

**Fawry for Banking Technology and Electronic  
Payments (S.A.E.)**

**Condensed Consolidated Interim Financial Statements  
For the Nine months ended September 30, 2019  
Together with Limited Review Report**

*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, 2019 and the related consolidated interim statements of income, comprehensive income, changes in equity and cash flows for the nine months' period then ended, and a summary of significant accounting policies and other explanatory notes. 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.

**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 at September 30, 2019, 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 19, 2019

**Kamel Magdy Saleh, FCA**  
**F.E.S.A.A. (R.A.A. 8510)**



A handwritten signature in black ink that reads "K. Saleh".

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed consolidated interim statement of financial position**  
**As of September 30, 2019**

	<u>Note No.</u>	<u>September 30, 2019</u>	<u>December 31, 2018</u>
		<u>EGP</u>	<u>EGP</u>
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Fixed assets (net)	(4)	190 858 243	114 916 044
Intangible assets (net)	(5)	119 953 057	82 804 990
Projects under construction	(6)	18 440 135	16 382 823
Investments in associate	(7)	4 193 638	8 330 137
Investments in joint ventures	(8)	1 747 035	2 258 670
Deferred tax assets		--	1 367 074
Prepaid rent - Lease	(4)	--	21 014 396
<b>Total non-current assets</b>		<b>335 192 109</b>	<b>247 074 134</b>
<b><u>Current assets</u></b>			
Inventory		9 277 477	6 418 584
Accounts and notes receivable	(9)	45 566 321	20 560 072
Loans to customers (net)	(10)	66 415 353	357 193
Advances to service providers		132 511 862	125 353 535
Debtors and other debit balances	(11)	38 348 121	36 619 962
Due from related parties	(12)	10 330 491	15 169 227
Loan to related parties	(13)	23 816 579	14 615 412
Treasury bills	(14)	179 304 808	259 905 989
Cash and cash at banks	(15)	605 658 290	441 235 306
<b>Total current assets</b>		<b>1 111 229 301</b>	<b>920 235 280</b>
<b>Total assets</b>		<b>1 446 421 410</b>	<b>1 167 309 414</b>
<b><u>Equity</u></b>			
Issued and paid-up capital	(16)	353 652 060	353 652 060
Legal reserve		32 465 079	28 993 362
Retained earnings		98 414 435	46 678 447
Combination reserve		5 841 596	5 841 596
Net profit for the period/year		57 375 920	56 642 314
<b>Total equity for the parent company</b>		<b>547 749 090</b>	<b>491 807 779</b>
Non controlling interest		25 038 732	12 414 564
<b>Total equity</b>		<b>572 787 822</b>	<b>504 222 343</b>
<b><u>Non-Current liabilities</u></b>			
Deferred Tax Liability	(17),(36)	925 217	--
<b>Total non current liabilities</b>		<b>925 217</b>	<b>--</b>
<b><u>Current liabilities</u></b>			
Provisions	(18)	18 312 142	22 125 576
Accounts and notes payable	(19)	9 515 549	106 009 383
Accounts payable- billers	(20)	493 619 109	287 007 924
Merchants advances		200 613 638	130 498 338
Retailer's POS security deposits		21 467 500	18 569 000
Creditors and other credit balances	(21)	100 898 792	63 266 327
Due to related party	(22)	--	7 132 827
Current income tax		28 281 640	28 477 696
<b>Total current liabilities</b>		<b>872 708 371</b>	<b>663 087 071</b>
<b>Total equity and liabilities</b>		<b>1 446 421 410</b>	<b>1 167 309 414</b>

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

Chief Financial Officer  
Abdel Meguid Afifi

Chairman  
Saifullah Coutry

Chief Executive Officer  
Ashraf Sabry

Auditor's review report attached.

**Fawry for Banking Technology and Electronic Payments S.A.E.**

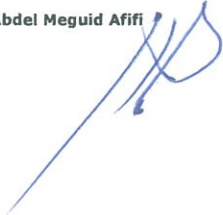
**Condensed consolidated interim income statement**

