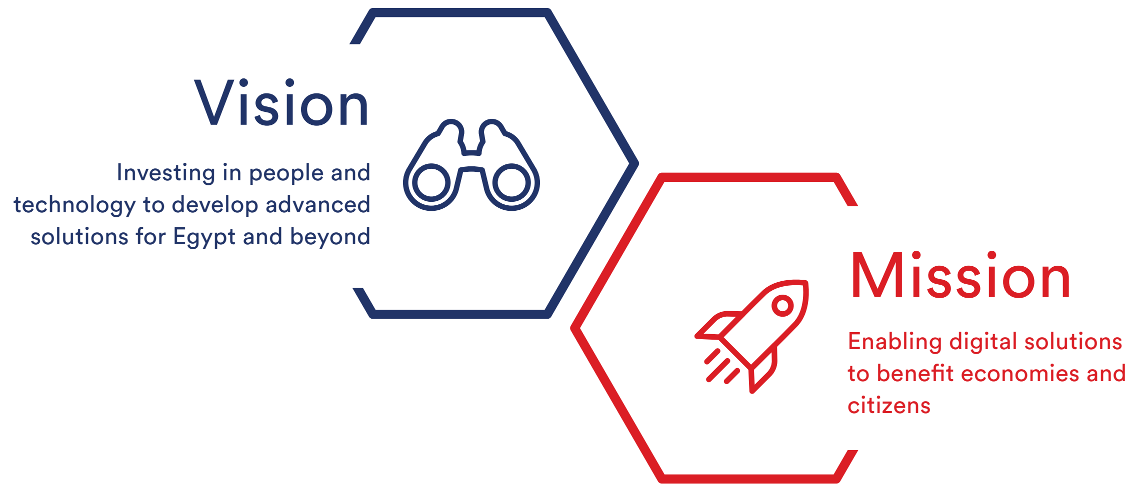
YEAR OF ACHIEVEMENT

01
ABOUT US

Overview

Egypt's first fintech platform and a leading developer of digital payment infrastructures

Established in 2005 to construct and operate the Egyptian government's financial network, e-finance is a leading developer of digital payment infrastructures and a provider of network management and end-to-end process services. Since launch, e-finance has expanded into diverse corners of Egypt's digital market and transformed itself into a fully-fledged investment group, holding a comprehensive portfolio of subsidiaries covering each link of the digital payment value chain and beyond. The Group's holding structure positions it to target growth across multiple markets and drive valuable synergies across its business lines, expanding its market share in each segment while consolidating its ubiquitous presence across Egypt's digital ecosystem, with a range of investments deepening its presence in a variety of new sectors.

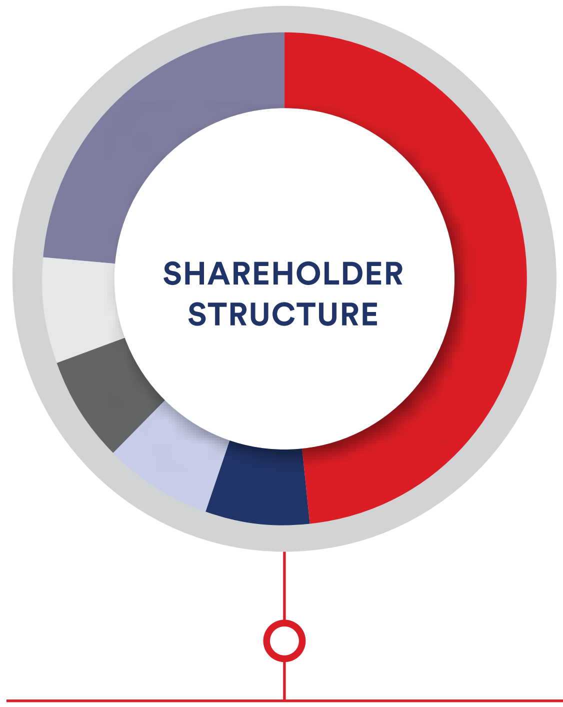


The Group controls five primary subsidiaries and holds stakes in a variety of ancillary investments. e-finance's flagship subsidiary is e-finance for Digital Operations, which processes the Egyptian government's G2G, G2B, and G2C payments, most of its collections, and other networks using end-to-end digital solutions, while offering financial cloud hosting services. Khales, e-finance's retail-focused subsidiary, provides merchants with a central bill-processing service through its network of more than 326 thousand POS machines, in addition to a host of value-added digital solutions. Meanwhile, eCards is Egypt's largest producer of smart cards and offers a host of data management and e-KYC solutions for financial and nonfinancial clients across the public and private sectors. e-finance's e-commerce subsidiary eAswaaq is a digital purchasing platform providing marketplace management and other solutions to more than 300 thousand merchants specializing in agriculture, commerce, industry, and tourism. Additionally, the Group owns e-nable, one of Egypt's leading providers of business process outsourcing (BPO) services, with a client book encompassing Egyptian and international entities across ten different sectors.

e-finance's ancillary investments include such nationally significant ventures as e-Tax and e-Health. e-Tax provides services for the management, operation and development of Egypt's electronic tax system, while e-Health provides health technology services to Egypt's Universal Health Insurance System and offers a range of specialized services to players in the Egyptian healthcare sector. Other investments include entities operating trade and transport logistics platforms, a platform for electronic utility payments, and providers of consulting, advisory, and digitization services.

In October 2021, e-finance successfully listed its shares on the Egyptian Exchange (EGX), marking a new chapter in the Group's growth story. In what was the largest Egyptian listing in recent history, e-finance's institutional and retail offerings were 6.8 and 61.4 times oversubscribed, respectively, underlining the Group's unique value proposition: e-finance's extensive network of subsidiaries unites a one-of-a-kind network architecture that provides seamless processing for billions of transactions. e-finance has established a powerful platform for the generation of sustainable growth by taking the lead in Egypt's efforts to develop a cashless, digitally enabled economy, pioneering digitization in activities from banking and taxation to utility and retail transactions, to customs collection and card management. The Group offers exposure to an unrivalled diversity of dynamic segments of Egypt's rapidly growing digital space.

e-finance's strategy aims to capitalize on the strong fundamentals of Egypt's economy and on the dynamism of its booming digital ecosystem, which has consistently enjoyed strong growth since the Group's inception. As the global 'techceleration' sparked by the COVID-19 pandemic gains steam, e-finance is well-positioned to absorb climbing demand for digital services by providing differentiated channels and platforms that allow governments, businesses, and individuals to execute payments and collections through convenient and easy-to-use mediums. e-finance will also capitalize on its new status as a listed company to continue investing in the digital payments infrastructure, value-added services, smart solutions, and new digital propositions. Furthermore, by utilizing the Group's innovative platforms and solutions across its subsidiaries, e-finance will continue to drive Egypt's overarching financial inclusion and digitization strategy, Egypt Vision 2030.



National Investment Bank	48.7%
National Bank of Egypt	6.95%
Banque Misr	6.95%
Egyptian Banks Company-EBC	6.95%
Egyptian Company for Investment Projects (ECIP)	6.95%
Free Float	23.5%

e-finance's success year after year is anchored by an exceptional and highly qualified team of executives and professionals, who have consistently proven their ability to push the Group to remain ahead of the market, generate synergies at every link of the digital payments value chain, and capitalize on e-finance's ubiquitous presence across Egypt's digital space and as its exclusivity in the government's financial network.

A Fully Integrated Digital Network

A diverse network of strategic partnerships with leading tech companies, vendors, telecoms, and public offices, coupled with e-finance's unparalleled knowledge of the Egyptian digital space and its portfolio of subsidiaries, have allowed the Group to establish an integrated suite of digital services and form the backbone of the Government of Egypt's financial network. This network acts as a widespread grid, with an array of digital channels extending across the economy, where e-finance and third-party companies can integrate their innovative digital payment platforms to connect all relevant stakeholders.

e-finance

346MN
Government Transactions Processed, 2021
(-23% y-o-y)

265 EGP MN
Cloud Hosting Revenue, 2021
(▲53% y-o-y)

e-khales

326K
POS Network Size, 2021
(▲31% y-o-y)

49.7MN
Transactions Aggregated, 2021
(▲71% y-o-y)

e-cards

14MN
Cards Issued to Date, 2021
(▲69% y-o-y)

e-aswaaq misr

4
Sectors Served

e-nable

737
Contact Center Seats, 2021
(▲29% y-o-y)

52
Clients Served, 2021
(▲30% y-o-y)

e-finance Investment Group

e-finance Portfolio Companies

e-finance (G2G, G2B, G2C, B2B and B2C

The Group's flagship subsidiary boasts a robust tech infrastructure combining digital payments and collections networks that form the backbone of Egypt's financial network

e-khales (B2C and B2B2C)

Egypt's leading bill aggregator, with a strategic network of 13 billing partners and a widespread POS terminal infrastructure, acting as a primary hub for retail payments, including for education, utilities, and more.

e-cards (B2B and B2C)

eCards offers a comprehensive suite smart card production and management services as well as third-party processing services, in addition to a suite of smart solutions for transportation and other smart city applications.

e-aswaaq misr (B2B and B2B2C)

eAswaaq creates and operates e-commerce platforms connecting buyers and sellers in the agriculture, tourism, commercial, and industrial sectors

e-nable (B2C)

A dedicated 24/7 BPO service provider offering a suite of integrated telecoms and contact center solutions to clients across Egypt and abroad.

e-finance Investments

e-tax

Primarily responsible for operating and overseeing the digital tax collection and payment cycle in coordination with the Egyptian Tax Authority and Ministry of Finance.

Misr Technology Services

A unified end-to-end integrated digital platform for digitization of the Egyptian customs processes.

Misr for Government Technological Services

An operator of the Government Service Bus (GSB) and was developed to manage the efficient data exchange process. between different governmental entities.

ACIS

A consultancy services company focused on overseeing the digital transformation of key national projects across Egypt

e-health

A dedicated healthcare operation focusing on national health insurance service provision through digitalized channels, with technical support and consulting offerings.

El Delta Electronic Systems

Specializes in charging prepaid electricity meters via mobile phones using NFC technology.

Chairman's Message

e-finance has enjoyed a highly successful year. The Group's financial and operational performance for FY2021 has justified and deepened our confidence in e-finance's unique value proposition, leaving us with an ideal platform from which to pursue future expansion early in our life as a publicly listed company. Revenues for FY2021 came in at EGP 1,963.3 million, up by 59% y-o-y as we drove strong top-line expansions at each of our lines of business. Broad-based revenue growth was driven both by legacy businesses and lines of business that have been newly introduced as part of our comprehensive restructuring of the Group's operations.

Notably, the Group's flagship subsidiary, e-finance Digital Operations, saw revenue from its new cloud hosting services line grow to EGP 265.3 million in FY2021 from EGP 173.0 million one year previously as we find innovative new ways to meet our mandate of furthering digital transformation in the Egyptian economy. The subsidiary also saw its transaction-based revenue climb by 17.7% y-o-y to contribute 43.1% of e-finance Digital Operations' overall top-line, marking further progress on our strategy to diversify revenue sources in a manner that substantially supplements income from the build-and-operate platform.

Elsewhere, a ramp-up of eCards' new card management and smart solutions businesses drove a rapid expansion at the subsidiary, giving it a growth contribution equal to that of e-finance Digital Operations for the period. Meanwhile, eAswaaq has finalized the development of cutting-edge new platforms that will expand the Group's footprint in dynamic sectors including agriculture and e-commerce, while Khales continues to grow rapidly and profitably expand its list of strategic billing partners. enable has also performed strongly in its first year with standalone financials, leveraging its expanded operational capacity to drive revenue growth of 69.2% y-o-y compared to divisional performance one year previously.

Despite the ramp-up of operations at newly launched subsidiaries and an ongoing expansion in headcount, e-finance saw its net profit climb by 46.9% y-o-y to register EGP 519.7 million for the year, with the net profit margin at a solid 26.5%. Additionally, the successful ramp-up of operations at newly launched subsidiaries yielded a marked increase in profitability quarter-on-quarter, with gross profit, EBITDA, and net profit climbing at 77.5%, 54.6%, and 37.2%, respectively. The Group has demonstrated that it is more than capable of repaying the confidence displayed by both Egyptian and global investors during our landmark initial public offering in October 2021.

To ensure that the Group can provide ever greater value to its shareholders moving forward, we plan to further accelerate investment in technology in the months and years ahead, helping us to stay ahead of the market and to achieve our mandate as comprehensively as possible. Our strong liquidity position, with cash & cash equivalents of approximately EGP 2,877 million at year-end 2021, puts us in an ideal position to realize the objectives of our investment plan, which has been consolidated for all business lines and which we believe will create long-term sustainable value for the Company's shareholders.

e-finance's investment plan has been calibrated to give the Group a key seat at the table for the developments that will transform Egypt's financial sector, as innovations incubated in international markets begin to have an impact closer to home. Another objective of our investment plan is to consolidate barriers to entry across our areas of operation, providing the Group with the flexibility to make sound, long-term investments in developing our platform.

Besides following through on our investment plan, a key priority for e-finance moving forward will be to create profitable synergies between our existing lines of business, leveraging the technology infrastructure that is shared across our subsidiaries to engage in profitable cross-selling. Several of our platforms, including those engaged in e-commerce, aggregation, and smart solutions can be combined with offerings elsewhere in the e-finance family to drive lucrative synergies under the Group umbrella.

Moving forward, we aim to expand our client base beyond government agencies and banks to grow the Group's exposure to retailers and corporates, as certain e-finance subsidiaries have already been doing. We further aim to increase our share of wallet from digital banks, and one avenue we will pursue in this regard is to invest additional resources in our unique cloud infrastructure and in services that drive business to our cloud.

Our cloud infrastructure also represents a solid platform which can be used to establish e-finance's presence in Egypt's financial sector and provide an innovative suite of financial services. The Group is exploring multiple possible configurations for this endeavor. An area of major interest to the Group is nonbank financial services, a market which has experienced rapid growth over recent years, and where our existing end-to-end digital platforms would complement the more traditional processes that currently predominate. The Group's technology infrastructure could allow e-finance to provide corporate and individual customers with a unique value proposition characterized by a frictionless experience. A further advantage we will seek to press in this area is the Group's access to a nationwide client base of approximately 23 million.

e-finance's focus in financial services will be to establish greater proximity to the end-client than exists with our current businesses, whether such clients are corporates or individual accounts. As such, the Group remains on the lookout for opportunities that will strengthen and enhance our position as the Egyptian leader in fintech, with possible avenues ranging from participation in venture capital funds to full-fledged mergers and acquisitions. e-finance is seeking to play a greater role in Egypt's thriving fintech startup scene, using our resources and infrastructure to incubate and promote dynamic new companies that interact synergistically with the Group's existing offerings. Over the long term, e-finance aims to gain healthy exposure to each link of the full fintech value chain.

Meanwhile, e-finance aims to fully leverage Egypt's impressive economic growth and is expanding aggressively into dynamic sectors that have received growing attention, including agriculture, tourism, transportation, and more. We have already made headway in each of these spheres through our various subsidiaries, and we are also excited to fulfill the mandate we've been given to help roll out universal health insurance across all of Egypt's governorates.

These are exciting times for e-finance Investment Group. We have before us a range of opportunities and challenges which will call for creativity, prudence, and diligence. Heading into our first full fiscal year as a publicly listed company, we have begun to institute a new operational culture that befits our status as an entity with broad national and international exposure and which is entrusted with a mandate to create value for a broad array of stakeholders. With the Group continuing to expand and establish its presence across a range of new economic sectors, e-finance is aiming to expand beyond Egypt and into our near abroad, with a particular focus on Africa. As e-finance continues to grow and evolve in line with changing markets and the dynamic technological landscape, we are confident that the Group's dedicated and talented teams will have what it takes to ensure that we can successfully fulfill our mandates for years to come.

Ibrahim Sarhan
Chairman of the Board

Corporate Evolution

e-finance has led Egypt's digital transformation since 2005

From its establishment in 2005 as a creator and handler of the Egyptian government's financial network, to its initial public offering in 2021, e-finance Investment Group has expanded into a diverse range of business segments and transformed into the leading impetus behind Egypt's broader digital transformation. Besides building robust network that has been the centerpiece in the government's drive for establishing a digital economy, the Group's diverse array of platforms, channels and outlets have allowed the government, businesses, banks, and individuals to execute everyday transactions in a seamless manner through easy-to-use and convenient mediums. Since 2019, e-finance has successfully leveraged a capital increase to enhance the Group's value and push the strategic restructuring of its lines of business, leaving it optimally positioned to further expand its presence across new markets such as healthcare, and marking a strong start to the Group's story as a publicly listed company.

Launch Phase: 2005-2010

2005
Planting Our Seed
- e-finance was established to create and operate the government's financial network and become the driving force behind Egypt's digital transformation agenda

2007
Digital Beginnings
- Contracted by the Ministry of Finance to be the government's e-payment hub
- Initiated the government payroll project

2009
Growing Our Systems
- Executed the first e-tax collection
- Built the Treasury Single Accounts system
- Started the Pension Automating Project

2010
First Payment & Collection
- e-finance performs Egypt's first electronic payment order
- e-finance completes Egypt's first electronic collection for customs

Development Phase: 2011-2016

2012
Introducing CPS and CAMS
- e-finance introduces Corporate Payment Solutions service to the banking sector
- CAMS built for the Customs Authority

2013
Expanding Card and Fuel Management Services
- Growing the card center's production capabilities
- Began operating the fuel control and management system

2015
Strengthening Partnerships
- Providing more services with Egypt Post
- Began the Takaful and Karama Project

Expansion Phase: 2016-2018

2016
Supporting Egypt's Agriculture Sector
- e-finance establishes the digital infrastructure for the farmers card, an essential product that assists farmers in receiving their entitled subsidies and acts as a key vehicle for data collection.

2017
Inaugurating a New Era
- e-finance's electronic payment system for the government becomes fully operational. The government issues its last manual cheque

2018
Full Speed Ahead
- The government financial network is complete,
- e-finance implements capacity upgrades to the network infrastructure.
- Implementation of capital increase.

Restructuring and IPO Readiness: 2019-2020

2019

Modernizing Our Strategy

- e-finance selected as part of the government's privatization program, providing investors with an opportunity to benefit from Egypt's fast-growing digital sector
- e-finance executes EGP 300 million capital increase with an eye to operational expansions and organizational restructuring, in line with Group value enhancement plan.
- e-finance reformulates growth strategy to better position the Group to unlock and capture value in Egypt's digital space.

2020

Transformation & 'Tech-Celeration'

- Group spins off lines of business including Khales, eCards, enable, and eAswaaq into a portfolio of standalone companies,
- e-finance leverages global boom in digitization following COVID-19 pandemic to expand into e-commerce through the launch of e-Aswaaq.
- Division of e-finance at holding level into e-finance Digital Operations and e-finance Investment Group.

New Achievements, New Markets: 2021 -

2021

IPO and Continued Expansion

- Historic IPO completed in October, valuing e-finance at EGP 22.4 billion, and drawing heavy domestic and international interest, with the offering heavily oversubscribed by institutions and retail investors. e-finance closes 2021 with the second-largest market capitalization on the EGX.
- e-Tax launched in cooperation with the Ministry of Finance and the Egyptian Tax Authority to manage and operate the government's electronic tax system and simplify tax processes. e-finance launches e-Health, a platform for the automation and management of Egypt's universal health insurance scheme, in cooperation with the Universal Health Insurance Authority.
- Purchase of a new HQ building at the Cairo Smart Village to house all e-finance subsidiaries.
- Renewal of exclusive payment and collections contract for a period of seven years.
- General Assembly approves ESOP scheme financed through a 4% capital increase.

02

STRATEGY & BUSINESS MODEL

Our Business Model & Strategy

e-finance's business model leverages the Group's robust network and cloud infrastructure to continuously roll out new digital services and platforms and grow payment transaction volumes.

e-finance Investment Group covers the life cycles of payment systems for banks, insurance companies, e-money institutions, mobile network and transportation operators, money transfer companies, and utility bill payments (transportation, telecommunication, electricity, water, gas, and more). Leveraging its unique omnichannel payment platforms and value-added services such as loyalty, a payment gateway, financial technology hub, and various payment solutions, e-finance provides its customers with a superior quality of service across the entire digital value chain. The Group's value proposition lies in its ability to offer governments, businesses, and citizens the full suite of digital payment and collection services through a portfolio of subsidiary companies functioning as one platform, each focusing on a target market within the digital payments industry.

The Group's business model is geared towards leveraging its robust network and cloud infrastructure to continuously roll out new digital services and platforms, grow transaction volumes, and expand the base of clients benefitting from the Group's various services. e-finance's continued investment in infrastructure, its strategic partnerships with key institutions and technology providers, and its growing digital reach provide it with its key competitive advantages and serve as a barrier to entry in its markets.

