E-finance for financial and digital Investments

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

The interim consolidated financial statements for the period

Ended as of 30th of June 2021 and the review report

KPMG
Hazem Hassan
Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

Review Report on Interim Financial Statements

To: Shareholders of E-Finance for Financial and digital investment Company (S.A.E) (E-Finance for Technology and Solutions (Formerly))

Introduction

We have performed a review for the accompanying interim consolidated statement of financial position of E-Finance for Financial and digital investment Company (S.A.E) as at June 30, 2021 and the related interim consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the period ended June 30, 2021, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not fairly and clearly present in all material aspects the financial position of the Company as at 30 June 2021, and its financial performance and its cash flows for the period ended June 30, 2021, According to Egyptian Accounting Standard No. (30) "Interim Financial reporting".

KPMG

KPMG Hazem Hassan
Public accountants and consultants

KPMG Hazem Hassan
Public Accountants and Consultants
2

Cairo August 11, 2021

Translation from Arabic

E finance for Financial and Digital Investments company
(E-Finance for technology solutions Company(formely))(S.A.E)
Interim consolidated statement of Financial position as of June 30 , 2021

	Note No.	30/06/2021 L.E.	31/12/2020 L.E.
Assets			
Non current assets			
Fixed assets	5-2/6	201 487 214	199 009 056
Intangible assets	5-5/7	5 164 687	17 521
Projects under construction	5-3/8	194 019 129	22 556 125
Investment available for sale	5-4/9-1	136 802 008	136 302 008
Investments in associates	10	34 999 975	-
Deferred tax assets	11-2	28 597 142	25 751 098
Prepaid employee benefits -Long term	15	9 082 827	9 876 991
Right of use asset	23-1	97 811 034	92 552 288
Total non current assets		**707 964 016**	**486 065 087**
Current assets			
Inventory	5-9/12	77 259 014	46 186 142
Work in progress	5-10/13	14 801 900	12 632 744
Accounts receivable & other debit balances	14	920 930 482	779 897 470
Due from related parties	34-1	7 808 991	-
Investments held to maturity	9-2	155 063 013	-
Cash and cash equivelants	5-12/16	431 412 816	633 433 880
Total current assets		**1 607 276 216**	**1 472 150 236**
Total assets		**2 315 240 232**	**1 958 215 323**
Shareholders equity & Liabilities			
Shareholders equity			
Paid-in capital	5-13/17	800 000 000	800 000 000
Reserves	5-14/18	64 727 152	64 727 152
Retained earnings		409 864 239	338 549 274
Shareholder's Equity for parent Company		**1 274 591 391**	**1 203 276 426**
Non controlling interest	24	**57 608 799**	**60 874 368**
Total Shareholder's Equity for Parent Company		**1 332 200 190**	**1 264 150 794**
Liabilties			
Non- Current Liabilities			
Lease liability-long term	2-22	69 187 943	73 200 586
Employee benefits obligations	21/8-5	164 791 156	147 741 572
Total non current liabilities		**233 979 099**	**220 942 158**
Current liabilities			
Lease liability-short term	23-2	32 024 328	22 685 934
Provisions	5-7/20	10 000 000	10 000 000
Accounts payable & other credit balances	21	485 399 040	355 482 534
Dividends payable		132 304 009	-
Income tax payable	5-6/11-4	89 333 566	84 953 903
Total current liabilities		**749 060 943**	**473 122 371**
Total Liabilites		**983 040 042**	**694 064 529**
Total shareholders equity and liabilities		**2 315 240 232**	**1 958 215 323**

The attached notes from (1) to (40) are an integral part of these interim consolidated financial statements and to read with them.

The review report is attached

Chairman & Managing Director

Chief Of Financial Sector

E finance for Financial and Digital Investments company
(E-Finance for technology solutions Company(formely))(S.A.E)
Interim Consolidated statement of Profit or Losse for the period ended June 30, 2021

	Note No.	from 1st of April to 30th of June 2021	from 1st of April to 30th of June 2020	period ended at 30 June 2021	Financial period ended at 30 June 2020
		L.E.	L.E.	L.E.	L.E.
Revenue	25/17-5	441 001 238	233 780 884	904 369 765	500 581 856
Cost of revenues	26	(214 172 342)	(126 093 051)	(467 238 043)	(271 869 939)
Gross profit		**226 828 896**	**107 687 833**	**437 131 722**	228 711 917
Other revenue	27	345 821	1 069 842	3 496 776	1 184 583
General & administrative expenses	29	(48 255 663)	(32 698 716)	(87 254 390)	(57 940 502)
Marketing and selling expenses	30	(6 068 684)	(1 371 867)	(7 429 163)	(3 296 202)
Other expenses	31	(1 639 320)	(197 000)	(2 657 820)	(496 000)
Operating Profit		**171 211 050**	**74 490 092**	**343 287 125**	**168 163 796**
Dividends income from the investement Available for sale	28	-	-	2 956 010	10 164 212
Finance cost	32	(2 933 400)	(2 480 799)	(6 182 805)	(3 920 180)
Finance Income	33	12 424 259	10 204 886	24 839 463	23 136 548
Net profit for the year before tax		**180 701 909**	**82 214 179**	**364 899 793**	**197 544 376**
Income tax expense	11-1	(48 223 713)	(20 338 777)	(89 329 996)	(45 092 274)
Net profit for the year after tax		**132 478 196**	**61 875 402**	**275 569 797**	**152 452 102**
Distributed as follows					
Profit attributable to the parent company				278 835 366	152 580 879
Profit attributable to the non controlling interest	24			(3 265 569)	(128 777)
				275 569 797	**152 452 102**

The attached notes from (1) to (40) are an integral part of these interim consolidated financial statements and to read with them.

E finance for Financial and Digital Investments company
(E-Finance for technology solutions Company(formely))(S.A.E)
Interim consolidated statement of Comperhensive income for period Ended June 30, 2021

	from 1st of April to 30th of June 2021 L.E.	from 1st of April to 30th of June 2020 L.E.	period ended at 30 June 2021 L.E.	period ended at 30 June 2020 L.E.
Net profit for the year	132 478 196	61 875 402	275 569 797	152 452 102
Other comprehensive income items:-				
Actuarial gain (losses) from employee benefit plan	-	-	-	-
Income Tax related to other comprehensive income	-	-	-	-
Total Comprhensive Income/ (losses) after tax	-	-	-	-
Total comprehensive Income for the year	**132 478 196**	**61 875 402**	**275 569 797**	**152 452 102**
Distributed as follows:				
Parent company			278 835 366	152 580 879
Non controlling interest			(3 265 569)	(128 777)
			275 569 797	**152 452 102**

The attached notes from (1) to (40) are an integral part of these interim consolidated financial statements and to read with them.

E finance for Financial and Digital Investments company
(E-Finance for technology solutions Company(formely))(S.A.E)
Interim Consolidated statement of change in shareholders equity for the

	Capital	Legal Reserve	General Reserve	Retained earnings	Equity related to parent Company	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	
Balance as at 1/1/ 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 period ended 30 June 2020	-	-	-	152 580 879	152 580 879	(128 777)	152 452 102
Other comprehensive income items	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	**152 580 879**	**152 580 879**	**(128 777)**	**152 452 102**
Transaction with the company's shareholders							
Dividends according to the ordinary general assembly meeting held in March 19 ,2020	-	-	-	(263 258 068)	(263 258 068)	-	(263 258 068)
Non controlling interest in the capital of subsidiaries companies	-	-	-	-	-	15 450 000	15,450,000
Total transaction with shareholders	-	-	-	**(263 258 068)**	**(263 258 068)**	**15 450 000**	**(247 808 068)**
Balance as of June 30 , 2020	**800 000 000**	**27 489 236**	**20 000 000**	**151 195 475**	**998 684 711**	**44 727 478**	**1 043 412 189**

The attached notes from (1) to (40) are an integral part of these interim consolidated financial statements and to read with them.

Translation from Arabic

E finance for Financial and Digital Investments company
(E-Finance for technology solutions Company(formely))(S.A.E)
Interim Consolidated statement of change in shareholders equity for the period ended June 30, 2021

	Capital	Legal Reserve	General Reserve	Retained earnings	Equity related to parent Company	Non controlling interest	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance as at 1/1/ 2021	800 000 000	44 727 152	20 000 000	338 549 274	1203 276 426	60 874 368	1264 150 794
Comprehensive income							
Net profit for the period ended 30 June 2021	-	-	-	278 835 366	278 835 366	(3 265 569)	275 569 797
Other comprehensive income items	-	-	-	-	-	-	
Total comprehensive income				**278 835 366**	**278 835 366**	**(3 265 569)**	**275 569 797**
Transaction with the company's shareholders							
Dividends according to the ordinary general assembly meeting held in March 17 ,2021	-	-	-	(207 520 401)	(207 520 401)	-	(207 520 401)
Total transaction with shareholders				**(207 520 401)**	**(207 520 401)**	-	**(207 520 401)**
Balance as of June 30 , 2021	**800 000 000**	**44 727 152**	**20 000 000**	**409 864 239**	**1 274 591 391**	**57 608 799**	**1 332 200 190**

The attached notes from (1) to (40) are an integral part of these interim consolidated financial statements and to read with them.