**for the nine months ended 30 September 2019**

	Note No.	Nine months ended		Three months ended	
		30 September 2019	30 September 2018	30 September 2019	30 September 2018
		EGP	EGP	EGP	EGP
Operating revenues	(24)	614 887 707	441 785 088	241 548 819	168 049 492
<b>Less:</b>					
Operating costs	(25)	(313 549 976)	(237 118 728)	(117 964 215)	(88 300 982)
<b>Gross margin</b>		<b>301 337 730</b>	<b>204 666 360</b>	<b>123 584 604</b>	<b>79 748 510</b>
<b>Add (Less):</b>					
General and administrative expenses	(26)	(117 943 056)	(103 154 981)	(41 527 708)	(38 068 112)
Board Compensation expenses		(1 518 000)	(1 379 760)	(657 000)	(495 585)
Selling and marketing expenses	(27)	(91 342 611)	(61 358 737)	(35 285 874)	(22 453 217)
Health insurance contribution		(1 425 983)	(520 000)	(486 233)	--
Provisions formed	(18)	(1 350 000)	(2 152 000)	(450 000)	(1 252 000)
Net impairment in customers' loans	(10)	(1 529 031)	--	(845 637)	--
Other operating expenses	(28)	(5 100 292)	--	(1 774 000)	--
Gain on sale of fixed assets		4 569 294	4 429 484	1 457 165	1 255 464
Other revenues		2 064 655	1 158 503	693 248	555 078
<b>Operating profit</b>		<b>87 762 707</b>	<b>41 688 869</b>	<b>44 708 565</b>	<b>19 290 138</b>
Credit interest	(29)	41 009 818	47 734 763	11 705 473	18 663 067
Finance costs		(10 272 044)	(5 936 036)	(3 677 971)	(2 219 820)
Other expenses	(30)	(3 626 981)	--	--	--
Share of investments in associate losses	(31)	(9 770 394)	(8 729 428)	(1 088 291)	(3 405 055)
Foreign currency exchange loss		(2 362 559)	(254 147)	1 314 737	(6 785)
<b>Profit for the period before tax</b>		<b>102 740 547</b>	<b>74 504 022</b>	<b>52 962 513</b>	<b>32 321 546</b>
Current income tax		(28 281 640)	(22 909 964)	(12 994 622)	(9 379 952)
Deferred tax		1 792 900	41 691	410 957	(436 283)
<b>Net profit for the period after tax</b>		<b>76 251 808</b>	<b>51 635 749</b>	<b>40 378 849</b>	<b>22 505 311</b>
<b>Distributed as follows:</b>					
Net profit for the parent company		57 375 920	43 201 154	31 444 688	18 169 666
Net profit for the non controlling interest		18 875 888	8 434 595	8 934 161	4 335 645
<b>Net profit for the period after tax</b>		<b>76 251 808</b>	<b>51 635 749</b>	<b>40 378 849</b>	<b>22 505 311</b>
<b>Earnings Per Share</b>	(32)	<b>0.08</b>	<b>0.12</b>	<b>0.04</b>	<b>0.05</b>

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

Chief Financial Officer  
Abdel Meguid Afifi



Chief Executive Officer  
Ashraf Sabry



Chairman  
Saifullah Coutry



**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed consolidated interim statement of comprehensive income**  
**for the nine months ended 30 September 2019**

	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>30 September 2019</u>	<u>30 September 2018</u>	<u>30 September 2019</u>	<u>30 September 2018</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Profit for the period	76 251 808	51 635 749	40 378 849	22 505 311
Other comprehensive income	--	--	--	--
<b>Total other comprehensive income</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total comprehensive income for the period</b>	<b>76 251 808</b>	<b>51 635 749</b>	<b>40 378 849</b>	<b>22 505 311</b>
<b>Distributed as follows:</b>				
Comprehensive income for the parent company	57 375 920	43 201 154	31 444 688	18 169 666
Comprehensive income for the non controlling interest	18 875 888	8 434 595	8 934 161	4 335 645
<b>Total comprehensive income for the period</b>	<b>76 251 808</b>	<b>51 635 749</b>	<b>40 378 849</b>	<b>22 505 311</b>

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

Chief Financial Officer  
Abdel Meguid Afifi



Chief Executive Officer  
Ashraf Sabry



Chairman  
Saifullah Coutry



**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Consensed consolidated interim statement of cash flows**  
**for the nine months ended 30 September 2019**

	<b>Note</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
		<b>EGP</b>	<b>EGP</b>
<b>Cash flows from operating activities:</b>			
Net profit for the period before tax		102 740 547	74 504 022
<b>Adjusted by:</b>			
Depreciation and amortization during the period	(5)	47 865 349	37 105 972
Provisions formed	(18)	1 350 000	2 152 000
Net impairment in customers' loans	(10)	1 529 031	--
Share of investments in associate and joint venture's losses		9 770 394	8 729 428
Unrealized foreign currency exchange gain		2 362 559	254 147
Finance expenses		10 272 044	5 936 036
Gain on sale of fixed assets		(4 569 294)	(4 429 484)
<b>Operating profit before changes in working capital</b>		<b>171 320 630</b>	<b>124 252 120</b>
<b>Changes in Working capital</b>			
(Decrease)/increase in inventory		(2 858 893)	248 289
Decrease/(Increase) in advances to service providers		(7 158 327)	(8 864 208)
(Increase) in debtors and other debit balances		(3 275 530)	(18 619 819)
(Increase) in accounts and notes receivable		(25 006 249)	(24 197 637)
(Decrease)/Increase in Due from related parties		( 283 524)	3 757 827
(Increase) in customers' loans, net		(67 587 190)	--
(Decrease) in accounts and notes payable		(16 493 815)	(70 749 322)
Increase in accounts payable- billers		126 611 166	217 659 101
Increase in merchants prepaid balances		70 115 300	15 680 501
Increase in retailer's POS security deposits		2 898 500	4 726 600
Increase in creditors and other credit balances		37 632 465	42 207 282
Decrease in due to related parties		(7 132 827)	
Paid income tax		(28 477 696)	(18 247 680)
Provision used	(18)	(5 163 434)	--
<b>Net cash provided from operating activities</b>		<b>245 140 576</b>	<b>267 853 055</b>
<b>Cash flows from investing activities</b>			
(Payments) to acquire fixed assets		(73 917 360)	(98 582 568)
(Payments) for projects under construction		(2 057 312)	(9 648 889)
(Payments) to acquire intangible assets		(46 508 465)	(18 235 582)
Proceeds from selling fixed assets		5 150 296	5 729 533
Payments in loans to related parties		(9 201 167)	--
Net movement of treasury bills - more than three months		53 521 927	(116 516 832)
Payments to acquire Investment in associate and joint venture		--	(17 300 000)
<b>Net cash flows (used in) investing activities</b>		<b>(73 012 081)</b>	<b>(254 554 337)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the sale of investment in subsidiaries		--	5 825 158
Dividends Paid		(27 050 180)	(15 574 368)
cash collection from non controlling interest		4 900 009	--
Finance expenses paid		(10 272 044)	(5 936 036)
<b>Net cash used in financing activities</b>		<b>(32 422 215)</b>	<b>(15 685 246)</b>
Net change in cash and cash equivalents during the period		139 706 280	(2 386 528)
Cash and cash equivalents at beginning of the period		575 608 569	620 024 194
Exchange rate changes on cash and cash equivalents		(2 362 559)	( 254 147)
<b>Cash and cash equivalents at end of the period</b>	(15)	<b>712 952 290</b>	<b>617 383 519</b>