B2B
- Service provider for integrated smart solutions that builds, manages and operates card solutions with multi-applications for banking and non-financial institutions in both the private and public sectors

B2C
- Managing financial cards for citizens on behalf of financial institutions

Integrated Smart Solutions Provider
Competitive market in government and non-government services

Comprehensive suite of smart solutions for the identity management

B2C
- E-Commerce platforms focused on a variety of sectors

B2C C2B | B2B2C | B2B
- Affordable financial solutions in specialized sectors such as agriculture, trade and manufacturing

e-Commerce Platform Provider
Competitive market in government and non-government services

e-Commerce platform providers for agriculture, commercial and industrial solutions

Fully integrated suite of end-to-end payment infrastructure operating and developing financial networks

Digital payment solution that eases the payment and collection process for consumers

Exclusive Services Provider
Supported by completion of the government financial network

G2G
- Processing 100% of payments G2G, G2B, and G2C using government payment system

G2B G2C
- Processing government collections including taxes, customs, and 100% of government services through multi channels tailored for all amount ranges and satisfying convenience of all payers

B2B
- Connected to a network of 325K+ payment outlets
- Operating 300+ ATM network

B2C
- Processing transactions using cash, card, wallet, and bank accounts

Aggregator of Aggregators
Competitive market in the non-Government services

B2C
- B2C online gateway – digital services for integrated payment solutions
- White label apps

B2B2C
- Aggregator of aggregators acting as a central bill processing hub through a network of 13 partners operating 325k+ POS and a digital app

Shared Platform-Level Services

Cloud Services
Robust and secure network architecture ensuring continuity and stability

Operational Services
Full 24/7 on-site support across 27 governorates

nable
24/7 contact center service to complete fully integrated end-to-end offering

A One-Stop-Shop for the Digital Value Chain

Card Issuance & Management
The Group is currently certified by all three schemes while providing third party processing services

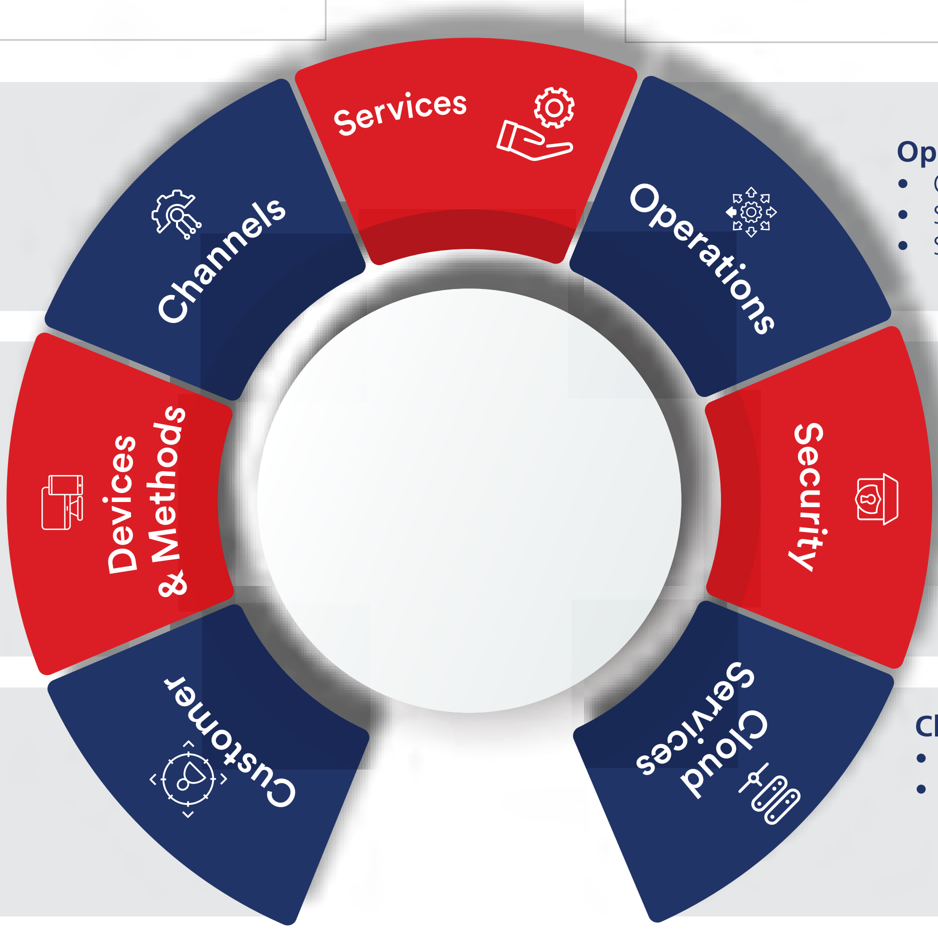
KYC & E-KYC

Issuer & Acquirer Processor

Loan Management System
Third Party Processor

Transfers
Facilitator, Aggregator and Technical Service Provider

Bill Payments
Merchant Management System



Portal/ App/ IVR/ SMS/ E-mail/ Agents/ Service Center/ Chatbots
- Access to partners' and agents' network (banks, gas stations, PSPs, etc.)
- Chatbots and AI integrated communication
- 24/7 contact center

Operation Management & Technical Support
- Over 900 experienced professionals
- Standard four level technical support model
- Standard operation management and business continuity model

Mobile/ Browser/ Kiosk/ ATM/ POS/ Cash/ Cards/ Wallets/ QR/ NFC/ Wearable/ SMS/ USSD
- Massive customer base
- Access to a variety of devices

Security and Certification
- ISO 9001 and ISO 27001 compliant
- PCI (DSS and PIN) certified
- PCI Card Production certified
- State of the art ERM model

Customer-Centric Experience
- Building the platform from the customer's perspective
- Focusing on user experience more than infrastructure
- Large portfolio of consumer financing services

Cloud Infrastructure
- Over 7k CPUs operating 2.3 Petabytes of storage
- Reliable network with 6 Gbps connection

80+ Network Devices

50+ Satellite Connections

EFIG

20 Banks - **>6000** Companies

1200 Branches

4100 Branches

20k GOV. POS

326K Aggregate POS through a network of 13 partners

38 Banks - **4900** Branches

3 Schemes

Strategy Pillars

The Group Exhibits a Clear Actionable Vision and Growth Strategy Complementing Core Operations And Enabling Diversification...

Pillar I – Solutions

Building tailored, scalable solutions for essential services

Offerings

- Financial & Non-Financial Subsidy
- GFMIS, TSA, GPS, FSMS, FSS, etc.

Growth Avenues

- e-Gates Solution

Pillar II – Platforms

Enabling third parties to connect and transact. The Group currently operates multiple platforms, channels and outlets on behalf of a number of government and private sector clients and is acquiring a platform for POS & ATMs, an e-payments platform in banks, a B2C digital payment platform, digital lending platforms, and a state-of-the-art management platform integrated with the latest tools

Offerings

- Bill Aggregation
- e-Pay, CPS, and Payment Gateway
- Cards Management

Growth Avenues

- e-Commerce
- Khales Digital Pay
- e-Business
- e-Bank Branch
- e-Scoring
- e-Data

Pillar III – Services

Maximizes value generated from e-finance's platforms and solutions. In addition to the existing data hosting, ATM, POS, call centers, card services and smart solutions, e-finance will build best-in-class capabilities to introduce new services such as data analytics, cybersecurity and enhanced hosting

Offerings

- Cloud Hosting
- ATM & POS
- Contact Center, Service Desk and Field Services
- Technical Support
- Operations Management

Growth Avenues

- e-KYC
- ATM Network
- Cybersecurity
- e-Centers
- Technical Support
- Operations Management

Pillar IV – Fintech

Accelerating Innovation – e-finance is aiming to establish a fintech accelerator that supports emerging high-potential new players in the financial services sector. Egypt is uniquely positioned to become the leading fintech hub in the region driven mostly by a young population coupled with a large underserved market. e-finance has supported several Fintech companies to grow the e-Payment ecosystem in Egypt and grow its transaction-based revenue through growth of these startups

Growth Avenues

- Venture Capital
- Innovation Lab
- Blockchain
- Artificial Intelligence
- Machine Learning
- Startups Platform

A New Home

In line with e-finance's transformation over recent years and underlining the Group's new chapter in its growth journey, the Company has invested in a new headquarters. The state-of-the art building has been designed to accommodate e-finance's large and rapid operational expansions, along with the ongoing development of the Group's operational structure and the ongoing ramp-up of operations at newly launched subsidiaries. The new headquarters presents existing and prospective employees with a welcoming and modern working experience and has facilities equipped to meet employee needs, with capacity prepared to absorb additional headcount as the Group continues to expand and copious facilities for employee training.

The Group's wholly owned headquarters building is located in West Cairo's Smart Village, adjacent to the Cairo-Alexandria Desert Road, and has allowed the Group to generate significant savings on rental costs moving forward. Consisting of five floors, the headquarters is built on 1,200 square meters and was constructed with the help of several specialists, with the final design being chosen from a wide range of alternative options.

03

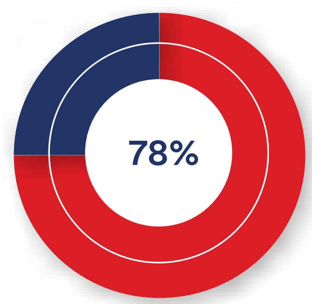
OUR SUBSIDIARIES

e finance

The Group's flagship subsidiary provides the backbone for Egypt's digital payments

e-finance Ownership, FY2021

Group Revenue Contribution, FY2021



Overview

e-finance for Digital Operations is e-finance Investment Group's flagship subsidiary. The subsidiary utilizes a fully integrated system of end-to-end payment infrastructures to develop and operate financial networks and to provide government, businesses, and consumers with a broad and innovative suite of digital products. The subsidiary executes e-finance's mandate as the Government of Egypt's exclusive digital partner, processing and settling payment and collection transactions on the Government's e-payments system.

e-finance for Digital Operations' remit encompasses G2G, G2B, G2C, B2B, and B2B2C transactions. e-finance for Digital Operations offers a modern technological infrastructure providing strong encryption and maximum security for the support of digital payment systems, extended through a safe and effective network of platforms guaranteeing business continuity and operational efficiency.

Leveraging end-to-end digital solutions, e-finance for Digital Operations processes 100% of the Government of Egypt's G2G, G2B, and G2C payments, including payroll, and subsidy outlays, in addition to settlements with government suppliers. The subsidiary is also the sole processor for most government collections. Under the Group's partnership with the government, e-finance Digital Operations processes taxes and customs collection transactions electronically and provides an integrated infrastructure for the collection of fees for government services and activities directly linked to the state budget.

Besides the development and operation of the government's financial network, e-finance for Digital Operations stands as the digital partner of choice in several sectors identified by the state as key areas of strategic investment, ranging from agriculture and social safety services to petroleum distribution and touristic site automation. Meanwhile, the subsidiary's strong team of more than 1,000 highly experienced specialists offers the full variety of operational support services, ranging from remote technical support to on-the-ground assistance, available at all times and across all 27 governorates.

Electronic Payments and Collection Network

e-finance for Digital Operations has revolutionized Egypt's payment landscape, combining unparalleled geographic reach with an integrated suite of solutions covering an unmatched range of sectors and activities. Through the company, payees are offered the widest variety of payment methods, with channels seamlessly accommodating all payment volumes. Leveraging a unique ecosystem of strategic partnerships, e-finance for Digital Operations has cemented the Group's position as a one-stop shop for digital transformation and constructed three distinct platforms covering the entirety of the digital payments value chain: a Build & Operate (B&O) platform, a Cloud Services platform, and a Transaction-Based Platform.

Build and Operate (B&O) Platform

e-finance Digital Operations' B&O platform generates project-based revenue from the construction and operation of the Government of Egypt's network infrastructure. The subsidiary's B&O platform accelerates Egypt's digital transformation and provides the Group with a unique position and unrivalled knowhow in processing and settling the government's ever-expanding throughput of digital transactions. As the government's network infrastructure continues to grow in the wake of new digitization initiatives, e-finance Digital Operations' B&O platform offers the Group a secure base for generating margin transaction-based revenue.

e-finance for Digital Operations' B&O platform has made it the Government of Egypt's digital partner of choice. The platform leverages projects based on long-term contracts, involving the development, maintenance, and operation of automation systems. e-finance for Digital Operations' footprint extends from the government financial network to a range of key strategic sectors identified by the state, including but not limited to agriculture, oil & gas, healthcare, and education.

Government Financial Network

Treasury Single Account (TSA):

e-finance for Digital Operations is responsible for operating the government's Treasury Single Account (TSA), a system which consolidates the bank accounts of more than 65 thousand state accounting units into aggregated accounts with the Central Bank of Egypt (CBE). The TSA is a vital platform that enables the consolidation and optimal utilization of government cash resources, boosting the efficiency of fiscal management processes.

Through e-finance for Digital Operations' TSA solution, the Egyptian government ensures that its tax and nontax revenues are collected efficiently and in a timely manner and that cash balances are managed optimally to reduce borrowing costs and maximize returns on surplus cash. e-finance for Digital Operations continued to deepen its integration with the banking system during 2021, with the network encompassing 38 banks and c.4,900 branches by year-end.

e-Payments Hub:

e-finance for Digital Operations has built and currently operates the Government of Egypt's e-Payments Hub, a digital platform for payments and collections. The platform leverages a modern technological infrastructure including a network of 20 thousand POS systems to provide payment solutions for the disbursement of payroll outlays to government employees and contractors, in addition to electronic collection services for tax, payroll, customs, social insurance, and pension transactions. e-finance provides corporate payees with a specialized Corporate Payment Service (CPS), available through a network of banking partners.

Government Fiscal Management Information System:

e-finance Digital Operations has developed the GFMIS, used by the Ministry of Finance to create, baseline, and control the government's annual budget. Operated by e-finance for Digital Operations, the GFMIS is a crucial tool in controlling the expenditures of state-owned entities and economic authorities, with full live account monitoring functionality. The automated digital platform has successfully increased the transparency and improved the efficiency of the budget preparation process.

A Comprehensive Financial Network

3.2K	Government Accounting Units Covered
38	Digitally Connected Banks
4,100	Post Offices Integrated
20K	Government Points of Sale
20	Banks Enabled for CPS
3	Data Centers
VISA, MASTERCARD, MEEZA	Payment network partners
VODAFONE, ORANGE, WE, ETISALAT	Mobile wallet partners

Agricultural Network

Operated by e-finance for Digital Operations on behalf of the Ministry of Agriculture and Land Reclamation, AgriNet is a platform for the management of possessions in agricultural land, planning and management of seasonal crops. Since 2016, AgriNet has been rolled out across all 27 of Egypt's governorates, digitizing more than 5,700 agricultural cooperatives nationwide.

In 2021, AgriNet made important progress in its efforts to automate the agricultural tenure system, automating the smart Farmer's Card, issued by eCards on behalf of the Ministry. The Farmer's Card simplifies the distribution of agricultural production inputs such as subsidized fertilizer, while supporting the collection of accurate data on holdings of agricultural land and the types of crops grown.

Meanwhile, in 2021 e-finance for Digital Operations began to roll out digital payments for fertilizer and other inputs through Meeza-branded farmers' prepaid cards.

Petroleum Distribution Management Network

The subsidiary operates the Government of Egypt's petroleum product distribution network, monitoring and controlling distribution from source locations to more than 8,000 fueling stations and large consumers. The subsidiary also enables cash-out transactions and online payment at fuel stations through electronic POS systems.

Meanwhile, the subsidiary provides partners in the petroleum sector with a host of value-added digital services. Under a contract with Copetrole, e-finance for Digital Operations manages and operates an integrated electronic system on behalf of the company, utilizing smart cards to regulate the distribution of fuel to government-owned vehicles at Copetrole fuel stations. e-finance for Digital Operations also maintains a partnership with Misr Petroleum, for which it has developed and operates a smart card e-payment solution.

5.4MN	Agricultural Holdings Registered
3.0MN	Multiapplication Farmer's Cards Rolled Out
>5.7K	Agricultural Cooperatives Integrated

Petroleum Network Coverage

4K
Fuel Stations

4K
Large Consumers

149
Depots

3.7K
Distribution Centers

17K
POS Systems

14K
Distribution Vehicles

>1K
Sales Representatives

Cloud Services Platform

e-finance for Digital Operations provides financial cloud hosting services to a range of entities. The subsidiary's financial cloud solution helps organizations achieve rapid deployment, flexible scalability, and high reliability at an affordable cost. Besides providing cloud hosting services to the GFMIS network, e-finance for Digital Operations provides hosting, operations management services, and technical support to the Egyptian Tax Authority, significantly enhancing the efficiency of its platforms, including its Core Taxation System, e-Invoice Platform, and Taxpayer Portal. Additionally, the subsidiary has been mandated to provide financial cloud hosting services for the Egyptian Customs Authority's Single Window Platform and Advanced Cargo Information System. e-finance for Digital Operations has also been mandated to provide financial cloud hosting services to Misr Technology Services, a public-private trade and logistics platform covering Egypt's airports, seaports, land borders, and free zones.

Transaction-Based Platform

e-finance Digital Operations' transaction-based platform generates fee-based revenue through the provision of a wide variety of payment channels for government-related payments and collections. e-finance for Digital Operations' transaction-based platform has grown rapidly in recent years, as the subsidiary leverages its unmatched knowhow in managing the Government of Egypt's financial network to drive enhanced operational efficiency through scalable and replicable platforms.

2021 Operational & Financial Highlights

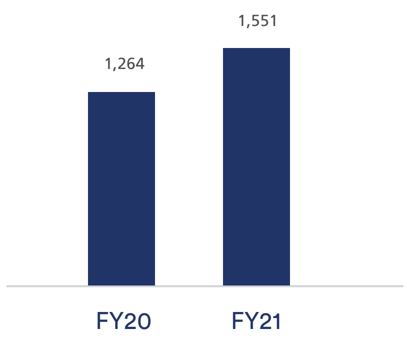
Revenues at e-finance Digital Operations rose by 22.7% y-o-y to EGP 1,550.8 million in FY2021, with growth driven primarily by an increase of 25.1% y-o-y in transaction-based sales on the back of rapid growth in revenue from variable-fee transactions. Meanwhile, revenues at e-finance for Digital Operations were further driven by growth of 53.3% y-o-y in revenue from cloud hosting services. The subsidiary's cloud services business booked sales of EGP 265.3 million in FY2021, up strongly from EGP 173.0 million one year previously as the subsidiary secured new contracts. Cloud services revenue was further bolstered by the launch during 2021 of efforts to digitalize Egypt's archaeological monuments.

Subsidiary Performance

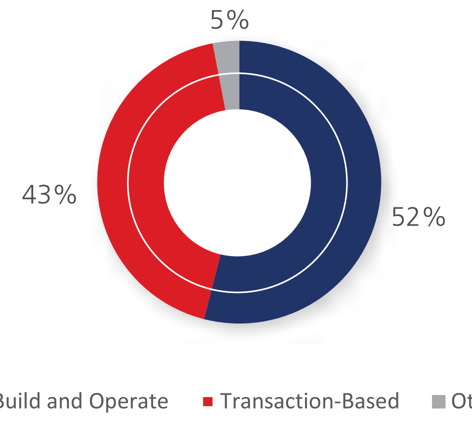
EGP million (unless otherwise stated)	FY2020	FY2021	Change %
Total Revenues	1,264.4	1,550.8	22.7%
Transaction Based Revenue	534.7	668.7	25.1%
Fixed Fee TRX Revenues	382.2	442.6	22.7%
Variable Fee TRX Revenue	152.5	226.1	25.0%
Build and Operate Revenue	465.9	548.5	17.7%
Cloud Hosting Revenue	173.0	265.3	53.3%
Other Revenue	90.8	68.4	-24.7%
Operational KPIs			
Government Transactions Processed (millions)	446.6	345.6	-22.6%
Value of Government Transactions (EGP billion, Variable Fee TRX)	483.0	726.5	50.4%

On the operational front, the subsidiary processed a total of 345.6 million government transactions during FY2021, down from 446.6 million one year previously. Total throughput value reached EGP 726.5 billion in FY2021, up by 50.4% y-o-y.

e-finance Digital Operations Revenue (EGP mn)



e-finance Digital Operations Revenue Breakdown, FY2021

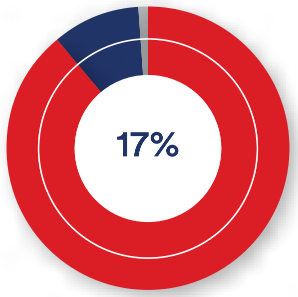


Other state initiatives are speeding the transition to a digital economy. The Ministry of Finance (MoF) has piloted an e-receipt system, which will allow the Egyptian Tax Authority to monitor all commercial transactions in real time and contribute to the institutionalization of the informal economy, which is estimated to account for %50 of all economic activity in Egypt. Additionally, the MoF has rolled out an integrated e-invoicing system, which has drawn more than 2,700 company registrations and recorded over 55 million invoices, while aiding efforts to address tax evasion. These moves come following the establishment of a national e-payments system under the label Meeza. Since establishment in 2019, Meeza has issued over 4 million payment cards for use within the Egyptian network, including prepaid bank cards, payroll cards, and cards used to receive benefit and pension payments, significantly reducing transaction costs for consumers and incentivizing transitions to noncash business.

eCards
INTEGRATED SMART SOLUTIONS

eCards is a pivotal player in Egypt's growing digital payments sector, leading the digital transformation by building, managing and operating smart card solutions for financial and non-financial institutions, as well enabling the development of smart solutions across sectors.

Ownership, FY2021



SHAREHOLDING STRUCTURE

e-finance	CIP	Thales
89%	10%	1%

Overview

Established in 2009 as a specialized line of business, eCards is today Egypt's leading producer of smart cards, with an expanding presence in Africa. The subsidiary builds, manages, and operates smart card solutions with a variety of applications for banking and non-financial institutions across the public and private sectors. To date, the subsidiary has issued over 60 million smart cards in the Egyptian market. eCards' product and service offerings are centered around card production services, chip embedding and personalization, as well as Third-Party Provider (TPP) services for various financial institutions in the banking sector.

Besides its card production and personalization offerings, eCards has invested in world-class data management and e-KYC technologies, allowing the subsidiary to offer an array of multiapplication solutions, making for three distinct sources of recurring revenue: card production, card management, and smart solutions. Moving forward, eCards will drive Egypt's digital transformation by transforming ever more of its services through end-to-end integration, with a growing focus on card processing and management services for government and bank payment cards.

14MN
Cards issued to Government, Financial, and Nonfinancial Institutions in 2021 (▲%168 y-o-y)

3MN
Cards Managed as at Year-End 2021

Card Production

eCards enjoys Egypt's largest card production facility, with a capacity of 200 thousand cards per day. Boasting a state-of-the-art production facility equipped with advanced laser engraving and DOD technology, the subsidiary produces the full range of smart cards, and has provided more than 60 million cards to governmental bodies and other institutions. eCards' facility has received full certification from Visa, MasterCard, Meeza, and the Payment Card Industry Council. eCards is Egypt's sole producer of government smart cards.

Card Management

The subsidiary offers E2E services, managing and operating cards with variable specific matters related to card management services, including third party processing for multiple banks, including the Banque Misr and the ABE, the markets' two leading providers of Meeza processing services, as well as nonfinancial institutions. Meanwhile, eCards provides third-party processing (TPP) services to a range of banking clients, facilitating payment authorization and acceptance. The subsidiary is certified by all three payment scheme operators, including Visa, MasterCard, and the Egyptian national payments scheme, Meeza, providing customers with seamless processing for all kinds of pay card transactions. Currently managing c.9 million cards, eCards aims to exceed the 20-million-mark by 2024 in Egypt and Africa, consolidating secure and sustainable streams of recurring income based on card management and processing.

e-Cards is certified as a TPP service provider for all all payment schemes, including Visa, MasterCard, and Meeza, and is certified for all types of payment cards, including multi-application products. The subsidiary managers an average volume of more than 145 million transactions annually, and is currently developing solutions targeted at markets in the African market, including premium card products, TPP services, and E2E integrated solutions.

Integrated Smart Solutions

eCards is currently developing integrated smart solutions for banking, transportation, museums, universities, clubs, and smart cities, including a range of e-KYC solutions to augment the subsidiary's existing product and service offering. Additionally, eCards is developing fully integrated payment solutions designed for smart cities, including solutions for facility management, parking, EV-charging, access control, smart meters, and more.

Smart Transportation

Development of Egypt's transportation network is a longstanding government priority, with significant investments allocated to expanding and deepening transport coverage, improving the quality of service offered to users, and spurring broader economic development. These efforts come in light of the Ministry of Transportation's plans to strengthen Egypt's infrastructure and enhance the performance of all nodes in Egypt's transport network, as outlined in Egypt's Vision 2030 development agenda.

eCards has established a growing footprint in Egypt's dynamic transportation sector. The subsidiary has invested approximately EGP 160 million in the implementation of smart transportation solutions. eCards' efforts in the area of transportation include the introduction of electronic gateways automating entry at Egypt's four largest railway stations: Cairo, Giza, Alexandria, and Sidi Gaber. eCards has also introducing the most advanced AFC technologies for digitizing station entries, exits, and pathways, with solutions developed to optimize traffic into and out of stations. eCards has additionally enabled the use of open loop payment cards for ticketing transactions and deployed smart gates capable of accepting contactless cards and QR codes. Meanwhile, the subsidiary has developed an online ticketing service and a mobile application for ticket reservations and purchases.

By year-end 2021, eCards had installed 252 smart gates and 50 digital ticketing platforms across Egypt's primary railway stations, delivered 1,200 product and control module (PCM) devices for ticket authentication, and provided value-added services ranging from 24/7 operational support to analytics solutions and reporting for decision-making support.

e-KYC

eCards leverages its technologies to help third parties digitize KYC processes, minimizing the costs and bureaucratic procedures associated with traditional KYC processes. The subsidiary has developed fully secure eKYC processes that reduce time-to-completion from days to minutes in an optimized fashion that allows immediate identification and verification of clients. eCards' eKYC solutions enable businesses to rapidly increase conversion rates, while offering a smooth, frictionless experience to their clients, increasing customer satisfaction and ensuring that clients can utilize services as quickly as possible.