E finance for Financial and Digital Investments company
(E-Finance for technology solutions Company(formely))(S.A.E)
Interim consolidated statement of cash flows for period Ended June 30, 2021

	Note	30 June 2021 L.E.	30 June 2020 L.E.
Cash flow from operating activities			
Net profit before income tax		364 899 793	197 544 376
Adjustments to reconcile net profit to Net cash flow from operating activities			
Fixed assets depreciation		19 976 389	18 810 497
Amortization of intangible assets		1 033 256	40 724
Amortization of right of use asset		13 343 822	8 247 211
Amortization of advance payment- employee benefits		1 699 308	
Dividend income from investments available for sale		(2 956 010)	(10 164 212)
Debit interest		798 493	986 936
Credit interest		(24 253 174)	21 172 188
End of service benefit formed		18 739 535	13 916 440
Provision formed for Impairment of account receivable		-	4 345 445
Finance expenses-right of use asset		5 253 062	2 899 589
Foreign currency translation		(586 289)	1 964 359
Capital gain		(2 545 820)	385 924
		395 402 365	**260 149 477**
Change in inventory		(12 076 610)	(14 952 645)
Change in work in process		(2 169 156)	8 509 744
Change in employee benefit - advance payment		(1 102 988)	-
Change in accounts receivable & other debit balances		(149 239 502)	(135 020 226)
Change in due from related parties		(7 808 991)	1 904 761
Change in Accounts payable & other credit balances		80 101 429	(45 113 323)
Change in due to related parties		-	237 801
cashflow provided from operating activities		**303 106 547**	**75 715 589**
Debit interest paid		(798 493)	(986 936)
Payment to employee end of service benefits obligations		(1 689 951)	(640 635)
Dividends to employees and board members		(68 192 720)	(71 174 187)
Income taxes paid		(79 096 442)	(27 802 055)
Net cash flow provided from operating activities		**153 328 941**	**(24 888 224)**
Cash flow from investing activities			
Proceeds from disposal of fixed assets		-	163 530
Proceeds from dividends of financial investments available for sale		2 660 409	9 264 212
Payment of purchasing investments available for sale		(500 000)	(33 050 000)
Payment of purchasing fixed assets and projects under construction		(162 913 813)	(41 633 978)
Payment of purchasing investments in associate companies		(34 999 975)	-
Payment of purchasing intangible assets		(6 180 422)	-
Payment of purchasing investments held to maturity		(155 063 013)	(98 117 435)
Credit interest collected		24 253 174	(23 165 283)
Net cash flow (used in) investing activities		**(332 743 640)**	**(186 538 954)**
Cash flow from financing activities			
Interest paid-lease contracts		(5 253 062)	(2 899 589)
Lease liability paid		(10 329 631)	(5 547 557)
Proceeds from non controlling interest share		-	15 450 000
Dividends to shareholders		(7 023 672)	(79 419 878)
Net cash flow (used in) provided from financing activities		**(22 606 365)**	**(72 417 024)**
Net change in cash & cash equivalent during the year		(202 021 064)	(283 844 202)
Cash & cash equivalent at beginning of the year		627 896 859	602 780 870
Cash & cash equivalent at end of the year	16	**425 875 795**	**318 936 668**

The attached notes from (1) to (40) are an integral part of these interim consolidated financial statements and to read with them.

1- Group's background

1-1 Legal entity

E finance for Financial and digital 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 company - an Egyptian joint stock company on 24/12/2020.
- Then the name was changed to E-Finance for financial and daigital 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 (E-cards):-

- The company was established in the name of E cards integrated smart solutions, 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.

E Aswaq - Electronic market operation technology company

- The company was established in the name of the Electronic Market Operation Technology Company E Aswaq, 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 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. B 2111 - Smart Village - Km 28 Cairo-Alexandria Desert Road.

E nable Outsourcing Services Company

- The company was established in the name of E Nable, 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 operation for financial institutions (E-finance) Company (S.A.E)

- The company was established in the name of the technological operation for financial institutions(E-finance)Company -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 spin-off 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 spin-off (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 what is related to it ass ownership and obligation and also in all licences granted to the demerger company before the spin -off.

E Tax (technological operation for tax solutions company)

- The company was established in the name of the_E Tax (technological operation for tax solutions), 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.

2-1- Group's Purpose

E-finance for financial and digital investments

E-finance for technology solutions company (formerly) (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 centers through the phone, and implementing, managing and operating the networks and central activity for the internal systems of the banks.
- Establishing and managing training centers for preparing researchers and information technology transfer centres.
- Train of operating, managing and maintaining the computer, the card system and applications for providing banking services, customer service centers and applications for electronic payment services.
- Technology business incubators and entrepreneurship support.
- The information and communication technology industry, including its industrial activities, design and development of electronics, data centers and outsourcing activities, software development and technology education.
- Description, design and development of computer systems of various kinds.
- Production and development of embedded systems, their operation and training on them.
- Description and design work for data transmission and circulation networks.
- Implementation and management of data transmission and circulation networks.

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 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 centers for preparing researchers and centers for transferring and training information technology.

- Establishing, managing and developing consulting and study centers 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, the card system and applications (except for legal advice, consultations and studies related to evaluation on the occasion of capital increase and acquisition, as well as financial advice on securities for the activities of companies operating in the field of securities stipulated in Article 27 of the Capital Market Law and its executive regulations.).
- Establishing and operating a center for preparing, training and developing human resources.

Smart card operation technology company (E-cards):-

- Preparing, designing, operating, issuing, operating, 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 Defense 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 prejudice to 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 prejudice to 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.

E Aswaq - Electronic market operation technology company

- Establishing, developing and operating electronic markets.
- Create, design, develop, operate, manage, maintain and market 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 export 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 centers.
- 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, equipment and networks, and the internal systems of banks, networks, and mainframes.
- Providing specialized operating services for information and communication technology systems.

E nable Outsourcing Services Company

- The information and communication technology industry, including its industrial activities, the core of electronics development, data centers, outsourcing activities, software development and technology education.
- Entering data on computers and by electronic means.
- Description and design of computer systems of various kinds.
- Production and development of embedded systems, operation and training on them.
- 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 business or that help it achieve its purpose in Egypt or abroad.

Technological operation for financial institutions (E-finance) Company (S.A.E)

Activities outside the Investment Law No. 72 of 2017

- 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 centers for preparing researchers and information technology transfer centers.
- Establishing, managing, and developing consulting and study centers 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.

E Tax (techological operation for tax solutions company)

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

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

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

That does not conflict with the objectives of the aforementioned ministry, without prejudice to 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.

2- Financial statement approval

The interim consolidated financial statements were approved for issuance by the Company' Board of Directors on August 11, 2021

4- Basis of preparing consolidated financial statements

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

3-1 Compliance by the Accounting Standards and Laws:

The interim consolidated financial statements were prepared according to the Egyptian Accounting Standards and the applicable Egyptian laws and regulations.

3-2 Presentation Currency:

The interim financial statements were prepared and presented in the Egyptian pound, and all the financial data was presented in the Egyptian pound.

3-3 Consolidation basis

The interim consolidated financial statements consist of the separate financial statements of the parent company and its subsidiaries for the fiscal period ending on June 30, 2021. Control is achieved when the group is exposed to, or is entitled to, variable returns through its contribution to the investee and has the ability to influence those returns through its power over the invested establishment.

Specifically, the group controls the investee if the group has:

- Power 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.

In general, 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 interim consolidated financial statements from the date of the group's control until the date the group ceases to control the subsidiary.

The following steps are taken when preparing the interim consolidated financial statements:

A - The book value of the parent company's investment in each subsidiary is eliminated, along with the parent company's share of equity in each subsidiary.

B - The rights of non-controlling interest holders in the net profit or loss of the subsidiaries are determined during the year for which the interim consolidated financial statements are prepared.

C - The rights of the owners of the non-controlling interests in the net assets of the subsidiaries are determined and presented in the interim consolidated financial statements from the equity of the parent company's shareholders. As follows:

(1) The amount of equity of the non-controlling interest at the original consolidation date.

(2) The share of equity of non-controlling interest holders in the change in equity from the date of consolidation.

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

E- The interim financial statements of the parent company as well as the interim financial statements of the subsidiaries companies that are used in preparing the interim consolidated financial statements are prepared on the same date and for the same financial period.

F- The interim consolidated financial statements are prepared using unified accounting policies for like transactions and for events that occur in the same circumstances.

G- The rights of non-controlling interest holders in the interim consolidated financial position are presented under equity in a separate clause from the equity holders of the parent company. The interest of non-controlling interest holders in the profit or loss of the group is also presented separately.