**Non-cash transactions**

Non-cash transactions which include investments in associates and joint ventures which have been acquired from the parent company and included as an investing activity have been eliminated from the balance due from related parties in the amount of EGP 5.12 million. Additionally, non cash transaction in the amount of EGP 21 014 396 have been eliminated to reflect the settlement of the finance lease of the smart village building which has been bought and classified in fixed assets.

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

Chief Financial Officer  
Abdel Meguid Afi

Chief Executive Officer  
Ashraf Sabry

Chairman  
Saifullah Coutry

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed consolidated statement of changes in equity**  
**for the nine months ended 30 September 2019**

Note No.	Issued and paid up capital		Payment under capital increase		Share premium		Legal reserve		Retained Earnings		Combination reserve		Net profit for the year/Period		Total equity of the parent		Non-controlling interest		Total		
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		
	111 303 060		242 349 000		21 040 550		5 325 017		7 617 540					50 744 292	438 379 459		3 707 987		442 087 446		
Balance as of January 1, 2018														43 201 154	43 201 154		8 434 595		51 635 749		
Items of Other comprehensive income														43 201 154	43 201 154		8 434 595		51 635 749		
Net profit for the period																					
Total comprehensive income																					
<b>The company's shareholders transactions</b>																					
Transferred to retained earnings and legal reserve					(21 040 550)		23 668 345		48 116 497					( 48 116 497)	2 627 795				2 627 795		
Non-controlling interest arising from selling investments in subsidiaries											5 841 596				5 841 596				5 841 596		
Dividends									( 15 574 368)						( 15 574 368)				( 15 574 368)		
Payment under capital increase			( 242 349 000)												( 242 349 000)				( 7 104 977)		
Total company's shareholders transactions			242 349 000		(21 040 550)		23 668 345		32 542 129		5 841 596			(48 116 497)	474 475 636		12 142 582		486 618 218		
Balance as of September 30, 2018			353 652 060				28 993 362		40 159 669		5 841 596			45 828 949	491 807 779		12 414 564		504 222 343		
Balance as of January 1, 2019			353 652 060				28 993 362		46 678 447		5 841 596			56 642 314	491 807 779		12 414 564		504 222 343		
The effect of initial application of EAS 49									14 463 842						14 463 842				14 463 842		
Items of Other comprehensive income																					
Net profit for the period																					
Total comprehensive income for the period																					
<b>The company's shareholders transactions</b>																					
Transferred to retained earnings and legal reserve							3 471 717		53 170 597					(56 642 314)	57 375 920				76 251 808		
Non-controlling interest arising from selling investments in subsidiaries															57 375 920				76 251 808		
Dividends distributions									(15 898 451)						(15 898 451)				(27 050 180)		
Total company's shareholders transactions							3 471 717		37 272 146					(56 642 314)	57 375 920				76 251 808		
Balance as of September 30, 2019			353 652 060				32 465 079		98 414 435		5 841 596			57 375 920	547 749 090		25 038 732		572 787 822		

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

Chief Financial Officer  
Abdel Meguid Affri

Chief Executive Officer  
Ashraf Sabry

Chairman  
Saifullah Coutry

## **Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

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### **1. General information**

Fawry for Banking and Payment Technology Services 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 June 26, 2008, the commercial register has changed to 50840 in March 2011. The company was re-registered at the commercial register of the 6<sup>th</sup> of October under No. 1333 in 19 July 2018.

The purpose of the company is to provide operations services specialized in systems and communications, management, operating and maintenance of equipment 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, 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 company is twenty-five years from the Commercial Register date.

The interim condensed consolidated financial statements were authorized for issuance at the Board of Directors meeting held on November 19, 2019

### **2. Statement of compliance**

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

### **3. Basis of preparation of the consolidated financial statements**

The condensed consolidated interim financial statements have been prepared using the same accounting policies which have been applied in the prior year with the exception of the accounting policy related to lease contracts which follows below. The condensed consolidated interim financial statements should be read with the consolidated annual financial statements as of 31 December 2018.

#### **Initial application of new Egyptian Accounting Standards "EAS"**

On March 18, 2019, the Minister of Investment and International Cooperation issued Resolution No. 69 of 2019 amending some provisions of the Egyptian Accounting Standards and issuing some new accounting standards issued thereby by virtue of Decree No. 110 of 2015. The resolution was published in the official gazette on 25 April 2019. The most significant amendments affecting the Company's separate financial statements are as follows:



## **Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

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### **Lease Contracts:**

In March 2019, the Egyptian Standard No. (49) "Leasing Contracts" was issued to replace the Egyptian Standard No. (20) "Accounting Rules and Standards related to Finance Leasing Operations" as well as the issuance of Law No. 176 of 2018 to regulate the financial leasing and factoring activity during August 2018 to replace Law No. 95 of 1992, therefore, the company should apply the new Egyptian Standard No. (49) at the beginning of 2019, on contracts subject to the provisions of Law 95, which were previously processed in accordance with the Egyptian Accounting Standard No. (20) and according to the instructions issued by the Financial Regulatory Authority on August 4, 2019 which requires financial leasing companies and companies with securities listed on the Egyptian Stock Exchange to apply the standard of financial leases by 30 September 2019. So the first application date is January 1, 2019.