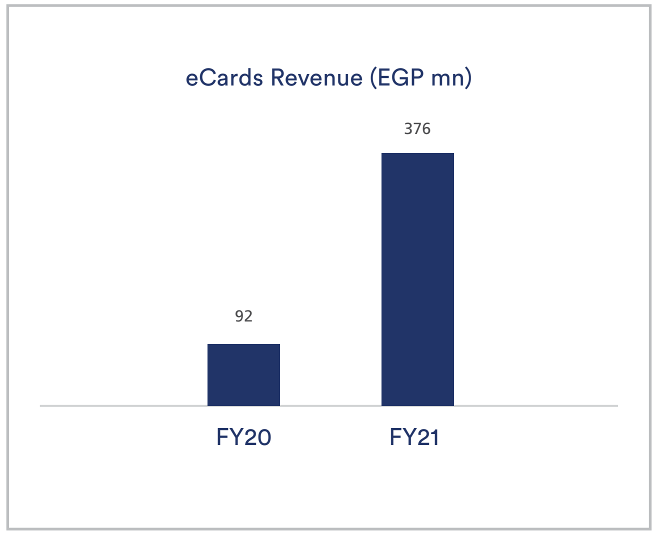
2021 Operational and Financial Highlights

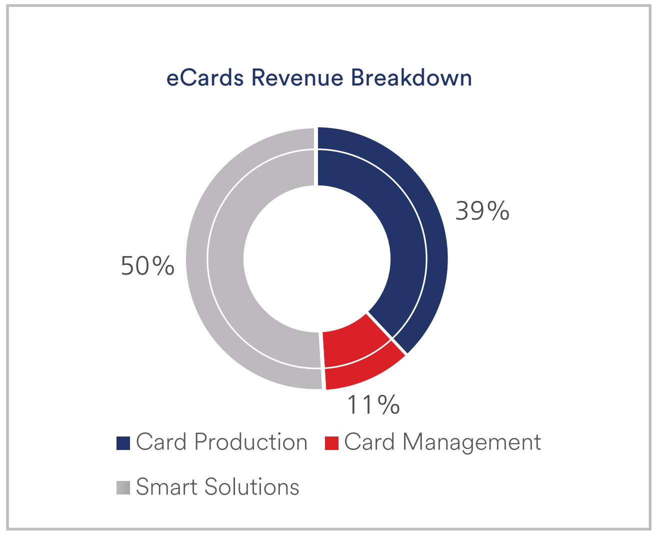
eCards' top line climbed by a solid 309.8% y-o-y to EGP 375.8 million in FY2021, driven by the ramp-up of operations at the subsidiary's new smart solutions business. Most notably, eCards began work on its contract to digitize Egypt's railways, deploying e-gates and electronic ticketing systems across the country's four highest-traffic rail stations in Cairo, Alexandria, Sidi Gaber, and Giza. Growth was further driven by a ramp-up at eCards' card management operation and an increase of 82.1% y-o-y in card production revenues.

EGP million (unless otherwise stated)	FY2020	FY2021	Change %
Total Revenues	91.7	375.8	309.9%
Card Production Revenues	80.8	147.1	82.1%
Card Management Service Revenues	10.9	42.1	286.2%
Smart Solutions	-	186.5	-

Operational KPIs

Card Production	8.3	14.0	68.7%

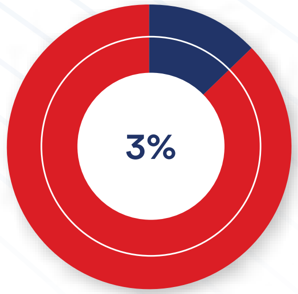




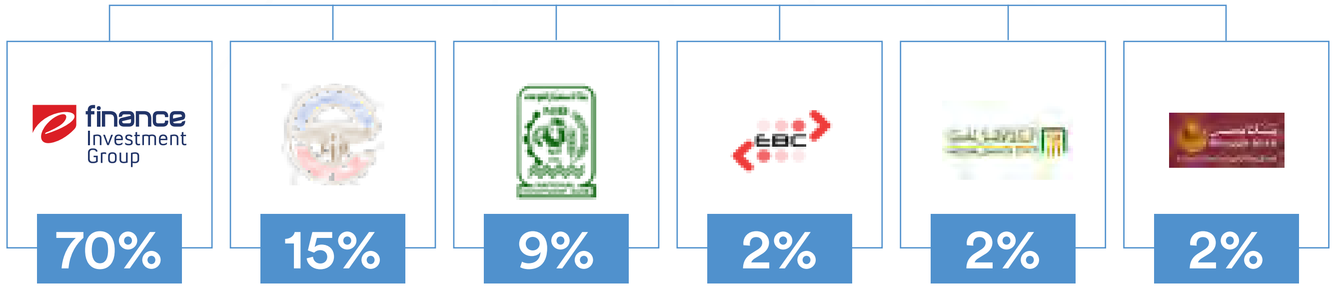
Khales

Through Khales, the Group has successfully tapped into Egypt's thriving retail space, enabling users to execute all manner of bill payments, and creating value for a wide range of merchant partners.

Group Revenue Contribution FY2021



SHAREHOLDING STRUCTURE



Overview

Spun off as a separate entity in 2019, e-finance's Khales platform provides a central bill processing hub for 13 partners through a network of more than 326 thousand POS machines. Khales provides a digital payment solution that eases the payment and collection process for consumers. Leveraging its position as an aggregator of aggregators, Khales provides merchants with a suite of value-added digital services, including white-label mobile app development, inter-operable digital wallets, and an online payments portal.

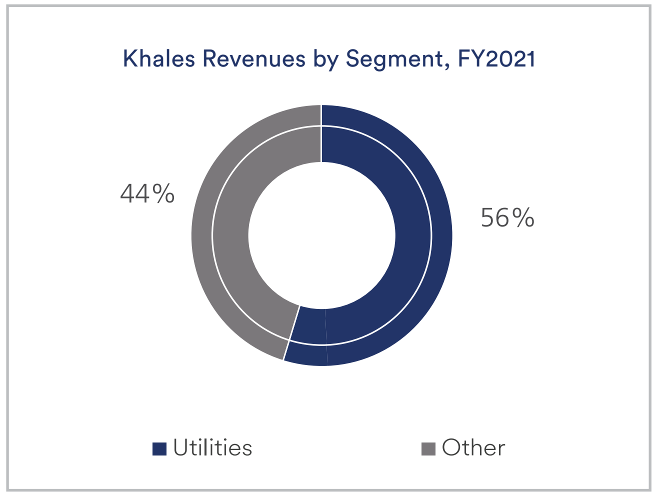
e-finance is investing in further development of Khales' digital payments platform, with plans to introduce a holistic digital processing service enabling seamless transactions and deepening the Group's penetration of each segment in the digital payments value chain. Meanwhile, Khales continuously adds new services to its offering, buoyed by its vast customer base.

Bill Aggregation Platform

Khales provides a B2B2C digital payments platform that enables customers to seamlessly execute retail transactions. This is enabled by a comprehensive network of POS terminals. Through its wide network of POS partners and its inter-operable digital wallet platforms, Khales has successfully established itself as Egypt's leading bill aggregator. The subsidiary acts as the primary bill hub for a variety of retail payments, including for utilities, education, entertainment, and government services.

Khales is one of only two authorized electricity bill aggregators in Egypt. The subsidiary has integrated nine electricity distribution companies, with a network of 326 thousand acceptance-enabled POS machines located throughout Egypt. In exclusive cooperation with the Ministry of Education, Khales has also engaged with public and private schools and universities to provide e-payment services for fee collection. Additionally, Khales provides e-collection services to gas and water bill providers, and has extended its platform to integrate telecoms such as Orange, with which the subsidiary has signed an agreement to onboard the Khales platform and its bill options onto the telecom operator's mobile wallet.

The Company continues to expand the sectoral scope of its activities. Under an agreement with the Egyptian Electricity Holding Company (EEHC), Khales will digitize the EEHC's payment processes. Similarly, Khales' agreement with the Water Holding Company will see the subsidiary digitize payment processes in an initiative targeting 350 thousand prepaid meters.



	FY2020	FY2021	Change %
Partners	11	13	18%
POS Network Size (000)	249.1	325.0	31%
Transactions Aggregated (mn)	29.0	49.7	71%
Total Revenue (EGP mn)	25.1	65.5	161%

Digital Services

Additional investment has been allocated to expanding the suite of digital services that Khales offers to merchants. Khales is working to further differentiate its value proposition through the rollout of mobile-accepting devices, enabling the subsidiary to offer partners a host of value-added service products.

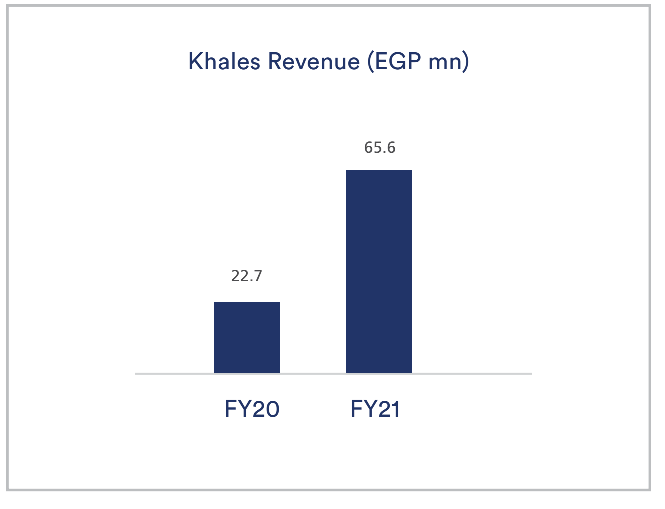
Besides its operation of Egypt's largest bill aggregator network, Khales generates additional revenue through commissions on the digital payment of bills through the subsidiary's online B2C payment gateway. Commissions revenue is also generated from payments made through white label apps and from the sale of such mobile apps and IT infrastructure. Such activities are exemplified by Khales' agreement with the EEHC, which will see Khales use near-field communication (NFC) technology develop a mobile wallet for customers with prepaid balances.

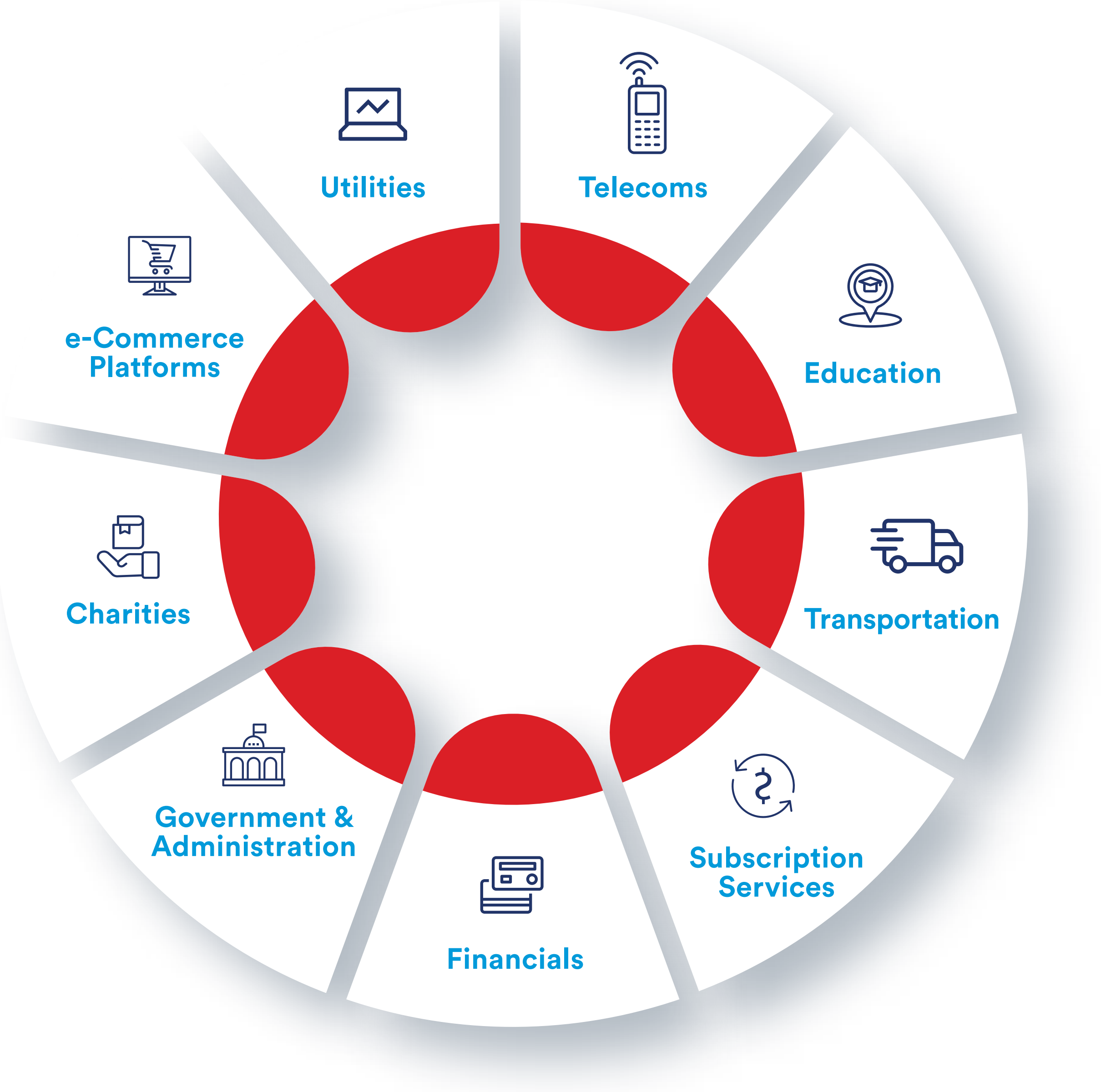
2021 Operational & Financial Highlights

Revenues at Khales grew by 161% y-o-y to book EGP 65.5 million in FY2021, lifted by a strong increase in revenue from utility partners and by climbing sales of POS systems.

Outlook

Khales aims to create greater value by accelerating the digitalization of retail transactions in Egypt. On the merchant side, Khales will enable an ever-growing range of firms and organizations to accept and track digital payments. The subsidiary will expand the number of billers integrated with its platform to encompass biller categories not currently represented in the Khales portfolio, while broadening the number of channels through which Khales services are made available, including the Khales agent network, the digital portal, bank ATMs, and e-banking platforms. Consumers will enjoy flexibility and a steadily increasing range of choices for digital bill payment.





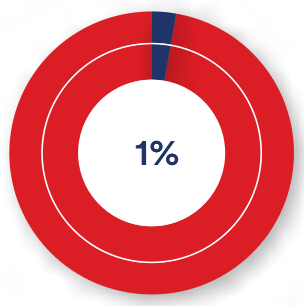
The subsidiary will introduce a range of innovative value-added services, enabled by inter-operable digital wallet infrastructures that facilitate the extension of working capital finance to eligible merchants, payroll management services, and the creation of merchant supplier platforms. Meanwhile, Khales aims to transition to an omnichannel model of merchant acquisition, enabling partners to accept payments both online and offline, while providing inventory management functionality and loyalty and promotion infrastructure services.

enable

enable is a business process outsourcing (BPO) service provider, with a client book spanning several Egyptian and international entities across ten sectors.

e-finance Ownership, FY2021

Group Revenue Contribution, FY2021



Overview

enable is a business process outsourcing (BPO) telecommunications service provider which focuses on supporting e-finance's wife customer base within Egypt and beyond. e-nable is the preferred service provider for a broad range of Egyptian and international entities, offerings solutions which range from HR and IT process outsourcing to full contact center services. The subsidiary fields more than 1.5 million

A COMPREHENSIVE SERVICE OFFERING

24/7 Contact Center
- Inbound and outbound
- Non-voice services
- Consultancy chatbot

Human Resources Outsourcing
- HR operations
- Recruitment
- Training

Information Technology Outsourcing
- Renting seats
- Contact center technology
- Consultancy

737	7/24	52	10
Seats	Service	Clients	Industries Served

A Wide and Growing Presence

enable leverages the Group's wide footprint and a deep understanding of the customer journey across a broad spectrum of sectors and industries to provide a differentiated range of solutions. The subsidiary enjoys a strong presence within both the public and private sectors and served clients from 10 distinct sectors as of year-end 2021.

A Differentiated Offering

enable continues to develop and expand a fully integrated suite of digital services and solutions to clients across a wide range of industries.

Voice

Outbound
- Tele-Sales
- Telemarketing
- Tele-Collection

Inbound
- Customer Service
- Complaints Handling
- General and Product-Related Inquiries
- Membership Renewal
- Response to Advertisement Campaigns
- Sales and Order Management

Non-Voice

Tech Support
- Troubleshooting
- Application Support
- Preventative Maintenance

Training
- Training Assessment
- Customized Programs
- Training Measurement and Evaluation

Consultancy
- Contact Center BOT

Social Media
- Social Media Moderation
- Digital Marketing Campaigns

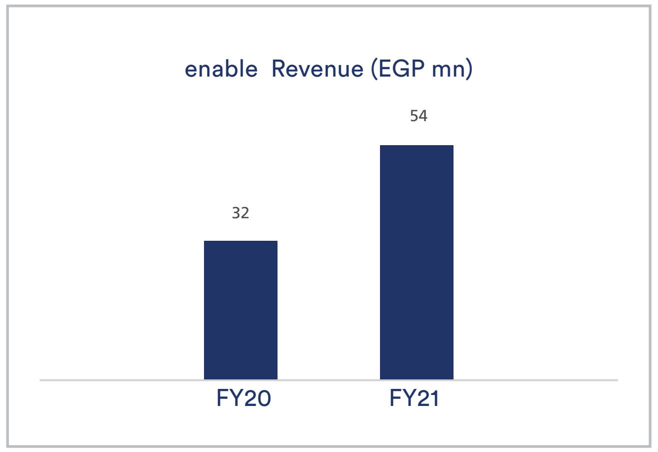
2021 Operational and Financial Highlights

enable was established in 2021 to absorb e-finance's spun-off call center business. The subsidiary published its first standalone financial statements during the FY2021 fiscal year. Thus, the operational and financial comparisons presented here reflect the results of the newly established entity compared against divisional performance in FY2020. e-nable booked EGP 53.8 million in revenues for FY2021, up by 69.2% y-o-y against the revenues booked by e-finance's call center division for FY2020.

Growth for the year reflects a significant increase in capacity following a period of sustained investment. enable served a total of 737 clients in 2021, up from 572 one year previously.

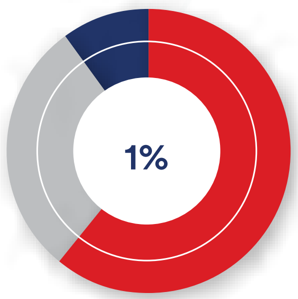
Subsidiary Performance

EGP million (unless otherwise stated)	FY2020	FY2021	Change %
Total Revenues	31.8	53.8	69.2%
Operational KPIs			
Clients Served	40	52	30.0%
Number of Seats	572	737	28.8%



eAswaaq establishes digital purchasing platforms that penetrate and unlock value from a wide range of economic sectors, creating a one-stop-shop for digital commerce

Group Revenue Contribution, FY2021



61% finance Investment Group

29% ACIS

10% Agricultural Bank of Egypt

Overview

Established in 2020, eAswaaq is building Egypt's flagship B2B & B2C marketplace. The subsidiary establishes, manages, and operates platforms that digitize traditional business processes through a wide array of end-to-end solutions connecting buyers and sellers, while providing added-value services including access to financial and logistical services. Offering a fully digital purchasing process, eAswaaq allows merchants to sell finished, intermediate, and raw material products to individual consumers and business customers in both single units and wholesale quantities. eAswaaq deploys several unique and seamless payments solutions, enjoying a database of merchants in areas ranging from agriculture and trade to industry and tourism. Meanwhile, eAswaaq' s flagship platform Aswaaq Misr is the first e-commerce marketplace mall to focus on both B2B and B2C offerings, cooperating with a wide network of leading brand, industry, and business partners.

The subsidiary's s unique solutions transform traditional supply chains into digital spaces that capitalize on the benefits of e-commerce to enhance the commercial value chain and drive growth and sustainability in Egypt's key economic sectors. The subsidiary leverages e-finance's comprehensive technological infrastructures, as well its network of strategic partnerships across the nation, to develop innovative solutions that seamlessly connect stakeholders in various sectors to unlock value for the Egyptian commercial space.

> eAswaaq partnered with the Ministry of Agriculture and the Agricultural Bank of Egypt (ABE) to launch AgriMisr, the country's first comprehensive agriculture-focused e-commerce platform. AgriMisr connects all players in Egypt's agriculture economy by organizing and facilitating commercial transactions between them. Egypt's first agriculture-focused e-marketplace, AgriMisr allows parties to sell produce, offers a competitive marketing edge, and facilitates purchases of agricultural goods and services, expanding local markets and creating opportunities for export

e-Commerce

eAswaaq creates multi-tenant specialized marketplaces for the largest variety of goods within one e-commerce platform. In its early stages, the subsidiary has focused on Egypt's agricultural sector, which contributes 12% of national GDP and offers exposure to a market of five million beneficiaries from agricultural possessions, as well as five thousand farming cooperatives.

Leveraging e-finance's infrastructure and the data generated by eCards' farmer card offering, in the second half of 2021 eAswaaq partnered with the Ministry of Agriculture and the Agricultural Bank of Egypt (ABE) to launch AgriMisr, the country's first comprehensive agriculture-focused e-commerce platform. AgriMisr connects all players in Egypt's agriculture economy by organizing and facilitating commercial transactions between them. Egypt's first agriculture-focused e-marketplace, AgriMisr allows parties to sell produce, offers a competitive marketing edge, and facilitates purchases of agricultural goods and services, expanding local markets and creating opportunities for export. eAswaaq is investing a further EGP 20 million to establish an e-farming platform with Internet of Things functionality for agri-technology, optimizing resource allocation, and helping meet the government's strategic objectives in agriculture.

eAswaaq has also fulfilled its mandate to develop Ayady Misr, an e-commerce platform that supports Egyptian women and families by allowing them to market handicrafts and other traditional products on an organized digital marketplace. Sponsored by the Ministry of Local Development with the cooperation of the World Food Program, Ayady Misr offers a reliable marketplace for locally made handicrafts, enhances the efficiency of markets for such products and lowering transaction costs for small producers and buyers. Nearly 1,400 distinct high-quality products are available for purchase on the platform, with strong representation for rural producers. Purchasing on Ayady Misr occurs through a seamless, end-to-end digital process enabled by eAswaaq.

e-Tourism

eAswaaq is growing its exposure to Egypt's rapidly developing tourism sector. The subsidiary has developed Egypt's first electronic booking platform for touristic sites and museums and has been mandated to develop online ticketing portals for over 30 Egyptian touristic destinations, including the newly launched National Museum of Egyptian Civilization (NMEC). eAswaaq has also been contracted to develop consumer-facing mobile applications, including for the NMEC, contributing to the broader digitalization of tourist experiences in the Egyptian market.

The subsidiary has also constructed over six online ticketing platforms enabled for payment by bank card or digital wallets, while equipping sites to accept entry by scanning QR code on tickets, cards, and smartphones.

