

E-Finance for Digital and Financial Investments Company
(S.A.E)
Consolidated Financial Statements
For the Financial Year Ended December 31, 2022
And Auditor's Report



Hazem Hassan

Public Accountants & Consultants

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Translation from Arabic

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

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of E-finance for Digital and Financial investments "the Group" which comprise the consolidated statement of Financial Position as of December 31, 2022, the consolidated statements of Profit or Loss, Comprehensive Income, Change in Shareholders Equity, and Cash Flow for the financial year ended at December 31, 2022, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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



Hazem Hassan

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

Basis for Opinion

- 1- The group continued to record some investments amounting to EGP 53,599,000 on December 31, 2022, at cost instead of fair value in accordance with the requirements of Egyptian accounting standards No. 47 "Financial Instruments"
- 2- As shown in disclosure No. 14, the Group did not apply the expected credit losses model for some accounts receivable balances and accrued revenues pertaining to one of its subsidiaries (Smart Card Operation Technology Company E-CARDS) and this accounting treatment does not comply with the requirements of Egyptian Accounting Standard No. 47, "Financial instruments ". However, we were unable to identify the financial adjustments that would have resulted from applying the ECL model.

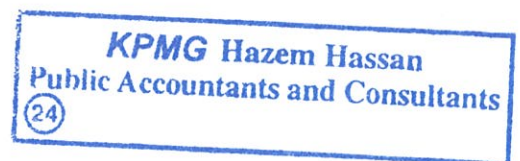
Opinion

Except for the impact of the above in the basis for opinion paragraphs, in our opinion that the consolidated financial statements referred to above express fairly and clearly, in all their material respects, the consolidated financial position of E-finance for digital and financial investments on December 31, 2022, and its consolidated financial performance and consolidated cash flows for the year ended December 31, 2022, in accordance with Egyptian accounting standards and according to the Egyptian laws and regulations relevant to the preparation of these consolidated financial statements.

**KPMG Hazem Hassan
Public Accountants & Consultants**

Cairo,

February 20, 2023



E-finance for Digital and Financial Investments Company
Consolidated statement of Financial position as of

<u>Assets</u>	<u>Note No.</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
		<u>L.E.</u>	<u>L.E.</u>
<u>Non current assets</u>			
Fixed assets	5/4-2	322 943 167	292 781 930
Intangible assets	6/4-4	60 625 403	20 856 753
Projects under construction	7/4-3	143 514 867	131 936 055
Equity-investment at FVTOCI	8-1\4-6	140 202 008	137 302 008
Equity-investment at FVTPL	8-2	57 786 600	-
Equity-Accounted investees (Associates)	10	96 727 878	50 847 092
Deferred tax assets	11-2	4 405 894	32 897 546
Contract asset		15 690 529	-
Prepaid employee benefits	15	4 095 419	6 813 717
Loans -ESOP	41/4-23	55 581 185	-
Right of use assets	25-1/4-22	56 402 404	88 181 926
Total non current assets		957 975 354	761 617 027
<u>Current assets</u>			
Inventory	12/4-10	41 505 204	31 207 754
Work in progress	13/4-11	29 225 609	24 143 638
Trade and other receivables	14	1 653 200 506	1 354 449 021
Due from related parties	36-1	18 477 269	3 720 433
Financial investments at amortized cost	9	2 356 623 232	501 687 737
Cash and cash equivalents	16/4-13	877 780 131	2 367 100 282
Total current assets		4 976 811 951	4 282 308 865
Total assets		5 934 787 305	5 043 925 892
<u>Owners equity & Liabilities</u>			
<u>Owners equity</u>			
Paid-up capital	17-2/4-14	924 444 445	888 888 889
Treasury Shares	19	(5 036 004)	-
Share Premium	18	1 956 462 107	2 345 616 021
Reserves	20/4-15	654 880 050	154 197 182
ESOP Reserve		247 111 100	-
Retained earnings		796 117 725	493 817 689
Equity attributable to owners of the company		4 573 979 423	3 882 519 781
Non controlling interest	26	56 836 093	61 018 783
Total Equity		4 630 815 516	3 943 538 564
<u>Liabilities</u>			
<u>Non- Current Liabilities</u>			
Lease liability	25-2	27 783 650	59 936 190
Credit facilities	21	31 939 225	-
Employee benefits	24-1/4-9	206 810 785	159 357 968
Total non current liabilities		266 533 660	219 294 158
<u>Current liabilities</u>			
Lease liability	25-2/4-22	32 075 339	34 032 162
Trade and other payables	23	708 752 566	551 071 909
Credit facilities	21	75 409 758	114 880 023
Income tax payable	11-4/4-7	221 200 466	181 109 076
Total current liabilities		1 037 438 129	881 093 170
Total Liabilities		1 303 971 789	1 100 387 328
Total equity and liabilities		5 934 787 305	5 043 925 892

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

Chairman & Managing Director
 Ibrahim Sarhan




Chief executive Financial Officer
 Essam Bahgat



E-finance for Digital and Financial Investments Company S.A.E
Consolidated statement of Profit or Loss for the financial year ended December 31

	<u>Note No.</u>	2022	2021
		<u>L.E.</u>	<u>L.E.</u>
Revenue	27/4-18	2 643 977 207	1 963 345 124
Cost of sales	28	<u>(1 278 851 418)</u>	<u>(1 040 455 321)</u>
Gross profit		1365 125 789	922 889 803
Other revenue	29	13 463 519	19 326 677
General and administrative expenses	31	(252 289 483)	(198 342 791)
ESOP Expense	41	(144 711 105)	-
Marketing and selling expenses	32	(83 250 039)	(42 939 508)
Impairment of trade receivable and other debit balances	14	(21 096 205)	(23 959 594)
Provisions no longer required	22	-	10 000 000
Other expenses	33	<u>(10 984 260)</u>	<u>(6 325 820)</u>
Operating Profit		866 258 216	680 648 767
Dividends income from equity investments at FVTOCI	30	31 625 598	3 820 807
Finance cost	34	(48 246 659)	(14 247 852)
Income from Equity-accounted investees "Associates"	10	19 880 801	1 847 127
Finance Income	35	<u>335 262 887</u>	<u>70 006 944</u>
Net profit for the year before tax		1 204 780 843	742 075 793
Income tax expense	1-11	<u>(395 049 216)</u>	<u>(222 291 722)</u>
Net profit for the year after tax		<u>809 731 627</u>	<u>519 784 071</u>
profit attributable to:			
Owners of the company		803 924 407	519 738 601
Non controlling interest		<u>5 807 220</u>	<u>45 470</u>
		<u>809 731 627</u>	<u>519 784 071</u>
Basic Earning per share	42	<u>0.40</u>	<u>0.32</u>

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

Translation from Arabic

E-finance for Digital and Financial Investments Company S.A.E
Consolidated statement of Comprehensive income for the financial year ended December 31

	2022	2021
	<u>L.E.</u>	<u>L.E.</u>
Net profit for the year	809 731 627	519 784 071
<u>other comprehensive income</u>		
Actuarial gain (losses) from employee benefit	10 351 660	7 776 483
Income Tax related to other comprehensive income	(2 329 121)	(1 749 709)
Total other comprehensive Income	8 022 539	6 026 774
Total comprehensive Income for the year	817 754 166	525 810 845
Attributable to:		
Owners of the company	811 786 047	525 643 892
Non controlling interest (Note 26)	5 968 119	166 953
Total comprehensive Income for the year	817 754 166	525 810 845

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

E-finance for Digital and Financial Investments Company S.A.E
 Consolidated statement of change in shareholders equity for the financial year ended December 31, 2022

	<u>Paid Up Capital</u>	<u>Legal Reserve</u>	<u>General Reserve</u>	<u>Share Premium</u>	<u>Treasury Share</u>	<u>ESOP Shares Reserve</u>	<u>Other Reserves</u>	<u>Reserve resulted from spin-off</u>	<u>Retained earnings</u>	<u>Equity attributable to owners of the company</u>	<u>Non controlling interest</u>	<u>Total Equity</u>
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>
Balance at the Beginning of Jan. 2022	888 888 889	55 290 529	20 000 000	2 345 616 021	-	-	9 192 764	69 713 889	493 817 689	3 882 519 781	61 018 783	3 943 538 564
Comprehensive income	-	-	-	-	-	-	-	-	803 924 407	803 924 407	5 807 220	809 731 627
Net profit for the financial year ended December 31, 2022	-	-	-	-	-	-	-	-	-	7 861 640	160 899	8 022 539
Comprehensive income items	-	-	-	-	-	-	7 861 640	-	803 924 407	811 786 047	5 968 119	817 754 166
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with shareholders	-	-	-	-	-	-	-	-	(177 777 778)	(177 777 778)	-	(177 777 778)
Dividends according to the ordinary general assembly meeting held in March 31 ,2022	-	-	-	-	-	-	-	-	(35 555 556)	-	-	-
Capital Increase dated March 17, 2022	35 555 556	492 821 228	-	(389 153 914)	-	-	-	-	(103 667 314)	-	-	-
Legal Reserve	-	-	-	-	-	-	-	-	-	247 111 100	-	247 111 100
ESOP Shares	-	-	-	-	-	247 111 100	-	-	-	(5 036 004)	-	(5 036 004)
Treasury Shares	-	-	-	-	(5 036 004)	-	-	-	-	-	-	-
NCI Share	-	-	-	-	-	-	-	-	-	-	(8 446 141)	(8 446 141)
Dividends for BOD and Employees	-	-	-	-	-	-	-	-	-	-	(1 704 668)	(1 704 668)
Total transaction with shareholders	35 555 556	492 821 228	-	(389 153 914)	(5 036 004)	247 111 100	-	-	(501 624 371)	(120 326 405)	(10 150 809)	(130 477 214)
Balance as of December 31 , 2022	924 444 445	548 111 757	20 000 000	1 956 462 107	(5 036 004)	247 111 100	17 054 404	69 713 889	796 117 725	4 573 979 423	56 836 093	4 630 815 516