### **1- The Group as lessee – Lease contracts subject to Law no. 95 for the year 1995**

The group assesses whether a contract is or contains a lease at inception of the contract. The group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases the group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### **Initial measurement of lease liability:**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the group uses its incremental borrowing rate for such liabilities.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate

## **Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

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### Subsequent measurement of lease liability:

The lease liability is subsequently measured as follows:

- Increase the carrying amount to reflect interest on the lease liability
- Reducing the carrying amount to reflect the lease payments made.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the leases payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- A lease contract is modified and the lease modification is not accounted for as a separate lease

If there is a change in future lease payments resulting from a change in the rate used to determine those payments or a change in the amounts expected to be payable under the residual value guarantee, the lessee must re-measure the lease liability to discount the adjusted lease payments using the same discount rate unless there is a change in lease payments resulting from a change in the variable interest rates, in this case the lessee must use a modified discount rate that reflects changes in the interest rate.

### Initial measurement of Right of use assets

The cost of right-of-use assets include:

- The initial measurement of the corresponding lease liability at the present value of the unpaid lease payments at that date. Lease payments are discounted using the interest rate stated in the contract if that rate can be easily determined. If this rate cannot be determined, the lessee must use the interest rate on the additional borrowings.
- Lease payments made at or before the start day
- Any initial direct costs
- Whenever the group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventory.

Subsequent measurement of Right of use assets

Right of use assets are subsequently measured at cost less:

- Accumulated depreciation and impairment losses.
- Any amounts resulting from revaluation of lease liability

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated from the commencement date over the useful life of the underlying asset. Other than the previous conditions the depreciation starts at the commencement date of the lease till the end of the useful life of the asset or end of lease contract whichever is earlier.

The group applies EAS 31 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "administrative expenses" in the statement of profit or loss. Currently, the group does not have such variable rents.

The standard permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The group has not used this practical expedient.

Sale and leaseback transactions

If the transfer of the asset by the "lessee" seller does not meet the requirements of EAS 48 for accounting as a sale of the asset. The seller "lessee" must continue to recognize the transferred asset and must recognize a financial liability equal to the proceeds of the transfer and must account for the financial obligation to comply with Egyptian Accounting Standard 47.

**4. Fixed assets - Net**

Cost	Note No.	Land	Building	Networks and Servers	Point of sales machines	Computers	Furnitures and Office equipment	Leasehold Improvements	Vehicles	Tools and Equipment Super Fawry	Total
		EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
As of January 1, 2018		--	--	20 942 008	87 297 058	13 148 978	6 670 244	11 348 407	149 300	641 764	140 197 759
Additions during the year		--	--	1 739 117	68 131 323	35 167 612	1 238 129	1 026 051	--	--	107 302 232
Disposals		--	--	--	(13 748 649)	--	--	--	--	--	(13 748 649)
As of December 31, 2018		--	--	22 681 125	141 679 732	48 316 590	7 908 373	12 374 458	149 300	641 764	233 751 342
As of January 1, 2019 (adjusted)*	(36)	25 970 500	41 129 500	22 681 125	141 679 732	48 316 590	7 908 373	12 374 458	149 300	641 764	300 851 342
Additions during the period		--	--	8 644 116	34 029 918	6 271 783	749 526	374 970	--	--	50 070 313
Disposals		--	--	--	(4 496 490)	--	--	--	--	--	(4 496 490)
As of September 30, 2019		25 970 500	41 129 500	31 325 241	171 213 160	54 588 373	8 657 899	12 749 428	149 300	641 764	346 425 165
<b>Accumulated depreciation</b>											
As of January 1, 2018		--	--	15 217 752	55 607 873	5 978 302	2 740 605	2 613 799	104 510	506 378	82 769 219
Depreciation for the year		--	--	3 307 107	29 433 105	7 370 046	1 245 932	2 053 298	29 860	114 833	43 554 181
Depreciation of disposals		--	--	--	(7 488 102)	--	--	--	--	--	(7 488 102)
As of December 31, 2018		--	--	18 524 859	77 552 876	13 348 348	3 986 537	4 667 097	134 370	621 211	118 835 298
As of January 1, 2019 (adjusted)*	(36)	--	2 142 162	18 524 859	77 552 876	13 348 348	3 986 537	4 667 097	134 370	621 211	120 977 460
Depreciation for the Period		--	771 178	10 628 671	22 195 283	2 201 791	1 014 044	1 658 503	14 928	20 553	38 504 952
Depreciation of disposals		--	--	--	(3 915 489)	--	--	--	--	--	(3 915 489)
As of September 30, 2019		--	2 913 340	29 153 530	95 832 670	15 550 139	5 000 581	6 325 599	149 298	641 764	155 566 922
<b>Net book value</b>											
As of September 30, 2019		25 970 500	38 216 160	2 171 711	75 380 490	39 038 234	3 657 318	6 423 828	2	--	190 858 243
As of December 31, 2018		--	--	4 156 266	64 126 856	34 968 242	3 921 836	7 707 362	14 930	20 553	114 916 044

On April 1, 2019, the company revised the useful lives of its fixed assets and the useful life of the Point of Sales machines has been changed from 3 years to 4 years which resulted in a revision in the depreciation expense during the period in the amount of EGP 7.3 million