Farmers' Loans

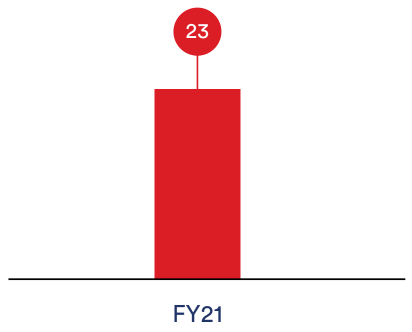
In 2020, eAswaaq launched Egypt's first-ever digital lending platform: Tamweel Misr. The platform will offer a wide array of micro and SME finance and consumer finance products. Leveraging data from across e-finance Group's synergistic ecosystem, Tamweel Misr provides banks and consumers with seamless lending processes and a customizable credit scoring system, marking a highly differentiated offering in the Egyptian market which is expected to come online in the second quarter of 2022.

Tamweel Misr and AgriMisr have partnered with the ABE to launch an end-to-end digital process for requesting, processing, and disbursing agricultural financing, while fully digitizing the management and repayment of farmers' loans. Through the Meeza-based Farmers Card, the farmers' loan solution interfaces with a digital database linked to the Agricultural Holdings System, which is in turn linked to agricultural associations, to which electronic services are offered. Tamweel Misr and AgriMisr leverage the database to enable fully digitized loan disbursal and loan repayment through the ABE's digital branches and the widespread Meeza Card network. Financing is provided for each link in the agricultural value chain, from small-scale production to distribution and transportation.

2021 Operational and Financial Highlights

eAswaaq recorded revenues of EGP 23.4 million in FY2021, driven primarily by the subsidiary's role in the Mobadra initiative, which was led by e-finance Digital Operations and aims to stimulate the consumption of locally made goods. Additional revenues were generated from eAswaaq' s role in formalizing the Village Savings and Loan Associations (VSLA) platform and e-Tourism during the year.

eAswaaq Revenues (EGP mn)



e finance Investments

e-finance leverages its expansive, nationwide network infrastructure to penetrate a variety of dynamic segments offering synergistic growth opportunities for the Group's subsidiaries.

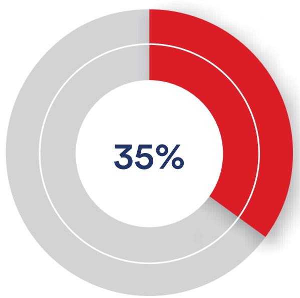
The Group continuously expands its capacities and strengthens its capabilities through targeted investments in the network infrastructure. As of 2021, e-finance held stakes in six ancillary investments, providing the Group with bridgeheads into dynamic economic sectors, bolstering its position as the public and private sectors' digital partner of choice, developing stable sources of supply and demand for the Group's subsidiary network, and promoting the creation of products that benefit citizens and economies by promoting financial inclusion and digital transformation.

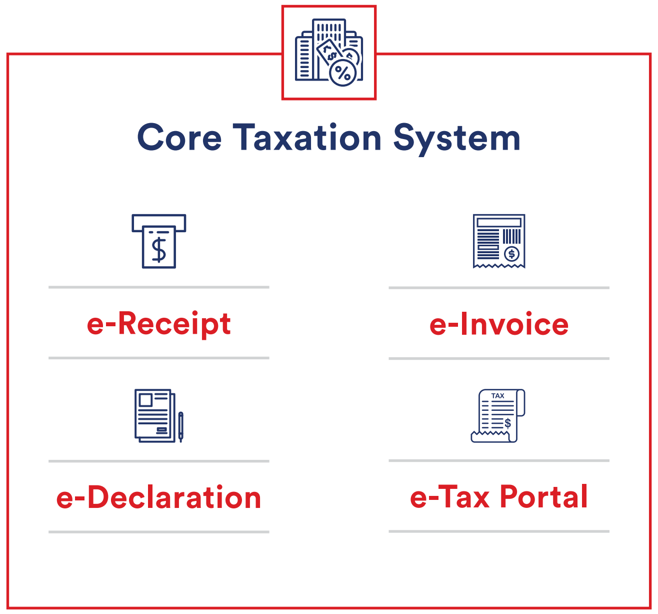
tax

Jointly launched in 2021 by e-finance, the Ministry of Finance (MoF), and the Egyptian Tax Authority (ETA), e-Tax is dedicated to managing and operating the government's electronic tax system in coordination with the ETA and the Real Estate Tax Authority (RTA). e-Tax invests in world-class technologies to simplify the government tax processes, targeting multiple key areas in support of the ETA's strategy for bolstering tax operations and significantly improving existing services.

e-Tax develops innovative digital solutions that automate the entire tax process, from registration and filing to collections and conflict resolution, with the objective of unlocking operational efficiencies across the board, enhancing the government's ability to generate tax revenues, and boosting sustainability. The company provides several leading solutions that efficiently manage the ETA and RTA's electronic tax systems.

e-finance Ownership, FY2021



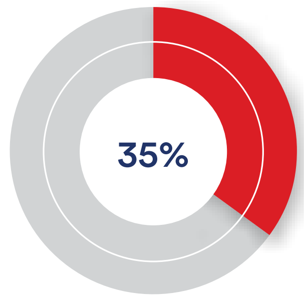


health

e-Health capitalizes on e-finance's existing involvement in Egypt's dynamic and rapidly developing healthcare sector. Established in 2021, e-Health aims to develop platforms for the purpose of digitalizing national health insurance delivery and is responsible for managing and operating technological services on behalf of Egypt's Universal Health Insurance (UHI) program, which is being gradually rolled out across governorates and aims to provide health insurance coverage to all Egyptians over the next decade.

e-Health will additionally provide specialized and integrated digital services for the broader healthcare and insurance sectors, with solutions ranging from daily management and operation of technological systems to specialized technical support. e-Health will also provide artificial intelligence solutions for analytics and data analysis, developing smart information systems and decision-support services. Meanwhile, the company will manage the multipurpose Citizen's Card in collaboration with e-finance subsidiaries, banking institutions, and the relevant medical authorities.

e-finance Ownership, FY2021

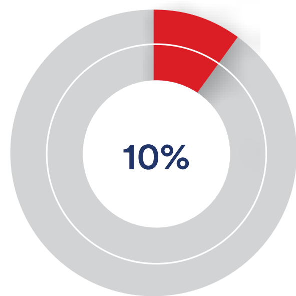


Misr Technology Services

Founded in 2015, Misr Technology Services (MTS) is a trade and transport logistics platform established under a strategic private-public-partnership between the Government of Egypt and private sector stakeholders. MTS holds a 20-year contract with the Egyptian Customs Authority, mandating the company to digitize the Authority's operations and develop a national technological platform covering airports, seaports, land boarders, and free zones.

Leveraging best-in-class ICT solutions and systems integration processes, MTS provides its partners in the trade community with an array of electronic services, rapid process automation, and an integrated package of value-added services informed by a highly developed data analytics functionality offering decisionmakers accurate and timely analyses

e-finance Ownership, FY2021

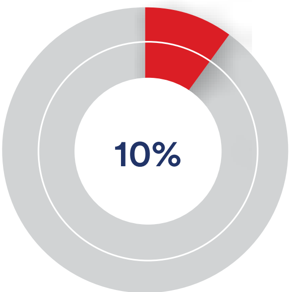


e-Serve

Misr for Government Technological Services (e-Serve) was established in 2017 to pioneer the use of digital tools in simplifying government service provision and to provide a G2G platform for the integration and exchange of national-level data resources. e-Serve connects strategic entities and organizations through an enterprise service bus (ESB), a secure gateway which ensures that government service providers receive all requests made by digital consumers through an interlaced G2G platform which notifies all entities of each change at a given node of the network.

Meanwhile, e-Serve has developed Khadamat Misr, a user-friendly mobile application that enables Egyptians to request a wide range of services from several governmental entities and to follow up on their requests. Khadamat Misr serves regular consumers, real estate owners, businesspersons, and citizens seeking to obtain ID documents. e-Serve has also led the digitization of learning resources for Egypt's public education system, developing an efficient, user-friendly learning platform that integrates curricula, assignments, tests, evaluations and grading.

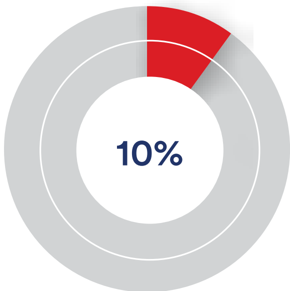
e-finance Ownership, FY2021



Delta Misr Payments

Delta Misr Payments (DMP) is a joint venture between El Delta Electronic Systems and e-finance Investment Group, established to further the government's objectives of expanding access to the formal financial system and reducing reliance on cash for everyday transactions through the promotion of electronic payment systems. DMP has developed integrated e-payment infrastructures for electricity and water utilities, providing the Ministry of Electricity and Energy with a network of pre-paid and smart meters, and contracting with the New Urban Communities Authority to develop a network of pre-paid water meters. DMP provides electronic payment services for its clients through mobile applications and other payment methods. The company also develops NFC technologies that allow consumers to charge prepaid cards and meters through mobile applications.

e-finance Ownership, FY2021

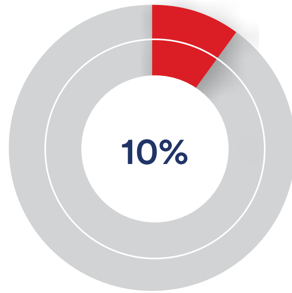


e-finance's ancillary investments, provide the Group with bridgeheads into dynamic economic sectors, bolstering its position as the public and private sectors' digital partner of choice

ACIS

Alameia for Consulting and Information Systems (ACIS) contracts with third parties to provide IT advisory services. The company's service suite includes the design, implementation, and development of the full range of information systems, communication networks, and microfilms. Besides offering management advisory services, ACIS establishes, installs, and maintains information networks and databases, in addition to providing researchers, institutions, and various establishments with data solutions.

e-finance Ownership, FY2021



04
MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis

e-finance had a landmark year in 2021. The Group began its journey as a listed company with a strong set of financial and operational results. e-finance generated rapid top-line growth during the year, with the expansion driven by broad-based growth across the Group's portfolio of subsidiaries, with newly introduced subsidiaries quickly ramping up operations and transaction- and non-transaction-based business volumes climbed significantly. Top-line growth was efficiently filtered down the income statement during the year, with the Group's net profit climbing rapidly despite the recognition of one-time nonrecurring expenses during the year.

Subsidiary Performance

(EGP mn)	4Q2020	4Q2021	Change	FY2020	FY2021	Change
Total Consolidated Revenues	415.8	663.7	59.6%	1,232.3	1,963.3	59.3%
e-finance Digital Operations	405.8	424.6	4.6%	1,264.4	1,550.8	22.6%
eCards	32.4	224.6	592.7%	91.7	375.8	309.9%
Khales	7.1	11.6	63.4%	25.1	65.5	160.6%
enable	2.2	13.7	531.8%	31.8	53.8	69.1%
eAswaaq	-	11.4	-	-	23.3	-
Eliminations	(31.7)	(22.0)	-	(180.7)	(105.9)	-
Cost of Sales	**(238.6)**	**(353.0)**	**47.9%**	**(636.8)**	**(1,040.5)**	**63.4%***
Gross Profit	**177.2**	**310.7**	**75.4%**	**595.6**	**922.9**	**55.0%**
Gross Profit Margin	42.6%	46.8%	4.2pts	48.3%	47.0%	-1.3pt*
EBITDA	**118.9**	**227.8**	**91.6%**	**476.2**	**749.3**	**57.3%**
EBITDA Margin	28.6%	34.3%	5.7pts	38.6%	38.2%	-0.5pts*
Normalized EBITDA	**118.9**	**242.2**	**103.7%**	**476.2**	**763.7**	**60.4%**
Normalized EBITDA Margin	28.6%	36.5%	7.9pts	38.6%	38.9%	0.3pts
Net Profit	**75.8**	**139.3**	**83.8%**	**353.9**	**519.7**	**46.9%**
Net Profit Margin	18.2%	21.0%	2.8pts	28.7%	26.5%	-2.2pts*
Normalized Net Profit	**75.8**	**153.8**	**102.8%**	**353.9**	**534.2**	**50.9%**
Normalized NPM	18.2%	23.2%	4.9pts	28.7%	27.2%	-1.5pts

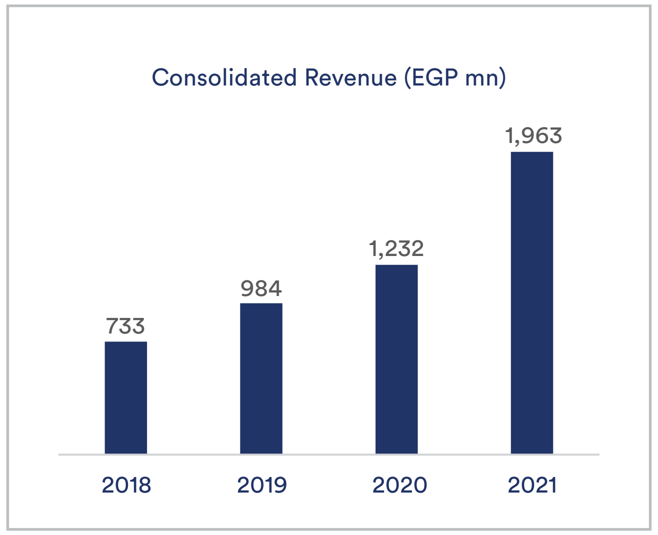
Income Statement Highlights

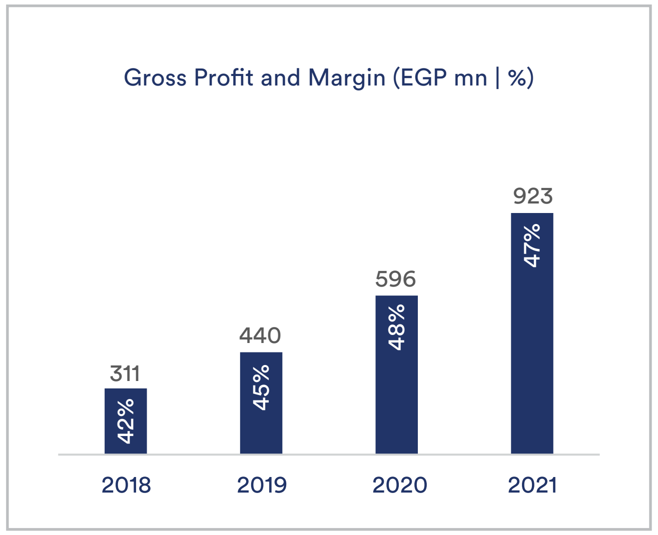
Revenues

e-finance recorded consolidated revenues of EGP 1,963.3 million for FY2021, up by 59.3% y-o-y. Revenue growth for the year was broad-based, with all Group subsidiaries reporting strong top-line increases. The lion's share of top-line growth in 2021 was contributed by e-finance for Digital Operations and eCards.

Gross Profit

Consolidated gross profit rose by 55.0% y-o-y, recording EGP 922.9 million and yielding a gross profit margin (GPM) of 47.0% for 2021, stable against the GPM booked last year. The year's rapid increase in gross profit and stability in the GPM come despite a climb in e-finance's cost of revenue, which rose as the Group ramped up operations at newly established subsidiaries.





Cost of Revenue

The Group's cost of revenue rose by 63.4% y-o-y, booking EGP 1,040.5 million for FY2021. The increase in operational costs during the year was driven by the Group's operational expansion and extensive restructuring efforts. e-finance's restructuring efforts have been crucial to ramping up operations at newly spun-off subsidiaries, with four lines of business established as separate entities: e-finance Digital Operations, eCards, Khales, and enable. A new venture, eAswaaq, was estbalished during FY2021. Restructuring and rapid operational expansions brought about increased cost pressure as the Group significantly stepped up recruitment during the year, which saw 179 new hires join e-finance across the Group's various subsidiaries.

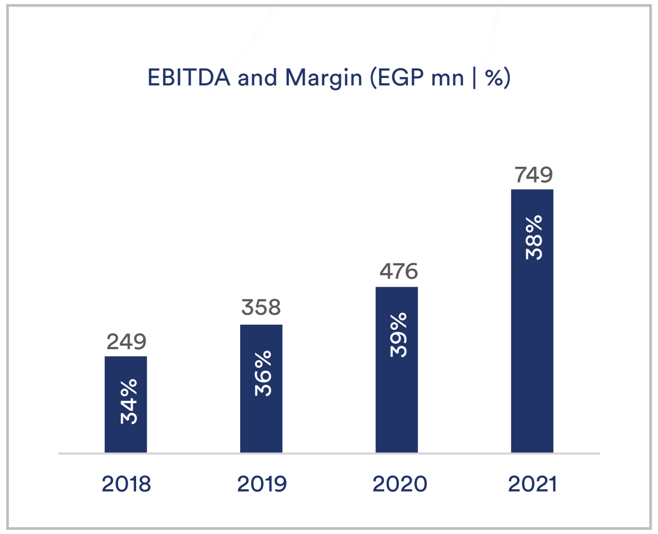
Selling, General & Administrative (SG&A) Expenses

General & administrative expenses increased by 33.0% y-o-y to record EGP 204.7 million for FY2021, reflecting the Group's restructuring efforts and the ramp-up of operations at new subsidiaries. Sales & marketing expenses rose to EGP 42.9 million in FY2021 from EGP 17.9 million in FY2020, driven heightened expenditure on conventions and rising advertisement expenses as the Group continuously launched new service offerings across its platform during the year.

Despite the increase in SG&A expenses, as a percentage of sales SG&A declined to 1.3% to 12.6% in FY2021, allowing the Group to partially offset lower margin revenues related to the sale of hardware for the railway project. In turn, the Group's EBITDA margin contracted by a slight 48 basis points compared to the 132 basis points contraction at the gross profit level.

EBITDA

e-finance booked an EBITDA of EGP 749.3 million for FY2021, up by 57.3% y-o-y. The Group's EBITDA margin was stable y-o-y, settling at 38.2% for the year. Rapid growth in e-finance's core profitability and stability in the EBITDA margin come despite the cost pressures associated with the ramp-up of newly established subsidiaries, the Group's broader operational expansion, the restructuring of operations, and ongoing investment in technology and the platform infrastructure.



Net Profit

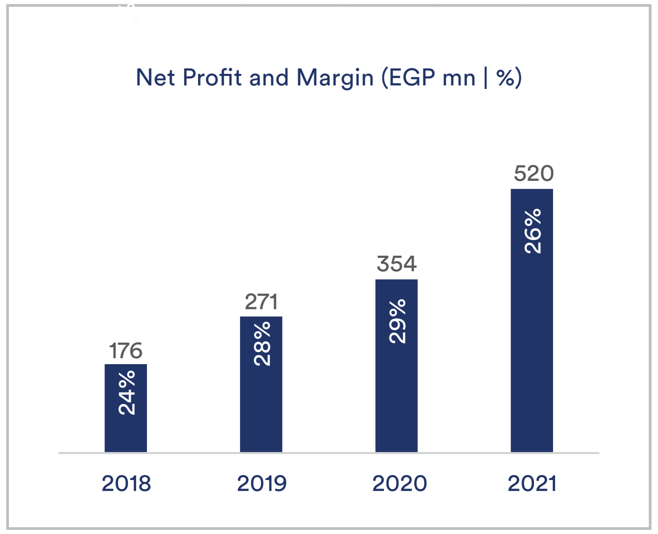
The Group's net profit climbed by 46.9% y-o-y to EGP 519.7 million, yielding a net profit margin (NPM) of 26.5% in FY2021 against the 28.7% booked one year previously. On a quarterly basis, e-finance's bottom line more than doubled y-o-y, recording EGP 139.3 million in 4Q21 against EGP 75.8 million in 4Q20, yielding NPM of 21.0% in 4Q21 versus 18.2% in the same quarter of the previous year. Net profit was up by 37.2% q-o-q for 4Q21, reflecting the successful ramp-up at newly introduced subsidiaries.

Normalized Net Profit

Normalized net profit, which normalizes for nonrecurring IPO expenses, booked EGP 534.2 million in FY2021, up by 50.9% y-o-y from the net profit of EGP 353.9 million booked in FY2020. The Group recorded an adjusted NPM of 27.2% for FY2021.

Normalized EBITDA

Normalized EBITDA, which adjusts for nonrecurring IPO expenses of EGP 14.4 million, booked EGP 763.7 million in FY2021, up by 60.4% y-o-y from the EBITDA of EGP 476.2 million booked in FY2020. The Group recorded a normalized EBITDA margin of 38.9% for FY2021 against the EBITDA margin of 38.6% recorded one year previously.



Balance Sheet Highlights

Cash & Cash Equivalents

The Group's net cash position stood at EGP 2,754 million at year-end 2021, up from EGP 560.2 million as at 31 December 2020 and reflecting a net cash to EBITDA ratio of 3.6x (0.4x when excluding IPO proceeds) versus 1.2x in FY2020. Strong liquidity allows e-finance to phase its investment efforts in concordance with prevailing market conditions and to rely on internal resources to fund expansions.

Shareholders' Equity

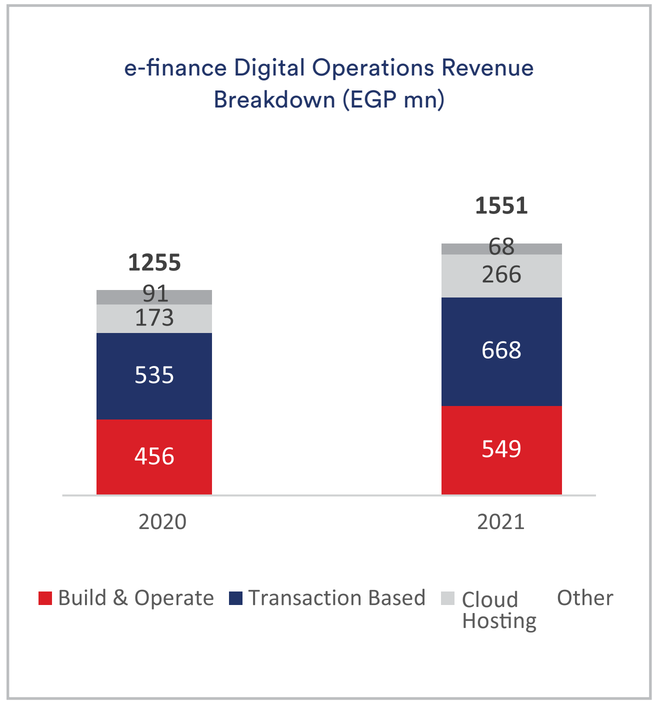
Total shareholder's equity stood at EGP 3,943.5 million as at 31 December 2021, up from EGP 1,264.2 million at the close of 2020.

Subsidiary Performance

e-finance Digital Operations

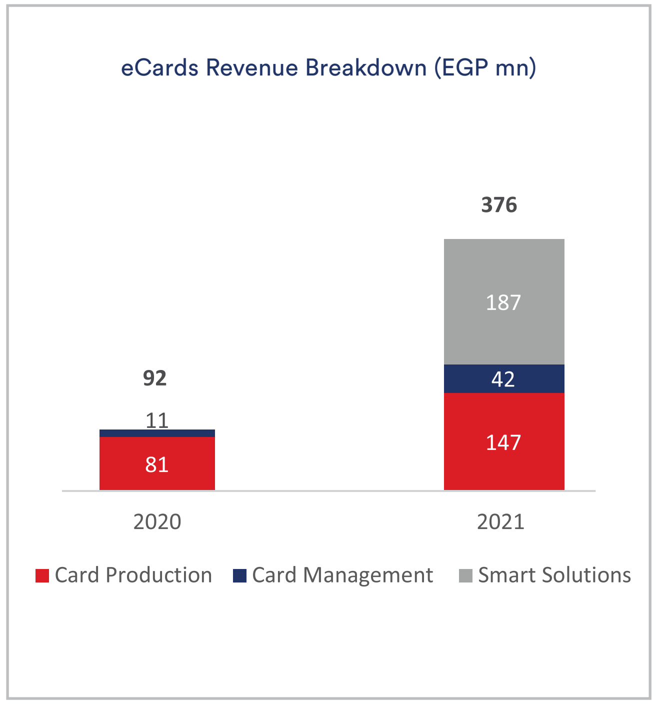
Revenues at e-finance Digital Operations rose by 22.7% y-o-y to EGP 1,550.8 million in FY2021, with growth driven primarily by an increase of 25.1% y-o-y in transaction-based sales on the back of rapid growth in revenue from variable-fee transactions. Meanwhile, revenues at e-finance for Digital Operations were further driven by growth of 53.3% y-o-y in revenue from cloud hosting services. The subsidiary's cloud services business booked sales of EGP 265.3 million in FY2021, up strongly from EGP 173.0 million one year previously as the subsidiary secured new contracts for the government's core taxation, e-invoice, and e-receipt projects.