E- Finance for Technology Solutions (the parent company) owns, directly and indirectly, the following rights in its subsidiaries:

Subsidiaries	Activity	Country of incorporation	Direct and indirect ownership percentage
Khales	Digital payments services	Egypt	70%
Ecards	Smart card operation	Egypt	89.7%
E aswaq	Operation of electronic markets	Egypt	61%
Enable	Establishing and operations and communications centres	Egypt	99.98%
E Finance	Technological operation for financial institutions	Egypt	99.99%

3-4 Use of estimates and professional judgment

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

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

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

Judgement

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

The existence of significant influence of investments in equity instruments

The company's management decided that it has no significant influence over its equity investments even if the company owns 20% or more of the shares of the invested company because the company does not have the ability to participate in the financial and operational policy decisions of the invested companies. During its ruling, the management took Mindful of the timely availability of financial information, the formation of the ownership structure and the management of other shareholders who own the majority of shares.

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 group'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.

Impairment of Receivable balances, notes receivable and other debit balances

An estimate of the collectible amount of receivable balances, receivables and other Debit is made when collection of the full amount is no longer expected. For individually significant amounts, this estimation is performed on an individual basis. As for amounts that are not individually significant, but which have exceeded their maturity date, they are assessed in aggregate an impairment applied according to the time period that has elapsed since their maturity date, based on historical recovery rates.

Impairment of non-financial assets

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

Defined Benefit Plan

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

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

3-5 Fair value measurement

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

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

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

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

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

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

4 New publications and amendments made to the Egyptian Accounting Standards

On March 18, 2019, the Minister of Investment and International Cooperation issued Resolution No. 69 of 2019 amending some standards of the Egyptian accounting standards issued by Minister of Investment's Decree No. 110 of 2015 and including some new accounting standards and amendments to some of the existing standards. It was published in the Egyptian facts on April 7, 2019.

4-1 New standards issued but not yet implemented

The following are the standards that have been issued, but are not yet in effect, up to the date the group's consolidated financial statements were issued. The Company intends to implement these standards when they become valid.

Egyptian Accounting Standard No. (47) "Financial Instruments"
Egyptian Accounting Standard No. (47) "Financial Instruments" which replaced the Egyptian Accounting Standard No. (26) "Financial Instruments: Recognition and Measurement." Egyptian Accounting Standard No. (47) was issued in April 2019 and the implementation of the standard begins on or after January 1, 2020 in Egypt (that was allowed to be postponed to 31 December 2021), with the possibility of early adoption the exception of hedge accounting, retrospective application is required but modification of comparative information is not mandatory. For hedge accounting, the requirements apply prospectively, with some limited exceptions. The company has chosen not to implement the Egyptian Accounting Standard No. (47) early.

The company's financial assets meet the conditions for classification as either amortized cost, FVTPI, or FVTPL.

The new impairment model requires recognition of impairment in value based on expected credit losses rather than credit losses incurred, as is the case in Egyptian Accounting Standard No. (26). It applies to financial assets classified at amortized cost, debt instruments measured at fair value through other comprehensive income, contract assets under Egyptian Accounting Standard No. 48 "Revenue from Contracts with Clients", lease receivables, loan commitments and some financial guarantee contracts.

The new standard also requires more clarifications and changes in view. This is expected to change the nature and extent of the company's disclosures about its financial instruments.

The new standard requires the company to review accounting procedures and internal controls related to financial instruments for which reports are issued. These changes have not yet been finalized. Nevertheless, the company made a preliminary assessment of the potential impacts of applying Egyptian Accounting Standard No. (47) based on its financial position on December 31, 2020.

On its initial assessment, the company does not believe that the new classification requirements, if applied on December 31, 2020, will have a material impact on the account of receivables , other receivables, suppliers, other credit balances, loans and investments in debt and equity instruments that are managed on a fair value basis.

The company believes that impairment losses are likely to increase, but not significantly, for assets that fall within the scope of impairment in Egyptian Accounting Standard No. (47).

The expected impact as a result of applying the standard as follows:

Classification and measurement

The company does not expect a material impact from the application of the classification and measurement requirements in accordance with the Egyptian Accounting Standard No. (47).

A- The company intends to keep investments in equity instruments (shares) that are currently classified as available for sale for the foreseeable future, and accordingly the company will apply the option to classify these investments as at fair value through other comprehensive income. Therefore, the effect of converting cost-proven investments to fair value may be important.

B- With regard to receivable and other receipts, the company keeps those items for collecting contractual cash flows which give the company only the principal amount and interest.

The company analyzed the contractual cash flows and the company decided that the criteria for classifying these items at amortized cost are satisfied and therefore it will not reclassify those items.

Impairment

Egyptian Accounting Standard No. (47) requires the company to recognize expected credit losses on financial instruments at amortized cost and debt instruments classified at fair value through other comprehensive income on the basis of the probability of default within 12 months or over the life of the instrument.
The company will apply the simplified approach and thus recognize the impairment losses over the life of the instrument with respect to the clients and other proceeds item and it is expected on the adoption that there is no impact on Accounts receivable and other debit balances.

4-2 New standards that was issued and applied since 1 January 2020

The company applied the new Egyptian accounting standard 48 "Revenue from client contracts" and Egyptian accounting standard 49 since 1 January 2020 and it is expected that this change affects the consolidated financial statements in 31 December 2020

Egyptian Accounting Standard No. (48) "Revenue from contracts with customers"

Egyptian Standard No. (48) was issued in April 2019 and comes into effect from January 1, 2020 (That was allowed to be postponed to 1 Jan 2021), and the standard establishes a five-step model for accounting for revenue from contracts with clients. Egyptian Standard No. 48 establishes a comprehensive framework for determining whether, in what amount and when revenue should be recognized. The standard replaces the current revenue recognition guidelines, including Egyptian Accounting Standard No. (11) "Revenue" and Egyptian Accounting Standard No. (8) "Construction Contracts". Under Egyptian Accounting Standard No. 48, revenue is recognized at an amount that represents the consideration to which the entity expects to be entitled in exchange for transferring goods or performing services promised to a customer.

The standard should be applied retrospectively for annual periods beginning on or after 1 January 2020, and early application is permitted (that was allowed to be postponed to 1 January 2021). The company has chosen to implement the standard early, and the company applied the new standard using the modified retrospective effect. During the year 2020, the company carried out an initial evaluation of the impact of applying the Egyptian Accounting Standard No. 48.
Through its initial evaluation, the company does not believe that there are any impact for the application of Egyptian Accounting Standard No. 48 on the basis of its financial position on 31 December 2020.

Egyptian Accounting Standard No. (49) "Lease Contracts"

Egyptian Accounting Standard No. (49) was issued in April 2019 and its effective date begins January 1, 2020. That was allowed to be postponed to January 1, 2021 the company chooses to adopt the standard early This standard will replace the Egyptian Accounting Standard 20 "Accounting rules and standards related to financial leasing operations."

Egyptian Accounting Standard No. 49 now requires lessees to recognize rental obligations that reflect future lease payments and a "Right of use" for nearly all lease contracts. There is an optional exemption for some short-term leases and leases for low-value assets.
The company adopted the standard on 1 January 2020 (As specified in note 5 -17) The company calculated the present value of the lease obligations on the first application date January 1, 2020 at the current value of the remaining lease payments, and the company chose to measure the value of the "Right of use" in an amount equal to the lease contract obligations, and thus no differences were created on the retained earnings at the date of the first application.
The company choose the following practical means:

A- Use a single discount rate on the lease contract portfolio.
B- The standard will not be applied for accounting for lease contracts whose lease term expires within 12 months from the date of the first application.
C- Not to separate the non-rental component, if any.

4-3 Amendments to New standards that was implemented

Amended Egyptian Accounting Standard No. (38) "employee benefits"

Some paragraphs have been added and amended to amend the accounting rules for amending, reducing and settling the employee benefits system.

Standard No. (38) amended shall be applied to financial periods beginning on or after January 1, 2020, and early adoption is permitted.

Management is currently applying the standard.

Amended Egyptian Accounting Standard No. (22) "Earnings per share"

The scope of application of the standard has been modified to make it binding on consolidated financial statements issued for all entities.

Management is currently applying the standard.

Amended Egyptian Accounting Standard No. (4) "Statement of Cash Flows"

An entity is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities that arise from financing activities, including both changes arising from cash flows or non-cash changes.

Management is currently applying the standard.

Amended Egyptian Accounting Standard No. (42) "Consolidated Financial Statements"

Some paragraphs have been added for excluding investment establishments from consolidation. This amendment has resulted in amending some standards related to the subject of investment establishments. The following are the standards that have been amended:

- Egyptian Accounting Standard No. (15) "Related Parties Disclosure"
- Egyptian Accounting Standard No. (17) "separate Financial Statements"
- Egyptian Accounting Standard No. (18) "Investments in Associate Companies"
- Egyptian Accounting Standard No. (24) "income taxes"
- Egyptian Accounting Standard No. (29) "Business Combination"
- Egyptian Accounting Standard No. (30) "interim Financial reporting"
- Egyptian Accounting Standard No. (44) "Disclosure of shares in other entities."

