

Fawry for Banking Technology and Electronic Payments (S.A.E.)
Condensed Consolidated Interim Financial Statements
For the nine months ended September 30, 2024
Together with the Limited Review Report



Saleh, Barsoum & Abdel Aziz

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*Translation of Review
Report Originally Issued in Arabic*

Limited review report on the condensed consolidated interim financial statements

**To: The Board of Directors of Fawry for Banking Technology and Electronic Payments
"S.A.E."**

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Fawry for Banking Technology and Electronic Payments S.A.E. which comprise the condensed consolidated interim statement of financial position as of September 30, 2024, and the related consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months' period then ended, Management is responsible for the preparation and fair presentation of the condensed consolidated interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly in all material respects the consolidated financial position of the entity as of September 30, 2024, and of its consolidated financial performance and its consolidated cash flows for the nine months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo: November 14, 2024.

Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510)
FRA Register No. "69"



Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed Consolidated interim statement of Financial Position
As of September 30, 2024

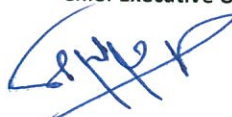
EGP	Note No.	September 30, 2024	December 31, 2023
Assets			
Non-current assets			
Fixed assets	(4)	1 317 894 057	873 824 906
Intangible assets	(5)	830 423 403	606 237 569
Projects under construction	(6)	199 163 080	74 861 241
Goodwill		32 771 437	32 771 437
Deferred tax assets		45 922 570	52 668 674
Loans and facilities to customers	(10)	544 543 877	231 244 380
Investments in associate and joint ventures	(7)	41 550 205	30 894 057
Investments at fair value through OCI		40 047 247	40 047 247
Investments at fair value through P&L	(8)	33 542 625	32 996 450
Total non-current assets		3 085 858 501	1 975 545 961
Current assets			
Inventory		4 642 219	8 415 536
Accounts and notes receivable	(9)	160 684 949	37 973 445
Loans and facilities to customers	(10)	1 706 134 450	920 552 076
Advances to billers		521 767 674	540 600 371
Debtors and other debit balances	(11)	543 618 439	370 125 711
Due from related parties	(12)	--	402 326
Investments at fair value through P&L	(8)	--	16 732 250
Treasury bills	(13)	2 259 049 932	2 342 600 551
Cash and cash at banks	(14)	3 157 173 611	2 758 635 418
Total current assets		8 353 071 274	6 996 037 684
Total assets		11 438 929 775	8 971 583 645
Equity and liabilities			
Equity			
Issued and paid-up capital		1 703 261 622	1 703 261 622
Legal reserve		92 581 238	62 039 050
Employee stock ownership shares		(31 429 709)	(43 170 059)
Reserve for employee stock ownership plan (ESOP)	(29)	113 460 670	198 552 525
Combination reserve		11 745 574	11 745 574
Revaluation reserve for Investments at fair value through OCI		(12 252 854)	(12 252 854)
Retained earnings		2 542 964 314	1 396 481 410
Total equity for the parent company		4 420 330 855	3 316 657 268
Non controlling interest		172 267 093	153 191 364
Total equity		4 592 597 948	3 469 848 632
Non-Current Liability			
Deferred tax liability		42 323 668	32 086 528
Long term loans		273 796 961	147 535 732
Lease Liabilities		157 177 846	110 917 370
Total Non-current liabilities		473 298 475	290 539 630
Current liabilities			
Provisions	(15)	90 843 977	59 762 705
Banks overdraft	(16)	252 097 589	158 290 410
Short term loans		705 890 522	363 478 866
Accounts and notes payable		138 685 076	110 156 483
Accounts and notes payable- billers		2 565 391 599	2 427 822 504
Merchants advances		1 672 286 639	1445 685 555
Retailer's POS security deposits		117 589 056	100 810 102
Creditors and other credit balances	(17)	495 294 811	325 187 742
Lease Liabilities		29 927 395	33 604 441
Current income tax		305 026 688	186 396 575
Total current liabilities		6 373 033 352	5 211 195 383
Total liabilities		6 846 331 827	5 501 735 013
Total equity and liabilities		11 438 929 775	8 971 583 645

The accompanying notes form an integral part of these Condensed Consolidated interim financial statements and to be read therewith.