E-finance for Digital and Financial Investments Company S.A.E
 Consolidated statement of change in shareholders equity for the financial year ended December 31, 2022

	Paid UP Capital	Legal Reserve	General Reserve	Share Premium	Other Reserves	Reserve resulted from spin-off	Retained earnings	Equity attributable to owners of the company	Non controlling interest	Total Equity
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Balance at the Beginning of Jan. 2021	800 000 000	44 727 152	20 000 000	-	3 287 473	69 713 889	265 547 912	1 203 276 426	60 874 368	1 264 150 794
Comprehensive income	-	-	-	-	-	-	519 738 601	519 738 601	45 470	519 784 071
Net profit for the financial year ended December 31, 2021	-	-	-	-	-	-	5 905 291	5 905 291	121 483	6 026 774
Comprehensive income items	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	5 905 291	5 905 291	121 483	6 026 774
Transaction with shareholders	-	-	-	-	5 905 291	-	519 738 601	525 643 892	166 953	525 810 845
Dividends according to the ordinary general assembly meeting held in March 17, 2021	-	-	-	-	-	-	(207 520 401)	(207 520 401)	(22 538)	(207 542 939)
Capital Increase dated December 13, 2021	88 888 889	-	-	-	-	-	-	88 888 889	-	88 888 889
Share Premium	-	-	-	2 345 616 021	-	-	-	2345 616 021	-	2 345 616 021
Legal Reserve	-	10 563 377	-	-	-	-	(10 563 377)	-	-	-
Dividends for BOD and Employees	-	-	-	-	-	-	(73 385 046)	(73 385 046)	-	(73 385 046)
Total transaction with shareholders	88 888 889	10 563 377	-	2 345 616 021	-	-	(291 468 824)	2153 599 463	(22 538)	2 153 576 925
Balance as of December 31, 2021	888 888 889	55 290 529	20 000 000	2 345 616 021	9 192 764	69 713 889	493 817 689	3 882 519 781	61 018 783	3 943 538 564

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

E-finance for Digital and Financial Investments Company S.A.E
 Consolidated statement of Cash flows for the financial year ended December 31,

	<u>2022</u>	<u>2021</u>
	<u>L.E.</u>	<u>L.E.</u>
<u>Cash flow from operating activities</u>		
Profit for the year before income tax	1 204 780 843	742 075 793
<u>Adjusted as the follows:</u>		
Fixed assets depreciation expenses	54 314 584	41 180 122
Amortization expenses of intangible assets	9 214 145	3 442 230
Amortization expenses of right of use asset	34 105 720	29 398 456
Amortization of prepaid employees benefits	2 718 298	2 974 311
Income from Equity-investment- at FVTOCI	(31 625 598)	(3 820 807)
Debit interest	48 246 659	3 295 542
Credit interest	(77 289 255)	(69 025 092)
Financial investments at amortized cost revenue	(257 944 311)	-
End of service benefit formed	82 956 040	31 087 870
Provision formed for impairment of trade receivable and other debit balances	21 096 205	23 959 594
Finance expenses-right of use asset	6 508 860	10 695 841
Foreign currency translation	(29 321)	(981 852)
ESOP Cost	144 711 105	-
Income from Equity-accounted investees "Associates" provision no longer required	(19 880 801)	-
Capital gain	(2 656 015)	(1 074 623)
	<u>1 219 227 158</u>	<u>803 207 385</u>
Change in inventory	(10 297 450)	14 978 388
Change in work in process	1 421 120	(11 510 894)
Change in trade and other receivables	(335 965 585)	(600 793 948)
Change in due from related parties	(14 756 838)	(2 478 406)
Change in trade and other payables	157 576 930	189 817 849
Cashflow Resulted from operating activities	<u>1 017 205 335</u>	<u>393 220 374</u>
Debit interest paid	(48 246 659)	(3 295 542)
Credit interest collected	77 289 255	69 025 092
Assets for Contracts	(15 690 529)	-
Payment for employees benefits	(25 018 517)	(4 941 613)
payment for prepaid employee benefit	-	(886 802)
Dividends paid to employees and board members	(186 328 391)	(73 385 046)
Income taxes paid	(226 556 009)	(131 855 767)
Net cash flow Resulted from operating activities	<u>592 654 485</u>	<u>247 880 696</u>
<u>Cash flow from investing activities</u>		
Proceeds from disposal fixed assets	35 200	15 871
Proceeds from dividends of Equity-investment- at FVTOCI	28 508 002	2 660 408
Proceeds from Financial investments at amortized cost	99 238 833	-
Payment for acquiring Equity-investment- at FVTOCI	(2 900 000)	(1 000 000)
Payment of fixed assets and projects under construction	(104 309 246)	(247 603 087)
Payment of acquiring Equity-Accounted in investees (Associates) companies	(25 999 985)	(50 847 092)
Payment of purchasing intangible assets	(40 728 182)	(22 745 539)
Payment of acquiring investments at amortized cost	(1 747 818 879)	(501 687 737)
Payment of acquiring Equity-investment at FVTPL	(57 786 600)	-
Net cash flow (used in) investing activities	<u>(1 851 760 857)</u>	<u>(821 207 176)</u>
<u>Cash flow from financing activities</u>		
Interest paid-lease contracts	(6 508 860)	(10 695 841)
Proceeds from increase in paid up capital	-	88 888 889
payment for treasury Shares	(5 036 004)	-
Proceeds from share premium	-	2 345 616 021
Lease liability paid	(33 814 747)	(24 153 271)
Proceeds from credit facility	(7 531 040)	114 880 023
Proceeds from ESOP	8 900 790	-
Dividends to Shareholders	(186 223 918)	(207 542 939)
Net cash flow resulted from financing activities	<u>(230 213 779)</u>	<u>2 306 992 882</u>
Net change in cash & cash equivalent during the year	<u>(1 489 320 151)</u>	<u>1 733 666 402</u>
Cash & cash equivalent at beginning of the year	<u>2 361 563 261</u>	<u>627 896 859</u>
Cash & cash equivalent at end of the year	<u>872 243 110</u>	<u>2 361 563 261</u>

(Note No. 16)

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

1- Company's background

1-1 Legal entity

E finance for Digital and Financial Investments

- The company was established in the name of Raya for Technology of Operating Financial Institutions Company, and the name has been modified to the Operating Technology of Financial Institutions E-Finance Company– S.A.E- an Egyptian joint stock company - Giza Commercial Registry No. 15026 on 08/06/2005 in accordance with the provisions of Law No. 8 of 1997 Law of Guarantees And investment incentives, as amended by Law No. 72 of 2017 and Law No. 159 of 1981 and its executive regulations.
- Then the name was changed to E-Finance for Technology Solutions - an Egyptian joint stock company on 24/12/2020.
- Then the name was changed to E-Finance for daigital and financial investments-an Egyptian joint stock company on 29/03/2021.
- The duration of the company is twenty-five years, starting from the date of registration in the commercial register.
- The company's headquarters: Building No. A3B 82 - Smart Village - Kilo 28 Cairo-Alexandria Desert Road - Giza.

Khales for digital payments services

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

Smart Card Operation Technology Company ECARDS

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

Technology Company for Ecommerce Operations E-ASWAAQ MISR

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

E nable for Outsourcing Services Company

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

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

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

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

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

Technological Operation for Health Insurance Services (E Health)

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

1-2- Group's Purpose:

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

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

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

Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

- Implementation and management of data transmission and circulation networks.
- Providing technical, financial and administrative support to the companies to which the company contributes and works in the field of digital transformation and supporting them in developing their business volume.
- The company may have an interest or participate in any way with companies and others that carry out business similar to its business or that may help it to achieve its offer in Egypt or abroad. This is in accordance with the provisions of the law and its executive regulations.

Khales for digital payments services

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

Smart Card Operation Technology Company E-CARDS:-

- Preparing, designing, operating, issuing, maintaining and supplying cards, smart chips and electronic programs to identify individuals and programs for issuing electronic documents.
- Description, design and management of data transmission and circulation networks for smart cards by various electronic means.
- Supply of electronic supplies, devices and programs for smart entities facilities.
- Preparing, designing, operating and maintaining electronic identification systems for individuals and integrating them into secure smart cards.
- Providing consultations in the field of smart cards and technological solutions (except for what is related to stock markets as well as markets, legal advice, consultations and studies related to evaluation on the occasion of increasing capital and acquisition, as well as financial advice on securities for the activities of companies operating in the field of securities stipulated in Article 27 of Capital Market Law and its executive regulations).
- Preparing training courses in the field of operating, managing and maintaining smart card systems and banking services applications.
- Preparing and designing short, medium and long-range radar stickers with smart chips, taking into account the Minister of Defence and Military Production Decision No. 64 of 2003.
- Import, export and commercial procurement.
- The company is bound by the provisions of Law No. 120 of 1982 and Law No. 121 of 1982 in the matter of the importers' registry regulating the business of the commercial agency, and the establishment of the company does not create any right to practice its purpose except after obtaining the necessary licenses to practice its purpose from the competent authorities without breaching the provisions of the laws regulating arranging for that purpose
- Establishing and operating a factory for manufacturing, printing and packaging smart cards, smart chips and fingerprint identification devices.
- Manufacturing, printing and packaging of smart cards, smart chips and fingerprint identification devices for individuals in third parties, without breaching the provisions of applicable laws, regulations, and decisions, and on the condition of obtaining the necessary licenses to practice these activities.
- The company may participate in any way with companies and others that carry out activities similar to its work or that may assist it in achieving its purpose in Egypt or abroad, and it may also merge with it, acquire it or join it in accordance with the provisions of the law.