On April 11, 2019, the Board of Directors decided to pay the remaining obligations of the lease and then purchase the Smart Village building from the leasing company in accordance with the contract between the two parties, and on April 18, 2019, the remaining obligations of the lease were paid in a total amount of 23 847 047 EGP. The balance have been adjusted as of 1 January 2019 in order to reflect the initial application of EAS (49) "lease contracts" (Note no. 36)

**Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

**5. Intangible assets – Net**

<u>Cost</u>	<u>Programs' license</u>	<u>Programs</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<b>As of January 1, 2018</b>	<b>17 715 102</b>	<b>71 407 299</b>	<b>89 122 401</b>
Additions during the year	1 641 361	27 927 154	29 568 515
<b>As of January 1, 2019</b>	<b>19 356 463</b>	<b>99 334 453</b>	<b>118 690 916</b>
Additions during the period	4 946 372	41 562 093	46 508 465
<b>As of September 30, 2019</b>	<b>24 302 835</b>	<b>140 896 546</b>	<b>165 199 381</b>
<b><u>Accumulated amortization</u></b>			
<b>As of January 1, 2018</b>	<b>5 515 789</b>	<b>21 669 579</b>	<b>27 185 368</b>
Amortization for the year	1 667 231	7 033 327	8 700 558
<b>As of January 1, 2019</b>	<b>7 183 020</b>	<b>28 702 906</b>	<b>35 885 926</b>
Amortization for the period	2 229 781	7 130 618	9 360 399
<b>As of September 30, 2019</b>	<b>9 412 801</b>	<b>35 833 524</b>	<b>45 246 325</b>
<b>Net Book value As of September 30,2019</b>	<b>14 890 034</b>	<b>105 063 024</b>	<b>119 953 057</b>
<b>Net Book value, As of December 31, 2018</b>	<b>12 171 443</b>	<b>70 631 547</b>	<b>82 804 990</b>

Depreciation for fixed assets and intangible assets by an amount of EGP 47 865 349 are presented in fixed assets depreciation in the amount of EGP 38 504 952 note No (4) and intangible assets amortization in the amount of EGP 9 360 399 note No (5) as following:

	<u>September 30,</u>	<u>September 30,</u>
	<u>2019</u>	<u>2018</u>
	<u>EGP</u>	<u>EGP</u>
Operating cost	23 419 013	11 029 534
General and Administrative Expenses	24 446 336	26 076 438
	<b>47 865 349</b>	<b>37 105 972</b>

**6. Projects under construction**

The increase in projects under construction is due to the additions in programs and licenses in the amount of EGP 307 514 and equipment in the amount of 1 759 622, taking into consideration the transfers to fixed assets in the amount of EGP 132 399.

**Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

**7. Investment in an associates**

	<u>No. of Shares</u>	<u>Ownership %</u>	<u>September 30, 2019 EGP</u>	<u>December 31, 2018 EGP</u>
Fawry Plus for banking services * (SAE)	60 000 000	38%	--	8 280 330
Bosta Inc. Delawara	8 744 819	15.97%	4 193 638	--
Tazcara for Information Technology (LLC)	10 000	20%	--	49 807
			<u>4 193 638</u>	<u>8 330 137</u>

The decrease in investment in associates is due to the recognition of the group's share of losses from Fawry Plus for Banking Services in the amount of EGP 8.2 million in addition to a new investment in Bosta in the amount of EGP 5 122 260, taking into consideration the share of loss.

**8. Investment in Joint venture**

	<u>No. of Shares</u>	<u>Ownership %</u>	<u>September 30, 2019 EGP</u>	<u>December 31, 2018 EGP</u>
Waffarha.com (LLC)	23 500	30%	1 747 035	2 258 670
			<u>1 747 035</u>	<u>2 258 670</u>

The decrease in investment in joint venture is due to the recognition of the group's share of loss in Waffarha.com in the amount of EGP 511 635 during the period.

**9. Accounts and notes receivable**

This increase in accounts and notes receivables is due to an increase in the transactions which have been reflected in an increase in revenue and a relating increase in customers' receivables balance in the amount of EGP 25 006 249.

**10. Customers' loans, (net)**

	<u>September 30, 2019 EGP</u>	<u>December 31, 2018 EGP</u>
Customers' Loan - Micro Finance	67 951 673	364 483
<b>Deduct:</b> Net impairment in customers' loans	(1 536 320)	(7 290)
	<u>66 415 353</u>	<u>357 193</u>

Net impairment in customers' loans represented as following:

	<u>Balance as of December 31, 2018 EGP</u>	<u>Net of formed during the period EGP</u>	<u>Used during the period EGP</u>	<u>Balance at September 30, 2019 EGP</u>
Net impairment in customers' loans	7 290	1 529 031	--	1 536 320
	<u>7 290</u>	<u>1 529 031</u>	<u>--</u>	<u>1 536 320</u>

## Fawry for Banking Technology and Electronic Payments S.A.E.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

### 11. Debtors and other debit balances

	<u>September 30,</u>	<u>December 31,</u>
	<u>2019</u>	<u>2018</u>
	<u>EGP</u>	<u>EGP</u>
Vendors – advance payment	9 504 511	3 609 461
Prepaid expenses	5 845 460	5 073 383
Deposits with others	524 700	152 700
Withholding tax	11 158 129	19 322 718
Other debit balances	10 227 199	7 361 700
Deferred revenues	888 122	--
Letter of guarantees	200 000	1 100 000
	<u>38 348 121</u>	<u>36 619 962</u>

The increase in debtors and other debit balances due to an increase in vendors' advance payments by an amount of EGP 5.9 Million in addition to the decrease in withholding taxes.