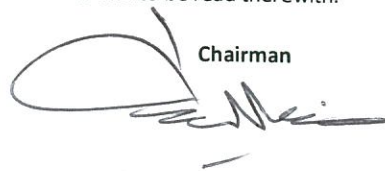
Chief Financial Officer



Chief Executive Officer



Chairman



Limited review report attached

Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed Consolidated interim Statement of Profit or Loss
For the Nine months period ended September 30, 2024

EGP	Note No.	Nine-months period ended		Three-months period ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Operating revenues	(19)	3 845 246 989	2 317 325 282	1 545 882 202	873 155 173
Less:					
Operating costs	(20)	(1 302 978 004)	(868 230 224)	(520 777 613)	(316 454 475)
Gross margin		2 542 268 985	1 449 095 058	1 025 104 589	556 700 698
Add (Less):					
General and administrative expenses	(21)	(748 894 480)	(533 000 090)	(260 620 469)	(189 727 709)
Selling and marketing expenses	(22)	(479 669 408)	(350 157 781)	(183 235 024)	(127 791 173)
Employee stock ownership plan expenses (ESOP)		(65 868 986)	(81 913 107)	(14 850 168)	(24 075 138)
Board of directors allowances		(8 218 913)	(5 764 400)	(3 268 513)	(1 729 400)
Social contribution for Health and insurance		(14 185 335)	(8 336 529)	(6 086 916)	(3 184 826)
Provisions formed		(32 127 193)	(13 687 087)	(15 423 596)	(4 649 781)
Impairment loss on customer loans	(10)	(78 104 608)	(27 096 342)	(29 043 392)	(10 008 427)
Expected credit loss		(3 148 251)	(5 710 266)	(1 307 449)	(4 314 621)
Revaluation gain of Investments at fair value through P&L		11 238 184	2 001 411	821 379	998 111
Credit interest	(23)	474 765 587	315 715 417	172 096 439	121 375 144
Finance costs		(39 748 104)	(28 982 661)	(15 042 541)	(10 147 711)
Foreign currency exchange gain		18 621 397	11 866 965	1 245 209	48 680
Gain on disposal of fixed assets		17 758 006	15 268 763	8 551 880	4 204 059
Other revenues		7 594 222	4 984 284	3 095 659	2 150 087
Operating Profit		1 602 281 103	744 283 635	682 037 087	309 847 993
Group's share in losses of investments in associates and joint ventures	(7)	2 156 147	(1 758 132)	2 692 116	(1 721 590)
Profit of the period before tax		1 604 437 250	742 525 503	684 729 203	308 126 403
Current income and deferred tax		(399 055 747)	(186 313 071)	(165 256 586)	(76 763 348)
Net profit for the period after tax		1205 381 503	556 212 432	519 472 617	231 363 055
Distributed as follows:					
Net profit for the parent company		1106 543 815	486 541 505	477 775 182	203 484 968
Net profit for the non controlling interest		98 837 688	69 670 927	41 697 435	27 878 087
Net profit for the period after tax		1205 381 503	556 212 432	519 472 617	231 363 055
Earnings per share for the period - basic (EGP/share)	(25)	0.33	0.15		
Earnings per share for the period - diluted (EGP/share)	(25)	0.33	0.15		

The accompanying notes form an integral part of these Condensed Consolidated interim financial statements and to be read therewith.

Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed Consolidated interim statement of comprehensive income
For the Nine months period ended September 30, 2024

<u>EGP</u>	<u>Nine-months period ended</u>		<u>Three-months period ended</u>	
	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Profit for the period	1 205 381 503	556 212 432	519 472 617	231 363 055
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	1 205 381 503	556 212 432	519 472 617	231 363 055
Distributed as follows:				
Comprehensive income for the parent company	1 106 543 815	486 541 505	477 775 182	203 484 968
Comprehensive income for the non controlling interest	98 837 688	69 670 927	41 697 435	27 878 087
Total comprehensive income for the period	1205 381 503	556 212 432	519 472 617	231 363 055

The accompanying notes form an integral part of these Condensed Consolidated interim financial statements and to be read therewith.

Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed Consolidated interim statement of changes in equity
For the Nine months period ended September 30, 2024

EGP	Issued and paid up capital	Legal reserve	Employee stock ownership plan	Reserve for employee stock ownership plan (ESOP)	Combination reserve	Compulsory reserve for EAS 47 Application Risk	Shares issuance expenses	Revaluation reserve for Investments at fair value through OCI statement	Retained earnings	Total equity of the parent	Non controlling interest	Total
Balance as of January 1, 2023	1 653 652 060	53 150 023	--	151 513 185	11 745 574	2 612 539	(5 818 102)	(13 795 000)	624 603 518	2 477 663 797	117 581 137	2 595 244 934
Comprehensive income items												
Net profit for the period	--	--	--	--	--	--	--	--	486 541 505	486 541 505	69 670 927	556 212 432
Total comprehensive income	--	--	--	--	--	--	--	--	486 541 505	486 541 505	69 670 927	556 212 432
The company's shareholders transactions												
Transferred to legal reserve	--	8 889 027	--	--	--	--	--	--	(8 889 027)	--	--	--
Reserve for employee stock ownership plan (ESOP) exercising for employee stock ownership plan (ESOP)	--	--	6 439 503	(69 330 072)	--	--	--	--	99 217 165	36 326 596	--	36 326 596
Formed for employee stock ownership plan	--	--	--	81 913 107	--	--	--	--	--	81 913 107	--	81 913 107
Transferred to share issuance expenses reserve from retained earnings	--	--	--	--	--	--	5 818 102	--	(5 818 102)	--	--	--
Dividend distribution of subsidiaries	--	--	--	--	--	--	--	--	(2 137 738)	(2 137 738)	(65 064 261)	(67 201 999)
Dividend distribution	--	--	--	--	--	--	--	--	(28 445 637)	(28 445 637)	--	(28 445 637)
Non-controlling interest share from dividends distributed in subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--
capital increase	49 609 562	--	(49 609 562)	--	--	--	--	--	--	--	--	--
Total Company's shareholders transactions	49 609 562	8 889 027	(43 170 059)	12 583 035	--	--	5 818 102	--	53 926 661	87 656 328	(65 064 261)	22 592 067
Balance as of September 30, 2023	1 703 261 622	62 039 050	(43 170 059)	164 096 220	11 745 574	2 612 539	--	(13 795 000)	1 165 071 684	3 051 861 630	122 187 803	3 174 049 433
Balance as of January 1, 2024	1 703 261 622	62 039 050	(43 170 059)	198 552 525	11 745 574	--	--	(12 252 854)	1 396 481 410	3 316 657 268	153 191 364	3 469 848 632
Comprehensive income items												
Net profit for the period	--	--	--	--	--	--	--	--	1 106 543 815	1 106 543 815	98 837 688	1 205 381 503
Total comprehensive income	--	--	--	--	--	--	--	--	1 106 543 815	1 106 543 815	98 837 688	1 205 381 503
The company's shareholders transactions												
Transferred to legal reserve exercising for employee stock ownership plan (ESOP)	--	30 542 188	--	--	--	--	--	--	(30 542 188)	--	--	--
Formed for employee stock ownership plan	--	--	11 740 350	(150 960 841)	--	--	--	--	173 915 356	34 694 865	--	34 694 865
Dividend distribution in subsidiaries	--	--	--	65 868 986	--	--	--	--	--	65 868 986	--	65 868 986
Dividend distribution	--	--	--	--	--	--	--	--	(5 699 076)	(5 699 076)	(79 761 959)	(85 461 035)
Total Company's shareholders transactions	--	30 542 188	11 740 350	(85 091 855)	--	--	--	--	39 939 089	(2 870 228)	(79 761 959)	(82 632 187)
Balance as of September 30, 2024	1 703 261 622	92 581 238	(31 429 709)	113 460 670	11 745 574	--	--	(12 252 854)	2 542 964 314	4 420 330 855	172 267 093	4 592 597 948

The accompanying notes form an integral part of these Condensed Consolidated interim financial statements and to be read therewith.

Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed Consolidated interim statement of cash flows
For the Nine months period ended September 30, 2024

<u>EGP</u>	<u>Note</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Cash flows from operating activities:			
Net profit for the year before tax		1 604 437 250	742 525 503
Adjusted by:			
Depreciation and amortization during the year		296 231 591	201 783 523
Provisions formed		32 127 193	13 687 087
Formed Provisions for financing risk		78 104 608	27 096 342
Expected credit loss		6 610 989	5 710 266
Employee stock ownership plan expenses		65 868 986	81 913 107
Revaluation Gain of Investments at fair value through P&L Statement		(11 238 184)	(2 001 411)
Credit interest		(474 765 587)	(315 715 417)
Share of investments in associate and joint venture losses		(2 156 149)	1 758 132
Unrealized foreign currency exchange gain		(18 621 397)	(11 866 965)
Gain on sale of fixed assets		(17 758 006)	(15 268 763)
Finance expenses		39 748 104	28 982 661
Operating gain before change in working capital		1 598 589 398	758 604 065
Changes in Working capital			
(increase) in inventory		3 773 317	(11 743 503)
Decrease in advances to billers		20 431 486	(157 431 526)
(Increase) in debtors and other debit balances		(175 330 558)	(97 862 941)
(Increase) / Decrease in accounts and notes receivable		(131 605 078)	(63 218 231)
(Increase) in loans to customers		(1162 096 487)	(200 965 701)
Decrease in Due from related parties		2 923 952	35 401
Increase / (Decrease) in accounts and notes payable		28 528 593	9 983 205
Increase in accounts payable - billers		137 569 095	1 882 716 416
Increase in merchants prepaid balances		226 601 085	71 840 441
Increase in retailer's POS security deposits		16 778 954	24 642 657
(Decrease) / Increase in creditors and other credit balances		174 332 679	28 262 284
Provision used		(15 935 913)	(18 870 696)
Net Changes in working capital		724 560 523	2 225 991 871
Income tax paid		(260 430 867)	(123 662 797)
Proceeds from credit interest		438 572 411	261 757 633
Net cash (used in) provided from operating activities		902 702 067	2 364 086 707
Cash flows from investing activities			
(Payments) to acquire fixed assets		(609 684 282)	(212 112 793)
(Payments) to acquire intangible assets		(286 796 065)	(169 632 055)
(Payments) for projects under construction		(128 169 671)	(92 157 848)
Proceeds from sale of fixed assets		22 844 649	22 789 044
(Payments) to acquire Investment in associate and joint venture		(8 500 000)	(1 492 536)
(Payments) for investments at fair value through P&L		27 424 259	(10 000 000)
Net movement of treasury bills - more than three months		(235 755 267)	(845 919 931)
Net cash flows (used in) investing activities		(1 218 636 377)	(1308 526 119)
Cash flows from financing activities			
Dividends Paid		(183 196 038)	(93 509 898)
Proceeds during the period from employees (ESOP)		34 694 865	36 326 596
Net proceeds from loans		468 672 885	93 307 910
Net Payments (proceeds) from bank overdrafts		93 807 179	129 760 901
(Payments) for lease liabilities		(45 777 651)	(35 172 486)
Finance expenses paid		(20 612 062)	(16 216 351)
Net cash generated from financing activities		347 589 178	114 496 672
Net change in cash and cash equivalents during the period		31 654 868	1 170 057 260
Cash and cash equivalents at beginning of the period		3 714 164 902	2 784 886 969
Exchange rate changes on cash and cash equivalents		18 621 397	11 866 965
Cash and cash equivalents at end of the period	(14)	3 764 441 167	3 966 811 194

The accompanying notes form an integral part of these Condensed Consolidated interim financial statements and to be read therewith.

1. General information

Fawry for Banking Technology and Electronic Payments S.A.E. was established in accordance with the provisions of Law No. 159 of 1981 and its executive regulation and was registered at the Commercial Register under No. 33258 on September 26, 2008 the Commercial Register was changed to No. 50840 in March 2011. The company has been re-registered at the 6th of October's Commercial Register under No. 1333 on July 19, 2018.