Cloud services revenue was further bolstered by the launch during 2021 of efforts to digitalize Egypt's archaeological monuments. On the operational front, total throughput value reached EGP 726.5 billion in FY2021, up by 50.4% y-o-y



eCards

Revenue at eCards grew by 309.9% y-o-y to book EGP 375.8 million for FY2021. Strong top-line growth at the subsidiary was driven primarily by the ramp-up of operations at the subsidiary's new smart solutions business. The year saw eCards commence work on a contract to digitize Egypt's railway system, entailing the installation of e-gates and modern ticketing systems across four of the country's highest-traffic railway stations at Cairo, Alexandria, Sidi Gaber, and Giza. Growth was further driven by a ramp-up at eCards' card management operation and an increase of 81.9% y-o-y in card production revenues.

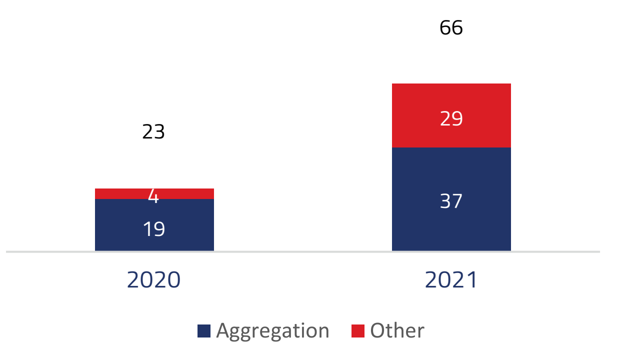


Khales

Khales booked revenues of EGP 65.5 million for FY2021, up by more than twofold from the EGP 25.1 million recorded in FY2020. Rapid top-line growth at the subsidiary was driven by an increase in revenue from utilities, with Khales integrating nine electricity distribution companies nationwide by year-end 2021. It is worth noting that by year-end 2021, Khales was officially the largest payment service provider in the electricity segment, enjoying a market share of approximately 60%. Khales' revenues were further bolstered by a rapid increase in POS sales during the year.

The subsidiary's national POS network stood at 326 thousand at year-end 2021, up by 30.5% y-o-y. The Khales network expanded to 13 corporate partners in 2021 from 11 one year previously, with Khales aggregating 49.7 million transactions for 2021, up by 71.4% y-o-y. Khales handled a throughput value of EGP 6,206.9 million in 2021, up by 36.1% y-o-y from EGP 4,561.6 million for 2020.

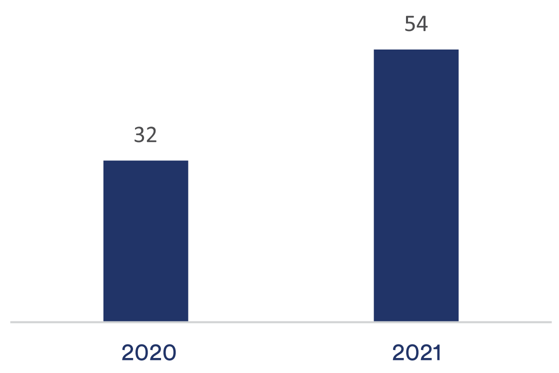
Khales Revenue Breakdown (EGP mn)



enable

FY2021 was enable's first fiscal year with standalone financial statements, with the revenue comparison above reflecting results at the newly established entity against divisional performance in the previous year. Revenues at enable recorded EGP 53.8 million in FY2021, up by 69.2% y-o-y from divisional revenues of EGP 31.8 million booked one year previously. Growth was driven by increased capacity following a period of investment, with enable serving a total of 52 clients in 2021 compared to 40 in 2020.

enable Revenues (EGP mn)



eAswaaq

eAswaaq booked revenues of EGP 23.4 million in FY2021, driven primarily by the subsidiary's role in the Mobadra initiative, which aims to stimulate consumption of locally produced handicrafts and other goods through an integrated digital platform. Additional revenue was generated during the year through the subsidiary's role in formalizing the Village Savings & Loan Associations (VSLA) platform. Meanwhile, eAswaaq has finalized the development of its AgriMisr platform and Aswaaq Misr platforms. AgriMisr is Egypt's first agriculture-focused e-marketplace, allowing parties to sell produce, offering a competitive marketing edge, and facilitating purchases of agricultural goods and services, thus expanding local markets and creating opportunities for export.

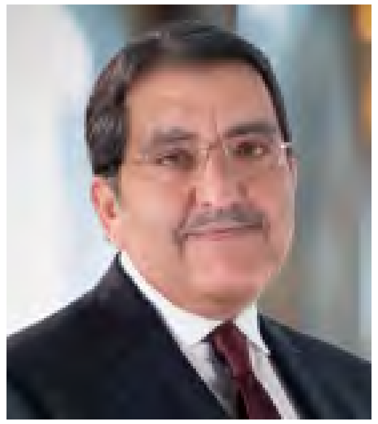
05

OUR PEOPLE

Our People

e-finance Investment Group enjoys a highly qualified management team with decades of experience in the payments, finance, and technology industries.

Executive Management – e-finance Investment Group



Ibrahim Sarhan

Chairman and CEO

Ibrahim Sarhan is e-finance's Chairman of the Board and CEO. He brings valuable experience having held several leadership positions in the fintech and telecommunications industry, with a solid and extensive track record of more than 30 years. Prior to e-finance, Ibrahim spent 13 years at ICL, and before that, held key management stints at Triangle and Raya Integrated before establishing e-finance in 2005. Throughout his career, Ibrahim joined a number of Community Service and Board memberships such as at the American Chamber of Commerce, the Software Industry Chamber and the Federation of Egyptian Industries. He holds a Bachelor of Commerce from Cairo University and a Senior Executive Management Diploma from Harvard University in 2011.

Ahmed Ismail

Group Chief e-Payments Consultant

Ahmed Ismail joined the Group in 2007 and is currently the Chief e-Payments Consultant at e-finance. Ahmed has extensive experience in the government sector and has played an important role in building and developing the electronic payment and collection systems for the government. During his career, Ahmed has worked for the Egyptian Customs Authority, leading delegations at international conferences, and was also a member of the High Commission for Customs Regulations and Policies. As a member of the commission, Ahmed was responsible for negotiating custom policies with trade partners including Tunisia and Japan. He also played an instrumental role in introducing the new Treasury Single Account (TSA) at the Egyptian Ministry of Finance, which later played a key role in helping the ministry transition over to an electronic payment system. Ahmed Ismail holds a Bachelor of Commerce degree with a concentration in Accounting and a postgraduate degree in Auditing and Taxation from Ain Shams University.

Essam Bahgat

Group Chief Financial Officer

Essam Bahgat has been the Chief Financial Officer at e-finance since 2011. He joined the company in 2007 and boasts over 29 years of industry experience. Over the course of his career, he has contributed to the establishment and support of various companies and has executed multiple international agreements and partnerships. Prior to e-finance, he worked as a Chief Accountant at Oratech Information Technology for 7 years and as a Senior Accountant for Arab Union Contracting for 8 years. Essam Bahgat holds a Bachelor of Commerce with a concentration in Accounting from Ain Shams University and an MBA in Financial Management from the Arab Academy for Banking and Financial Sciences.

Mahmoud Hosny

Group Chief Investment & Strategy Officer

Mahmoud Hosny has been the Strategic Planning and Investment Director since 2017, where he leads strategy development for each of e-finance's lines of business and serves as an advisor to the Board of Directors on potential investment options. Mahmoud holds an extensive 23 years of experience in leading corporate finance, business planning, financial analysis, budgeting and strategy formulation. Prior to joining e-finance, Mahmoud worked for 14 years in the telecommunication sector and nine years as a strategy and financial advisory consultant in various sectors, including Strategy and Business Planning Director for Banglalink Digital Communication, Strategic Planning Director for Orascom Telecom Holding and Business Planning, Profitability Senior Manager at Orange and a Financial Consultant at KPMG. Mahmoud started his career in Air Bus Industries, Toulouse, France. He acquired an MBA from the Maastricht School of Management in 1999.

Executive Management – e-finance Subsidiaries

Tag Eldin Eltabbakh
Director of Human Resources and Organizational Development

Tag Eldin Eltabbakh is currently the Director of Human Resource and Organizational Development at e-finance, a position he has held since 2007. Upon joining, Eltabbakh was assigned to build the human resources management infrastructure of e-serve, he was responsible for developing the organizational structure, job descriptions, salary structures, job interview structures, job contracts, internal workflow models as well as setting the overarching management policies and guidelines for the human resources department. Prior to joining e-finance, Tag Eldin worked as the HR Section Head at Ahli United Bank. Tag Eldin first started his career in 1999 working as a lawyer. He holds a Bachelor of Law from Ain Shams University, an MBA in Project Management from the Arab Academy for Science, Technology, and Maritime Transport as well as a Doctorate of Business Administration in Project Management from the same university.

Mohamed Nasr
Internal Audit Director

Mohamed Nasr joined e-finance as Internal Audit Director managing corporate governance, compliance, internal control and business processes. Prior to his time at e-finance, Mohamed worked at MCMAN Consulting as the lead consultant for audit and finance, providing leadership and administrative management to audit and finance staff and supervising large external assignments. Mohamed has conducted several management, financial and audit-based trainings and academic sessions in Egypt and abroad. Mohamed has over 20 years of experience in the field of finance, audit and corporate governance, including nine years of international experience. He holds an MBA from ESLSCA Business School and a DBA from the International Business School of Scandinavia and is a graduate of Ain Shams University's Faculty of Commerce English Section.

Hossam El Goly
CEO – e-finance for Digital Operations

Hossam El Goly has joined e-finance since 2007. During his time with the company he was instrumental in developing the company's e-payment system. He also worked on the development and deployment of the new digital tax and customs collection and pension distribution system recently adopted by the Egyptian government. Prior to joining e-finance, Hossam worked as a Project Manager at NCR. Hossam holds a BSc. in Civil Engineering from Cairo University and an MBA from Maastricht School of Management in Holland.

Mahmoud Kamal
CEO – eCards

Mahmoud Kamal has been CEO at eCards since 2020. Within less than two years, he had led the subsidiary to become the first issuer and operator of Meeza cards in Egypt, issuing over 15 million cards. Mahmoud has over 15 years of experience in e-finance's card business, delivery management, and operations at e-Finance, where he has contributed to the Group's operational expertise and capabilities while cutting costs and enhancing overall profitability. Prior to eCards' incorporation as an independent entity, the subsidiary began life in 2009 as a Card Center under the leadership Mahmoud Kamal. Through the years, Mahmoud has overseen the business' growth and partnerships with industry leaders, facilitating financing solutions to public beneficiaries aligned with the Egyptian Government 2030 strategy. He holds a BA in Business Administration & Accounting and an MBA in Banking.

Moataz El Sayed

CEO – Khales

Moataz El Sayed enjoys more than 30 years of experience in digital transformation and the telecommunications industry. He has held technology management positions in Europe and the United States and calls upon a deep international experience in the fintech space. Moataz holds an MBA from Rennes School of Business in France and a BSc in Computer Science from the Faculty of Engineering at Alexandria University.

Islam Mamoun

CEO – eAswaaq

Islam Mamoun has joined e-finance since 2019. Prior to joining the company, Islam spent 20 years at NCR, including seven years as country General Manager. Islam has over 22 years of experience working in digital transformation and financial inclusion mega projects in both public and private sectors. He is experienced in payment platforms, self-service, digital solutions, including mobile banking, internet banking, ATMs, data centers, and transaction processing technologies. Islam holds a BA in Economics from the American University in Cairo.

Ahmed Dokhana

CEO – enable

Ahmed Dokhana is a customer experience, business solutions, BPO and logistics professional with more than 30 years of experience in various industries, including information technology, e-payment, and BPO services. Prior to assuming his role at enable, Ahmed Dokhana held positions at IBM and Americana Egypt, enabling him to launch Raya's integration warehouses and logistics department and lead e-finance's procurement streamlining project.

06
GOVERNANCE

Corporate Governance

e-finance adheres to and promotes ethical business practices across the full scale of its operations to facilitate effective and prudent managerial processes that ensure transparency and accountability. e-finance's corporate governance strategy is driven by the goal of cultivating a responsible work environment, maintaining investor confidence, and adhering to relevant Egyptian laws, ultimately leading to the continued sustainability and long-term success of the firm. e-finance is continuously assessing its governance policies, charters and methodologies to minimize risks and ensure the absence of corruption and mismanagement. This includes the assessment of effective controls, information security, as well as the company's codes relating to employee conduct and safety to ensure that they are aligned with international best practices and local Egyptian laws.

Board of Directors

The Board of Directors' primary responsibility is to ensure the prosperity of e-finance by collectively directing the company's affairs and strategic objectives, as well as defining the values that dictate the company's operations and safeguard the interests of its stakeholders. The Board of Directors at e-finance is led by the company's Chairman and Managing Director, Mr. Ibrahim Sarhan, who is responsible for carrying out the executive tasks of the Board and reviewing the progress reports that are delivered to the board on a regular basis. The Board is composed of ten members, with one executive member and nine non-executive independent members. The members who sit on the Board have been rigorously vetted to ensure that their experience, qualifications, and expertise align with e-finance's overarching strategy of maximizing value generation across the entire scope of the company's operations and ensuring the sustainability of the business. e-finance is armed with a wealth of tools and mechanisms that are specifically designed to efficiently dictate and navigate the communication channels between the Board and e-finance's employees and shareholders.

Board Committees

e-finance's Board of Directors utilizes four committees to ensure the effective and efficient monitoring of the company's corporate governance activities

- Audit and Governance Committee
- Compensation and Benefits Committee
- Cyber Risk Committee

Board Composition

Board Composition
Ibrahim Sarhan - Chairman
Ibrahim Abdel Salam - Member
Hesham Shaarawy - Member
Ayman Hussein - Member
Khaled Zakaria - Member
Nada Massoud - Member
Ahmed Gad - Member
Mohamed Gamil - Member
Moataz Motawea - Member
Tarek Al Mahmoudy - Member

Internal Audit Department

e-finance recognizes the value and necessity of evaluating and improving the effectiveness of control and governance processes to ensure the security and sustainability of the business, as well as managing the company's exposure to credit, liquidity, market and capital management risks. In order to manage e-finance's exposure to risk and effectively monitor governance processes, the company has an Internal Audit Department. The Internal Audit Department was established to implement a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes by ensuring:

- Effective control systems are properly implemented and monitored across the company's wide and complex business operation.
- Existing financial controls and IT infrastructure are operating efficiently and up to standards.
- Policies and procedures introduced throughout the company's departments are sufficient and aligned to meet the company's operational goals.
- Employees are operating in line with the established policies.

Meanwhile, e-finance's Internal Audit Department develops proper and effective methodologies and charters, and such important documents will lead to the best work environment.

Audit Committee

Structure and Composition

The Audit Committee is composed of three non-executive members who boast multidisciplinary experiences that are relevant to e-finance's operations. It is required that one member of the committee to have experience in financial affairs in order to properly carry out the tasks of the committee.

Purpose of the Committee

The purpose of the Audit Committee is to ensure integrity and independence across all business operations and assists the Board of Directors in overseeing the company's financial controls. In order to accomplish this, the Audit Committee monitors and ensures:

- The effectiveness and efficiency of internal control systems.
- The integrity of the financial statements.
- The efficiency and independence of the company's external auditor.
- The performance of the company's internal audit procedures and controls.
- The submission of the periodical recommendations and reports to the Board of Directors.

Report Preparation

Based on requests from the board and as indicated in the company bylaws, the committee is responsible for providing the board with various reports, including an annual audit report that highlights the committee's performance over the year for the purpose of determining the effectiveness of the committee's work. The Audit Committee's core responsibilities are ensuring that the highest control standards are being implemented across the business regarding the issuance of performance reports, monitoring operations and the application of internal control systems. The committee's top priority is preserving the interest of its shareholders by providing the highest levels of transparency and disclosure through adherence to the company's internal policies and regulations. The vital role that the company plays in the Arab Republic of Egypt as a leader in the areas of digital transformation and information technology has driven the committee to further ensure the application strict control policies.

Compensation and Benefits Committee

Structure and Composition

The Compensation and Benefits Committee is composed of three non-executive members which one of whom is required to have relevant experience in the field of human resources to ensure that the committee performs its duties to the fullest.

Purpose of the Committee

The Compensation and Benefits Committee was formed to assist the Board of Directors in performing multiple tasks, with a focus on:

- Aligning the compensations and benefits for the executive and senior management with the general goals of the company.
- Evaluating employee performance and providing recommendations to the Board of Directors regarding incentive and compensation plans.

- Managing the compensation programs for the company's executive members.

The Committee also Performs the Following:

- Managing the company's incentive plans and programs and approving compensation packages as well as implementing individual performance-based assessments that determine the remuneration for the members of the Board of Directors and the members of the other various committees.
- Review and approve the compensation of senior management set by the committee.
- Developing programs and plans as well as presenting recommendations to the board regarding entitlement to incentives.
- Preparing an annual report that covers the performance of the committee and its adherence to governance standards.

Principles of the Committee

The committee is responsible for its actions in front of the board and all committee members shall abide by the same code of conduct as the board members, this includes safeguarding the company's confidential and sensitive information and no committee or board member has a right to share this information with others directly or indirectly, except within the context of what the system dictates.

Report Preparation

The committee submits a periodic report to the Board of Directors regarding the performance of the committee and its milestones as well as publish an annual report in accordance with the requirements of the applicable laws and regulations. The committee must also periodically inform the Board of Directors periodically about its activities and key recommendations.

Cyber Risk Committee

Structure and Composition

The Cyber Risk Committee is composed of three members, two non-executive and one executive who boast multidisciplinary experiences that are relevant to e-finance's operations. It is required that one member of the committee to have experience in technology and information technology affairs in order to properly carry out the tasks of the committee.

Purpose of the Committee

The purpose the Cyber Risk Committee is to assess the company's risk profile and ensure the implementation of the appropriate cyber-protection measures. This often will entail a detailed examination or audit of the company's digital vulnerabilities, existing defenses, areas of improvement for cybersecurity to ensure the safety, business continuity, and the sustainability of e-finance's operations. The committee is also responsible for ensuring that its activities are aligned with the priorities, requirements, and desired growth of the company.

Report Preparation

The Committee shall report the following:

1. Data Governance – To provide oversight of policies, procedures, plans, and execution intended to provide security, confidentiality, availability, and integrity of the information.
2. Information Technology Systems – To oversee the quality and effectiveness of e-finance's policies and procedures with respect to its information technology systems, including privacy, network security and data security.
3. Incident Response – To review and provide oversight on the policies and procedures of e-finance in preparation for responding to any material incidents.
4. Disaster Recovery – To review periodically with management e-finance's disaster recovery capabilities.
5. Compliance Risks and Internal Audits – To oversee e-finance's management of risks related to its information technology systems and processes, including privacy, network security and data security, and any internal audits of such systems and processes.

07
CONSOLIDATED FINANCIAL STATEMENTS

E-Finance for Digital and Financial Investments Company

(E-finance for Technology Solutions Company (Formerly)) (S.A.E)

Consolidated Financial Statements
<u>For the Year Ended as of 31 December 2021</u>
<u>And Audit Report</u>

Hazem Hassan
Public Accountants & Consultants

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Giza – Cairo – Egypt
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Translation from Arabic

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of E-finance for Digital and Financial investments (E-finance for technology solutions formerly) "the Group" which comprise the consolidated balance Sheet as at December 31, 2021, the consolidated Statement of Profit or Loss, consolidated statement of comprehensive income, consolidated statement of change in equity, consolidated statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the group's management. The management is responsible for preparing and presenting the consolidated 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 consolidated 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.

KPMG

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

The group continued to record some investments amounting to EGP 51 599 000 on December 31, 2021 at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments" which was applied to the group's annual financial statements on December 31, 2021.

Opinion

Except for the potential impact of the above in the basis for opinion paragraph, in our opinion that the consolidated financial statements referred to above express fairly and clearly, in all their material respects, the consolidated financial position of E-finance for digital and financial investments (E-finance for technology solutions formerly) on December 31, 2021, and its consolidated financial performance and consolidated cash flows for the year ended on December 31, 2021, in accordance with Egyptian accounting standards and accordance to the Egyptian laws and regulations relevant to the preparation of these consolidated financial statements.