Technology Company for Ecommerce Operations E-ASWAAO MISR

- Establishing, developing and operating electronic markets.
- Create, design, develop, operate, manage, maintain and advertise for e-commerce platforms and applications.
- Online marketing.
- E-commerce.
- The work of designing and producing programs and applications, establishing databases and electronic information systems, operating and training them for agricultural, industrial, technological and exporting fields.

E finance for Digital and Financial Investments Company (S.A.E)
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- 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, and networks, and the internal systems of banks, networks, and mainframes.
- Providing specialized operating services for information and communication technology systems.

E nable for Outsourcing Services Company

- The information and communication technology industry, including its industrial activities, the core of electronics development, data 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.
- 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 centers.

- The company may participate in any way with companies and others that carry out similar activities or that help it achieve its purpose in Egypt or abroad.

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

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

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

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

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

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

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

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

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

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

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

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

2- Financial statement approval

The consolidated financial statements were approved for issuance by the Company's Board of Directors on February 20, 2023

3- Basis of measurement

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

3-1 Compliance with the Accounting Standards and Laws:

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

3-2 Presentation Currency:

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

3-3 Consolidation basis

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

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

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

- Contractual arrangements with other vote holders of the investee company
- Right arising from other contractual arrangements

E finance for Digital and Financial Investments Company (S.A.E)
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- The group's voting rights and potential voting rights

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

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

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

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

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

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

3-4 Use of professional judgment and estimates

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

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

Judgment

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

Equity Accounted in investees (associate)

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

The associate company business combination results, assets, and liabilities are shown in the financial statements of the group using the equity method, except for the investment held for trading which is accounted for according to the Egyptian accounting standard no 32 "Current assets held for sale and discontinued operations" which is measured using book value or fair value (less cost to sell) which is less Besides, Using equity method the investment in associate is shown using the adjusted cost in the groups statement of financial position with the share of the group in the subsequent changes following the acquisition date in the company's net assets of the associate company after deducting any impairment which may rise on the value of each investment individually, and any increase in the group share of the company's net losses over the book value of the investment is not recognized except if this increase was in the limits of the legal or judgmental provision of the group towards the associate or the amounts that the group has settled on the behalf of this company

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

Estimates and assumptions

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

The useful life of fixed assets

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

Defined Benefit Plan

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

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

Fair value measurement

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

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

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

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

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

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

Allowance for expected credit losses for trade receivables

The Group uses the provision register to calculate the expected credit losses for its trade receivables. Provision rates are based on days of delay for the customer group.

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

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

4 The most significant accounting policies applied

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

4-1 Translating transactions in foreign currencies

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

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

4-2 Fixed assets

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

Repair and maintenance expenses are charged to the profit or loss statement for the fiscal year in which these expenses are incurred. Profits and losses arising from the

disposal or liquidation of fixed assets are determined on the basis of the difference between the processed of disposal - if any - and the book value of those assets and are included in the profit or loss statement.

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

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

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

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

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

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

4-3 Projects under Construction

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

4-4 Intangible assets

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

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

The useful life of the asset

Software	4 years
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4-5 Impairment of intangible assets

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

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

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

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

Estimated future cash flows from the use of the asset or cash-generating unit are discounted using a pre-tax discount rate to arrive at the present value of those flows,

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

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

4-6 Financial Instruments

Financial Assets

Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost; FVTOCI – debt investment; FVTOCI – equity instrument; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets- Business Model Assessment:

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

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

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

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

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

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

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

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

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

Financial assets – Subsequent measurement and gains and losses:

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss at derecognition is recognized in profit or loss.

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

Derecognition
Financial assets

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

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

Financial liabilities

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

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

Offsetting

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

Impairment

1) Non-derivative financial assets

Financial instruments and contract assets

The Group recognizes loss allowances for ECLs on:

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

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

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

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

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

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

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

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

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

Write-off

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

4-7 Income tax and Deferred Tax

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

The group's consolidated income statement is periodically charged with an estimated tax expense for each financial period, which includes both the value of

the current tax as well as the deferred tax, provided that the actual tax expense is recorded at the end of each financial year.

Deferred tax assets and liabilities represent the expected tax effects of temporary differences resulting from the difference in the value of assets and liabilities in accordance with tax rules, and between the book values of those assets and liabilities in accordance with the accounting bases used in preparing the consolidated financial statements.

The current tax is calculated on the basis of the tax base specified in accordance with the laws, regulations and instructions in force in this regard and using the tax rates in effect on the date of preparing the financial statements, while the deferred tax value is determined using the tax rates expected to be applied in the periods during which the obligation will be settled or the asset is used and based on Tax rates and tax laws in force at the date of the financial statements.

The deferred tax is recognized as an expense or revenue in the income statement, except for those related to items that are directly recognized in equity, so the related deferred tax is also treated directly within equity.

In general, all deferred tax liabilities (resulting from future taxable temporary differences) are recognized, while deferred tax assets (resulting from tax-deductible temporary differences) are recognized only if there is probable or other convincing evidence that sufficient tax profits will be achieved in the future. The statement of financial position method is used to calculate deferred tax assets and liabilities, and they are classified under non-current assets and liabilities.

4-8 Provisions

A provision is recognized when the group has a present obligation (legal or constructive) as a result of past events and it is probable that the settlement of that obligation will result in an outflow from the group in the form of resources that include economic benefits and that the estimated costs of meeting those obligations are likely to occur and it is possible to estimate the value of the obligation reliably. The value that is recognized as a provision represents the best estimates available for the consideration required to settle the current obligation at the date of the financial statements if the risks and uncertainties surrounding that obligation are taken into consideration.

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

4-9 Employee Benefits

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

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

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

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

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

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

4-10 Inventory

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

4-11 Work in progress

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

4-12 Social Insurance

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

4-13 Cash and cash equivalents

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

4-14 Share capital

Issuance of shares

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

Share capital repurchase

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

4-15 Legal reserve

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

4-16 Employees' share of profit

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

4-17 Earnings per share

The group displays the basic share of the share of its ordinary shares. The basic share is calculated by dividing the profit or loss related to the shareholders on their contribution to the ordinary shares of the company by the weighted average number of ordinary shares outstanding during the year. Since the distribution of profits is an inherent right of the owners of the company, no liability is recognized by the employees in the profits whose distribution has not been declared until the date of the financial statements (retained earnings).

4-18 Revenue from contracts with customers

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

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

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

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

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

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

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

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

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

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

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

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

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

The Group recognizes some revenue over a period of time, by measuring the progress towards the fulfillment of performance obligations, for each performance obligation that is fulfilled over a period of time. The objective when measuring progress is to show the entity's achievement towards transferring control of the promised goods or services to the customer (ie the entity's fulfillment of the

performance obligation). Similar performance obligations and in similar circumstances.

The Group, when applying a method for measuring progress, shall exclude from the measurement any goods or services over which the Group will not transfer control to the customer. Conversely, the Group shall include, when measuring progress, any goods or services over which the entity has transferred control to the customer in fulfilment of a performance obligation.

Output Method

Output methods recognize revenue based on direct measurements of the value of the goods or services transferred to the customer to date, attributable to the remaining goods or services promised under the contract. Output methods include methods such as inventory of performance completed to date, assessments of results achieved, a specific milestone reached, the time elapsed, units produced, or units delivered. When an entity assesses whether it will apply the output method to measure its progress, the entity must consider whether the output method chosen faithfully reflects the entity's performance towards full fulfillment of the performance obligation.

As a practical means, if an entity has a right in return from a customer in an amount that directly matches the value provided to the customer from the entity's completed performance to date, the entity may recognize revenue in the amount for which the entity is entitled to invoice.

Interest Income

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

Dividends Group revenue

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

4-19 Expenses

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

4-20 Borrowing costs

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

4-21 Fair Value Measurement

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

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

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

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

If an asset or liability is measured at fair value at the bid and ask price, the company measures long-term assets at the bid price and short-term liabilities at the ask price. The best evidence of the fair value of a financial instrument on initial recognition is usually the transaction price - that is, the fair value of the consideration paid or received. If the Company finds that the fair value at initial recognition differs from the transaction price and fair value (whether at a quoted price in an active market for an identical asset or liability and does not rely on a valuation technique on which any input is judged if it is not significant to the measurement), then the financial instruments are measured. Initially at fair value, adjusted to defer the difference between fair value at initial recognition and the transaction price. Subsequently, this difference in profit or loss is recognized on an appropriate basis over the life of the instrument but no later than when the valuation is fully supported by reliable market data or when the transaction is closed.

In limited circumstances, the cost may be used an approximation of fair value. This may be the case if the most recently available information is not sufficient to determine fair value, or if there is a wide range of possible fair value measurements and the cost is the best estimate of fair value within that range.