The purpose of the Company is to provide operations services specialized in systems and communications, management, operating and maintenance of equipment's and computers networks services and internal systems of banks, networks, and centralized systems, establish operating systems for banking services through the internet, phone and e-payment services and circulation of secured documents electronically, and renting properties, taking into account the provisions of laws, regulations and decisions and provided that all the licenses necessary for pursuing these activities are issued. The duration of the Group is twenty-five years from the Commercial Register date.

The Condensed Consolidated Interim financial statements of the company were approved in the board of directors meeting dated November 14, 2024.

2. Statement of compliance

The Condensed consolidated interim financial statements have been prepared in accordance with the Egyptian Accounting Standards No. (30).

3. Significant accounting policies

The condensed consolidated interim financial statements have been prepared using the same accounting policies that were applied in the prior year. The condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements as of 31 December 2023

4. Fixed assets

<u>EGP</u>	<u>Land</u>	<u>Building</u>	<u>Networks and Servers</u>	<u>Point of sales machines</u>	<u>Computers</u>	<u>Furnitures and Office Equipment super fawry and cash counting machines</u>	<u>Leasehold Improvements</u>	<u>Vehicles</u>	<u>Right of use assets</u>	<u>Total</u>
<u>Cost</u>										
As of January 1, 2023	52 490 500	134 050 355	146 270 348	509 358 399	87 512 117	33 577 194	82 800 385	881 721	157 357 352	1 204 298 371
Additions during the year	--	--	55 176 212	238 093 310	22 805 601	1 891 737	23 729 135	--	48 265 606	389 961 601
Disposals	--	--	--	(46 489 771)	--	--	--	--	(2 305 994)	(48 795 765)
As of December 31, 2023	52 490 500	134 050 355	201 446 560	700 961 938	110 317 718	35 468 931	106 529 520	881 721	203 316 964	1 545 464 207
Additions during the period	--	--	42 792 244	497 898 681	17 155 384	13 480 929	40 323 516	--	69 225 040	680 875 794
Disposals	--	--	--	(31 897 479)	--	--	--	--	--	(31 897 479)
As of September 30, 2024	52 490 500	134 050 355	244 238 804	1 166 963 140	127 473 102	48 949 860	146 853 036	881 721	272 542 004	2 194 442 522
<u>Accumulated depreciation</u>										
As of January 1, 2023	--	8 730 469	97 847 361	234 985 986	49 011 489	15 712 302	34 679 391	161 505	49 877 108	491 005 611
Depreciation for the year	--	3 351 259	33 349 281	109 710 350	15 629 602	5 932 275	14 415 387	--	35 703 797	218 091 951
Depreciation of disposals	--	--	--	(36 149 097)	--	--	--	--	(1 309 164)	(37 458 261)
As of December 31, 2023	--	12 081 728	131 196 642	308 547 239	64 641 091	21 644 577	49 094 778	161 505	84 271 741	671 639 301
Depreciation for the period	--	2 513 444	29 924 541	135 051 467	13 690 182	5 255 787	14 604 684	--	30 679 895	231 720 000
Depreciation of disposals	--	--	--	(26 810 836)	--	--	--	--	--	(26 810 836)
As of June 30, 2024	--	14 595 172	161 121 183	416 787 870	78 331 273	26 900 364	63 699 462	161 505	114 951 636	876 548 465
<u>Net book value</u>										
As of September 30, 2024	52 490 500	119 455 183	83 117 621	750 175 270	49 141 829	22 049 496	83 153 574	720 216	157 590 368	1 317 894 057
As of December 31, 2023	52 490 500	121 968 627	70 249 918	392 414 699	45 676 627	13 824 354	57 434 742	720 216	119 045 223	873 824 906