The amended Standard No. (42) applies to financial periods beginning on or after January 1, 2020, and early application is permitted. New or amended paragraphs are also applied for standards that have been amended regarding investment facilities on the effective date of Egyptian Accounting Standard No. (42). "Revised consolidated financials 2019."

There is no material impact related to applying these amendments on the consolidated financial statements of the company.

5 The significant accounting policies applied

Except for the changes mentioned above in note no.4 the accounting policies set out below are applied consistently during the financial periods presented in these consolidated financial statements;

5-1 Translating transactions in foreign currencies

The company hold its accounts in Egyptian pounds, and are recognized transactions denominated in foreign currencies books on the basis of the prevailing price of foreign currency as proof of treatment, at the end of each financial period are translated with items on monetary foreign currencies using the closing rate, and are translated nature Non-monetary items that are measured at The fair value is denominated in a foreign currency using the exchange rates prevailing on the date on which the fair value is determined, and items of a non-monetary nature that are measured at the historical cost are translated into the price.

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 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.

5-2 Fixed assets

Recognition and measurement of Fixed assets are recognized at cost minus the accumulated depreciation and impairment losses. If the significant components of an item of fixed assets have different useful lives, then they are accounted for as separate items (major components) within those fixed assets. Profits or losses arising from disposal of fixed assets are recognized in the statement of profit or loss.

Subsequent expenditure on the acquisition of the asset is only capitalized if it is expected that they will give rise to an outflow of future economic benefit to the company.

Depreciation is charged to the interim 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
POS	From 2 to 3 years
ATM	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 It will be determined (net of 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.

5-3 Projects under Construction

Projects under construction represent amounts that have been disbursed for the purpose of creating or purchasing fixed assets or intangible assets until they are ready for use in operation, then they are transferred to fixed assets or intangible assets, and projects under construction are evaluated at cost after deducting impairment.

5-4 Financial instruments

A) Financial assets

Initial recognition and measurement

Financial assets are classified, upon initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. All financial assets are initially recognized at fair value plus, in the case of financial assets other than those measured at fair value from profit or loss, transaction costs that are directly related to the acquisition of a financial asset.

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified into the following categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Financial assets available for sale

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading purposes and financial assets identified upon initial recognition as financial assets at fair value through profit or loss. Financial assets are classified as held for trading if the intention is to hold them for the purpose of selling or repurchasing in the near future. The Company has not designated any financial assets at fair value through profit or loss. Financial assets are recorded at fair value through profit or loss in the statement of financial position at fair value, with the net changes in fair value recognized as financing costs (net negative fair value changes) or finance income (net positive fair value changes) in the statement of profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. After the initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method - less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in financing income in the profit statement. The losses arising from impairment of value are included in the statement of profit or loss in the financing costs of the loans and in the costs of sales or other operating expenses of the customers' item. This category generally applies to receivables and other debits.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates are classified as held to maturity investments when the company has the positive intention and ability to hold them to maturity. After the initial measurement, the investments held to maturity are measured at amortized cost using the effective interest rate - less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance income in the statement of profit or loss. The losses arising from impairment are included in the statement of profit or loss as a finance cost.

Financial assets available for sale

Available-for-sale financial assets include investments in stocks and debt securities. Investments in equities classified as available for sale are those investments that are not designated as held for trading or are not designated at fair value through profit or loss. Debt securities in this category are those assets that are held for an indefinite period of time and can be sold in response to liquidity needs or in response to changes in market conditions.

After the initial measurement, financial assets available for sale are measured at fair value, with unrealized gains or losses recognized in other comprehensive income and recorded as a reserve of available-for-sale assets until the investment is excluded, at which time the accumulated gains or losses are recognized in other income or when the investment is determined. It is exposed to impairment when the accumulated losses from the available-for-sale financial assets reserve are reclassified to the statement of profit or loss under financing costs. Interest earned while holding available-for-sale financial assets is recognized as interest income using the effective interest rate method.

Dividends from financial assets available for sale in equity instruments are recognized in the statement of profit or loss in investment income.

Investments in Associate companies

An associate company is an entity over which the group has significant influence through participation in the financial and operating decisions of that entity, but it does not rise to the degree of control or joint control.

The results of the operations, assets and liabilities of the associate companies are included in the financial statements and equity group. Investment in accounting, selling value, selling value and value "are measured at book value or book value (minus costs to sell), whichever is lower.

Using the equity method, investments in associates are shown in the consolidated statement of financial position at cost adjusted by the group's share of the post-acquisition changes in the net assets of the acquired associates, after deducting any impairment that may occur in the value of each investment separately. Any increase in the group's share of losses in an associate company over the book value of the group's investment in the associate company is not recognized unless that increase is within the limits of the group's legal or judgmental obligation towards the associate company or the amounts that the group may have paid on behalf of that company.

In case of dealing the group with associate company, Reciprocal profits and losses are excluded to the extent of the group's share of this associate company. The losses may be evidence of a decrease in the value of the transferred asset, and in this case, the appropriate provision is formed to face this impairment.

Derecognition of financial assets

A financial asset is mainly excluded (or where necessary, part of the financial asset or part of a group of similar financial assets) (i.e. excluded from the balance sheet) when:

• The right to receive cash flows from the asset has expired, or
• The group has transferred its rights to receive cash flows out of an asset or incurred an obligation to pay fully received cash flows without material delay to a third party under a "passage" agreement, or (a) the group transfers nearly all of the risks and benefits of the asset or (b) the group fails to transfers or retains all risks and rewards of the asset but transfers control of the asset.

When the group transfers its rights to receive cash flows from an asset or enters into a pass-through arrangement, it evaluates whether, and to what extent, it has retained the risks and benefits associated with ownership and has not transferred or retained significantly all of the risks and benefits associated with the asset and has not transferred its control over the asset. Then, the asset is recognized to the extent that the group's relationship with it continues. In that case, the group continues to recognize the liabilities related to the asset. The associated liability and the transferred asset are measured on a basis that reflects the rights and obligations that the group has retained.

The continuation of the relationship in the form of a security over the transferred asset is measured by the original carrying amount of the asset and the maximum amount that the group can be required to repay - whichever is lower.

b) <u>The Financial liabilities:</u>
<u>Initial recognition and measurement</u>

Financial liabilities are classified, upon initial recognition, as financial liabilities at fair value through profit or loss or - as loans or creditors, as appropriate. All financial liabilities are recognized initially at fair value, with costs directly attributable to transactions deducted in the case of loans and creditors. Includes company financial liabilities, suppliers, creditors, other liabilities and loans.

<u>Subsequent measurement</u>
The measurement of financial liabilities depends on their classification, as shown below:

<u>Financial liabilities at fair value through profit or loss</u>
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities specified upon initial recognition of fair value through profit or loss. Financial liabilities are classified as held for trading liabilities when obtained with the purpose of repurchasing them in the near future. Profits or losses from liabilities held for trading are recognized in the statement of profit or loss. Specific financial liabilities are determined upon initial recognition of fair value through profit or loss on the initial recognition date and only if the controls in Egyptian Accounting Standard No. (26) are met. The group has not identified any financial liability at fair value through profit or loss.

<u>Loans</u>
This category is considered the most suitable for the group. After initial recognition, the loans are subsequently measured at amortized cost using the effective interest rate method. Profits and losses are recognized in the statement of profit or loss upon exclusion of liabilities, as well as through the depreciation process using the effective interest rate method.

Amortized cost is calculated by taking any discount or premium on acquisition, fees and costs that are an integral part of the effective interest rate. Effective interest rate amortization is included in financing costs in the statement of profit or loss. This category applies to all loans generally.

Derecognition of financial liabilities

A financial liability is derecognised when it is discharged, cancelled or expired. When an existing financial obligation is substituted for another from the same lender under significantly different terms or the terms of the current obligation are modified significantly, such replacement or amendment is treated as an exclusion of the original financial obligation with the recognition of the new obligation. The difference between the book values is recorded in the profit or loss statement.

Offsetting financial instruments

Financial assets and financial liabilities are offset and recorded net in the statement of financial position only when there is a current enforceable right to settle the amounts stated in the net and the company has the intention to settle the assets with liabilities on a net basis or collect the assets and pay the liabilities simultaneously.

5-5 Intangible assets

Intangible assets acquired separately are recognized initially at cost.

After initial recognition, intangible assets are stated at cost less accumulated amortization and accumulated impairment losses.

The intangible assets generated internally are not capitalized as an asset and the expenses are recognized in the consolidated statement of profit or loss in the year in which the expenses were spent.

The useful lives of intangible assets are determined either as finite or indefinite.

Intangible assets with a finite useful life are amortized and are assessed for purposes of impairment when there is an indication that the intangible asset may be impaired. The amortization expense is charged to the consolidated statement of profit or loss.