### 12. Due from related party

	<u>September 30,</u>	<u>December 31,</u>
<u>Account type</u>	<u>2019</u>	<u>2018</u>
	<u>EGP</u>	<u>EGP</u>
PSI Netherlands Holding BV	Current account	14 717 773
Fawry Plus for Banking Services	Current account	451 454
Bosta Inc. Delaware	Current account	--
Waffarha.com (LLC)	Current account	--
Tazcara for Information Technology (LLC)	Current account	--
	<u>10 330 491</u>	<u>15 169 227</u>

- On April 18, 2019, a share sale contract was signed with PSI Netherlands Holding BV (Holding Company) under which the ownership of 1 396 825 shares of Bosta, Inc., a Delaware Corporation was transferred for 300 000 U.S. dollars. Holding Company and a debt transfer contract was signed between the company and Bosta, Inc., a Delaware Corporation, under which the amount due from Bosta, Inc... a Delaware Corporation of the Holding Company was transferred to the company and the value of that transfer was settled from the balance due to the holding company in the amount of 163 000 U.S. dollars.
- During the second quarter of 2019, a debt transfer contract was signed between the company and the holding company, under which the amount due from Fawry Gulf of the holding company is transferred to the holding company and the value of that transfer was settled from the balance due from the holding company in the amount of USD 12 514 equivalent to the amount of EGP 213 667. The outstanding balance of the holding company was thus fully settled to the outstanding balance of EGP 0.

**Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

Below are the major transactions with related parties:-

<u>Nature of the Transaction</u>	<u>For the period ended September 30, 2019</u>
	<u>EGP</u>
Fawry Plus For Banking Services	
Loan to related parties	9 275 000
Cash collection cost from the related party	(17 860 382)
Credit interest revenue	2 464 432

**13. Loans to related party**

The main increase in loans to related party is due to the increase in the balance of Fawry Plus in the amount of EGP 9.2 Million.

**14. Treasury Bills**

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills	183 115 037	267 500 000
<b><u>Deduct:</u></b>		
Unrealized return balance	(3 810 229)	(7 594 011)
	<u>179 304 808</u>	<u>259 905 989</u>

**15. Cash and cash at banks**

	<u>September 30, 2019</u>	<u>December 31, 2018</u>
	<u>EGP</u>	<u>EGP</u>
Cash	28 407 903	15 003 604
Current bank accounts – local currency	299 430 125	230 805 604
E-Acceptance transactions under settlement	13 557 256	3 740 173
Cash collecting agents	206 397 540	94 435 195
Time deposit – foreign currencies	10 019 726	--
Time deposit – local currencies	33 551 057	87 962 667
Current bank accounts – foreign currencies	14 294 683	9 288 063
<b>Cash and cash at banks</b>	<u>605 658 290</u>	<u>441 235 306</u>

For the purpose of preparing the cash flow statements, the cash and cash equivalents are represented as follows:

	<u>September 30, 2019</u>	<u>September 30, 2018</u>
	<u>EGP</u>	<u>EGP</u>
Cash and bank balances	605 658 290	557 275 890
Treasury bills – less than 3 months	107 294 000	60 107 629
	<u>712 952 290</u>	<u>617 383 519</u>



**Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

**16. Capital**

The company's authorized capital amounted to EGP 500 million, and the issued and paid-up capital amounted to EGP 353 652 060, divided among 35 365 206 shares of par value EGP 10 each.

On 28 March 2019 the extraordinary general assembly meeting decided to split the share to 20 shares and therefore the par value for one share would be EGP 0.5 and so the number of shares will accordingly reach 707 304 120 shares. The commercial register was updated on 10 June 2019.

**17. Deferred tax assets/(liabilities)**

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>December 31,</u> <u>2018</u> <u>EGP</u>
Deferred tax assets	4 868 426	1 367 074
Deferred tax liabilities	(5 793 643)	--
	<u>(925 217)</u>	<u>1 367 074</u>

**18. Provisions**

	<u>Balance as at</u> <u>December 31,</u> <u>2018</u> <u>EGP</u>	<u>Formed during</u> <u>the period</u> <u>EGP</u>	<u>Used during</u> <u>the period</u> <u>EGP</u>	<u>Balance as at</u> <u>September 30,</u> <u>2019</u> <u>EGP</u>
Provision for claims	22 125 576	1 350 000	(5 163 434)	18 312 142
	<u>22 125 576</u>	<u>1 350 000</u>	<u>(5 163 434)</u>	<u>18 312 142</u>

**19. Accounts and Notes Payable**

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>December 31,</u> <u>2018</u> <u>EGP</u>
Accounts payable	5 089 560	26 009 364
Notes payable	4 425 989	--
	<u>9 515 549</u>	<u>26 009 364</u>

**20. Accounts payable – Billers**

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>December 31,</u> <u>2018</u> <u>EGP</u>
Billers payable	399 600 691	287 007 924
Billers' Notes payable	94 018 418	80 000 019
	<u>493 619 109</u>	<u>367 007 943</u>

**Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

**21. Creditors and other credit balances**

	<u>September 30,</u>	<u>December 31,</u>
	<u>2019</u>	<u>2018</u>
	<u>EGP</u>	<u>EGP</u>
Accrued salaries and expenses	26 595 265	13 791 659
Accrued commissions	24 124 194	12 982 415
Unearned revenue	6 429 716	--
Health insurance contribution	1 425 983	1 038 991
Tax Authority	23 065 820	21 581 245
Social Insurance Authority	1 459 254	773 909
Other credit balances	17 798 562	13 098 108
	<u>100 898 792</u>	<u>63 266 327</u>

The main reason behind the increase in creditors and other credit balances is the increase in accrued expenses and commissions in the amount of EGP 30 342 709 which mainly represents accruals for merchants' fees and bank fees in addition to an increase in accrued expenses in the amount of EGP 3.6 which were incurred in relation to the company's Initial Public Offering at EGX.