4-22 Lease contracts

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

At the initial recognition, the right-of-use asset is measured as the amount equal to the initially measured lease liability, adjusted for pre-contract lease payments, initial direct cost and lease incentives, and the discounted value of the estimated costs of decommissioning and removing the asset. In the subsequent measurement, the right-of-use asset is measured at cost less accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life of the right-of-use assets or the lease term - whichever is less. On initial recognition, Lease liabilities are measured at the present value of the lease payments unpaid on that date and related services fixed over the lease term, and the lease payments must be discounted using the incremental borrowing rate. Generally, the company uses the incremental borrowing rate as the discount rate. The lease liability is then measured at amortized cost using the effective interest rate method. The right-of-use assets and lease liability will be subsequently re-measured if one of the following events occurs:

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

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

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.

4-23 Payment Based on Share

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

E-finance for Digital and Financial Investments Company S.A.E
Notes To The consolidated Financial Statements for the financial year ended December 31, 2022

5- Fixed Assets

	<u>Lands & buildings</u>		<u>Equipments, Computer & software</u>		<u>Leasehold improvement</u>		<u>Office furniture & fixtures & Electrical equipments</u>		<u>Networks</u>		<u>Point of sale</u>		<u>ATM</u>		<u>Vehicles</u>		<u>Total</u>		
	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	<u>L.E.</u>	
Cost as of 1/1/2022	156 402 336	274 653 685	29 097 938	61 384 891	28 706 154	90 916 287	29 434 321	1 606 105	672 201 717										
Additions during the year	-	60 926 317	6 736 217	6 377 061	2 271 249	7 082 113	1 082 864	-	84 475 821										
Disposals during the year	-	-	-	-	-	(15 876)	-	-	(15 876)										
Cost as of 31/12/2022	156 402 336	335 580 002	35 834 155	67 761 952	30 977 403	97 982 524	30 517 185	1 606 105	756 661 662										
Accumulated depreciation																			
Accumulated depreciation as of 1/1/2022	17 873 155	185 164 578	9 983 268	32 186 728	23 217 038	85 840 020	23 832 561	1 322 439	379 419 787										
Depreciation of the year	1 992 029	28 122 376	5 607 059	12 955 299	1 005 667	2 667 299	1 899 394	65 461	54 314 584										
Disposals accumulated depreciation	-	-	-	-	-	(15 876)	-	-	(15 876)										
Accumulated depreciation as of 31/12/2022	19 865 184	213 286 954	15 590 327	45 142 027	24 222 705	88 491 443	25 731 955	1 387 900	433 718 495										
Net book value as of 31/12/2022	136 537 152	122 293 048	20 243 828	22 619 925	6 754 698	9 491 081	4 785 230	218 205	322 943 167										

Depreciation charged to the following items

	2022	2021
Cost of revenue (Note 28)	EGP 39 731 185	EGP 29 257 708
General and administrative expenses (Note 31)	14 583 399	11 922 414
Total depreciation of assets	54 314 584	41 180 122

E-finance for Digital and Financial Investments Company S.A.E
Notes To the Consolidated Financial Statements for the financial year ended December 31, 2022

-5 Fixed Assets

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

E finance for Digital and Financial Investments Company (S.A.E)
 Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

6 Intangible assets

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Cost		
The year beginning cost	27 445 439	368 036
Transferred from fixed assets (Note 5)	--	4 331 864
Transferred from Project under constructions	8 254 613	--
Additions during the year	40 728 182	22 745 539
Cost at end of the year	<u>76 428 234</u>	<u>27 445 439</u>
Deduct:		
Beginning accumulated amortization at the year	6 588 686	350 515
Transferred from fixed assets	--	2 795 941
Amortization for the year	9 214 145	3 44 2230
Accumulated amortization at end of the year	<u>15 802 831</u>	<u>6 588 686</u>
Net Book Value at end of the year	<u>60 625 403</u>	<u>20 856 753</u>

Amortization is charged within the following items:

	2022 <u>L.E</u>	2021 <u>L.E</u>
Cost of revenue (Note 28)	5 219 096	2 821 378
General and Administrative Expenses (Note 31)	3 995 049	620 852
	<u>9 214 145</u>	<u>3 442 230</u>

7 Projects under Construction

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Computers and software	20 090 831	16 811 055
Points of sale devices	3 057 698	--
Building	120 366 338	115 125 000
Total projects under constructions at the end of the year	<u>143 514 867</u>	<u>131 936 055</u>

8 - **Financial investments at fair value:**

8-1 Equity Investments at fair value through OCI

	%	Investment Value	
		December 31, 2022	December 31, 2021
		L.E	L.E
Egyptian Company for the Governmental Technological Services ESERVE (S.A.E) *	%10.2	18 000 000	18 000 000
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E)**	%9.99	33 599 000	33 599 000
Delta Egypt Payments Company (S.A.E) ***	%10	1 500 000	1 500 000
The International Company for Consulting and Information Systems (ACIS) ****	%10	83 752 000	83 752 000
Other investments*****		451 008	451 008
		140 202 008	137 302 008

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

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

*** Investments are the value of the contribution of 10% in the Egypt Delta Payments Company (SAE), and the payment represents 50% of the issued capital of the company, which was Registered in the Commercial Registry under No. 8573 on February 21, 2019 during 2022 the amount of 500 000 was paid, so the paid up capital amounted to 100%.

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

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

8-2- Investment in fair value through Profit or Loss

	December 31, 2022	December 31, 2021
	L.E	L.E
Nclude Fund for fintech innovation	<u>57 786 600</u>	<u>-</u>

* This investment is the value of the Contribution in the Nclude FinTech Innovation Fund (Limited Partnership), which was established on March 13, 2022, under the regulations of the Financial Services Regulatory Authority of the Abu Dhabi Global Market. "Nclude," is investing in fintech and fintech-enabled start-ups in Egypt and beyond. The investment period is 5 years, and the life of the fund is 10 years. The company's investment in the fund is 10 million US dollars which representing 9.56% of the investment value "the second stage", 3 million US dollars have been paid, equivalent to 57 786 600 Egyptian pounds, and the rest will be paid over a period of four years starting 12 months after the payment. The first payment is in quarterly installments, and the fund manager has the right to request exceptional payments during the investment period of the fund, net proceeds available for distribution (whether Investment Proceeds or income from Short-Term Investments) will be allocated among the the partners in proportion to their capital contributions after 90 days of their realization in relation to the investment proceeds as follows: (a) one hundred percent (100%) to the Limited Partners until each Limited Partner has received a cumulative amount equal to such Limited Partner's Capital Contributions (the "Return Amount"); and (b) thereafter, eighty percent (80%) to the Limited Partners and twenty percent (20%) to the General Partner.

9 Financial Investment at amortized cost

Treasury bills in the financial position represent as the following:

Purchasing value L.E	Purchasing date	Due date	Return Percentage %	Duration	Return L.E	Current Value L.E	Face Value L.E
199 999 866	29/11/2022	30/05/2023	18.40	182	2 446 685	202 446 551	218 350 000
60 569 070	04/01/2022	03/01/2023	13.13	364	6 286 642	66 855 712	68 500 000
91 630 000	30/11/2022	30/05/2023	18.42	181	1 116 000	92 746 000	100 000 000
618 954 000	04/01/2022	03/01/2023	13.13	364	64 302 430	683 256 430	700 000 000
721 357 500	18/10/2022	17/01/2023	15.93	91	18 633 363	739 990 863	750 000 000
495 337 300	18/10/2022	17/01/2023	15.92	91	12 791 559	508 125 859	515 000 000
61 658 880	19/10/2022	17/01/2023	15.40	90	1 539 937	63 198 817	64 000 000
<u>2 249 506 616</u>					<u>107 116 616</u>	<u>2 356 623 232</u>	<u>2 415 850 000</u>

10 Equity accounted investees (associates)

	Percentage	Investment Value	
		December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Technological Operation for Tax Solutions (e Tax)*	35%	34 999 975	34 999 975
Group's share of Retained earnings		1 847 127	-
Group's share of Year Results		27 952 411	1 847 127
		64 799 513	36 847 102
E Health (Technological Operation for Health Insurance Services)**	35%	34 999 975	13 999 990
Company's share of Year results		(8 071 610)	--
		26 928 365	13 999 990
E-Comm Africa	30.9%	5 000 000	--
		5 000 000	--
		96 727 878	50 847 092

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

The Group's share in retained earning at the date of the financial position amounted to 29 799 538 Pounds.

** The investment in associate companies amounted to 1 399 999 shares in E Health (Technological Operation for Health Insurance Services) representing 35% of the issued capital, which was established on September 13, 2021 with an issued capital 400 million pounds and paid up capital of 40 million Egyptian pounds with par value 100 Pounds paid at 25%.

The Group's share in retained loss at the date of the financial position amounted to (8 071 610)Pounds.

*** The value of the investment represents the group's share of 5 million shares in the African e-commerce platform company E COMM, and the payer represents 100% of the group's share in the issued capital, with 4.9 million shares for the technology company for Ecommerce Operation E-Aswaaq Misr, and 100 thousand shares for the benefit of a technological operation for financial institution E-Finance company, which was established on April 10, 2022, with an issued and paid-in capital of 10 million pounds, with a nominal value of 1 pound per share.