KPMG Hazem Hassan
Public Accountants & Consultants

Cairo,

8 March 2022

KPMG Hazem Hassan
Public Accountants and Consultants
(2)

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Consolidated statement of Financial position as of December 31 , 2021

	Note No.	31 December 2021 L.E.	31 December 2020 L.E.
Assets			
Non current assets			
Fixed assets	5/4-2	292 781 930	199 009 056
Intangible assets	6/4-4	20 856 753	17 521
Projects under construction	7/4-3	131 936 055	22 556 125
Equity-investment at FVOCI	8/4-6	137 302 008	136 302 008
Equity-Accounted investees (Associates)	10	50 847 092	-
Deferred tax assets	11-2	32 897 546	25 751 098
Prepaid employee benefits	15	6 813 717	9 876 991
Right of use assets	24-1	88 181 926	92 552 288
Total non current assets		**761 617 027**	**486 065 087**
Current assets			
Inventory	12/4-10	31 207 754	46 186 142
Work in progress	13/4-11	24 143 638	12 632 744
Trade and other receivables	14	1 354 449 021	779 897 470
Due from related parties	35-1	3 720 433	-
Financial investments at amortized cost	9	501 687 737	-
Cash and cash equivalents	16/4-13	2 367 100 282	633 433 880
Total current assets		**4 282 308 865**	**1 472 150 236**
Total assets		**5 043 925 892**	**1 958 215 323**
Owners equity & Liabilities			
Owners equity			
Paid-up capital	17-2/4-14	888 888 889	800 000 000
Share Premium	18	2 345 616 021	-
Reserves	19/4-15	145 004 418	134 441 041
Retained earnings		503 010 453	268 835 385
Equity attributable to owners of the company		**3 882 519 781**	**1 203 276 426**
Non controlling interest	25	61 018 783	60 874 368
Total Equity		**3 943 538 564**	**1 264 150 794**
Liabilities			
Non- Current Liabilities			
Lease liability	24-4	59 936 190	73 200 586
Employee benefits	23-1/4-9	159 357 968	147 741 572
Total non current liabilities		**219 294 158**	**220 942 158**
Current liabilities			
Lease liability	24-2	34 032 162	22 685 934
Provisions	21/4-8	-	10 000 000
Trade and other payables	22	551 071 909	355 482 534
Credit facilities	20	114 880 023	-
Income tax payable	11-4/4-7	181 109 076	84 953 903
Total current liabilities		**881 093 170**	**473 122 371**
Total Liabilities		**1 100 387 328**	**694 064 529**
Total equity and liabilities		**5 043 925 892**	**1 958 215 323**

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.
Audit report is attached

Chairman & Managing Director
Ibrahim Sarhan

Chief Financial Officer
Essam Bahgat

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Consolidated statement of Profit or Loss for the year ended December 31, 2021

	Note No.	2021 L.E.	2020 L.E.
Revenue	26/4-18	1 963 345 124	1 232 338 775
Cost of sales	27	(1 040 455 321)	(636 758 288)
Gross profit		**922 889 803**	**595 580 487**
Other revenue	28	19 326 677	2 916 046
General and administrative expenses	30	(198 342 791)	(151 444 765)
Marketing and selling expenses	31	(42 939 508)	(17 881 204)
Impairment loss trade receivable and other debit balances		(23 959 594)	(13 360 472)
Provisions no longer required		10 000 000	-
Other expenses	32	(6 325 820)	(2 171 300)
Operating Profit		**680 648 767**	**413 638 792**
Dividends income from equity investments at FVOCI	29	3 820 807	10 164 212
Finance cost	33	(14 247 852)	(13 031 013)
Income from Equity-accounted investees	10	1 847 127	-
Finance Income	34	70 006 944	46 147 328
Net profit for the year before tax		**742 075 793**	**456 919 319**
Income tax expense	11-1	(222 291 722)	(104 609 558)
Net profit for the year after tax		**519 784 071**	**352 309 761**
profit attributable to:			
Owners of the company		519 738 601	353 885 119
Non controlling interest		45 470	(1 575 358)
		519 784 071	**352 309 761**
Basic Earning per share	41	**0.32**	**0.22**

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Consolidated statement of Comperhensive income for the year Ended December 31, 2021

	Financial Year ended 31 December 2021 L.E.	Financial Year ended 31 December 2020 L.E.
Net profit for the year	**519 784 071**	**352 309 761**
other comprehensive income		
Actuarial gain (losses) from employee benefit	7 776 483	4 241 902
Income Tax related to other comprehensive income	(1 749 709)	(954 427)
Total other comprehensive Income	**6 026 774**	**3 287 475**
Total comprehensive Income for the year	**525 810 845**	**355 597 236**
Attributable to:		
Owners of the company	525 643 892	357 172 594
Non controlling interest (Note 25)	166 953	(1 575 358)
Total comprehensive Income for the year	**525 810 845**	**355 597 236**

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Consolidated statement of change in shareholders equity for the year ended December 31, 2021

	Paid in Capital	Legal Reserve	General Reserve	Reserve resulted from spin-off	Retained earnings	Owners Equity	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance at the Beginning of Jan. 2020	800 000 000	27 489 236	20 000 000	-	261 872 664	1 109 361 900	29 406 255	**1 138 768 155**
Comprehensive Income								
Net profit for the year ended 31 December 2020	-	-	-	-	353 885 119	353 885 119	(1 575 358)	**352 309 761**
Comprehensive Income items	-	-	-	-	3 287 475	3 287 475	-	**3 287 475**
Total comprehensive income	-	-	-	-	**357 172 594**	**357 172 594**	**(1 575 358)**	**355 597 236**
Transaction with the owners of the company								
Dividends according to the ordinary general assembly meeting held in March 19 ,2020	-	-	-	-	(263 258 068)	(263 258 068)	-	**(263 258 068)**
Transferred to legal reserve	-	17 237 916	-	-	(17 237 916)	-	-	-
Reserve resulted from spin-off	-	-	-	69 713 889	(69 713 889)	-	-	-
Non controlling interest in the capital of subsidiaries companies	-	-	-	-	-	-	33 043 471	**33 043 471**
Total transaction with the owners of the company	-	**17 237 916**	-	**69 713 889**	**(350 209 873)**	**(263 258 068)**	**33 043 471**	**(230 214 597)**
Balance as of December 31 , 2020	**800 000 000**	**44 727 152**	**20 000 000**	**69 713 889**	**268 835 385**	**1 203 276 426**	**60 874 368**	**1 264 150 794**

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)

Consolidated statement of change in shareholders equity for the year ended December 31, 2021

	Capital	Legal Reserve	General Reserve	Share Premium	Reserve resulted from spin-off	Retained earnings	Owners Equity	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance at the Beginning of Jan. 2021	**800 000 000**	**44 727 152**	**20 000 000**	-	**69 713 889**	**268 835 385**	**1 203 276 426**	**60 874 368**	**1 264 150 794**
Comprehensive income									
Net profit for the year ended 31 December 2021	-	-	-	-	-	519 738 601	519 738 601	45 470	**519 784 071**
Comprehensive income items	-	-	-	-	-	5 905 291	5 905 291	121 483	**6 026 774**
Total comprehensive income	-	-	-	-	-	**525 643 892**	**525 643 892**	**166 953**	**525 810 845**
Transaction with the owners of the company									
Dividends according to the ordinary general assembly meeting held in March 17 ,2021	-	-	-	-	-	(207 520 401)	(207 520 401)	(22 538)	**(207 542 939)**
Capital Increase dated 13 December 2021	88 888 889	-	-	-	-	-	88 888 889	-	**88 888 889**
Share Premium	-	-	-	2 345 616 021	-	-	2345 616 021	-	**2345 616 021**
Legal Reserve	-	10 563 377	-	-	-	(10 563 377)	-	-	-
Dividends BOD and Employees	-	-	-	-	-	(73 385 046)	(73 385 046)	-	**(73 385 046)**
Total transaction with the owners of the company	**88 888 889**	**10 563 377**	-	**2 345 616 021**	-	**(291 468 824)**	**2153 599 463**	**(22 538)**	**2153 576 925**
Balance as of December 31 , 2021	**888 888 889**	**55 290 529**	**20 000 000**	**2 345 616 021**	**69 713 889**	**503 010 453**	**3 882 519 781**	**61 018 783**	**3 943 538 564**

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

E-finance for Digital and Financial Investments Company
(E-Finance for technology solutions Company (Formerly)) (S.A.E)
Consolidated statement of Cash flows for the year Ended December 31, 2021

	Note	31 December 2021 L.E.	31 December 2020 L.E.
Cash flow from operating activities			
Profit for the year before income tax		**742 075 793**	**456 919 319**
Adjusted as the follows:			
Fixed assets depreciation expenses		41 180 122	33 501 439
Amortization expenses of intangible assets		3 442 230	49 859
Amortization expenses of right of use asset		29 398 456	18 609 723
Amortization of paid in advance- employee benefits		2 974 311	1 902 354
Income from Equity-investment- at FVOCI		(3 820 807)	(10 164 212)
Debit interest		3 295 542	1 727 045
Credit interest		(69 025 092)	(43 727 663)
End of service benefit formed		31 087 870	30 823 846
Provision formed for Impairment loss trade receivable and other debit balances		(23 959 594)	4 345 445
Finance expenses-right of use asset		10 695 841	9 056 419
Foreign currency translation		(981 852)	(2 419 665)
Transferred cost to association projects		-	5 456 137
provision no longer required		(10 000 000)	
Capital (gain)/ Losses		(1 074 623)	(505 466)
		755 288 197	**505 574 580**
Change in inventory		14 978 388	(29 010 877)
Change in work in process		(11 510 894)	24 050 350
Change in employee benefit - paid in advance		-	(14 763 905)
Change in trade and other receivables		(552 874 760)	(112 587 192)
Change in due from related parties		(2 478 406)	1 904 761
Change in trade and other payables		189 817 849	24 379 876
Cashflow provided from operating activities		**393 220 374**	**399 547 593**
Debit interest paid		(3 295 542)	(1 727 045)
Credit interest collected		69 025 092	41 734 568
Payment to employee benefits		(4 941 613)	(5 382 224)
Dividends paid to employees and board members		(73 385 046)	(71 174 187)
Income taxes paid (11-4)		(131 855 767)	(72 587 597)
Net cash flow provided from operating activities		**248 767 498**	**290 411 108**
Cash flow from investing activities			
Proceeds from disposal fixed assets		15 871	163 530
Proceeds from dividends of Equity-investment- at FVOCI		2 660 408	9 264 212
Payment from acquiring Equity-investment- at FVOCI		(1 000 000)	(33 051 008)
Payment of fixed assets and projects under construction		(247 603 087)	(59 198 270)
Payment of acquiring Equity-Accounted in investees (Associates) companies		(50 847 092)	-
Payment of purchasing intangible assets		(22 745 539)	-
Payment of acquiring investments at amortized cost		(501 687 737)	-
payment to prepaid employee benefit		(886 802)	-
Net cash flow (used in) investing activities		**(822 093 978)**	**(82 821 536)**
Cash flow from financing activities			
Interest paid-lease contracts		(10 695 841)	(9 056 419)
Proceeds from increase in paid up capital		88 888 889	-
Proceeds from share premium		2 345 616 021	-
Lease liability paid		(24 153 271)	(14 376 754)
Proceeds from credit facility		114 880 023	-
Proceeds from non controlling interest share		-	33 043 471
Dividends to owners of the company		(207 542 939)	(192 083 881)
Net cash flow result from financing activities		**2 306 992 882**	**(182 473 583)**
Net change in cash & cash equivalent during the year		1 733 666 402	25 115 989
Cash & cash equivalent at beginning of the year		627 896 859	602 780 870
Cash & cash equivalent at end of the year	16	**2 361 563 261**	**627 896 859**

The attached notes from (1) to (43) are an integral part of these consolidated financial statements and to be read with them.

1- Company's background

1-1 Legal entity

E finance for Digital and Financial Investments

- The company was established in the name of Raya for Technology of Operating Financial Institutions Company, and the name has been modified to the Operating Technology of Financial Institutions E-Finance Company– S.A.E- an Egyptian joint stock company - Giza Commercial Registry No. 15026 on 08/06/2005 in accordance with the provisions of Law No. 8 of 1997 Law of Guarantees And investment incentives, as amended by Law No. 72 of 2017 and Law No. 159 of 1981 and its excutive regulations.

- Then the name was changed to E-Finance for Technology Solutions - an Egyptian joint stock company on 24/12/2020.
- Then the name was changed to E-Finance for daigital and financial investments-an Egyptian joint stock company on 29/03/2021.

- The duration of the company is twenty-five years, starting from the date of registration in the commercial register.

- The company's headquarters: Building No. A3B 82 - Smart Village - Kilo 28 Cairo-Alexandria Desert Road - Giza.

Khales for digital payments services

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

Smart Card Operation Technology Company ECARDS

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

Technology Company for Ecommerce Operations E-ASWAAQ MISR

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

E nable for Outsourcing Services Company

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

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

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

Technological Operation for Tax Solutions (e tax) (SAE)

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

Technological Operation for Health Insurance Services (E Health)

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

1-2- Group's Purpose:

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

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

Khales for digital payments services

- Providing specialized operating services for information and communication technology systems and digital payments.
- Managing, operating and maintaining banks' internal computer equipment and networks, networks and mainframe computers.

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

Smart Card Operation Technology Company E-CARDS: -

- Preparing, designing, operating, issuing, maintaining and supplying cards, smart chips and electronic programs to identify individuals and programs for issuing electronic documents.
- Description, design and management of data transmission and circulation networks for smart cards by various electronic means.
- Supply of electronic supplies, devices and programs for smart entities facilities.
- Preparing, designing, operating and maintaining electronic identification systems for individuals and integrating them into secure smart cards.
- Providing consultations in the field of smart cards and technological solutions (except for what is related to stock markets as well as markets, legal advice, consultations and studies related to evaluation on the occasion of increasing capital and acquisition, as well as financial advice on securities for the activities of companies operating in the field of securities stipulated in Article 27 of Capital Market Law and its executive regulations).
- Preparing training courses in the field of operating, managing and maintaining smart card systems and banking services applications.
- Preparing and designing short, medium and long-range radar stickers with smart chips, taking into account the Minister of Defence and Military Production Decision No. 64 of 2003.
- Import, export and commercial procuration.

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

Technology Company for Ecommerce Operations E-ASWAAQ MISR

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

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

<u>E nable for Outsourcing Services Company</u>

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

<u>Technological operations for financial insittutions E-Finance Company (S.A.E)</u>

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

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

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

- Provide the managerial and operating services and developing the electronic tax system including: -

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

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

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

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

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

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

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

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

2- Financial statement approval

The consolidated financial statements were approved for issuance by the Company' Board of Directors on March 8, 2022

3- Basis of measurement

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

3-1 Compliance with the Accounting Standards and Laws:

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

3-2 Presentation Currency:

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

3-3 Consolidation basis

The consolidated financial statements consist of the financial statements of the parent company and its subsidiaries for the financial year ended on December 31, 2021. the parent company has control over the investee company if it has all the following:

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

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

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

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

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

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

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

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

Subsidiaries	Activity	Country of incorporation	Direct and indirect ownership percentage
Khales for digital payment services	Digital payments services	Egypt	70%
Smart card operation technology company Ecards	Smart card operation	Egypt	89.7%
The technology company for Ecommerce operations E aswaq Misr	Operation of electronic markets	Egypt	61%
Enable for outsourcing services	Establishing and operations and communications centres	Egypt	99.98%
Technological operation for financial institutions (E Finance)	Operating technology of financial institution	Egypt	99.99%

3-4 Use of professional judgment and estimates

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

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

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

Judgment

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

Equity Accounted in investees (associate)

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

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

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

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

Estimates and assumptions

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

The useful life of fixed assets

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

Defined Benefit Plan

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

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

Fair value measurement

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

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

The fair value of the asset or liability is measured using the assumptions that market participants will use when pricing the asset or liability on the assumption that market participants will act in their economic interest. The fair value measurement of a non-financial asset 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 group uses valuation methods that are considered appropriate according to the circumstances and for which sufficient information is available to measure fair value, while maximizing the use of relevant observable inputs and limiting the use of unobservable inputs.

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

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

Allowance for expected credit losses for trade receivables

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

The assessment of the relationship between defaulting historical rates which are observed, expected economic conditions and expected credit losses is a significant judgment. The value of expected credit losses is the most sensitive item to changes in expected economic conditions and circumstances. The historical credit loss and economic conditions expectations may not represent an actual customer default for the group in the future. Information regarding the expected credit losses of the company's trade receivables is disclosed in note 14.

4 The most significant accounting policies applied

The accounting policies mentioned below are applied in a consistent manner during the financial periods presented in these consolidated financial statements, with the exception of Egyptian Accounting Standard No. 47, which is to be applied as of January 1, 2021.

4-1 Translating transactions in foreign currencies

The Group 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.

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

All items of fixed assets appear in the statement of financial position at their historical cost, minus the accumulated depreciation, in addition to the accumulated losses resulting from impairment in their value. The cost of a fixed asset includes all expenditures directly attributable to the acquisition of the asset. Subsequent expenditures are added to the carrying amount of the asset or recognized separately depending on the case - only when it is likely that the use of this item will generate future economic benefits for the company and the acquisition cost of this item can be measured reliably.

Repair and maintenance expenses are charged to the profit or loss statement for the fiscal year in which these expenses are incurred. Profits and losses arising from the disposal or liquidation of fixed assets are determined on the basis of the difference between the processed of disposal - if any - and the book value of those assets and are included in the profit or loss statement.

Depreciation is charged to the consolidated 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 and facilities	50 years
Network and light stream	4 years
Air conditioners and elevators	10 years
Computer	From 1 to 7 years
Furniture, tools and electrical appliances	From 2 to 4 years
Leasehold improvements	Lower of useful life or contract period
Networks	From 3 to 7 years
POSs	From 2 to 3 years
ATMs	5 years
Vehicles	5 years

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 consolidated 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 consolidated 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 Projects under Construction

Projects in progress are recorded at cost, minus the sum of impairment in their value if any. The cost includes all costs directly related to the asset and necessary to prepare the asset to the status in which it is operated and for the purpose for which it was acquired. The projects under construction are transferred to the item of fixed assets when they are completed and available for the purpose for which they were acquired, and then their depreciation begins using the same bases followed by the depreciation of similar items of fixed assets.

4-4 Intangible assets

Assets of a non-monetary nature that do not have a physical but identifiable existence that are acquired for business purposes and from which future benefits are expected to flow are treated as intangible assets. Intangible assets (other than goodwill) include computer systems, licensing networks, and trademark rights. Intangible assets are measured at cost, which is the cash price on the date of its initial recognition. In the event of deferment of payment for periods longer than the normal credit period, the difference between the cash price and the total amount paid is recognized as interest. Intangible assets are presented net of depreciation and impairment losses. Subsequent expenditures on the acquisition of intangible assets are capitalized within the carrying amount of the capitalized assets only when such expenditures increase the future economic benefits of the asset or assets, while all other expenditures when incurred are charged to the profit or loss statement. Intangible assets are depreciated according to the straight-line method over the useful lives of intangible assets unless the useful life of intangible assets is indefinite, in which case an impairment test is conducted for those assets on an annual basis.

on a straight-line basis over the useful life of the asset as follows:

	The useful life of the asset
Software	4 years

4-5 Impairment in fixed assets and intangible assets

On an annual basis - or whenever necessary - the group reviews the book values of its tangible assets to determine whether there are evidences 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 Group 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 group are also distributed to those units. If this is not possible, the group's general assets are distributed to the smallest group of cash-generating units that the group 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 it's 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

4-6 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 Group 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- The applied policy from January 1, 2021

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

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first 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 FVOCI 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 Group 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 FVOCI 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 FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting policies related to the application are similar to the accounting policies applied by the Group, with the exception of the following accounting policy, which came into effect starting from January 1, 2020.

Financial assets- Business Model Assessment: Policy applied from January 1, 2021

The Group 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 Group'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 Group'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: Policy applied from 1 January 2021

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 Group 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 Group 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 Group'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: Policy applied from January 1, 2021

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 FVOCI	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 FVOCI	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 assets – Policy applied before January 1, 2021

The Group classifies financial assets into one of the following classifications:

- Loans and debts
- Investments held to maturity
- Investments at fair value through other comprehensive income
- At fair value through profit or loss

Financial assets – Subsequent measurement and gains and losses: Policy applied before January 1, 2021

Financial assets 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 held to maturity	The amortized cost is measured using the effective interest method.
Financial assets at FVOCI	Financial assets are measured at fair value. Changes in fair value other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the accumulated gain or loss recognized in OCI is reclassified to consolidated statement of income.

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 Group 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 Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group 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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Group 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 Group 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.

Impairment

1) **Non-derivative financial assets**

Policy adopted from January 1, 2021

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

- Financial assets measured at amortized cost;
- Debt investments measured at FVOCI; and

- Contract assets.

The Group 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 Group 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 Group's historical experience and informed credit assessment and including forward-looking information.

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

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

- The debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group 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 Group 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 Group 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.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI 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 Group on terms that the Group 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 FVOCI, 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 Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group 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 Group 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 Group 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 Group's procedures for recovery of amounts due.

Policy applied before January 1, 2021

Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.
Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial assets at amortized cost

The Group assessed evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred and made an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Equity-accounted investees

Impairment losses in equity-accounted investees are measured by comparing their carrying amount with the recoverable amount, and the impairment losses are recognized in profit or loss and the impairment loss is reversed when preferential changes occur in the estimates used to determine the recoverable amount.

Financial assets at fair value through OCI

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss.

If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale in profit or loss are not reversed.

4-7 Income tax and Deferred Tax

A provision is made to meet potential tax obligations and disputes from the management's point of view in light of the tax claims received and after conducting the necessary studies in this regard.

The group's consolidated income statement is periodically charged with an estimated tax expense for each financial period, which includes both the value of the current tax as well as the deferred tax, provided that the actual tax expense is recorded at the end of each financial year.

Deferred tax assets and liabilities represent the expected tax effects of temporary differences resulting from the difference in the value of assets and liabilities in accordance

with tax rules, and between the book values of those assets and liabilities in accordance with the accounting bases used in preparing the consolidated financial statements.
The current tax is calculated on the basis of the tax base specified in accordance with the laws, regulations and instructions in force in this regard and using the tax rates in effect on the date of preparing the financial statements, while the deferred tax value is determined using the tax rates expected to be applied in the periods during which the obligation will be settled or the asset is used and based on Tax rates and tax laws in force at the date of the financial statements.
The deferred tax is recognized as an expense or revenue in the income statement, except for those related to items that are directly recognized in equity, so the related deferred tax is also treated directly within equity.
In general, all deferred tax liabilities (resulting from future taxable temporary differences) are recognized, while deferred tax assets (resulting from tax-deductible temporary differences) are recognized only if there is probable or other convincing evidence that sufficient tax profits will be achieved in the future. The statement of financial position method is used to calculate deferred tax assets and liabilities, and they are classified under non-current assets and liabilities.

4-8 Provisions

A provision is recognized when the group 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.

4-9 Employee Benefits

The group 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 group calculates the net interest expense by applying a discount rate to the defined benefit obligation. The group recognizes changes in the following defined benefit obligation under "cost of revenue" 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

4-10 Inventory

Inventories are recorded at cost or net realizable value, whichever is lower. The cost is determined using the "first in, first out" method for issuing of the inventory. The net realizable value is estimated on the basis of the selling price in the normal course of business, minus the estimated costs necessary to complete the sale, as well as any other costs necessary to complete the sale.

4-11 Work in progress

All costs associated with work-in-progress are collected in a work-in-progress account until the completion of these works and the value of these works is confirmed in the financial statements at cost or net recoverable value, whichever is less, and the cost includes all costs directly related to contracts concluded with clients until the completion of the contract and delivery to the customer .

4-12 Social Insurance

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

4-13 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 group's management of funds for the purposes of preparing the cash flow statement.

4-14 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.

4-15 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.

4-16 Employees' share of profit

In accordance with the articles of association, the group 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 group's shareholders approve this distribution.

4-17 Earnings per share

The group 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).

4-18 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 Group expects to be entitled in exchange for such transfer.
The group 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 Group 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 Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group 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 Group satisfies the performance obligation and recognizes revenue over time, if one of the following criteria is met:

a) The performance of the group 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) Group 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 Group 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 Group 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 Group 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.

The Group recognizes some revenue over a period of time, by measuring the progress towards the fulfilment of performance obligations, for each performance obligation that is fulfilled over a period of time. The objective when measuring progress is to show the entity's achievement towards transferring control of the promised goods or services to the customer (i.e. the entity's fulfilment of the performance obligation). Similar performance obligations and in similar circumstances.
The Group, when applying a method for measuring progress, shall exclude from the measurement any goods or services over which the Group will not transfer control to the customer. Conversely, the Group shall include, when measuring progress, any goods or services over which the entity has transferred control to the customer in fulfilment of a performance obligation.

<u>Output Method</u>

Output methods recognize revenue based on direct measurements of the value of the goods or services transferred to the customer to date, attributable to the remaining goods or services promised under the contract. Output methods include methods such as inventory of performance completed to date, assessments of results achieved, a specific milestone reached, the time elapsed, units produced, or units delivered. When an entity assesses whether it will apply the output method to measure its progress, the entity must consider whether the output method chosen faithfully reflects the entity's performance towards full fulfilment of the performance obligation.
As a practical means, if an entity has a right in return from a customer in an amount that directly matches the value provided to the customer from the entity's completed performance to date, the entity may recognize revenue in the amount for which the entity is entitled to invoice.

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.

Dividends Group revenue

Revenues arising from dividends due to the group on its investments in equity instruments - except its investments in sister companies - are recognized in profits or losses when the group's right to receive the dividends is issued. The cost of such investments is reduced by pre-acquisition dividends, which clearly represent a recovery of part of the acquisition cost.