**22. Due to related party**

	<u>Nature of</u>	<u>Account type</u>	<u>September 30,</u>	<u>December 31,</u>
	<u>relationship</u>		<u>2019</u>	<u>2018</u>
			<u>EGP</u>	<u>EGP</u>
Fawry Plus for banking services	Associate	Current account	--	7 035 626
Waffarha.com	Joint Venture	Current account	--	97 201
			<u>--</u>	<u>7 132 827</u>

**23. Contingent liabilities**

Contingent liabilities consist of the uncovered portion of letters of guarantee issued for the benefit of certain parties and entities as follows:

	<u>September 30,</u>	<u>December 31,</u>
	<u>2019</u>	<u>2018</u>
	<u>EGP</u>	<u>EGP</u>
Letters of guarantee - local currency	516 449 625	409 844 625
	<u>516 449 625</u>	<u>409 844 625</u>

- The letters of guarantee facilities amounted to EGP 566.5 million as of September 30, 2019. And the company has signed promissory notes in the same amount as coverage to those facilities. The used amount from banks amounted to EGP 516 .4 million in the form of letters of guarantee.
- According to the purchase agreement dated on October 1, 2018 with Waffarha.com Company. Fawry for Banking and Payment Technology Services shall pay prices difference for Waffarha.com old shareholders up to 150% of the first trench. In addition, if Waffarha.com recognized revenue certain level of revenue during 2019, Fawry for Banking and Payment Technology Services shall sell / purchase certain number of quotas for Waffarha.com old shareholders up to 15 Quotas.

**Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

**24. Operating revenue**

Operating revenue has increased due to an increase in volume of transactions during the period ended 30 September 2019.

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>September 30,</u> <u>2018</u> <u>EGP</u>
Application sales revenues –collection fees	604 629 166	439 575 557
Subscription revenues	2 799 637	2 094 751
Other operating revenues	8 373	114 780
Interest from microfinance activities	7 450 533	--
	<u>614 887 709</u>	<u>441 785 088</u>

**25. Operating costs**

The main reason behind the increase in operating costs is the increase of merchants' fees in the amount of EGP 58 506 278 which corresponds to the increased volume of transactions during the period. The operating costs are represented as follows:

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>September 30,</u> <u>2018</u> <u>EGP</u>
Merchants' and channel fees	253 073 843	194 567 565
Banks fees	11 043 315	9 546 174
Depreciation and amortization (Note No. 4,5)	23 419 013	11 029 534
Cash collection cost	20 367 438	17 572 854
Others	5 646 367	4 402 601
	<u>313 549 976</u>	<u>237 118 728</u>

**26. General and administrative expenses**

The main reason behind the increase in general and administrative expenses is the increase in salaries and wages in the amount of EGP 17 349 006, in addition to the increase in outsourcing, technical support and services with an amount of EGP 4 760 944.

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>September 30,</u> <u>2018</u> <u>EGP</u>
Technical support and service centers	20 431 074	15 670 130
Rent expense (Note No.36)	754 692	13 886 413
Salaries	46 083 419	28 734 413
Depreciation and amortization (Note No. 4,5)	24 446 336	26 076 438
Other	26 227 535	18 787 587
	<u>117 943 056</u>	<u>103 154 981</u>

## Fawry for Banking Technology and Electronic Payments S.A.E.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

### 27. Selling and distribution expenses

The main reason behind the increase in selling and distribution expenses is the increase of salaries and wages in the amount of EGP 25 588 066 in addition to an increase of EGP 4 395 809 in sales and distribution commissions during the period.

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>September 30,</u> <u>2018</u> <u>EGP</u>
Selling and marketing commissions	72 380 669	46 792 603
Selling and marketing expenses	18 948 970	14 566 134
	<u>91 329 639</u>	<u>61 358 737</u>

### 28. Other Operating Expenses

During the period, Fawry for Micro Finance (a subsidiary) signed a contract with a company that is specialized in Micro Finance activities which provides strategic management services related to the Micro Finance services for a year starting from 15 January 2019 until 15 January 2020 with a total value of 352 500 Euro which is equivalent to EGP 8.034 million. An amount of EGP 5.1 million has been accrued in the current period and this represents the amount relating to the period in income statement.

### 29. Credit interest

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>September 30,</u> <u>2018</u> <u>EGP</u>
Credit interest - current accounts and time deposits	19 475 827	22 889 999
Credit interest – treasury bills	19 069 559	24 844 764
Credit interest – loans to related party	2 464 432	--
	<u>41 009 818</u>	<u>47 734 763</u>

### 30. Other Expenses

Other expenses represent the expenses incurred during the period in relation to the company's Initial Public Offering in the amount of 3.6 Million.