5. Intangible assets

<u>EGP</u>	<u>licenses</u>	<u>Programs</u>	<u>Contractual relationship with clients</u>	<u>Customer List</u>	<u>Trademark</u>	<u>Total</u>
<u>Cost</u>						
As of January 1, 2023	83 651 081	408 944 887	6 270 000	553 000	19 070 000	518 488 968
Additions during the year	34 778 946	256 828 298	--	--	--	291 607 244
As of December 31, 2023	118 430 027	665 773 185	6 270 000	553 000	19 070 000	810 096 212
Additions during the period	11 812 233	276 885 192	--	--	--	288 697 425
As of September 30, 2024	<u>130 242 260</u>	<u>942 658 377</u>	<u>6 270 000</u>	<u>533 000</u>	<u>19 070 000</u>	<u>1 098 793 637</u>
<u>Accumulated amortization</u>						
As of January 1, 2023	22 995 897	113 546 760	1 063 630	177 666	2 542 666	140 326 619
Amortization for the year	8 590 915	53 637 396	531 815	88 833	683 065	63 532 024
As of December 31, 2023	31 586 812	167 184 156	1 595 445	266 499	3 225 731	203 858 643
Amortization for the period	7 957 804	55 134 801	398 861	66 625	953 500	64 511 592
As of September 30, 2024	<u>39 544 616</u>	<u>222 318 957</u>	<u>1 994 306</u>	<u>333 124</u>	<u>4 179 231</u>	<u>268 370 235</u>
Net Book value As of September 30, 2024	<u>90 697 644</u>	<u>720 339 420</u>	<u>4 275 694</u>	<u>219 876</u>	<u>14 890 769</u>	<u>830 423 403</u>
Net Book value As of December 31, 2023	<u>86 843 215</u>	<u>498 589 029</u>	<u>4 674 555</u>	<u>286 501</u>	<u>15 844 269</u>	<u>606 237 569</u>

6. Projects under construction

The increase in the projects under construction is mainly because of the addition during the period with EGP 198 million and the transferred from Fixed assets and intangible assets by amount of EGP 73.7 million

7. Investment in associates and Joint venture

The increase in the account is mainly due to group's share in the profits of Waffarha increased with EGP 4.8 million in addition to decrease in the profits of Roderz Technologies SAE by EGP 2.4 Million and investing in VCFO Consulting by amount of EGP 8.5 Million and represent 50% from investment amount and the company has joint venture investment so its reclassified as investment in associates and joint venture.

8. Investments at Fair Value through Profit or loss

The decrease in the account is mainly due to the decrease in investment by EGP 16.7 Million and EGP 11.2 Million gain from this investment during the third quarter of the year.

9. Accounts and notes receivable

The increase in the account is mainly due to the increase of customers balances by amount of EGP 130 million and this resulted from increase in group business volume during the third quarter of 2024.

10. Loans and facilities to customers

<u>EGP</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Microfinance, small and medium loans	1 725 466 672	1 036 848 733
Less: Customers financing risk provision	(94 226 650)	(59 315 401)
	1 631 240 022	977 533 332
Consumer finance loans	653 130 369	179 651 821
Less: Customers financing risk provision	(33 692 064)	(5 388 697)
	619 438 305	174 263 124
	2 250 678 327	1 151 796 456

Reclassified as follows:

<u>EGP</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Loans to customers – current	1 706 134 450	920 552 076
Loans to customers – non-current	544 543 877	231 244 380
	2 250 678 327	1 151 796 456

Customers financing risk provision movement represented as follow:

<u>EGP</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Beginning balance	64 704 098	45 898 860
Formed during the period/ year	78 104 608	49 738 948
Used during the period/ year	(14 889 992)	(30 933 710)
Ending balance	127 918 714	64 704 098

11. Debtors and other debit balances

The increase in the account is mainly due to the increase in prepaid expenses by amount of EGP 37.3 million and increase in Accrued interest from finance loans by amount of EGP 42.6 million and accrued revenue by amount of EGP 86.2 million.

12. Due from related parties

<u>EGP</u>	<u>Nature</u>	<u>Account Type</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
ACIS co.	Associate	Current account	--	3 000 000
Tazcara Information Technology and Electronic Booking co.	Associate	Current account	1 500 240	1 424 192
Less: Expected credit loss			(1 500 240)	(4 021 866)
			--	402 326

13. Treasury bills

The decrease in treasury bills mainly due to Redemption some of treasury bills during the third quarter of the year which led to a decrease in the balance of treasury bills by amount of EGP 83.5 million.