4-19 Expenses

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

4-20 Borrowing costs

The cost of borrowing is recognized as an expense in the income statement using the effective interest rate method when incurred, except for the borrowing cost that is directly related to the creation or acquisition of assets that qualify to bear the cost of borrowing. its specified purpose.

4-21 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date as a basis, or the price of the closest market owned by the company on that date in the absence of its market price, and the fair value of the liability reflects the risk of non-performance.

A number of the company's accounting policies and related disclosure requirements require the determination of the fair value of financial and non-financial assets and liabilities.

In the case of an active market, the fair value of financial instruments is determined on the basis of the market value of the financial instrument or similar financial instruments at the date of the financial statements. The values of financial assets are determined at the current purchase prices for those assets. The market is considered active if transactions are made on the asset or liability with frequency and a sufficient size to provide information Pricing continuously.

In the event that there is no active market to determine the fair value of financial instruments, the fair value is estimated using various valuation methods, taking into account the prices of recent transactions. The chosen valuation technique includes all the factors that market participants will take into account when pricing the transaction.

If an asset or liability is measured at fair value at the bid and ask price, the company measures long-term assets at the bid price and short-term liabilities at the ask price. The best evidence of the fair value of a financial instrument on initial recognition is usually the transaction price - that is, the fair value of the consideration paid or received. If the Company finds that the fair value at initial recognition differs from the transaction price and fair value (whether at a quoted price in an active market for an identical asset or liability and does not rely on a valuation technique on which any input is judged if it is not significant to the measurement), then the financial instruments are measured. Initially at

fair value, adjusted to defer the difference between fair value at initial recognition and the transaction price. Subsequently, this difference in profit or loss is recognized on an appropriate basis over the life of the instrument but no later than when the valuation is fully supported by reliable market data or when the transaction is closed.
In limited circumstances, the cost may be used an approximation of fair value. This may be the case if the most recently available information is not sufficient to determine fair value, or if there is a wide range of possible fair value measurements and the cost is the best estimate of fair value within that range.

4-22 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 Group'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 consolidated statement of profit or loss as incurred.

The group applied the Egyptian Accounting Standard No. (49) to lease contracts from the date of January 1, 2020, and the comparative figures for the year were not modified before the first application of the standard. Right-of-use assets arising from operating leases are measured by the amount of the lease liability at the date of initial application (adjusted for any lease expense advance or accrued).

Significant Judgements

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.

5- Fixed Assets

	Lands & buildings	Computers	Leasehold improvement	Office furniture & fixtures & Electrical equipment	Networks	Point of sales	ATM	Vehicles	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost									
Cost as of 1/1/2021	85 108 586	241 158 312	21 371 893	53 258 544	27 992 368	87 130 360	27 810 023	1 278 800	**545 108 886**
Additions during the year	71 293 750	40 278 252	7 726 045	9 039 860	2 088 097	3 790 754	1 624 298	327 305	**136 168 361**
Transfer from PUC	-	-	-	2 054 797	-	-	-	-	**2 054 797**
Transferred to intangible assets	-	(4 331 864)	-	-	-	-	-	-	**(4 331 864)**
Disposals during the year	-	(2 451 015)	-	(2,968,310)	(1,374,311)	(4 827)	-	-	**(6 798 463)**
Cost as of 31/12/2021	**156 402 336**	**274 653 685**	**29 097 938**	**61 384 891**	**28 706 154**	**90 916 287**	**29 434 321**	**1 606 105**	**672 201 717**
Accumulated depreciation									
Accumulated depreciation as of 1 Jan 2021	15 886 915	171 295 936	5 534 190	22 249 806	23 479 390	84 170 353	22 204 441	1 278 799	**346 099 830**
Depreciation of the year	1 986 240	19 115 598	4 449 078	11 287 958	994 994	1 674 494	1 628 120	43 640	**41 180 122**
Accumulated depreciation transferred to intangible assets	-	(2 795 941)	-	-	-	-	-	-	**(2 795 941)**
Disposals accumulated depreciation	-	(2 451 015)	-	(1 351 036)	(1 257 346)	(4 827)	-	-	**(5 064 224)**
Accumulated depreciation as of 31/12/2021	**17 873 155**	**185 164 578**	**9 983 268**	**32 186 728**	**23 217 038**	**85 840 020**	**23 832 561**	**1 322 439**	**379 419 787**
Net book value as of 31/12/2021	**138 529 181**	**89 489 107**	**19 114 670**	**29 198 163**	**5 489 116**	**5 076 267**	**5 601 760**	**283 666**	**292 781 930**

5- Fixed Assets

	Lands & buildings	Equipments, Computer & software	Leasehold improvement	Office furniture & fixtures & Electrical equipments	Networks	Point of sale	ATM	Vehicles	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost									
Cost as of 1/1/2020	84 965 789	227 232 081	10 981 081	21 278 316	28 123 688	89 643 426	26 912 863	1 278 800	**490 416 044**
Additions during the year	142 797	16 801 046	10 918 033	11 849 199	822 592	2 744 920	3 682 771	-	**46 961 358**
Disposals during the year	-	(989 226)	(527 221)	(2 259 824)	(953 912)	(1 679 564)	(3 366 091)	-	**(9 775 838)**
Transferred to cost projects	-	(1 897 358)	-	-	-	(3 578 422)	-	-	**(5 475 780)**
Transferred from projects under constructions	-	11 769	-	22 390 853	-	-	580 480	-	**22 983 102**
Cost as of 31/12/2020	**85 108 586**	**241 158 312**	**21 371 893**	**53 258 544**	**27 992 368**	**87 130 360**	**27 810 023**	**1 278 800**	**545 108 886**
Accumulated depreciation									
Accumulated depreciation as of 1/1/2020	13 918 933	155 209 202	4 013 765	15 233 236	23 249 377	84 341 582	24 710 426	1 160 550	**321 837 071**
Depreciation of the year	1 967 982	17 031 297	2 034 915	8 920 361	1 078 671	1 489 858	860 106	118 249	**33 501 439**
Accumulated depreciation of transferred of cost projects	-	-	-	-	-	(19 643)	-	-	**(19 643)**
Disposals accumulated depreciation	-	(944 563)	(514 490)	(1 903 791)	(848 658)	(1 641 444)	(3 366 091)	-	**(9 219 037)**
Accumulated depreciation as of 31/12/2020	**15 886 915**	**171 295 936**	**5 534 190**	**22 249 806**	**23 479 390**	**84 170 353**	**22 204 441**	**1 278 799**	**346 099 830**
Net book value as of 31/12/2020	**69 221 671**	**69 862 376**	**15 837 703**	**31 008 738**	**4 512 978**	**2 960 007**	**5 605 582**	**1**	**199 009 056**

Depreciation charged to the following items

	31/12/2021	31/12/2020
	EGP	EGP
Cost of revenue (Note 27)	29 257 708	23 006 316
General and administrative expenses (Note 30)	11 922 414	10 495 123
Total depreciation of assets	**41 180 122**	**33 501 439**

6 Intangible assets

	31 December 2021 L.E	31 December 2020 L.E
Cost		
The beginning cost of the year	368 036	368 036
Transferred from fixed assets (Note 5)	4 331 864	-
Additions during the year	22 745 539	-
End of the year	**27 445 439**	**368 036**
Deduct:		
Beginning accumulated amortization at the year	350 515	300 656
Transferred from fixed assets	2 795 941	-
Amortization for the year	3 442 230	49 859
Accumulated amortization at end of the year	**6 588 686**	**350 515**
Net Book Value at end of the year	**20 856 753**	**17 521**

Amortization is charged within the following items:

	31 December 2021 L.E	30 December 2020 L.E
Cost of revenue (Note 27)	2 821 378	-
General and Administrative Expenses (Note 30)	620 852	49 859
	3 442 230	**49 859**

7 Projects under Construction

	31 December 2021 L.E	31 December 2020 L.E
Smart card devices & printers and utilities in progress	-	4 036 151
Computers for Operating activities	152 000	1 109 126
ATMs	-	3 651 619
Computers and software	16 659 055	3 559 863
Points of sale devices	-	9 529 682
Networks	-	669 684
Building	115 125 000	-
Total projects under constructions at the end of the year	**131 936 055**	**22 556 125**

8 Equity Investments at fair value through OCI

	%	Investment Value 31 December 2021 L.E	31 December 2020 L.E
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.) *	%10.2	18 000 000	18 000 000
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E) **	%9.99	33 599 000	33 599 000
Delta Egypt Payments Company (S.A.E) ***	%10	1 500 000	500 000
The International Company for Consulting and Information Systems (ACIS) ****	%10	83 752 000	83 752 000
Other investments*****		451 008	451 008
		137 302 008	**136 302 008**

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

** The investments are the value of the contribution of 9.99% in the Egyptian Company for Electronic Commerce Technology (MTS), and the payment represents 100% of the issued capital, which was Registered in the Commercial Registry under No. 45813 on May 17, 2010.
An impairment of the full value of these investments occurred on December 31, 2012 due to the company's failure to start its activity on this date, and the impairment was reversed in 2018 with an amount of 5 000 000.
The company sold one share of the Egyptian Company for Electronic Commerce Technology (MTS) for the amount of L.E 1,000 during 2018.

*** Investments are the value of the contribution of 10% in the Egypt Delta Payments Company (SAE), and the payment represents 50% of the issued capital of the company, which was Registered in the Commercial Registry under No. 8573 on February 21, 2019 during 2021 the amount of 1 000 000 was paid, so the paid up capital amounted to 75% (the company did not start Activity yet).

**** Investments are the value of the cost of acquiring 1000 shares of the International Company for Consulting and Information Systems (ACIS) according to the company's fair value report. The company's contribution is 10% in the company's issued capital, the company has continued to measure the investment at cost, as the cost is an appropriate estimate of fair value. Whereas the latest available information is insufficient to measure fair value, and since there is a wide range of possible fair value measurements and the cost represents the best estimate of fair value within the range.

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

9 Financial Investment at amortized cost

Treasury bills in the financial position represent as the following:

Purchasing value L.E	Purchasing date	Due date	Return Percentage %	Duration	Return L.E	Current Value L.E	Face Value L.E
500 694 004	23/12/2021	29/3/2022	11.32	96	993 733	501 687 737	515 600 000
500 694 004					**993 733**	**501 687 737**	**515 600 000**

10 Equity accounted investees (associate)

	Percentage	Investment Value 31 December 2021 L.E	Investment Value 31 December 2020 L.E
Technological Operation for Tax Solutions (e Tax)*	35%	34 999 975	-
Company's share of profit in E-Tax		1 847 127	-
E Health (Technological Operation for Health Insurance Services)**	35%	13 999 990	-
		50 847 092	-

* The investment in associate companies amounted to 1 399 999 shares in Technological Operation for Tax Solutions (e Tax) representing 35% of the issued capital, which was established on Feburary 1, 2021 with an issued capital 400 million pounds and paid up capital of 100 million Egyptian pounds with par value 100 Pounds paid at 25%.

** The investment in associate companies amounted to 1 399 999 shares in E Health (Technological Operation for Health Insurance Services) representing 35% of the issued capital, which was established on September 13, 2021 with an issued capital 400 million pounds and paid up capital of 40 million Egyptian pounds with par value 100 Pounds paid at 10%.

The company's share in equity at the date of the financial position amounted to 36 847 102 Pounds (Thirty Six Million and eight hundred forty-seven thousand and one hundred two)

11 Tax:

11-1 Income tax

	31 December 2021 L.E	30 December 2020 L.E
Current Income Tax Expenses	**228 010 940**	**104 132 785**
Tax dividends income from Equity investment at FVOCI	295 601	900 000
Treasury Bills Tax	2 881 338	1 993 095
Deferred tax (income)	**(8 896 157)**	**(2 416 322)**
Deferred Tax at Profit and Loss	**222 291 722**	**104 609 558**
Deferred income tax at other comprehensive income	**1 749 709**	**954 427**

11-2 Deferred tax

A) Recognized deferred tax assets

	31 December 2021		31 December 2020	
	Assets L.E	Liabilities L.E	Assets L.E	Liabilities L.E
Depreciation of fixed assets	-	13 725 468	-	7 117 393
Obligations of the employee benefits	37 375 053	-	33 241 854	-
Tax Losses	8 875 488		-	
Unrealized foreign currency exchange	372 473	-	-	373 363
	46 623 014	**13 725 468**	**33 241 854**	**7 490 756**
Net deferred tax assets	**32 897 546**	-	**25 751 098**	-
Deducts: the previously charged deferred tax assets	(25 751 098)	-	(24 289 203)	-
Add: the deferred tax assets charged to the statement of other comprehensive income	1 749 709	-	954 427	-
Deferred taxes for the year as income	**8 896 157**	-	**2 416 322**	-

B) Unrecognized deferred tax assets

	31 December 2021 L.E	31 December 2020 L.E
Impairment loss on trade receivable and other receivables	6 763 954	3 623 046
	6 763 954	**3 623 046**

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

11-3 Adjustment of the effective tax rate

		31 December 2021 L.E		31 December 2020 L.E
Net Profit Before Tax		742 075 793		456 919 319
Tax Income Based on Tax rate	22.5%	166 967 053	22.5%	102 806 847
Expenses that are not deductible and others		42 937 475		24 131 412
Untaxable revenue		(32 712 893)		(16 119 362)
The tax base		752 300 375		464 931 369
Current income tax	**29%**	**222 291 722**	**22.9%**	**104 609 558**

11-4 Income Tax payable

	31 December 2021 L.E	31 December 2020 L.E
Accrued Income Tax at beginning of the year	84 953 903	53 408 715
Formed during the year	228 010 940	104 132 785
Income tax paid	(110 567 910)	(51 253 313)
Withholding tax-debit	(21 287 857)	(21 334 284)
	181 109 076	**84 953 903**

11-5 Tax position

E-finance for Digital and Financial investments

A) corporate tax

- The company is subjected to a tax exemption until December 31, 2017, and the company was subject to tax according to the letter of the General Authority for Investment and Free Zones, starting from January 1, 2018.
- The company submits the tax return on the corporate profits tax on the legal dates.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 was re-examined and the examination and dispute for the years 2008/2015 was ended, and the settlement was ended with a tax of 3 052 209 Egyptian pounds, and the settlement and payment were made.
- The company has not been tax examined for the years from 2016 until the date of financial statements.

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 2017, and all dues were paid.

The company has not been tax examined for the years from 2019 until now.

C) Sales tax and value added tax

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

D) Stamp Tax

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

F) Withholding taxes

- Withholding taxes is paid on legal dates.

The company has not received any tax claims to date.

Khales for Digital Payment Services Company

a) Corporate tax

- Khales for Digital Payments Services Company was established on December 31, 2019 and has not yet submitted tax returns in accordance with the law, and there are no tax claims on the company.
- The company's records have not been inspected yet.

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 regularly submits monthly and quarterly return

- The company has not been tax examined until now.

C) Value added tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records has not been inspected yet.
- The company is registered in value-added tax on 18 March 2020.

D) Stamp tax

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

Smart Card Operation Technology Company ECARDS

a) Corporate tax

- Smart Card Operation Technology Company ECARDS was established on January 29, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.
- the company submit the tax return on its legal dates.

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

c) Value added tax

- The company submits tax returns on its legal dates and pays the tax due (if any).
- The company's records has not been inspected yet.
- The company is registered in value-added tax on 18 March 2020.

d) Stamp tax

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

The Technology Company for Ecommerce Operations E-ASWAQ MISR

a) Corporate tax

- The Technology Company for Ecommerce Operations E-ASWAQ MISR was established on July 1, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

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

c) Value added tax

- The company has not been registered yet.
- The company is registered in value-added tax.
- The company submits the tax return on its legal dates.

d) Stamp tax

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

E-nable Outsourcing Services Company

a) Corporate tax

- E-nable for outsourcing services company, Company was established on December 29, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

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

c) Value added tax

-The company is registered in value-added tax on 28 March 2021.
-the company submits the tax return on its legal dates.
-The company's record has been inspected till now.

d) Stamp tax

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

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

a) Corporate tax

- Technological Operation for Financial Institution E-finance Company was established on December 30, 2020, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

b) Payroll tax

- The company has been inspected by the tax authority as the first financial year has not been ended.
- The company deducts and submits the tax on the legal dates.
- The company regularly submits monthly and quarterly return.

c) Value added tax

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

d) Stamp tax

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

Technological Operation for Tax solutions (e tax)

a) Corporate tax

- Technological Operation for Tax solutions (e tax) Company was established on February 1, 2021, and it has not submitted tax returns so far in accordance with the law, and there are no tax claims on the company.

b) Value added tax

- The company's records have not been inspected yet.
- The company is registered in value-added tax on 24 February 2021.
- The company submits the tax return on its legal dates.

c) Stamp tax

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

12 Inventory

	31 December 2021 L.E	31 December 2020 L.E
Cards, Cards centre supplies	15 033 085	29 347 165
Computer devices	2 644 317	314 724
Spare parts	3 096 140	488 219
Point of sale devices	7 556 687	15 159 818
Stationary	204 190	876 216
ATMs	2 673 335	-
	31 207 754	**46 186 142**

13 Work in progress

	31 December 2021 L.E	31 December 2020 L.E
Work in progress for the Government sector	23 832 938	12 632 744
Work in progress for private sector	310 700	-
	24 143 638	**12 632 744**

14 Trade and other receivables

	31 December 2021 L.E	31 December 2020 L.E
Accounts receivable	585 545 175	375 419 419
	585 545 175	**375 419 419**
Impairment in Accounts receivable	(22 546 831)	(6 102 427)
	562 998 344	**369 316 992**
Other Debited Balances		
Prepaid expenses	23 622 122	9 580 873
Suppliers -Advance payment	14 370 779	19 233 441
Accrued revenue and accrued interest	610 767 368	312 708 257
Deposits with others	8 981 237	7 702 952
Deposits with others - Work Retention	41 199 069	40 808 071
Income Tax	9 466 207	-
Value-added tax	40 377 606	5 839 259
Letter of guarantee margin	3 095 309	8 193 024
Withholding tax	3 854 523	138 350
Prepaid employees' benefits	2 718 298	2 984 560
Notes Receivable	32 072 567	-
Other debit balances	8 440 782	3 391 691
Impairment in other debit balances	(7 515 190)	-
Total other debit balances	**791 450 677**	**410 580 478**
Total account receivable and debit balances	**1 354 449 021**	**779 897 470**

15 Paid in Advance employees' 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 a car benefit for the senior management and the managing director was approved instead of the monthly transportation allowance, after submitting the proposal to the Financial Benefits Committee, compensation and rewards.

	31 December 2021 L.E	31 December 2020 L.E
Beginning balance	12 861 551	-
Additions of the year	886 802	14 763 905
Disposal of the year	(1 242 027)	-
Amortization of the year	(2 974 311)	(1 902 354)
Net balance	**9 532 015**	**12 861 551**
Distributes as follows: -		
Prepaid employee benefits-short term (Note 14)	2 718 298	2 984 560
Prepaid employee benefits – Long term	6 813 717	9 876 991
Total balance	**9 532 015**	**12 861 551**

The amounts charged to the consolidated statement of profit and loss are: -

	31 December 2021 L.E	31 December 2020 L.E
Cost of revenues (Note 27)	2 392 185	1 029 031
General and administrative expenses (Note 30)	582 126	873 323
Total	**2 974 311**	**1 902 354**

16 Cash and cash Equivalents

	31 December 2021 L.E	31 December 2020 L.E
Banks – Saving Accounts	2 262 143 374	432 958 069
Banks - time deposits	32 543 126	3 010 329
Investment funds*	72 383 638	197 464 532
Cash on hand	30 144	950
Balance of cash and cash equivalents	**2 367 100 282**	**633 433 880**

*** Investment Funds**

	31/12/2021 L.E	31/12/2020 L.E
Themar Fund, QNB	24 161 102	197 367 136
SEYOLA fund	48 117 917	-
Youm by youm Account - Bank Misr	104 619	97 396
	72 383 638	**197 464 532**

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

	31/12/2021	31/12/2020
	L.E	L.E
Cash and Its equivalents	**2 367 100 282**	**633 433 880**
Deduct:		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	**2 361 563 261**	**627 896 859**

17 Capital

17-1 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 (three billion five hundred thousand 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.

17-2 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) 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 September 23, 2019 decided to increase the issued capital by an amount of 300 million Egyptian pounds, to make the issued capital 800 million Egyptian pounds (eight hundred million Egyptian pounds) paid in full, and the entry was made in the company's commercial register on December 15, 2019.
- The extraordinary general assembly convened on September 23, 2019 decided to amend the par value of the share to 0.5 Egyptian pounds (fifty piasters) instead of 100 Egyptian pounds (one hundred Egyptian pounds) so that the issued capital becomes 800 million Egyptian pounds (eight hundred million Egyptian pounds) distributed on 1.6 billion shares.
- The Board of Directors, held on October 31, 2021, decided to increase the issued capital by issuing a number of 177 777 778 shares, with a nominal value of fifty piasters per share, and a total value of 88 888 889 Egyptian pounds, bringing the issued and paid-up capital to 888 888 889 Egyptian pounds and these shares are distributed in the capital as follows:

Shareholder	Equity Ratio	Number of shares	Nominal value in EGP
	%		
The National Investment Bank	%48.70	865 455 038	432 727 519
Egyptian National Bank	%6.95	123 636 240	61 818 120
Banque Misr	%6.95	123 636 241	61 818 120
Egypt Banks Company for Technological Progress	%6.95	123 636 240	61 818 120
Egyptian Company for Investment Projects	%6.95	123 636 241	61 818 120
Public Shares	%23.50	417 777 778	208 888 889
	%100	**1 777 777 778**	**888 888 889**

18 Share premium

The share capital of E-Finance for Digital and Financial Investments S.A.E has been increased with 177 777 778 shares at a price of 13.98 pounds per share, and 2 485 333 336 Egyptian pounds were collected as a value of those shares, and this value has been reduced by direct expenses related to the capital increased shares amounting to 50 828 426 Egyptian pounds as well as the nominal value of the shares of 88 888 889 Egyptian pounds so that the share premium becomes 2 345 616 021 as of December 31, 2021.

19 Reserves

	31 December 2021 L.E	31 December 2020 L.E
Legal Reserve *	55 290 529	44 727 152
General Reserve **	20 000 000	20 000 000
Reserve resulted from the spin-off	69 713 889	69 713 889
	145 004 418	**134 441 041**

* 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 statutory 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, provided that it is approved by the general assembly.

According to general assembly meeting held on 19 March 2019 an amount of general reserve of 20 million was formed.

*** According to the spin-off project issued by the Economic Performance sector on December 15, 2020, which was approved by the company's general assembly, which was held on December 20, 2020, which stipulates setting aside the net value of the land and the buildings on it from the carried profits. Therefore, the company sets aside an amount of 69 713 889 Egyptian pounds from the retained earnings for the year 2020 under the item of the demerge reserve.