The management reviews the estimated useful lives and amortization method periodically to ensure the consistency of the method and the amortization period with the expected pattern of economic benefits from these assets at the end of the date of each financial position. The amortization of intangible assets is calculated on a straight-line basis over the useful life of the asset as follows:

	The useful life of the asset
Computer Programs	4 years

5-6 Income tax

Tax income counted according to the Egyptian Tax Law.

1- Current tax

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

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

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

2- Deferred tax

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

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

• When the deferred tax liability arises from the first recognition of goodwill and the first recognition of the asset or liability in a process that does not represent a business combination which, at the date of the operation's origination, had no effect on both the accounting profit and the tax profit (tax loss).

• With regard to taxable temporary differences related to investments in subsidiaries and sister companies and stakes in joint ventures, when the parent company, investor, or stake holder is able to control the timing of the reversal of the temporary differences and it is likely that the temporary differences will not be reversed in the foreseeable future.

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

• When the deferred tax asset relates to deductible temporary tax differences that arose from the initial recognition of an asset or liability in a process that does not represent a business combination and at the date of the operation's establishment, it had no effect on both the accounting profit and the tax profit (tax loss).

• For deductible temporary differences related to investments in subsidiaries and sister companies and stakes in joint ventures, they are recognized only to the extent that it is likely that the temporary differences will reflect (i.e. become taxable as deductions) in the foreseeable future and that there will be a future tax profit. Which can be used for these temporary differences opposite.
At the end of each financial period, the entity reassesses the carrying amount of the deferred tax asset and is reduced to the extent that sufficient expected tax profits are no longer available to benefit from all or part of the deferred tax asset. Unrecognized deferred tax assets are reassessed at the end of each financial period, and deferred tax assets that have not been previously recognized are recognized to the extent that it becomes probable that a future tax profit will allow the value of the deferred tax asset to be absorbed.
Deferred tax is included as income or expense in the statement of profit or loss for the period, except for the tax that results from a transaction or event in the same period or other period directly within equity.

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

5-7 Provisions

Provisions are recognized when there is a current or constructive legal obligation as a result of a past event and it is expected that an outflow of economic benefits will be required to be used to settle the advance. If the effect of the time value of money is material, then the value of provisions is determined by discounting the expected future cash flows by discounting the pre-tax deduction rate if the current assessment of the assessment reflects the current estimate. The balance of provisions is reviewed at the date of the financial position and amended as necessary to reflect the current best estimate.

5-8 End of Service 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 adjustments
- Net interest expense

5-9 Inventory

Inventory is initially measured at cost which includes purchase costs, transfer costs and other costs incurred in bringing the inventory to its present location and condition. After initial recognition, inventory is measured at cost or net realizable value, whichever is lower.

The group uses a costing method (first in first out) to measure cost.

Net realizable value is the estimated selling price in the normal course of business, minus the variable selling expenses.

5-10 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 .

5-11 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.

5-12 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.

5-13 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.

5-14 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.

5-15 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.

5-16 Earnings per share in profit/losses

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.

5-17 Revenue

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 fulfills 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.

5-18 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.

5-19 Borrowing costs

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

5-20 Impairment in the value of financial and non-financial assets

Financial assets

The group assesses, at each financial position date, whether there is objective evidence of impairment in the value of a financial asset or a company of financial assets. A financial asset or a company of financial assets is considered to have been exposed or exposed to impairment only if there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset and the loss event had an effect on the estimated future cash flows of the financial asset or the company of financial assets that can be estimated Reliably. Evidence of impairment may include indications that the debtors or a company of debtors are facing significant financial difficulties, delay or default in the payment of interest or principal payments, and the possibility that they will enter bankruptcy or another financial restructuring situation where the observed data indicate that there is a measurable decline In the estimated future cash flows.

Financial assets at amortized cost

With regard to financial assets at amortized cost, the group initially assesses the extent of impairment in value at the individual level of the financial assets that are considered significant in themselves or at the collective level for financial assets that are not considered significant in themselves. If the group decides that there is no objective evidence of impairment in value for any financial asset that has been separately assessed - whether material or not - then the group places the financial asset within a group of financial assets with similar credit risk characteristics and collectively evaluates them to determine impairment - if any. For assets that are individually assessed for determining impairment and that have experienced an impairment loss that was included or continue to suffer an impairment loss, they are not included in the collective assessment of impairment.

The amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding expected future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

In the event that the amount of the impairment loss is increased or decreased in the estimated value - in a subsequent year - due to the occurrence of an event after the recognition of the impairment, then the previously recorded impairment loss is increased or decreased by adjusting the impairment account. If impairment is subsequently recovered, the recovery is included in financing costs in the consolidated statement of profit or loss and other comprehensive income.

Available for sale investments

For available-for-sale financial investments, the group assesses, at each financial position date, whether there is objective evidence that an investment or group of investments has impaired.

In the case of investments in equity instruments classified as available for sale investments, any significant or permanent decline in the fair value of the investments in equity instruments below their cost is considered objective evidence of impairment. What is "significant" is evaluated against the original cost of the investment and "perpetual" is evaluated against the period in which the fair value has been less than the original cost. When there is evidence of impairment in value, accumulated losses - which were measured as the difference between the acquisition cost and the current fair value minus any impairment loss in the value from the investment previously included in other comprehensive income - are excluded from comprehensive income and included in the statement of profit or loss. And other comprehensive income. Impairment losses are not reflected in the value of investments in equity instruments through the statement of profit or loss. The increase in the fair value after the impairment loss is recognized in other comprehensive income.

In the case of debt instruments classified as investments available for sale, the impairment loss is assessed based on the same criteria as the financial assets carried at amortized cost. However, the amount recorded as an impairment loss is a cumulative loss that is measured as a difference between the amortized cost and the current fair value, less any impairment loss in the value of that investment that was previously included in the list of profits or losses and other comprehensive income.

Future interest income continues at the reduced carrying amount of the asset based on the use of the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of the finance income. In the event that the fair value of a financial instrument increases in a subsequent year, then the fair value of the financial instrument increases and this increase can be attributed to an event that occurred after the impairment loss was recognized in the consolidated statement of profit or loss and other comprehensive income, then the recording of the loss resulting from it is reversed Impairment in value through the statement of profit or loss and other comprehensive income.

Non-financial assets

The carrying values of the group's non-financial assets are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the group estimates the asset's recoverable amount. Impairment occurs when the carrying value of the asset or cash-generating unit exceeds the recoverable amount, which is the fair value less costs to sell or value in use - whichever is higher. The fair value less costs to sell is based on available data from binding sale transactions that are made on a non-compulsory basis for similar assets. The value in use calculation is based on the DCF model using the pre-tax discount rate to reflect current market assessments of the time value of money and the risks specific to the asset.

The losses arising from impairment in value are included in the statement of profit or loss. With regard to the losses arising from the impairment of the value of the cash-generating unit, they are distributed in principle to reduce the carrying value of any goodwill allocated to the units. Then the carrying values of other assets in the unit (company of units) are reduced on a proportional basis.

5-21 Lease contracts

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

On 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.

-6 **Fixed Assets**

	Lands & buildings	Equipment, Computer & software	Leasehold improvement	Office furniture & fixtures & Electrical equipment	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 1/1/2021	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 period	1 293 750	5 951 337	4 688 175	7 884 360	1 407 231	-	902 390	327,304.00	22 454 547
Transferred to intangible assets	-	(3 226 500)	-	-	-	-	-	-	(3 226 500)
Disposals during the period	-	-	-	-	-	(4,827)	-	-	(4 827)
Cost as of 31/12/2020	**86 402 336**	**243 883 149**	**26 060 068**	**61 142 904**	**29 399 599**	**87 125 533**	**28 712 413**	**1 606 104**	**564 332 106**
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 period	990 225	8 937 933	2 028 891	5 783 838	488 130	976 542	759 919	10 911	19 976 389
Accumulated depreciation transferred to intangible assets	-	(3,226,500)	-	-	-	-	-	-	(3 226 500)
Disposals	-	-	-	-	-	(4 827)	-	-	(4 827)
Accumulated depreciation as of 30/06/2021	**16 877 140**	**177 007 369**	**7 563 081**	**28 033 644**	**23 967 520**	**85 142 068**	**22 964 360**	**1 289 710**	**362 844 892**
Net book value as of 30/06/2021	**69 525 196**	**66 875 780**	**18 496 987**	**33 109 260**	**5 432 079**	**1 983 465**	**5 748 053**	**316 394**	**201 487 214**

-6 **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	-	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	-	(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

	30/06/2021	30/06/2020
	EGP	EGP
Cost of revenue (note26)	13 976 236	13 558 717
General and administrative expenses (Note 29)	6 000 153	5 251 774
Total depreciation	19 976 389	18 810 491

9 Other financial assets
9-1 Investments available for sale

	%	value of investment 30/06/2021 L.E	31/12/2020 L.E
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.)*	%10.20	18 000 000	9 000 000
The Egyptian Company for Electronic Commerce Technology MTS (SAE) **	%9.99	33 599 000	9 999 000
Delta Egypt Payments Company (SAE) ***	%10	1 000 000	500 000
The International Company for Consulting and Information Systems (ACIS) ****	%10	83 752 000	83 752 000
Other investments*****		451 008	451 008
		136 802 008	**136 302 008**

- Available-for-sale financial investments are measured at cost when the fair value is not measurable
- The market risk for the available for sale investment is limited because these investments are equity instruments not dealt in active markets and with Egyptian pounds

* Investments are the value of the contribution of 10.20% in the Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.) 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 its date, and the impairment was reversed on December 31, 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 25% of the issued capital of the company, which was Registered in the Commercial Registry under No. 8573 on February 21, 2019 (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 investment presents the share of non-controlling interest share in the companies of the group.