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Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

11 Tax:

11-1 Income tax

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Current Income Tax Expenses	(314 180 227)	(228 010 940)
Dividends tax from Equity investment at FVTOCI	(3 117 596)	(295 601)
Treasury Bills Tax	(51 588 862)	(2 881 338)
Deferred tax (income)	(26 162 531)	8 896 157
Deferred Tax at Profit and Loss	<u>(395 049 216)</u>	<u>(222 291 722)</u>
Deferred income tax at other comprehensive income	<u>2 329 121</u>	<u>1 749 709</u>

11-2 Deferred tax

A) Recognized deferred tax assets

	December 31, 2022		December 31, 2021	
	Assets	Liabilities	Assets	Liabilities
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Depreciation of fixed assets	-	19 362 385	-	13 725 468
Obligations of the employee benefits	46 532 427	-	37 375 053	-
Tax Losses	11 457 460	-	8 875 488	-
Dividends Income	--	34 297 778	-	-
Unrealized foreign currency exchange	76 170	-	372 473	-
	<u>58 066 057</u>	<u>53 660 163</u>	<u>46 623 014</u>	<u>13 725 468</u>
Net deferred tax assets	<u>4 405 894</u>	<u>-</u>	<u>32 897 546</u>	<u>-</u>
Deducts: the previously charged deferred tax assets	(32 897 546)	-	(25 751 098)	-
Add: the deferred tax assets charged to the statement of other comprehensive income	2 329 121	-	1 749 709	-
Deferred taxes for the year as income (Expense)	<u>(26 162 531)</u>	<u>-</u>	<u>8 896 157</u>	<u>-</u>

B) Unrecognized deferred tax assets

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Impairment loss on trade receivable and other receivables	11 510 600	6 763 954
	<u>11 510 600</u>	<u>6 763 954</u>

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

11-3 Adjustment of the effective tax rate

	2022 <u>L.E</u>		2021 <u>L.E</u>
Net Profit Before Tax	1 204 780 843		742 075 793
Tax Income Based on Tax rate	22.5% 271 075 690	22.5%	166 967 053
Expenses that are not deductible and others	210 869 068		304 019 056
Untaxable revenue	(19 293 347)		(32 712 893)
The tax base	1 396 356 564		1 013 381 956
Current income & Deferred tax	32.8% 395 049 216	29.9%	222 291 722

11-4 Income Tax payable

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accrued Income Tax at beginning of the year	181 109 076	84 953 903
Formed during the year	314 180 227	228 010 940
Income tax paid	(226 556 009)	(110 567 910)
Withholding tax-debit	(47 532 828)	(21 287 857)
	<u>221 200 466</u>	<u>181 109 076</u>

11-5 Tax position

E-finance for Digital and Financial investments

A) corporate tax

- The company is subjected to a tax exemption until December 31, 2017, and the company was subject to tax according to the letter of the General Authority for Investment and Free Zones, starting from January 1, 2018.
- The company submits the tax return on the corporate profits tax on the legal dates.
- The tax examination of the company was carried out and the dispute was ended for the years 2005/2007, and the company paid all the tax differences.
- The company's tax examination for the years 2008/2009 was re-examined and the examination and dispute was ended,
- The company has been tax examined for the years from 2016 / 2020 and official forms are in process to be issued.
- The company regularly submits the tax returns on their time.

B) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- The company's tax inspection and assessment were carried out from the beginning of the activity until 2018, and all dues were paid.
- The Years 2019/2020 are in examination process.
- The company has not been tax examined for the years from 2021 until now.

C) Sales tax and value added tax

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

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 years from 2016 till 2018 has been examined, and official forms are in process to be issued.

F) Withholding taxes

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

Khales for Digital Payment Services Company

a) Corporate tax

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

B) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- the company regularly submits monthly and quarterly return
- The company has not been tax examined until now.

C) Value added tax

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

D) Stamp tax

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

Smart Card Operation Technology Company ECARDS

a) Corporate tax

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

b) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- the company regularly submits monthly and quarterly return
- The company has not been tax examined until now.

c) Value added tax

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

d) Stamp tax

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

The Technology Company for Ecommerce Operations E-ASWAQ MISR

a) Corporate tax

- The Technology Company for Ecommerce Operations E-ASWAQ MISR was established on July 1, 2020,
- the company submit the tax return on its legal dates.
- The company has not been tax examined until now.

b) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- the company regularly submits monthly and quarterly return
- The company has not been tax examined until now.

c) Value added tax

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

d) Stamp tax

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

E-nable Outsourcing Services Company

a) Corporate tax

- Company was established on December 29, 2020.
- the company submit the tax return on its legal dates.
- The company has not been tax examined until now.

b) Payroll tax

- The company pays the tax on the legal dates and provides tax settlements in accordance with the provisions of the law.
- the company regularly submits monthly and quarterly return
- The company has not been tax examined until now.

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c) Value added tax

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

d) Stamp tax

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

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

a) Corporate tax

- Technological Operation for Financial Institution E-finance Company was established on December 30, 2020,
- the company submit the tax return on its legal dates.
- The company has not been tax examined until now.

b) Payroll tax

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

c) Value added tax

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

d) Stamp tax

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

Technological Operation for Tax solutions (e tax)

a) Corporate tax

- Company was established on February 1, 2021.
- The company has not been tax examined yet.

b) Value added tax

- The company's records have not been inspected yet.
- The company is registered in value-added tax on 28 March 2022.
- the company submits the tax return on its legal dates.

c) Stamp tax

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

Technological Operation For Health Insurance Services (E Health)

a) Corporate tax

- Technological Operation for Health Insurance Services (e tax) Company was established on September 13th, 2021, and the company has not been inspected yet.

E finance for Digital and Financial Investments Company (S.A.E)
Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

12 Inventory

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Cards, Cards centre supplies	22 037 201	15 033 085
Spare parts	3 715 647	3 096 140
Point of sale devices	9 757 235	7 556 687
Stationary	225 506	204 190
ATMs	1 590 471	2 673 335
Others	4 179 144	2 644 317
	<u>41 505 204</u>	<u>31 207 754</u>

13 Work in progress

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Work in progress for the Government sector	22 576 438	23 832 938
Work in progress for private sector	6 649 171	310 700
	<u>29 225 609</u>	<u>24 143 638</u>

14 Trade and other receivables

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accounts receivable *	1 026 209 116	585 545 175
Impairment in Accounts receivable	(43 643 036)	(22 546 831)
	<u>982 566 080</u>	<u>562 998 344</u>
<u>Other Debit Balances</u>		
Prepaid expenses	65 766 852	23 622 122
Suppliers -Advance payment	56 991 481	14 370 779
Accrued revenue and accrued interest *	400 556 611	610 767 368
Deposits with others	9 508 901	8 981 237
Deposits with others - Work Retention	57 976 127	41 199 069
Income Tax	8 758 797	9 466 207
Value-added tax	17 009 875	40 377 606
Letter of guarantee margin	3 176 294	3 095 309
Withholding tax	11 058 693	3 854 523
Prepaid employees' benefits	2 718 298	2 718 298
Notes Receivable	--	32 072 567
Other debit balances (Employee Share Option Plan)	37 638 063	--
Other debit balances	6 989 624	8 440 782
Impairment in other debit balances	(7 515 190)	(7 515 190)
Total other debit balances	<u>670 634 426</u>	<u>791 450 677</u>
Total account receivable and debit balances	<u>1 653 200 506</u>	<u>1 354 449 021</u>

* **The Accounts Receivables, Accrued revenue and accrued interest balances for the Group as of December 31, 2022 are Formed as follows:**

	<u>Technological operations for financial institutions company (E-Finance)</u>	<u>Smart Cards Operation Technology Company (E CARDS)</u>	<u>Others</u>	<u>Total</u>
Accounts receivable	677 424 952	336 854 639	11 929 525	1 026 209 116
Accrued revenue and accrued interest	270 830 717	92 438 295	37 287 599	400 556 611
Total	<u>948 255 669</u>	<u>429 292 934</u>	<u>49 217 124</u>	<u>1 426 765 727</u>

* E Cards company settled and collected about to 69 Million EGP in the subsequent period, and the company didn't prepare the ECL study for the remaining not collected balances This is due to the quality of these debts, especially since they are related to national projects, and there are assurances that they will be collected in the subsequent period.

15 Paid in Advance employees' benefits

According to the decision of the Board of Directors held on February 25, 2020, the proposal submitted by the Personnel Affairs Department regarding adding a car benefit for the senior management and the managing director was approved instead of the monthly transportation allowance, after submitting the proposal to the Financial Benefits Committee, compensation and rewards.

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Beginning balance	9 532 015	12 861 551
Additions of the year	--	886 802
Disposal of the year	--	(1 242 027)
Amortization of the year	(2 718 298)	(2 974 311)
Net balance	<u>6 813 717</u>	<u>9 532 015</u>
<u>Distributes as follows: -</u>		
Prepaid employee benefits-short term (Note 14)	2 718 298	2 718 298
Prepaid employee benefits – Long term	4 095 419	6 813 717
Total balance	<u>6 813 717</u>	<u>9 532 015</u>

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

	2022 <u>L.E</u>	2021 <u>L.E</u>
Cost of revenues (Note 28)	2 127 405	2 392 185
General and administrative expenses (Note 31)	590 893	582 126
Total	<u>2 718 298</u>	<u>2 974 311</u>

16 Cash and cash Equivalent

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Banks – Saving Accounts	284 149 617	2 262 143 374
Banks - time deposits	83 776 719	32 543 126
Investment funds*	509 786 964	72 383 638
Cash on hand	66 831	30 144
Balance of cash and cash equivalents	<u>877 780 131</u>	<u>2 367 100 282</u>

*** Investment Funds**

	December 31,	December 31,
	2022	2021
	<u>L.E</u>	<u>L.E</u>
Themar Fund, QNB	6 714 722	24 161 102
30/15 Fund	21 749 919	--
Diamond Fund – AAIB	473 900 214	--
SEYOLA fund	7 308 409	48 117 917
Youm by youm Account - Bank Misr	113 700	104 619
	<u>509 786 964</u>	<u>72 383 638</u>

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

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Cash and Its equivalents	877 780 131	2 367 100 282
<u>Deduct:</u>		
Mortgaged cash investment fund against letters of guarantee in favor of others	(5 537 021)	(5 537 021)
Cash and cash equivalents for the purpose of preparing the cash flow statement	<u>872 243 110</u>	<u>2 361 563 261</u>

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.