14. Cash and cash at banks

<u>EGP</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Cash*	179 557 160	41 666
Current bank accounts – local currency	1 102 690 634	1 358 338 662
E-Acceptance transactions under settlement	764 045 387	379 358 060
Cash at companies and agents of money collections	913 220 241	476 238 682
Time deposit – local currencies	10 128 776	460 257 330
Time deposit – foreign currencies	179 049 179	61 042 173
Current bank accounts – foreign currencies	13 286 236	31 625 583
Less: Expected credit loss	(4 804 002)	(8 266 738)
	<u>3 157 173 611</u>	<u>2 758 635 418</u>

* Cash balance is represented in cash with cash collection representatives “the company’s employees” on September 30, 2024.

For cash flows purposes, Cash and cash equivalents are analyzed as follows:

<u>EGP</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Cash and banks balances	3 157 173 611	3 709 607 778
Treasury bills – less than 3 months	607 267 556	257 203 416
	<u>3 764 441 167</u>	<u>3 966 811 194</u>

15. Provisions

The increase due to provision formed during the second quarter of the year by EGP 32.1 million and the purpose for provision formed for future contingent liabilities.

16. Banks overdraft

The increase in account is mainly due to the increase in Balance of Bank credit facilities used during the Third Quarter of 2024 by amount of EGP 93.8 million.

17. Creditors and other credit balances

The increase in the account is mainly due to the increase in the Accrued Expenses by amount of EGP 53.7 million and the Accrued commission by amount of EGP 31.5 million and the balance for Tax authority by amount of EGP 62.9 million. Conceding the decrease of transactions under settlement by amount of EGP 9.7 million

18. Contingent liabilities

The balance of the contingent liabilities EGP 1.6 billion on 30 September 2024 compared to EGP 1.4 billion on December 31, 2023.

19. Operating revenues

The reason for the increase in revenues is due to the increase in the company’s throughput during the third quarter compared to the third quarter of the previous period according to increase in revenues by amount of EGP 1.1 billion and increase in revenue of finance by amount EGP 337 million.

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For the Nine-months Ended September 30, 2024

20. Operating costs

The increase in operating costs is mainly due to the increase in merchants' fees by an amount of EGP 131.3 million, increase of cost of fund for finance loans by amount of EGP 118.5 million, increase in Depreciation and amortization by amount of EGP 67.7 million., increase in cost of branches by an amount of EGP 26.8 million, and decrease on cash collection cost by an amount of EGP 24 million.

21. General and administrative expenses

The increase in general and administrative expenses is mainly due to the increase in salaries and wages by an amount of EGP 105.7 million. In addition to the increase in subscription fees. technical support, communication and service centers by an amount of EGP 63.4 million during the period and increase in depreciation by an amount of EGP 27.5 million.

22. Selling and marketing expenses

The main reason for the increase in selling and Marketing expenses is the increase in the salaries by an amount of EGP 74 million, in addition to the increase of selling and distribution expenses by an amount of EGP 70 million during the period and decrease in marketing expense by 14 million.

23. Credit Interest

The increase in the account is mainly due to increase in credit interest on treasury bills and time deposits by amount of EGP 180.7 million.

24. Segment information

The group has two major sectors representing the important sectors of the group, offering different and services that managed in a separate way because they require different skills and have different types of clients. The managers of each department review internal management reports in a periodic manner at least once every three months.

The accounting policies of the reportable sectors are the same as the group's accounting policies on December 31, 2023, and the profits of each sector represented in the profits it makes, which reviewed regularly without any distribution of income tax expense. This measure is considered the most appropriate for the purpose of allocating resources to sectors and assessing their performance.

A. Segment profit or loss statement

EGP	<u>Segment Revenue</u>		<u>Segment Profit/(Loss)</u>	
	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>	<u>September 30,</u> <u>2024</u>	<u>September 30, 2023</u>
Banking technology and E-payment sector	3 243 085 281	2 052 205 787	1 525 130 560	706 331 810
Lending sector	602 161 708	265 119 495	79 306 689	36 193 693
Total	3 845 246 989	2 317 325 282	1 604 437 249	742 525 503
Net profit before tax			1 604 437 249	742 525 503
Tax			(399 055 746)	(186 313 071)
Net profit after tax			1 205 381 503	556 212 432

B. Segment Assets

EGP	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Banking technology and E-payment	10 477 938 052	8 516 908 150
Lending sector	2 447 701 465	1 259 632 790
Segment Assets before disposals	12 925 639 517	9 776 540 940
Elimination of internal transactions between segments	(1 486 709 742)	(804 957 295)
Segment Assets after disposals	11 438 929 775	8 971 583 645
Total consolidated Assets	11 438 929 775	8 971 583 645

25. Earnings per share

Earnings per share is calculated by divide available net profit for parent company shareholders by weighted average number of shares for the period.