9-2 Investment held to maturity

Treasury bills in the financial position represent as the following:

Purchasing value	Purchasing date	Due date	Percentage	Duration	Return	Face Value
L.E			%		L.E	L.E
91 873 263	2021/04/21	2021/12/28	10.89	251 days	1 868 38'	98 175 000
63 189 750	2021/05/19	2021/08/10	12.6	83 days	1 810 250	65 000 000
155 063 013					**3 678 637**	**163 175 000**

10 Investments in associate companies

	Percentage	Investment Value 30 June 2021	Investment Value 31 Dec 2020
		L.E	L.E
E Tax (technological operation for Tax solutions company)	35%	34 999 975	-
		34 999 975	-

The investment in associate companies amounted to 1 399 999 shares in E Tax (technological operation for Tax solutions company) 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 repaid at 25%.

11 Tax:

11-1 Income tax

	30/06/2021	30/06/2020
	L.E	L.E
Current Income Tax Expenses	91 880 439	46 010 632
Tax dividends income from investments available for sale	295 601	900 000
Deferred tax (income) \ expense	(2 846 044)	(1 818 358)
	89 329 996	**45 092 274**
Deferred income tax on other comprehensive income	-	-

11-2 Deferred tax

A) Deferred tax assets recognized

	30/06/2021		31/12/2020	
	Assets L.E	Liabilities L.E	Assets L.E	Liabilities L.E
Depreciation of fixed assets	-	8 854 178	--	7 117 393
Obligations of the employee service benefits	37 078 009	-	33 241 854	--
Unrealized foreign exchange translation	373 311	-	-	373 363
	37 451 318	**8 854 178**	**33 241 854**	**7 490 756**
Net deferred tax assets	**28 597 142**	-	**25 751 098**	-
Deducts the previously charged deferred tax assets	(25 751 098)	-	(24 289 203)	--
Deduct the deferred tax assets charged to the statement of other comprehensive income	-	-	954 427	--
Deferred taxes for the Year as income (expenses)	**2 846 044**	-	**2 416 322**	--

B) Unrecognized deferred tax assets

	30/06/2021 L.E	31/12/2020 L.E
Provisions	2 250 000	2 250 000
Impairment in Account receivables	1 373 046	1 373 046
	3 623 046	**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

		30/06/2021 L.E		31/12/2020 L.E
Net Profit Before Tax		364 899 793		456 919 319
Tax Income Based on Tax rate	22.5%	82 102 453	22.5%	102 806 847
Expenses that are not deductible and others		62 916 892		24 131 412
Revenues exempted		(19 459 178)		(16 119 362)
The tax base		408 357 507		464 931 369
Current and deferred income tax	**24.48%**	**89 329 996**	**22.9%**	**104 609 558**

11-4 Income Tax payable

	31/06/2021	31/12/2020

	L.E	L.E
Accrued Income Tax at beginning of the year	84 953 903	53 408 715
Formed during the period/year	92 176 041	104 132 785
Income tax paid	(79 096 442)	(51 253 313)
Withholding tax-debit	(8 699 936)	(21 334 284)
	89 333 566	**84 953 903**

11-5 Tax position

E-finance for financial and digital 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, and the company pays the tax due based on these returns.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 was re-examined and the 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) General sales tax and value added tax

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

D) Stamp Tax

- The tax was examined for the company from the beginning of the activity until 2014, and the company paid all tax dues.
- The company 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 Digital Payment Services Company

a) Corporate tax

Khales Digital Payments Services Company was established on December 30, 2019 and has not yet submitted tax returns in accordance with the law, and there are no tax claims on the company.

b) 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.

c) Stamp 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.

E-Cards integrated technology

a) Corporate tax

- E-Cards company 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.

b) 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.

c) Stamp 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.

E-Aswaq Electronic Market Operation Technology Company

a) Corporate tax

- E-Aswaq Company 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) Value added tax

- The company has not been registered yet.

c) Stamp tax

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

E-nable Outsourcing Services Company

a) **Corporate tax**

E-nable 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) **Value added tax**

- The company has not been registered yet.

c) **Stamp tax**

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

Technological operation for financial institutions (E-finance Company) (S.A.E)

a) **Corporate tax**

Operating technology of 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) **Value added tax**

- The company has not been registered yet.

c) **Stamp tax**

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

E Tax (technological operation for tax solutions company)

a) **Corporate tax**

E Tax technological operation for tax solutions ccompany 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 has not been inspected yet.

c) **Stamp tax**

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

12 Inventory

	30/06/2021 L.E	31/12/2020 L.E
Cards, Cards supplies and others	45 900 112	29 347 165
Computer devices	14 333 332	314 724
Spare parts	4 413 314	488 219
Point of sale	8 908 671	15 159 818
Stationary	308 341	876 216
ATM	3 395 244	-
	77 259 014	**46 186142**

13 Work in progress

	30/06/2021 L.E	31/12/2020 L.E
Work in progress for the Government sector	14 801 900	12 632 744
	14 801 900	**12 632 744**

14 Accounts receivable and Other Debit Balances

	31/12/2020 L.E	31/12/2019 L.E
Accounts receivable	417 640 570	375 419 419
Impairment in Accounts receivable	(6 102 427)	(6 102 427)
Accounts receivables (net)	**411 538 143**	**369 316 992**
Other Debited Balances		
Prepaid expenses	17 588 218	9 580 873
Advance to suppliers	17 927 976	19 233 441
Accrued revenue and accrued interest	371 833 696	312 708 257
Deposits with others	9 389 587	7 702 952
Deposits with others - Retention	46 478 732	40 808 071
Value added tax	29 677 123	5 839 259
Letter of guarantee	2 979 844	8 193 024
Withholding tax	3 691 507	138 350
Prepaid employees' benefits (note 14)	3 182 404	2 984 560
Notes Receivable	1 377 736	-
Other debit balances	5 265 516	3 391 691
Total other debit balances	**509 392 339**	**410 580 478**
Total account receivable and debit balances	**920 930 482**	**779 897 470**

15 Prepaid 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.

	30/06/2021	31/12/2020
	L.E	L.E
Beginning balance	14 763 905	-
Additions of the year	1 102 988	14 763 905
Net balance	**15 866 893**	14 763 905
Beginning balance of Accumulated amortization	(1 902 354)	-
Amortization of the year	(1 699 308)	(1 902 354)
Ending balance	**(3 601 662)**	**(1 902 354)**
Net Balance	**12 265 231**	**12 861 551**

Distributes as follows: -

Short term prepayments (Note 14)	3 182 404	2 984 560
Prepaid employee benefits – Long term	9 082 827	9 876 991
Total balance	**12 265 231**	**12 861 551**

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

Cost of revenues (Note 26)	1 464 395	-
General and administrative expenses (Note 29)	234 913	-
Total	**1 699 308**	-

16 Cash and cash Equivalents

	30/06/2021	31/12/2020
	L.E	L.E
Banks – Saving Accounts	235 864 777	432 958 069
Banks - time deposits	85 820 383	3 010 329
* Investment funds	109 721 256	197 464 532
Cash	6 400	950
Balance of cash and cash equivalents	**431 412 816**	**633 433 880**

***Investment Funds**

	30/06/2021	31/12/2020
	L.E	L.E
Themar Fund, QNB	103 008 216	197 367 136
Liquidity fund	6 612 838	-
Day to Day Account - Bank Misr	100 202	97 396
	109 721 256	**197 464 532**

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

	30/06/2021	30/06/2020
	L.E	L.E
Cash and Its equivalents	431 412 816	324 473 689
Deduct:		
Mortgaged cash investment fund documents 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	**425 875 795**	**318 936 668**

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) Egyptian) paid in full distributed in the same proportions of shareholder ownership.

- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full distributed in the same Shareholders ownership percentages and this was entered in the Commercial Registry on December 19, 2018.