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- The extraordinary general assembly held on March 24, 2016 decided to transfer an amount of 50 million Egyptian pounds (fifty million Egyptian pounds) from the general reserve to increase the issued and paid-up capital of the company to become the issued and paid-up capital after the increase is 225 million Egyptian pounds (two hundred twenty five million Egyptian pounds) Distributed in the same proportions of shareholder ownership and this was entered in the Commercial Registry on August 1, 2016.
- The extraordinary general assembly convened on November 20, 2016 decided to increase the issued capital of the company by an amount of 22.5 million Egyptian pounds (twenty-two million five hundred thousand Egyptian pounds) to make the issued capital after the increase 247.5 million Egyptian pounds (two hundred forty-seven million five hundred thousand Egyptian pounds) And the payment of it is 236.25 million Egyptian pounds (two hundred thirty-six thousand and two fifty thousand Egyptian pounds) with the reduction of ownership percentages for shareholders after the entry of a new shareholder, the Egyptian Company for Investment Projects, by 9.09%, and this was indicated in the commercial register on December 29, 2016.
- The extraordinary general assembly held on March 21, 2018 decided to increase the issued capital of the company by an amount of 103 million Egyptian pounds (one hundred and three million Egyptian pounds) transferred from reserves and retained earnings, so that the issued capital after the increase becomes 350.5 million Egyptian pounds (three hundred fifty million five hundred thousand Egyptian pounds) paid in full distributed in the same proportions of shareholder ownership.
- The minutes of the Board of Directors held on November 13, 2018 decided to increase the issued capital of the company by an amount of 149.5 million Egyptian pounds (one hundred forty-nine million five hundred thousand Egyptian pounds) so that the issued capital after the increase becomes 500 million Egyptian pounds (five hundred million Egyptian pounds) paid in full distributed in the same Shareholders ownership percentages and this was entered in the Commercial Registry on December 19, 2018.
- The Extraordinary General Assembly held on September 23, 2019 decided to increase the issued capital by an amount of 300 million Egyptian pounds, to make the issued capital 800 million Egyptian pounds (eight hundred million Egyptian pounds) paid in full, and the entry was made in the company's commercial register on December 15, 2019.
- The extraordinary general assembly convened on September 23, 2019 decided to amend the par value of the share to 0.5 Egyptian pounds (fifty piasters) instead of 100 Egyptian pounds (one hundred Egyptian pounds) so that the issued capital becomes 800 million Egyptian pounds (eight hundred million Egyptian pounds) distributed on 1.6 billion shares.
- The Board of Directors, held on October 31, 2021, decided to increase the issued capital by issuing a number of 177 777 778 shares, with a nominal value of fifty piasters per share, and a total value of 88 888 889 Egyptian pounds, bringing the issued and paid-up capital to 888 888 889 Egyptian pounds.
- The extraordinary general assembly convened on September 15, 2021 decided to increase the issued capital with 4% issuing 71 111 111 shares with a face value of 0.5 EGP, with a total value 35 555 556 exclusively for ESOP, and delegated the board of directors to take the suitable procedures, the board of directors, held on of Jan 31st, 2022 to approve the capital increase. and the entry was made in the company's commercial register on March 17, 2022.
- The Egyptian Saudi for investment company acquired 25% of the company share (Purchased from national investment bank).

18 Share premium

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

. An amount of EGP 389 153 914 was transferred to the legal reserve so that the share premium balance on June 30, 2022 amounted to EGP 1 956 462 107.

19 Treasury shares

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

- On September 29th, 2022 a quantity of 99 682 shares at average price 13.49 EGP with a total amount of 1 345 051 EGP.
- On October 2nd, 2022 a quantity of 250 000 shares at average price 13.84 EGP with a total amount of 3 460 629 EGP.
- On October 12th, 2022 a quantity of 17 085 shares at average price 13.48 EGP with a total amount of 230 324 EGP.

The total treasury shares as of December 31st 2022, amounted 5 036 004 EGP.

20 Reserves

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Legal Reserve *	548 111 757	55 290 529
General Reserve **	20 000 000	20 000 000
Reserve resulted from the spin-off***	69 713 889	69 713 889
Other Reserves****	17 054 404	9 192 764
	<u>654 880 050</u>	<u>154 197 182</u>

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

** According to Article (54) of the company's articles of association, an extraordinary reserve is formed based on the proposal of the company's board of directors, provided that it is approved by the general assembly.
 According to general assembly meeting held on 19 March 2019 an amount of general reserve of 20 million was formed.

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

**** The reserve represents the actuarial Gain/loss included other comprehensive Income

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21 Credit Facilities

<u>Bank</u>	<u>Authorized facility limit</u>	<u>Used</u>	<u>LGs & LCs</u>	<u>Nature of facility</u>
	<u>L.E or Its equivalents of Foreign Currency</u>	<u>L.E or Its equivalents of Foreign Currency</u>	<u>L.E or Its equivalents of Foreign Currency</u>	
QNB	50 000 000	31 784 252	--	Existing debt limit
QNB	81 500 000	--	--	Limit to issuing letters of credit
QNB	50 000 000	--	--	Limit to issuing letters of guarantee
Banque Misr	100 000 000	--	226 574	Limit to issuing local letters of guarantee
Banque Misr	50 000 000	--	--	Import letters of credits
Banque Misr	80 000 000	--	--	Existing debt limit
QNB	50 000 000	--	--	Existing debt limit
Egyptian National Bank	75 000 000	--	--	Existing debt limit
Egyptian National Bank	75 000 000	--	--	Limit to issuing local letters of guarantee
Egyptian Bank for Imports Development	100 000 000	--	--	Existing debt limit
QNB	200 000 000	--	98 573 418	Limit to issuing local letters of guarantee
The United National Bank	150 000 000	--	--	Existing debt limit
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 debit limit
Arabian African Bank	50 000 000	48 605 892	--	Existing debit limit
United National Bank	500 000 000	--	107 486 547	Existing debt limit for multiple purpose*
Faisal Islamic Bank	80 000 000	26 958 839	--	Limit for purchasing of goods and production requirement
	1 792 000 000	107 348 983	206 286 539	

22 Provisions

	<u>Balance as of 1 January 2022</u>	<u>Formed during the year</u>	<u>No longer required</u>	<u>Used during the year</u>	<u>Balance as of December 31, 2022</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Provision for contingent claims	--	--	--	--	-
	--	--	--	--	-
	<u>Balance as of 1 January 2021</u>	<u>Formed during the year</u>	<u>No longer required</u>	<u>Used during the year</u>	<u>Balance as of December 31, 2021</u>
	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>	<u>L.E</u>
Provision for contingent claims	10 000 000	--	(10 000 000)	--	--
	10 000 000	--	(10 000 000)	--	--

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

23 Trade and other payables

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Accounts payable	369 501 437	191 763 468
	<u>369 501 437</u>	<u>191 763 468</u>
Other credit balance		
Accrued expenses	81 887 672	56 721 911
Payroll tax	6 549 033	4 152 685
Value Added Tax (VAT)	34 327 499	41 457 108
Advance payment from Customers	130 987 800	220 557 532
Withholding tax	8 118 535	6 940 326
Retention payable	696 477	654 776
Deferred Revenue	42 474 337	--
Employee Benefits – E-Tax	--	6 753 378
Other Credit balances	34 209 776	22 070 725
Total credit balances	<u>339 251 129</u>	<u>359 308 441</u>
Total payable and other credit balances	<u>708 752 566</u>	<u>551 071 909</u>

24 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.