20 Credit Facilities

Bank	Authorized facility limit L.E or Its equivalents of Foreign Currency	Used L.E or Its equivalents of Foreign Currency	Nature of facility
QNB	50 000 000	31 577 508	Existing debt limit
QNB	81 500 000	23 581 743	Limit to issuing letters of credit
QNB	50 000 000	–	Limit to issuing letters of guarantee
Banque Misr	100 000 000	-	Limit to issuing local letters of guarantee
Banque Misr	50 000 000	-	Import letters of credits
Banque Misr	80 000 000	-	Existing debt limit
QNB	50 000 000	-	Existing debt limit
Egyptian National Bank	75 000 000	-	Existing debt limit
Egyptian National Bank	75 000 000	-	Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000	-	Existing debt limit
The United National Bank	150 000 000	-	Existing debt
Arabian African Bank	75 000 000	-	Limit on issuing letter of credits
Arabian African Bank	75 000 000	-	Limit to issue letters of guarantee
Arabian African Bank	500 000	-	Issuance limit for issuing credit cards with a guarantee of deposits
United National Bank	500 000 000	39 365 931	Existing debt limit for multiple purpose*
Faisal Islamic Bank	80 000 000	59 720 772	Limit for purchasing of goods and production requirement
Commercial International Bank	150 000 000	-	Existing debit limit
	1 742 000 000	**114 880 023**	

* This amount represents the letter of guarantee issued and does not represent credit facility for the group.

21 Provisions

	Balance as of 1 January 2021 L.E	Formed during the year L.E	No longer required L.E	Used during the year L.E	Balance as of 31 December 2021 L.E
Provision for contingent claims	10 000 000	--	(10 0000 00)	--	-
	10 000 000	--	(10 0000 00)	--	-

	Balance as of 1 January 2020 L.E	Formed during the year L.E	No longer required L.E	Used during the year L.E	Balance as of 31 December 2020 L.E
Provision for contingent claims	10 000 000	--	--	--	10 000 000
	10 000 000	--	--	--	**10 000 000**

- Provisions are formed according to the best estimate of the value of the expected liabilities at the date of the financial statements arising from the company's practice of its activities and its contractual relations with others. The provisions formed during the year are included in the item of other expenses in the consolidated statement of profit or loss. The company's management annually reviews and settles these allocations according to the latest developments. And discussions and agreements with interested parties.

22 Trade and other payables

	31 December 2021 L.E	31 December 2020 L.E
Accounts payable	191 763 468	175 208 275
	191 763 468	**175 208 275**
Other credit balance		
Accrued expenses	56 721 911	15 440 065
Payroll tax	4 152 685	9 319 497
Value Added Tax (VAT)	41 457 108	24 357 006
Advance payment from Customer	220 557 532	124 721 040
Withholding tax	6 940 326	4 332 944
Retention payable	654 776	494 581
Employee Benefits – E-Tax	6 753 378	–
Other Credit balances	22 070 725	1 609 126
Total credit balances	**359 308 441**	**180 274 259**
Total payable and other credit balances	**551 071 909**	**355 482 534**

23 Obligations of the employee benefits system - (end of service benefits)

Based on the decision of the parent company's board of directors on March 9, 2010, it has been decided to approve the leave service reward 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.

23-1 Movement in the present value of the employee benefits obligations - (end of service benefits)

	31 December 2021 L.E	31 December 2020 L.E
Liability at beginning of January	**147 741 572**	126 541 852
Interest Cost	19 552 322	17 715 859
Current service cost	11 535 548	13 107 987
Actuarial (gain) on the liability recognized in other comprehensive income	(7 776 483)	(4 241 902)
Transferred to Associate	(6 753 378)	-
Paid during the year	(4 941 613)	(5 382 224)
Liabilities at end of the year	**159 357 968**	**147 741 572**

23-2 The amounts recognized in the consolidated statement of profit or loss

	31 December 2021 L.E	31 December 2020 L.E
The interest cost	19 552 322	17 715 859
Current service cost	11 535 548	13 107 987
End of the year	**31 087 870**	**30 823 846**

23 -3 The most important actuarial assumptions used in calculating the liability according to the actuarial expert's study

	31 December 2021 L.E	31December 2020 L.E
Discount rate	14.5%	14%
Gross salary rate	10%	12%
Death rate	2.45%	2.45%

23-4 Quantitative sensitivity analysis and its effect on the benefit obligation, as follows

Assumptions

	Sensitivity analysis			
	31 December 2021		31 December 2020	
	Increase	**Decrease**	**Increase**	**Decrease**
	0.5%	0.5%	0.5%	0.5%
Discount rate	151 581 485	167 134 451	138 350 879	157 132 265
Current salary rate	167 134 451	151 581 485	157 132 265	138 350 879
	1%	1%	1%	1%
Death rate	164 875 499	153 840 437	151 214 720	144 268 424

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. 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.

23-5 Demographic Data

	2021	2020
Number of employees involved	735	584
average age (year)	35.26	35.05
Average Monthly Salary (EGP)	23 129	30 634
Average service life (year)	4.23	4.44

24 Lease contracts

The company make lease contract for the branches and administrative buildings, this lasts from 2 to 8 years with the option to renew after that date, after the lapse of the lease there is a renegotiation for renewal and the renewal cost that reflect market lease cost, for some of lease contracts, the company is prohibited to make any arrangements with the subcontractor.
Following the contracts, the company has leased: -

24-1 Right of use asset

	31 December 2021	31 December 2020
	L.E	L.E
Balance beginning of the Period (year)	107 381 762	-
Additions during year	68 204 242	119 820 996
Disposals during year	(58 812 582)	(12 439 234)
Balance end of year	**116 773 422**	**107 381 762**
Balance beginning of the year	14 829 474	
Amortization at the beginning of the year	29 398 456	18 609 723
Disposals – Accumulated amortization	(15 636 434)	(3 780 249)
Balance end of year	**28 591 496**	**14 829 474**
Net Right of use	**88 181 926**	**92 552 288**

The amounts recognized in the consolidated statement of profit or loss

	31 December 2021	31 December 2020
	L.E	L.E
Cost of Revenue (Note 26)	6 347 745	7 443 459
General and Administrative expenses (Note 30)	23 050 711	11 166 264
Total	**29 398 456**	**18 609 723**

24-2 Lease Liability

The following is the minimum future lease liability within the lease contract in addition to the current value of minimum lease payments.

	31 December 2021 L.E	31 December 2020 L.E
Balance beginning of the year	**95 886 520**	-
Additions during the year	68 204 242	119 820 996
Disposals during the year	(45 969 139)	(9 557 722)
Finance Cost	10 695 841	9 056 419
Lease payment	(34 849 112)	(23 433 173)
Balance at the end of the year	**93 968 352**	**95 886 520**
They are divided as follows: -		
Contract lease liability – non-current liability	59 936 190	73 200 586
Contract lease liability- current liability	34 032 162	22 685 934
Balance at the end of the year	**93 968 352**	**95 886 520**

25 Non-Controlling interest

	E- Finance	E-Cards	Khales	E-Aswaq	E-nable	Total
Balance on January 1, 2020	-	-	29 406 255	-	-	**29 406 255**
The change in share of non-controlling interests in capital	42 463	15 450 000	-	17 550 000	1 008	33 043 471
The share of non-controlling interests in profits for the year	-	1 622 917	1 187 625	(4 385 896)	(4)	(1 575 358)
Total non-controlling interest as at December 31, 2020	**42 463**	**17 072 917**	**30 593 880**	**13 164 104**	**1 004**	**60 874 368**
The share of non-controlling interests in comprehensive income for the year	43 331	6 227 204	2 271 072	**(8 374 662)**	**8**	166 953
The share of non-controlling interest in dividends	(22 538)	-	-	-	-	(22 538)
Total non-controlling interests as at December 31, 2021	**63 256**	**23 300 121**	**32 864 952**	**4 789 442**	**1 012**	**61 018 783**

29 Dividend income from equity investments fair value through OCI

	31 December 2021	31 December 2020
Egypt State Technology Services Company ESERVE	2 956 009	10 164 212
International company for consultation and information systems (ACIS)	864 798	-
	3 820 807	**10 164 212**

30 General and Administrative Expenses

	31 December 2021	31 December 2020
	L.E	L.E
Wages and Salaries and employee benefit	73 224 992	65 501 822
Amortization of ROU asset (Note 24-1)	23 050 711	11 166 264
Stamps and deductions	13 289 146	13 371 014
Fixed Assets Depreciation (Note 5)	11 922 414	10 495 123
Consulting and legal fees	27 346 619	13 212 999
Comprehensive social insurance	5 494 473	3 598 292
Donations	3 020 076	3 500 000
Rent	3 868 922	5 112 830
Maintenance Expenses	4 494 234	4 514 239
Employee benefits (cars) (Note 15)	582 126	873 323
Amortization of intangible assets (Note 6)	620 852	49 859
Other expenses	31 428 226	20 049 000
	198 342 791	**151 444 765**

31 Selling and Marketing Expenses

	31 December 2021	31 December 2020
	L.E	L.E
Exhibitions	20 029 230	10 909 708
Public Relations	4 985 765	3 534 307
Advertisements	7 000 038	2 264 653
Other Marketing Expenses	10 924 475	1 172 536
	42 939 508	**17 881 204**

32 Other Expenses

	31 December 2021 L.E	31 December 2020 L.E
Attendance, remuneration and allowances for members of the Board of Directors	6 325 820	2 171 300
	6 325 820	**2 171 300**

33 Finance Cost

	31 December 2021 L.E	31 December 2020 L.E
Realized Foreign exchange	256 469	2 247 549
Debit interest expense and bank charges	3 295 542	1 727 045
Finance cost-lease contracts (note 23-2)	10 695 841	9 056 419
	14 247 852	**13 031 013**

34 Finance income

	31 December 2021 L.E	31 December 2020 L.E
Foreign exchange Translation gain	981 852	2 419 665
Revenues from Investment in financial investment funds	26 476 326	22 031 569
Bank interest on current accounts	42 372 251	19 954 918
Bank interest on time deposits	176 515	1 741 176
	70 006 944	**46 147 328**

26 Revenues:

	31 December 2021	31 December 2020
	L.E	L.E
Installation services and card operation revenue	734 971 058	581 068 477
Integrated solutions revenue	223 042 658	188 448 228
Hosting services revenue	358 933 917	173 410 643
Installations and technical support revenue	79 068 075	94 413 013
Maintenance and network	351 885 700	96 335 259
Call center revenue	32 707 595	31 823 488
Cards Center Revenue	139 951 154	40 689 039
Other revenue	42 784 967	26 150 628
	1 963 345 124	**1 232 338 775**

27 Cost of sales

	31 December 2021	31 December 2020
	L.E	L.E
Salaries and Wages and employee benefit	390 507 479	243 561 465
Infrastructure cost	272 173 763	186 925 536
Cost of goods sold	226 014 417	134 325 983
Depreciation of fixed assets (Note 5)	29 257 708	23 006 316
Amortization of ROU asset (Note 24-1)	6 347 745	7 443 459
Card Centre	72 540 389	9 596 943
Technical advice and support	32 288 167	22 750 404
Rent	755 716	2 302 906
Employee benefits (cars) (note 15)	2 392 185	1 029 031
Amortization of intangible assets (Note 6)	2 821 378	--
fines	1 970 525	--
Other Costs	3 385 849	5 816 245
	1 040 455 321	**636 758 288**

28 Other Revenues:

	31 December 2021	30 December 2020
	L.E	L.E
Capital (loss)	(1 718 368)	(393 273)
Revenue of leased contract termination	2 792 990	--
Other revenue	18 252 055	3 309 319
	19 326 677	**2 916 046**

35 Related parties

35-1 Due from related party

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

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

	Relations Nature	Transaction Nature	Volume of Transactions during the year		Balance 2021 L.E	Balance 2020 L.E
35-1 Due from Related Parties:						
E Tax (Technological Operation for Tax Solutions)	Associate	Services	-	Due from:	746 355	-
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	2 974 078	Due from:	2 974 078	-
					3 720 433	-

35-2 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 the follows during the physical year ended in:

	31 December 2021 L.E	31 December 2020 L.E
Salaries and Benefits	97 474 520	61 443 439
Board of directors' allowance	6 325 820	2 171 300
	103 800 341	**63 614 739**

36 Segment reporting

The company has (8) sectors that can be disclosed as shown below, which are the strategic business units of the company. Strategic business units offer different products and services, and they are managed separately because they require different strategies. For each of the strategic business units, the Company's senior management reviews internal management reports on at least a quarterly basis.

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

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

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

Information on the results of each of the sectors that are disclosed is listed below. Performance is measured based on segment revenue, as included in the internal management reports that are reviewed by the top management.

Segment Reporting

The financial year ended on 31 December 2021	Installation services and operation of cards L.E	Integrated Solutions L.E	Hosting Services L.E	Revenues of Networks and Maintenance Contracts L.E	Installations and Technological Support Services L.E	Card Center services L.E	Communication Center Services L.E	Other L.E	Total L.E
Revenues	734 971 058	223 042 658	358 933 917	351 885 700	79 068 075	139 951 154	32 707 595	42 784 967	1 963 345 124
Depreciation	(9 772 091)	(1 236 796)	(5 635 057)	(2 773 970)	(4 512 331)	(9 561 598)	(748 872)	(4 186 115)	(38 426 830)
Salaries and wages and employees' benefits	(130 595 621)	(31 112 962)	(50 002 948)	(21 386 561)	(16 276 503)	(11 348 036)	(2 540 428)	(127 244 420)	(390 507 479)
Other Cost	(200 427 557)	(12 039 479)	(85 050 839)	(185 357 461)	(29 239 124)	(82 305 126)	(11 606 391)	(5 495 035)	(611 521 012)
Gross profit / (loss)	**394 175 789**	**178 653 421**	**218 245 073**	**142 367 708**	**29 040 117**	**36 736 394**	**17 811 904**	**(94 140 603)**	**922 889 803**
Gross Profit/loss percentage	%54	%80	%61	%40	%37	%26	%54	(%220)	%47
Other expense and other revenue	(45 543 325)	(18 472 664)	(11 610 996)	(60 315 537)	(5 397 624)	(4 709 466)	(20 376 958)	(14 387 440)	(180 814 010)
Net Profit before tax	**348 632 464**	**160 180 757**	**206 634 077**	**82 052 171**	**23 642 493**	**32 026 928**	**(2 565 054)**	**(108 528 043)**	**742 075 793**
Net profit %	%47	%72	%58	%23	%30	%23	(%8)	(%254)	%38

Segment Reporting

The financial period ended as of 31 December 2020	Installation services and operation of cards L.E	Integral Solutions L.E	Hosting Services L.E	Revenues of Networks and Maintenance Contracts L.E	Installations and Technological Support Services L.E	Cards centre Services L.E	Communication Center Services L.E	Other L.E	Total L.E
Revenues	581 068 477	188 448 228	173 410 643	96 335 259	94 413 013	40 689 039	31 823 488	26 150 628	**1 232 338 775**
Depreciation	(12 156 608)	(1 000 893)	(10 983 485)	—	(2 217 284)	(383 969)	(2 412 044)	(793 664)	**(29 947 947)**
Salaries and wages and employees' benefits	(128 562 089)	(27 217 518)	(16 808 998)	(17 245 660)	(16 875 426)	(231 349)	(8 363 065)	(28 257 361)	**(243 561 466)**
Other Cost	(95 515 124)	(14 987 318)	(5 936 234)	(140 694 077)	(39 700 833)	(44 497 476)	(26 167 685)	(8 610 600)	**(376 109 347)**
Gross profit / (loss)	**344 834 656**	**145 242 499**	**139 681 926**	**(61 604 478)**	**35 619 470**	**(4 423 755)**	**(5 119 306)**	**(11 510 997)**	**582 720 015**
Gross Profit/loss percentage	%59	%77	%81	(%64)	%37	(%11)	(%16)	(%44)	%47
Other expense and other revenue	(61 721 230)	(24 407 688)	(17 638 393)	(14 953 131)	(4 894 313)	452 501	(2 728 908)	590 466	(125 300 696)
Net Profit before tax	**283 113 426**	**120 834 811**	**122 043 533**	**(76 557 609)**	**30 725 157**	**(3 971 254)**	**(7 848 214)**	**(10 920 531)**	**456 419 319**
Net profit %	%49	%64	%70	(%79)	%33	(%10)	(%25)	(%42)	%37

37 Objectives and policies of financial instruments risk management

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

A) Credit risk

B) Market risk

C) Liquidity risk

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

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

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

A) Credit risk

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

Other financial assets and cash deposits

With respect to credit risk arising from the company's other financial assets at amortized cost, the entity is exposed to credit risk as a result of default by the counterparty in payment to a maximum equivalent to the carrying value of these assets.
The financial sector manages credit risk arising from bank balances, and the company limits its exposure to credit risk by depositing balances with international banks only or with reputable local banks, and local banks are subject to the supervision of the Central Bank of Egypt, and thus the risk of exposure to credit risk is weak.
The maximum exposure to risk is limited to the balances shown in (Note 16)

Due from related parties

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

Trade and other receivables

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

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

	31 December 2021 L.E	**31 December 2020** L.E
Trade and notes receivables and other debit balances	1 354 449 021	779 897 470
Due from related parties	3 720 433	-
Cash and Cash equivalents	2 367 100 282	633 433 880

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

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

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

The following table represents information about exposure to credit risk and credit losses expected from customers:

Exposure to credit risk from the governmental sector:

L.E	Total Trade receivable	Allowance of expected credit losses
Due to 0-90 days.	332 587 740	(2 512 326)
Due to 91 to 180 days	65 521 685	(511 393)
Due to 181 to 270 days	27 904 709	(691 625)
Due to 271 to 365 days	18 057 007	(734 310)
Due to more than 365 days	81 189 824	(15 169 749)
Total	**525 260 965**	**(19 619 403)**

Exposure to credit risk from the private sector:

L.E	Total Trade receivable	Allowance of expected credit losses
Due to 0-90 days.	26 457 397	(1 016 689)
Due to 91 to 180 days	18 623 552	(381 602)
Due to 181 to 270 days	6 355 086	(11 223)
Due to 271 to 365 days	5 183 527	(44 682)
Due to more than 365 days	3 664 648	(1 473 232)
Total	**60 284 210**	**(2 927 428)**

B) Market risk

Market risk arises from the fluctuation of the fair value of future cash flows of a financial instrument as a result of changes in market prices. Examples are foreign exchange risk rate and interest risk rate, which are risks that affect the 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 profitable returns. The company does not hold or issue derivative financial instruments.

Exposure to interest rate risk

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

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

	31 December 2021 L.E	31 December 2020 L.E
Floating interest rate financial instruments		
Financial Assets	2 367 100 282	633 433 880
	2 367 100 282	**633 433 880**

Exposure to foreign exchange rate risk

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

Foreign Currencies	Exchange rate	31/12/2021 Net Liabilities	31/12/2020 Net Liabilities
US Dollar	15.78	(3 314 313)	(3 324 699)
Euro	17.94	(77 079)	(65 555)

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 parent company maintains credit limits of 1.7 Billion Egyptian pound by continuously monitoring expected and actual cash flows and matching the maturity of assets and financial liabilities.

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

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

31 December 2021	Net Book Value L.E	Less than year L.E	From 1 to 2 years L.E	From 2 to 5 years or more L.E
Suppliers and Other Credit Balances	551 071 909	551 071 909	-	-
Other Obligations	159 357 968	-	-	159 357 968
Lease liability	93 968 352	34 032 162	59 936 190	-
Total	**804 398 229**	**585 104 071**	**59 936 190**	**159 357 968**

31 December 2020	Net Book Value L.E	Less than year L.E	From 1 to 2 years L.E	From 2 to 5 years or more L.E
Suppliers and Other Credit Balances	355 482 934	355 482 934	-	-
Other Obligations	147 741 572	-	-	147 741 572
Leased Liability	95 886 520	22 685 934	28 510 178	44 690 408
Total	**599 111 026**	**378 168 868**	**28 510 178**	**192 431 980**

38 Capital Management

For the purpose of managing the company's capital, it includes the capital, the issued capital, and all other equity reserves of the company's shareholders.
The parent company manages its capital structure and makes adjustments to it in light of changes in business conditions as well as to meet future developments of the activity. No changes were made in the objectives, policies or processes during the year, and the Company is not subject to any external requirements imposed on its capital.

	31 December 2021	31 December 2020
Total liability	1 100 387 328	694 064 529
Less cash & Equivalent	(2 367 100 282)	(633 433 880)
Net Liability	**(1 266 712 954)**	**60 630 649**
Total Equity	**3 943 538 564**	**1 264 150 794**
Net liability: total equity percentage	**(%32.12)**	**%4.79**

39 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:

	31 December 2021 L.E	31 December 2020 L.E
Letters of Guarantee	210 707 740	255 915 789

40 Employees Share Option Plan

- The extraordinary general assembly of the company, held on December 23, 2019, agreed to add a new chapter to the company's articles of association, which is concerned with rewarding and motivating employees and managers.

- On December 15, 2021, the Extraordinary General Assembly decided to approve the employee stock ownership plan for the company's employees by promising to sell shares at decreased prices and granting free shares, with percentage 4% of the issued capital, and these shares are provided by increasing The capital from the retained earnings at the nominal value of the share is distributed as follows:-
  1) 1% of the shares allocated to the scheme under the system of promise to sell at reduced price (40% of the average share price through a period of three months).
  2) 3% of the shares allocated to the system are granted free of charge to the beneficiaries.
- The beneficiary of the plan must meet the plan requirements of the services period to be not less than one year before transferring the ownership of the shares to him/her, and his/her evaluation rate is not less than 90% on the annual performance evaluation reports prepared by the competent department of the company. One of these conditions could be by passed or other extra conditions could be added to them, after obtaining the approval of the Financial Supervisory Authority, and provided that no owe of the beneficiaries has voted on a decision relevant to his/her benefit, and the company is committed to include it in its annual disclosure. The period of this plan is five years starting from the adoption of the plan by the Financial Supervisory Authority

41 Earnings per share

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

	31 December 2021	30 December 2020
	L.E	L.E
Net profit for the year	519 784 071	353 885 119
BOD and employees share	(33 689 348)	(76 810 243)
Net Profit available for ordinary shares	486 094 723	277 074 876
Average number of shares outstanding during the period for basic earnings (share)	1 629 629 629	1 600 000 000
Basic share in earnings for the year (EGP/share)	0.32	0.22

42 Capital commitments

It represents the value of the unpaid portion of the company's contribution in the investee companies' capital on December 31, as follows:

	Contribution Ratio	Capital commitments	
		31 December 2021	31 December 2020
	%	L.E	L.E
Delta Egypt Payments Company (SAE)	%10	500 000	1 500 000
Technological Operation for Tax Solutions (e tax) (SAE)	%35	104 999 925	-
MANASA for African E-commerce	%31	3 100 000	-
E Health (Technological Operation for Health Insurance Services)	%35	125 999 910	-
		234 599 835	1 500 000

43 Important Event

On October 6, 2021, a portion of the capital shares of E-Finance for Digital and Financial Investments (S.A.E) were offered. The total number of shares with a capital of 1 600,000,000 shares (one billion and six hundred million shares) at a price not exceeding the fair value prepared by the independent financial advisor at EGP 13.98 (only thirteen Egyptian pounds and ninety-eight piasters) per share according to the study issued by the financial advisor These shares are offered in two categories at a maximum price of 13.98 Egyptian pounds (only thirteen Egyptian pounds and ninety-eight piasters) per share as follows:

- **The first category**: a private offer for qualified investors, natural or legal persons, to sell a maximum number of shares of 232,000,000 shares representing 90% of the offered shares, which represents 14.5% of the total shares of the company's capital.
- **The second category**: A public offering to the public to sell a maximum number of shares of 25 777 778 shares representing 10% of the shares offered for sale, which represents 1.61% of the total shares of the company's capital.

The number of shares offered for sale in the public and private offering has been increased to reach the total number of shares issued for sale 417 777 777, which represents 26.1% of the total existing shares of the company, in light of the decision of the company’s extraordinary general assembly held on December 15, 2021.

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