- The Extraordinary General Assembly held on 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, and these shares are distributed in the capital as follows:

Shareholder	Equity Ratio %	Number of shares	Nominal value in EGP
The National Investment Bank	63.64	1 018 182 400	509 091 200
Egyptian National Bank	9.09	145 454 400	72 727 200
Banque Misr	9.09	145 454 400	72 727 200
Egypt Banks Company for Technological Progress	9.09	145 454 400	72 727 200
Egyptian Company for Investment Projects	9.09	145 454 400	72 727 200
	%100	**1 600 000 000**	**800 000 000**

18- Reserves

	30/06/2021	31/12/2020
	L.E	L.E
Legal Reserve *	44 727 152	44 727 152
General Reserve **	20 000 000	20 000 000
	64 727 152	**64 727 152**

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

** According to Article (54) of the company's articles of association, an extraordinary reserve is formed based on the proposal of the company's board of directors, 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

19- Credit liabilities

Bank	Authorized facility limit L.E or Its equivalents of Foreign Currency	Nature of facility
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
National Bank of Egypt	75 000 000	Existing debt limit
National Bank of Egypt	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
Commercial International Bank	150 000 000	Existing debt limit

The firm has not used any of these credit facilities during the financial period ended as of 30 June 2021

20- Provisions

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

	Balance on 1 January 2019 L.E	Formed during the year L.E	No longer required L.E	Used during the year L.E	Balance on 31 December 2019 L.E
Provision for expected 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.
- The usual information about these provisions was not disclosed in accordance with the Egyptian Accounting Standards, as the group's management believes that doing so strongly affects the final settlement of these potential claims.

21- Accounts payable and other credit balances

	31/12/2020 L.E	31/12/2019 L.E
Accounts payable	211 224 131	175 208 275
	211 224 131	**175 208 275**
Other credit balance		
Accrued expenses	34 745 590	15 440 065
Payroll tax	3 451 782	9 319 497
Value Added Tax (VAT)	7 648 237	24 357 006
Customer advance payment	216 787 978	124 721 040
Withholding tax	4 681 316	4 332 944
Retention payable	583 581	494 581
Other Credit balances	6 276 425	1 609 126
Total credit balances	**274 174 909**	**180 274 259**
Total payable and other credit balances	**485 399 040**	**355 482 534**

22- 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.

22-1 Movement in the present value of the employee end of service benefits obligations - (end of service benefits)

	30/06/2021	31/12/2020
	L.E	L.E
Liability at beginning of the year	147 741 572	126 541 852
Interest Cost	7 969 076	17 715 859
Current service cost	10 770 459	13 107 987
Actuarial loss (gain) on the liability recognized in other comprehensive income	--	(4 241 902)
Paid from end of service benefits	(1 689 951)	(5 382 224)
Liabilities at end of the year	**164 791 156**	**147 741 572**

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

	30/06/2021	30/06/2020
	L.E	L.E
Current Service Cost	7 969 076	6 019 158
The interest cost on the obligation	10 770 459	8 135 083
End of the year	**18 739 535**	**14 154 241**

23- 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 subcontractor, those was classified previously as operating leases and their cost was rental cost charged to statement of profits and losses

23-1 Right of use asset

	30/06/2021	31/12/2020
	L.E	L.E
Balance beginning of the year(period)	107 381 762	-
Additions	53 559 573	119 820 996
Disposals	(39 343 529)	(12 439 234)
Balance end of year/Period	**121 597 806**	**107 381 762**
Balance beginning of the year(period)	14 829 474	
Amortization at the beginning of the year	13 343 822	18 609 723
Disposals – depreciation	(4 386 525)	(3 780 249)
Balance end of year/Period	**23 786 771**	**14 829 474**
Net Right of use	**97 811 034**	**92 552 288**

23-2 Lease Liability

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

	31/12/2020 L.E	31/12/2020 L.E
Balance beginning of the year(period)	**95 886 520**	-
Additions	53 158 207	119 820 996
Disposals	(37 502 825)	(9 557 722)
Finance Cost	5 253 062	9 056 419
Lease payment	(15 582 693)	(23 433 173)
Balance at the end of the year	**101 212 271**	**95 886 520**
They are divided as follows: -		
Contract lease liability – non-current liability	69 187 943	73 200 586
Contract lease liability- current liability	32 024 328	22 685 934
Balance at the end of the year (Period)	**101 212 271**	**95 886 520**

24 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 profits for the year	**21 395**	**595 713**	**164 151**	**(4 046 859)**	**31**	**(3 265 569)**
Total non-controlling interests as at June 30, 2021	**63 858**	**17 668 630**	**30 758 031**	**9 117 245**	**1 035**	**57 608 799**

25 Revenues

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	30 June 2020	30 June 2021	*30 June 2020*
	L.E	L.E	L.E	L.E
Installation services and card operation revenue	120 796 794	117 266 002	346 456 509	268 082 779
Integrated solutions revenue	37 649 045	50 385 338	79 205 636	82 173 728
Hosting services revenue	66 759 549	20 561 472	132 454 234	41 420 198
Installations and technical support revenue	30 998 846	15 858 279	43 599 623	32 841 645
Retail services revenue	16 034 954	7 305 288	28 480 527	16 191 515
Maintenance contracts and networks revenue	98 839 813	3 733 332	130 129 790	9 412 129
Call center revenue	12 135 879	3 961 926	26 945 246	11 167 231
Cards Center Revenue	45 698 489	7 922 954	81 349 287	26 327 721
Other revenue	12 087 869	6 786 293	35 748 913	12 964 910
	441 001 238	**233 780 884**	**904 369 765**	**500 581 856**

26 Cost of revenues

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	30 June 2020	30 June 2021	*30 June 2020*
	L.E	L.E	L.E	L.E
Salaries and Wages	77 608 261	52 411 653	143 756 135	100 126 959
Cost of employee benefit system	8 426 183	6 020 068	16 337 533	11 511 445
Infrastructure cost	61 794 559	32 510 167	158 763 028	97 455 882
Cost of goods sold	17 338 158	9 951 571	67 733 411	18 506 202
Depreciation of fixed assets (Note 6)	7 343 866	6 826 618	13 976 236	13 558 717
Amortization of ROU asset (Note 23-1)	1 565 351	2 069 776	3 214 237	4 148 900
Card Centre	19 831 254	7 042 945	34 280 841	11 143 010
Technical advice and support	7 067 513	5 360 432	13 234 386	10 290 629
Rent	390 173	330 283	611 234	1 037 301
Employee benefits (cars) (note 15)	714 635	--	1 464 395	--
Amortization of intangible assets (note 7)	514 438	--	1 028 875	--
Penalties	1 038 564	--	1 630 393	--
Other Costs	10 539 387	3 569 538	11 207 339	4 090 894
	214 172 342	**126 093 051**	**467 238 043**	**271 869 939**

27 Other Revenues:

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	*30 June 2020*	30 June 2021	*30 June 2020*
	L.E	L.E	L.E	L.E
Capital gain / (loss)	16 670	(408 274)	17 670	(412 975)
Revenue of terminated leased contract	--	--	2 545 820	--
Other revenue	328 151	1 478 116	933 286	1 597 558
	345 821	**1 069 842**	**3 496 776**	**1 184 583**

28 Dividend income from available-for-sale financial investments

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	*30 June 2020*	30 June 2021	*30 June 2020*
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E.)	-	-	2 956 010	10 164 212
	-	-	**2 956 010**	**10 164 212**

29 General and Administrative Expenses

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	*30 June 2020*	30 June 2021	*30 June 2020*
	L.E	L.E	L.E	L.E
Wages and Salaries	15 827 567	13 951 185	28 625 658	25 930 635
Amortization of ROU asset (Note 23-1)	5 580 634	2 662 169	10 129 585	4 098 311
Stamps and deductions	5 579 377	5 013 236	7 358 648	6 212 127
Depreciation of fixed assets (Note 6)	2 847 451	2 690 365	6 000 153	5 251 774
Consulting and legal fees	3 702 046	980 299	5 670 612	2 354 414
Consulting and audit fees	2 372 094	454 125	4 290 468	928 354
Comprehensive social insurance	1 259 558	1 497 051	2 530 422	1 509 364
Cost of employee end of service benefit	1 307 979	1 348 928	2 402 001	2 642 797
Donations	2 000 000	2 000 000	2 020 075	2 500 000
Rent	409 306	1 325 329	850 907	1 803 501
Maintenance Expenses	1 168 893	123 689	1 760 077	958 340
Employee benefits (cars) (note 15)	153 139	-	234 913	-
Amortization of intangible assets (Note 7)	2 190	19 581	4 381	40 724
Other expenses	6 045 429	632 759	15 376 490	3 710 161
	48 255 663	**32 698 716**	**87 254 390**	**57 940 502**

30 Selling and Marketing Expenses

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	L.E	L.E	L.E	L.E
Exhibitions	1 682 035	80 469	1 878 870	791 948
Public Relations	1 368 441	813 568	1 713 127	1 830 051
Advertisements	1 525 966	270 250	1 753 266	290 920
Other Marketing Expenses	1 492 242	207 580	2 083 900	383 283
	6 068 684	**1 371 867**	**7 429 163**	**3 296 202**

31 Other Expenses

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	L.E	L.E	L.E	L.E
Attendance, remuneration and allowances for members of the Board of Directors	1 639 320	197 000	2 657 820	496 000
	1 639 320	**197 000**	**2 657 820**	**496 000**