<u>EGP</u>	<u>September 30, 2024</u>		<u>September 30, 2023</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit for the period	1 106 543 815	1 106 543 815	486 541 505	486 541 505
Outstanding shares	3 406 523 244	3 406 523 244	3 307 304 120	3 331 838 660
	<u>0.32</u>	<u>0.32</u>	<u>0.15</u>	<u>0.15</u>

26. Tax position

The company's profits are subject to tax on the profits of legal persons in accordance with the provisions of the Income Tax Law No. 91 of 2005, its executive regulations, and its amendments

a. Corporate tax

The company submits the tax return prepared in accordance with the provisions of Law 91 of 2005 on legal dates.

The period from inception until 2017

- The Company was inspected and any difference settled.

The period from 2018 until 2019

The company has been notified for inspection and documents are being prepared.

The period from 2020 until Now

Tax returns were submitted and the tax due was paid within the legal deadlines.

b. Salaries tax

The period from inception until 2021

- The Company was inspected and any difference settled.

The year 2022 until now

- Tax returns were submitted and and paid all tax due within the legal deadlines.

c. Stamp duty tax

The period from inception until 2020

- The company's records has been tax inspected and the differences were settled.

The year 2021 until now

- Tax returns were submitted and paid all tax due within the legal deadlines.

d. Sales tax / VAT tax

The years from inception until December 31, 2020

- The company's records have been tax inspected for the mentioned period. And all differences were settled.

The years from 2021 until now

- Company's recorded were inspected, all tax due amounts were paid within the legal deadlines.

e. Withholding tax

- The company has not been notified of any inspection forms.

27. Legal Position

During the third quarter of 2019, a company filed a lawsuit against Fawry for Banking technology and electronic Payments and one of its subsidiaries "the Company" claiming an amount of EGP 50 million under a contract covering the period from year 2015 to 30 September 2019 in addition to the legal accrued interest on the said amount. No transactions took place under the aforementioned contract, the company and the company's external legal advisor opinion regarding the outcome of this case that it will be in favor of the Company without any financial liabilities on the company in relation to this case.

28. Significant events during the period

On February 1st, 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting, to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 200 basis points to 21.25%, 22.25% and 21.75%, respectively. The discount rate was also raised by 200 basis points to 21.75%.

On March 6th, 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its extra ordinary meeting, to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 600 basis points to 27.25%, 28.25% and 27.75%, respectively. The discount rate was also raised by 600 basis points to 27.75%.

29. Share-based payments

The Company introduced an Employees Share Ownership Plan (ESOP) program in accordance with the shareholders' approval at the extraordinary general assembly meeting held on February 22, 2021, The company granted free shares and allocated shares to some of its employees in accordance with the ESOP program which includes giving the right to some employees a completing a term of 3 years in service at The Company to have the right in ordinary shares by granting free shares or allocating shares by 50% of the fair value on the vesting date after completion of a term of 2 years in service at The Company and which will be issued on the date of the grants. The equity instruments for share-based payment are recognized at fair value on the grant date and are recorded in the income statement on a straight line basis during a three-years period for the grant of free shares and two years for the allocated shares at 50% of the shares' fair values on the vesting date, with a corresponding increase in equity based on the Company's estimate, at each reporting date, for the number of shares that will vest. The fair value of granted shares was determined based on the share price announced on the Egyptian Stock Exchange at the grant date.

During the year, the Group & its subsidiaries number of employees have exercised their rights in 23.4 million shares. charged cost of the period of the granted shares within the (ESOP) reached 65.8 Million Egyptian Pounds and the Reserve of ESOP is amounted by 113.4 Million Egyptian Pounds at the date of financial statements.