### 31. Group's share of losses of investment in associates and joint venture entities

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>September 30,</u> <u>2018</u> <u>EGP</u>
Fawry Plus For Banking Services	8 280 330	8 616 783
Waffarha.com	511 635	--
Bosta Inc. Delaware	928 622	--
Tazcara for Information Technology (LLC)	49 807	112 645
	<u>9 770 394</u>	<u>8 729 428</u>

## Fawry for Banking Technology and Electronic Payments S.A.E.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

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### 32. Earnings per share

Earnings per share are calculated by dividing the net profit for the period for the parent company by the average number of shares during the period.

	<u>September 30,</u> <u>2019</u> <u>EGP</u>	<u>September 30,</u> <u>2018</u> <u>EGP</u>
Net profit for the period for the parent company	57 375 920	43 201 154
Average number of shares during the period	707 304 120	352 214 010
	<u>0.08</u>	<u>0.12</u>

### 33. Tax Position

#### Corporate tax

The company is subject to the income tax law no. 91 for year 2005 and its executive regulations and amendments.

#### The years from incorporation until 31 December 2014

- The Company was notified with Form No. (19) and an appeal was filed on the required dates and the company's records are currently under inspection based on an actual basis.

#### The years from 2015 until 2018

- Tax return were filed on the required dates and due taxes were settled. The company was not notified by the tax inspection until the date of the financial statements.

#### Payroll tax

#### The years from inception until 31 December 2016

The company's records have been inspected and the tax differences have been settled.

#### The years 2017 and 2018

The company's records have not inspected.

#### Stamp duty tax

#### The years from inception until 31 December 2014

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

#### The years from 2015 until 31 December 2017

- The company's records were not inspected.

#### Sales tax / VAT tax

#### The years from inception until 31 December 2014

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

#### The years from 2015 until 31 December 2017

- The company's records are currently under inspection and the company has not received any claims regarding the results of the tax inspection.

#### The year 2018

- The company's records were not inspected.

#### Withholding tax

- The company's records were not inspected.

## Fawry for Banking Technology and Electronic Payments S.A.E.

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

### 34. Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation of the financial statements for the current period.

### 35. Significant events during the period

- In March 2019, the Minister of Investment and International Cooperation issued Decree No. 69 of 2019 amending certain provisions of the Egyptian Accounting Standards. The three accounting standards were issued, namely the Egyptian Accounting Standard No. (47) For Financial Instruments and the Egyptian Accounting Standard No. (48) for the revenue of contracts with customers and the accounting standard (49) concerning leasing contracts in accordance with the Financial Leasing Law and the No. 176 of 2018. The effect of applying the following standards on the company's separate financial statements is being determined.

- On May 6, 2019 the ordinary general Assembly decided to divide an amount of EGP 10.3 Million on the employees and share profit by an amount of EGP 5.5 Million for shareholders.

- On August 8, 2019, the Company started trading its shares on the stock exchange.

### 36. The effect of the initial application of EAS 49 (Lease Contracts)

Some opening balances in the financial statements as of January 1, 2019 have been adjusted to reflect the effect of the initial application of EAS (49) "Lease contracts". On the contracts that are subject to Law no. 95 for the year 1992 which were previously treated in accordance with EAS no. 20 only.

The following is a summary of the effect on the previously issued financial statements for the financial periods ended March 31, 2019, June 30, 2019 and the opening balances on January 1, 2019:

EGP	Before Adjustment January 1, 2019	After adjustment January 1, 2019	Adjustment effect
<b>Statement of financial position</b>			
Fixed assets (Net)	114 916 044	179 873 883	64 957 839
Prepaid rent expense - Finance lease.	21 014 396	--	(21 014 396)
Retained earnings	46 678 447	61 142 292	(14 463 845)
Finance lease liabilities	--	(25 395 406)	(25 394 406)
Deferred tax liabilities	--	(4 085 192)	(4 085 192)

**Fawry for Banking Technology and Electronic Payments S.A.E.**

Notes to the Condensed Consolidated Financial Statements

For the nine months ended September 30, 2019

EGP	Before Adjustment March 31, 2019	After adjustment March 31, 2019	Adjustment effect
<b>Statement of Financial Position</b>			
Fixed assets (Net)	117 655 403	182 356 182	64 700 779
Prepaid rent expense - Finance lease.	19 355 365	--	(19 355 365)
Retained earnings	99 761 128	114 224 973	(14 463 845)
Net profit for the period	17 595 267	20 907 974	(3 312 707)
Finance lease liabilities	--	(23 483 670)	(23 483 670)
Deferred tax liabilities	--	4 287 522	(4 085 192)
<b>Income Statement</b>			
General and administrative expenses	41 416 173	36 778 598	(4 637 575)
Finance costs	2 418 670	3 743 538	1 324 868
Net profit for the period after tax	17 595 267	20 907 974	3 312 707

EGP	Before Adjustment June 30, 2019	After adjustment June 30, 2019	Adjustment effect
<b>Statement of Financial Position</b>			
Fixed assets (Net)	172 510 691	193 867 061	21 356 370
Retained earnings	83 950 593	98 414 438	(14 463 845)
Net profit for the period	33 672 406	36 479 738	(2 807 332)
Deferred tax liabilities	1 708 451	5 793 643	(4 085 192)
<b>Income Statement</b>			
General and administrative expenses	79 940 769	75 808 568	(4 132 201)
Finance costs	5 269 205	6 594 073	1 324 868
Net profit for the period after tax	33 672 406	36 479 738	(2 807 332)

**Chief Financial Officer****Abdel Meguid Afifi****Chief Executive Officer****Ashraf Sabry****Chairman****Saifullah Coutry**