32 Finance Expenses

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	L.E	L.E	L.E	L.E
Debit interest expense and bank charges	(153 372)	19 552	131 250	33 655
Foreign exchange realized	353 730	467 752	798 493	986 936
Finance cost-lease contracts (note 23-2)	2 733 042	1 993 495	5 253 062	2 899 589
	2 933 400	**2 480 799**	**6 182 805**	**3 920 180**

33 Finance income

	The period from April 1, to		The period from Jan 1, to	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	L.E	L.E	L.E	L.E
Foreign exchange gain	128 338	461 468	586 289	1 964 359
Investment income from cash funds	6 647 753	3 976 256	14 172 080	8 420 406
Bank interest on current accounts	5 596 065	5 721 931	10 021 296	11 086 589
Bank interest on deposits	52 103	45 231	59 798	1 665 194
	12 424 259	**10 204 886**	**24 839 463**	**23 136 548**

34 Related parties

Related parties are represented in investee companies, major shareholders, companies controlled by or jointly affected by these parties, pricing policies and the duration of these transactions are approved by the company's management and shareholders.
The following is a summary of the related party balances and the transactions that were executed during the year between the company and related parties

	Relations Nature	Transaction Nature	Transaction Volume during the year	End of the Year balance	
				2021 L.E	2020 L.E
34-1 Due from Related Parties:					
E Tax (technological operation for tax soluations)	Associate	Payment on behalf	7 808 991		
				7 808 991	–
				7 808 991	**–**

35 Segment reporting

The group has (10) 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) - retail services
• Sector (E) – Communication center services
• Sector (F) - Card Center services
• Sector (G) - hosting services
• Sector (H) - maintenance and network contracts
• Sector (K) – other
• Sector (I) – Investment available for sale

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

Information 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 30 June 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 centre services L.E	Retail services L.E	Communication Center Services L.E	Dividends from investments available for sale L.E	Other L.E	Total L.E
Revenues	346 456 509	79 205 636	132 454 234	130 129 790	43 599 623	81 349 287	28 480 527	26 945 246	-	35 748 913	904 369 765
Depreciation	(2 543 342)	(325 461)	(5 172 331)	-	(2 064 464)	(4 619 592)	(300 981)	(290 847)	-	(1 873 455)	(17 190 473)
Direct cost	(80 458 514)	(4 478 405)	(16 255 549)	(50 452 377)	(16 182 266)	(52 507 842)	(12 721 551)	(15 630 792)	-	(41 266 606)	(289 953 902)
Salaries and wages and employees' benefits	(56 293 494)	(13 257 078)	(11 247 930)	(8 863 804)	(10 463 632)	(11 174 523)	(9 131 815)	(1 228 824)	-	(38 432 568)	(160 093 668)
Total Cost	295 350) (139	060 944) (18	(32 675 810)	(59 316 181)	(28 710 362)	(68 301 957)	(22 154 347)	(17 150 463)	-	(81 572 629)	(467 238 043)
Gross profit / (loss)	207 161 159	61 144 692	99 778 424	70 813 609	14 889 261	13 047 330	6 326 180	9 794 783	-	(45 823 716)	437 131 722
Gross Profit/loss percentage	%60	%77	%75	%54	%34	%16	32%	%36	-	(%128)	%48
Other expense and other revenue	(23 064 210)	(7 399 009)	(3 949 236)	(5 562 105)	(751 402)	(4 555 859)	(5 611 113)	(8 796 829)	-	(15 498 176)	(75 187 939)
Dividends income	-	-	-	-	-	-		-	2 956 010	-	2 956 010
Net Profit before tax	184 096 949	53 745 683	95 829 188	65 251 504	14 137 859	8 491 471	715 067	997 954	2 956 010	(61 321 892)	364 899 793
Net profit %	%53	%68	%72	%50	%32	%10	%3	%4	%100	(%172)	%40

Segment Reporting

The financial period ended as of 30 June 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	Retail services L.E	Communication Center Services L.E	Dividends from investments available for sale L.E	Other L.E	Total L.E
Revenues	268 082 779	82 173 728	41 420 198	9 412 129	32 841 645	26 327 721	16 191 515	11 167 231	---	12 964 910	**500 581 856**
Depreciation	(3 218 148)	(1 223 829)	(7 732 072)	---	(1 261 703)	(2 762 069)	(402 064)	(1 336 732)	---	(308 421)	**(18 245 038)**
Direct cost	(68 215 645)	(17 603 335)	(2 061 107)	(8 827 141)	(2 448 116)	(22 853 225)	(10 949 718)	(5 153 591)	---	(3 874 620)	**(141 986 498)**
Salaries and wages and employees' benefits	(44 410 739)	(13 016 698)	(4 131 841)	(7 639 330)	(8 178 322)	(8 191 488)	(10 179 710)	(4 003 083)	---	(11 887 192)	**(111 638 403)**
Total Cost	**(115 844 532)**	**(31 843 862)**	**(13 925 020)**	**(16 466 471)**	**(11 888 141)**	**(33 806 782)**	**(21 531 492)**	**(10 493 406)**	---	**(16 070 233)**	**(271 869 939)**
Gross profit / (loss)	**152 238 247**	**50 329 866**	**27 495 178**	**(7 054 342)**	**20 953 504**	**(7 479 061)**	**(5 339 977)**	**673 825**	---	**(3 105 323)**	**228 711 917**
Gross Profit/loss percentage	%72	%61	%66	(%9)	%64	(%28)	(%66)	%6		(%24)	%46
Other expense and other revenue	**(20 464 242)**	**(5 451 130)**	**(2 463 966)**	**(4 675 398)**	**(4 972 961)**	**(186 142)**	**(1 624 449)**	**(749 732)**	---	**(743 733)**	**(41 331 753)**
Dividends income	---	---	---	---	---	---	---	---	10 164 212	---	**10 164 212**
Net Profit before tax	**131 774 005**	**44 878 736**	**25 031 212**	**(11 729 740)**	**15 980 543**	**(7 665 203)**	**(6 964 426)**	**(75 907)**	**10 164 212**	**(3 849 056)**	**197 544 376**
Net profit %	%48	%55	%60	(%16)	%49	29)	(%68)	(%1)	%100	(%30)	%39

36 Objectives and policies of financial instruments risk management

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

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

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

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

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

A) Credit risk

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

Accounts receivable balances and notes receivable

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 maximum exposure to risk is limited to the balances shown in (Note 14) after excluding the balance of prepaid expenses and advance payment suppliers.

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

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

Investment

The company limits its credit risk through preparation of detailed investment studies and its revised with the acknowledgement of the board of directors and the company doesn't expect any party it deals with to be default.

B) Market risk

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

Exposure to interest rate risk

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

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

	30 June 2021	30 June 2020
	L.E	L.E
Floating interest rate financial instruments		
Financial Assets	431 412 816	633 433 880
	431 412 816	**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 the survival of all other variable constant, and the impact that occurred on the company's profits before taxation is due to changes in the value of assets and cash liabilities. Changes in the exchange rates of all other foreign currencies are not material.

Foreign Currencies	Exchange rate	31/06/2021 Net Liabilities	31/12/2020 Net Liabilities
US Dollar	15.77	(3 690 022)	(3 324 699)
Euro	18.53	(625 187)	(65 555)

C) Liquidity risk

The group'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 980.5 million Egyptian pounds 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.

On 30 June 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	485 399 040	485 399 040	-	-
Other Obligations	164 791 156	-	-	164 791 156
Lease liability	101 212 271	32 024 328	69 187 943	-
Total	**751 402 467**	**517 423 368**	**69 187 943**	**164 791 156**

On 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	355 482 534	355 482 534	--	--
Other Obligations	147 741 572	--	--	147 741 572
Leased Liability	95 886 520	22 685 934	73 200 586	-
Total	**599 110 626**	**378 168 468**	**73 200 586**	**147 741 572**

37 Capital Management

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

	On 31 June 2021	On 31 December 2020
Total liability	983 040 042	694 064 529
Less cash & Equivalent	(431 412 816)	(633 433 880)
Net Liability	**551 627 226**	**60 630 649**
Total Equity	**1 332 425 561**	**1 264 150 794**
Net liability: total financing percentage	**%41.40**	**%4.79**

38 Contingent liabilities

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

	30/06/2021 L.E	31/12/2020 L.E
Letter of Guarantee	210 707 740	210 707 740

39 A system of reward and incentives for employees and managers

The extraordinary general assembly of the parent company, held on September 23, 2019, agreed to add a new chapter to the parent group's articles of association, which is concerned with rewarding and motivating employees and managers, which has not been done to date.

40 Capital commitments

It represents the value of the unpaid portion of the group's contribution to the capital of the investee companies on June 30, as follows:

	Contribution Ratio	Capital commitments	
		30/06/2021	31/12/2020
	%	L.E	L.E
Egypt State Technology Services Company ESERVE (SAE)	%35	104 999 925	-
Delta Egypt Payments Company (SAE)	%10	-	500 000
		104 999 925	**500 000**