24-1 Movement in the present value of the employee benefits obligations - (end of service benefits)

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Liability at beginning of the year	159 357 968	147 741 572
Interest Cost	23 106 905	19 552 322
Current service cost	59 849 135	11 535 548
Actuarial (gain) on the liability recognized in other comprehensive income	(10 351 660)	(7 776 483)
Transferred to Associate	(133 048)	(6 753 378)
Paid during the year	<u>(25 018 515)</u>	<u>(4 941 613)</u>
Liabilities at end of the year	<u>206 810 785</u>	<u>159 357 968</u>

24 -2 The most important actuarial assumptions used in calculating the liability according to the actuarial expert's study

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
Discount rate	15.50%	14.5%
Gross salary rate	10.50%	10%
Death rate	0.132%	0.105%

24-3 Quantitative sensitivity analysis and its effect on the benefit obligation, as follows

Assumptions

	Sensitivity analysis			
	December 31, 2022		December 31, 2021	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
	0.5%	0.5%	0.5%	0.5%
Discount rate	198 867 917	214 753 653	151 581 485	167 134 451
Current salary rate	214 753 653	198 867 917	167 134 451	151 581 485
	1%	1%	1%	1%
Death rate	213 949 160	199 672 410	164 875 499	153 840 437

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

24-4 Demographic Data

	<u>2022</u>	<u>2021</u>
Number of employees involved	892	735
average age (year)	35.26	35.26
Average Monthly Salary (EGP)	32 364	23 129
Average service life (year)	4.19	4.23

25 Lease contracts

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

Following the contracts, the company has leased:-

25-1 Right of use assets

	December 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Beginning balance of the year	116 773 422	107 381 762
Additions during year	39 500 015	68 204 242
Disposals during year	(52 791 540)	(58 812 582)
Ending Balance of the year	<u>103 481 897</u>	<u>116 773 422</u>
Accumulated Amortization Beginning balance	28 591 496	14 829 474
Amortization of the year	34 105 720	29 398 456
Disposals – Accumulated amortization	(15 617 723)	(15 636 434)
Accumulated amortization Balance at the end of year	<u>47 079 493</u>	<u>28 591 496</u>
Net Right of use	<u>56 402 404</u>	<u>88 181 926</u>

The amounts recognized in the consolidated statement of profit or loss

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Cost of Revenue (Note 28)	16 227 357	6 347 745
General and Administrative expenses (Note 31)	17 878 363	23 050 711
Total	<u>34 105 720</u>	<u>29 398 456</u>

25-2 Lease Liability

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

	December 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Beginning balance of the year	93 968 352	95 886 520
Additions during the year	39 500 015	68 204 242
Disposals during the year	(39 794 631)	(45 969 139)
Finance Cost	6 508 860	10 695 841
Lease payment	(40 323 607)	(34 849 112)
Balance at the end of the year	<u>59 858 989</u>	<u>93 968 352</u>
They are divided as follows: -		
Contract lease liability – non-current liability	27 783 650	59 936 190
Contract lease liability- current liability	32 075 339	34 032 162
Balance at the end of the year	<u>59 858 989</u>	<u>93 968 352</u>

**E finance for Digital and Financial Investments Company (S.A.E)
Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022**

26 Non-Controlling interest

	E- Finance	E-Cards	Khates	E-Aswaq	E-nable	Total
Balance on January 1, 2021	42 463	30 593 880	17 072 917	13 164 104	1 004	60 874 368
The share of non-controlling interests in comprehensive income for the year	43 331	6 227 204	2 271 072	(8 374 662)	8	166 953
The share of non-controlling interest in dividends	(22 538)	--	--	--	--	(22 538)
Balance on January 1, 2022	63 256	23 300 121	32 864 952	4 789 442	1 012	61 018 783
The share of non-controlling interests in comprehensive income for the year	62 555	(4 702 311)	2 323 040	8 284 661	174	5 968 119
The share of non-controlling interest in dividends	(42 988)	(7 424 744)	(2 683 077)	-	-	(10 150 809)
Total non-controlling interests as at December 31, 2022	82 823	11 173 066	32 504 915	13 074 103	1 186	56 836 093

E finance for Digital and Financial Investments Company (S.A.E)
Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

27 Revenues:

	2022	2021
	<u>L.E</u>	<u>L.E</u>
services and operations of cards revenue	941 743 011	734 971 058
Integrated solutions revenue	258 238 648	223 042 658
Hosting services revenue	770 708 011	358 933 917
Installations and technical support revenue	341 012 634	79 068 075
Maintenance and network contracts revenue	242 534 975	397 531 061
Cards Center Revenue	45 261 541	139 951 154
Other revenue	44 478 387	29 849 201
	<u>2 643 977 207</u>	<u>1 963 345 124</u>

28 Cost of sales

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Salaries and Wages and employee benefit	525 204 922	390 507 479
Technical advice and support	254 503 601	136 422 817
Programs license & communications	169 472 535	162 598 055
Cost of goods sold	114 565 125	227 444 758
Depreciation of fixed assets (Note 5)	39 731 185	29 257 708
Amortization of ROU asset (Note 25-1)	16 227 357	6 347 745
Card Center	122 275 757	71 403 452
Rent	15 369 609	755 716
Employee benefits (cars) (note 15)	2 127 405	2 392 185
Amortization of intangible assets (Note 6)	5 219 096	2 821 378
Other Costs	14 154 826	10 504 028
	<u>1 278 851 418</u>	<u>1 040 455 321</u>

E finance for Digital and Financial Investments Company (S.A.E)
Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

29 Other Revenues:

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Capital Gain (loss)	35 200	(1 718 368)
Revenue of leased contract termination	2 620 815	2 792 990
Other revenue	10 807 504	18 252 055
	13 463 519	19 326 677

30 Dividend income from equity investments at FVTOCI

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Egypt State Technology Services Company ESERVE	4 946 057	2 956 009
The Egyptian Company for Electronic Commerce Technology MTS (S.A.E)	25 535 240	--
International company for consultation and information systems (ACIS)	1 144 301	864 798
	31 625 598	3 820 807

31 General and Administrative Expenses

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Wages and Salaries and employee benefit	98 387 004	73 224 992
Amortization of ROU asset (Note 25-1)	17 878 363	23 050 711
Stamps and deductions	20 625 906	13 385 368
Fixed Assets Depreciation (Note 5)	14 583 399	11 922 414
Consulting and legal fees	21 029 304	27 724 619
Comprehensive social insurance	8 347 005	5 494 473
Donations	7 514 001	3 020 076
Rent	3 831 227	3 868 922
Maintenance Expenses	10 355 431	4 494 234
Employee benefits (cars) (Note 15)	590 893	582 126
Amortization of intangible assets (Note 6)	3 995 049	620 852
Cleaning and Hospitality	8 768 784	6 455 258
Other expenses	36 383 117	24 498 746
	252 289 483	198 342 791

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32 Selling and Marketing Expenses

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Exhibitions	31 481 564	20 029 230
Public Relations	3 868 269	4 985 765
Advertisements	30 468 876	7 000 038
Other Marketing Expenses	17 431 330	10 924 475
	<u>83 250 039</u>	<u>42 939 508</u>

33 Other Expenses

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Attendance, remuneration and allowances for members of the Board of Directors	10 984 260	6 325 820
	<u>10 984 260</u>	<u>6 325 820</u>

34 Finance Cost

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Realized Foreign exchange	32 658 739	256 469
Debit interest expense and bank charges	9 079 060	3 295 542
Finance cost-lease contracts (note 25-2)	6 508 860	10 695 841
	<u>48 246 659</u>	<u>14 247 852</u>

35 Finance income

	2022	2021
	<u>L.E</u>	<u>L.E</u>
Foreign exchange Translation gain	29 321	981 852
Revenues from Investment in financial investment funds	19 293 347	26 476 326
Revenue from Financial investments at amortized cost	257 944 311	-
Bank interest on current accounts	39 216 611	42 372 251
Bank interest on time deposits	18 779 297	176 515
	<u>335 262 887</u>	<u>70 006 944</u>

**E finance for Digital and Financial Investments Company (S.A.E)
Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022**

36 Related parties

36-1 Due from related party

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

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

	Relations Nature	Transaction Nature	Volume of Transactions during the year	Balance	
				December 31, 2022 L.E	December 31, 2021 L.E
35-1 Due from Related Parties:					
E Tax (Technological Operation for Tax Solutions)	Associate	Services	9 176 044	9 922 399	746 355
E Health (Technological Operation for Health Insurance Services)	Associate	Payment on behalf	5 580 792	8 554 870	2 974 078
				18 477 269	3 720 433

36-2 Payment to top management:

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

	December 31, 2022 L.E	December 31, 2021 L.E
Salaries and Benefits	157 908 547	97 474 520
Board of directors' allowance	10 984 260	6 325 820
	168 892 807	103 800 340

37 Segment reporting

The company has (7) sectors that can be disclosed as shown below, which are the strategic business units of the company. Strategic business units offer different products and services, and they are managed separately because they require different strategies. For each of the strategic business units, the Company's senior management reviews internal management reports on at least a quarterly basis.

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

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

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

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

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Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

Segment Reporting

The financial year ended on 31 December 2022	services and operation of cards		Integrated Solutions		Hosting Services		Networks and Maintenance Contracts		Installations and Technical Support Services		Card centre services		Others		Total	
	L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E	
Revenues	941 743 011		258 238 648		770 708 011		242 534 975		341 012 634		45 261 541		44 478 387		2 643 977 207	
Depreciation	(10 915 532)		(1 218 409)		(16 846 409)		(7 054 115)		(2 437 018)		(12 872 717)		(9833 438)		(61 177 638)	
Salaries and wages and employees' benefits	(187 254 020)		(26 539 154)		(77 663 568)		(14 289 159)		(93 292 727)		(9 120 943)		(117 044 351)		(525 204 922)	
Other Cost	(283 459 749)		(70 723 362)		(88 471 118)		(95 386 207)		(20 436 895)		(71 888 942)		(62 102 585)		(692 468 858)	
Gross profit / (loss)	460 113 710		159 757 723		587 726 916		125 805 494		224 844 994		(48 621 061)		(144 501 987)		1 365 125 789	
Gross Profit/(loss) percentage	49%		62%		76%		52%		66%		(107%)		(325%)		52%	
Other expense and other revenue	(139 907 671)		(27 915 936)		(59 819 447)		(29 925 894)		(24 879 673)		(40 622 748)		162 726 421		(160 344 946)	
Net Profit before tax	320 206 039		131 841 787		527 907 469		95 879 600		199 965 321		(89 243 809)		18 224 436		1 204 780 843	
Net profit %	34%		51%		68%		40%		59%		(197%)		41%		46%	

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Segment Reporting

The financial year ended on 31 December 2021	services and operation of cards		Integrated Solutions		Hosting Services		Networks and Maintenance Contracts		Installations and Technical Support Services		Card centre services		Others		Total	
	L.E		L.E		L.E		L.E		L.E		L.E		L.E		L.E	
Revenues	734 971 058		223 042 658		358 933 917		397 531 061		79 068 075		139 951 154		29 847 201		1 963 345 124	
Depreciation	(9 772 091)		(1 236 796)		(5 635 057)		(6 960 085)		(4 512 331)		(9 561 598)		(748 872)		(38 426 830)	
Salaries and wages and employees' benefits	(130 595 621)		(31 112 962)		(50 002 948)		(53 202 505)		(16 276 503)		(11 348 036)		(97 968 904)		(390 507 479)	
Other Cost	(200 427 557)		(12 039 479)		(85 050 839)		(162 364 697)		(29 239 123)		(82 305 126)		(40 094 191)		(611 521 012)	
Gross profit / (loss)	394 175 789		653 421		218 245 073		175 003 774		29 040 118		36 736 394		(108 964 766)		922 889 803	
Gross Profit/loss percentage	%54		%80		%61		44%		%37		%26		(365%)		%47	
Other expense and other revenue	(45 543 325)		(18 472 664)		(11 610 996)		(63 586 120)		(5 397 624)		(4 709 466)		(31 493 815)		(180 814 010)	
Net Profit before tax	348 632 464		160 180 757		206 634 077		111 417 654		23 642 494		32 026 928		(140 458 581)		742 075 793	
Net profit %	%47		%72		%58		28%		%30		%23		(471%)		%38	

38 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, employees loans , Treasury bill, investments through OCI, and due from related parties as well as from its financial activities, including balances with Banks.

Other financial assets and cash deposits

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

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

The maximum exposure to risk is limited to the balances shown in (Note 16)

Due from related parties

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

Trade and other receivables

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

E finance for Digital and Financial Investments Company (S.A.E)
Notes to The Consolidated Financial Statements for the financial year ended December 31, 2022

the service, the outstanding balances of customers are constantly monitored, and the company conducts a study of impairment in every financial year.

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

	December 31, 2022	December 31, 2021
	L.E	L.E
Trade and notes receivables and other debit balances	1 653 200 506	1 354 449 021
Due from related parties	18 477 269	3 720 433
Cash and Cash equivalents	877 780 131	2 367 100 282
Financial Investments at amortized cost	2 356 623 232	501 687 737
FVTOCI	140 202 008	137 302 008
Employees loans	55 581 185	-

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

The expected credit loss is assessed as follows:

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

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

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

Exposure to credit risk from the governmental sector:

L.E	Total Trade receivable	Allowance of expected credit losses
Due to 0-90 days.	505 480 232	--
Due to 91 to 180 days	307 563 289	761 341
Due to 181 to 270 days	91 082 768	367 360
Due to 271 to 365 days	27 235 468	1 567 332
Due to more than 365 days	66 016 549	35 195 770
Total	<u>997 378 306</u>	<u>37 891 803</u>

Exposure to credit risk from the private sector:

L.E	Total Trade receivable	Allowance of expected credit losses
Due to 0-90 days.	11 366 122	--
Due to 91 to 180 days	2 350 580	5 638
Due to 181 to 270 days	--	--
Due to 271 to 365 days	2 180 301	513 720
Due to more than 365 days	12 933 807	5 231 875
Total	28 830 810	5 751 233

B) Market risk

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

Exposure to interest rate risk

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

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

	December 31, 2022 <u>L.E</u>	December 31, 2021 <u>L.E</u>
<u>Floating interest rate financial instruments</u>		
Financial Assets	877 780 131	2 367 100 282
	877 780 131	2 367 100 282

Exposure to foreign exchange rate risk

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

	Exchange rate	December 31, 2022	December 31, 2021
<u>Foreign Currencies</u>		<u>Net Liabilities</u>	<u>Net Liabilities</u>
US Dollar	24.77	(4 402 139)	(3 314 313)
Euro	26.35	6 310	(77 079)

C) Liquidity risk

The company's management monitors the company's cash flows, financing and liquidity requirements of the company. The company's goal is to achieve a balance between continuity of financing and flexibility by obtaining loans from banks. The company manages liquidity risk by maintaining adequate reserves and by obtaining borrowing facilities, whereby the parent company maintains credit limits of 1.9 Billion Egyptian pound by continuously monitoring expected and actual cash flows and matching the maturity of assets and financial liabilities.

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

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

<u>December 31, 2022</u>	Net Book Value	Less than year	From 1 to 2	From 2 to 5
	<u>L.E</u>	<u>L.E</u>	years	years or more
			<u>L.E</u>	<u>L.E</u>
Suppliers and Other Credit Balances	708 752 566	708 752 566	--	--
Other Obligations	535 360 234	296 610 044	31 939 225	206 810 785
Lease liability	59 858 989	32 075 339	27 783 650	--
Total	1 303 971 789	1 037 437 949	59 772 875	206 810 785
<u>December 31, 2021</u>	Net Book Value	Less than year	From 1 to 2	From 2 to 5
	<u>L.E</u>	<u>L.E</u>	years	years or more
			<u>L.E</u>	<u>L.E</u>
Suppliers and Other Credit Balances	551 071 909	551 071 909	-	-
Other Obligations	455 347 067	181 109 076	114 880 023	159 357 968
Leased Liability	93 968 352	34 032 162	59 936 190	-
Total	1 100 387 328	766 213 147	174 816 213	159 357 968

39 Capital Management

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

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

	December 31, 2022	December 31, 2021
Total liability	1 303 971 789	1 100 387 328
Less cash & Equivalent	<u>(877 780 131)</u>	<u>(2 367 100 282)</u>
Net Liability	426 191 658	(1 266 712 954)
Total Equity	4 630 815 516	3 943 538 564
Net liability: total equity percentage	9.20%	(%32.12)

40 Contingent liabilities

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

	December 31, 2022	December 31, 2021
	<u>L.E</u>	<u>L.E</u>
Letters of Guarantee	206 286 539	210 707 740

41 Employees Share Option Plan

- The extraordinary general assembly of the company, held on December 23, 2019, agreed to add a new chapter to the company's articles of association, which is concerned with rewarding and motivating employees and managers.
- On December 15, 2021, the Extraordinary General Assembly decided to approve the employee stock ownership plan for the company's employees by promising to sell shares at decreased prices and granting free shares, with percentage 4% of the issued capital, and these shares are provided by increasing The capital from the retained earnings at the nominal value of the share is distributed as follows:-
 - 1) 1% of the shares allocated to the scheme under the system of promise to sell at reduced price (40% of the average share price through a period of three months).
 - 2) 3% of the shares allocated to the system are granted free of charge to the beneficiaries.
- The beneficiary of the plan must meet the plan requirements of the services period to be not less than one year before transferring the ownership of the shares to him/her, and his/her evaluation rate is not less than 90% on the annual performance evaluation reports prepared by the competent department of the

company. One of these conditions could be by passed or other extra conditions could be added to them, after obtaining the approval of the Financial Supervisory Authority, and provided that no owe of the beneficiaries has voted on a decision relevant to his/her benefit, and the company is committed to include it in its annual disclosure. The period of this plan is five years starting from the adoption of the plan by the Financial Supervisory Authority

- On September 8, 2022 the board of directors approved the decision of the ESOP committee decision activating the first 1% of shares dedicated to the ESOP, provided that 25% of the shares allocated to ESOP are activated at affordable prices.
- On January 16, 2022, Employees share option plan was approved by the Financial Regulatory Authority, and on January 25, the General Authority for Investment and Free Zones approved the system.
- On January 21, 2022, the company's board of directors convened to approve an increase in the company's capital by 4% related to the ESOP.
- On September 29,2022 the chairman was delegated to complete the remaining according to the financial performance
- The 25% represents 4 181 114 Shares, with a total value of 58 117 484 EGP, (after deducting the nominal value of shares) and according to the system the shares were sold for employees with a reduced value of 5.76 EGP, so the group bear on behalf of the employees 34 034 268 EGP Recognized on the group's P/L.
- On November 14th,2022 the remaining shares were activated with a total 13 596 664 Shares with a total value 188 993 630 EGP (after deducting the nominal value) , so the group bears on behalf of the employees 110 676 845 EGP which has been recognized in the consolidated statement of profit and loss.
- Employee loans for the ESOP as of December 31st, 2022 with a total amount of 93 219 248 EGP.

42 Earnings per share

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

	December 31, 2022	December 31, 2022
	<u>L.E</u>	<u>L.E</u>
Net profit for the year for the owner's of the company	803 924 407	519 784 071
BOD and employees share	(90 376 117)	(33 689 348)
Net Profit available for ordinary shares	713 548 290	486 094 723
Average number of shares outstanding during the period for basic earnings (share)	1 780 132 144	1 629 629 629
Basic share in earnings for the year (EGP/share)	0.40	0.32

43 Subsequent events

On January 5th,2023 the central bank of Egypt announced the implementation of floating exchange rates for foreign exchange.

Accordingly, the USD exchange rate raised from 24 EGP/USD to 30 EGP/USD at the end of January 2023.

And that will affect on the FX Loss at the end of financial year to Increase from 32 658 739 to 56 410 163 EGP (Loss).