

Fawry for Banking Technology and Electronic Payments (S.A.E.)
Condensed Consolidated Interim Financial Statements
For the nine months ended September 30, 2022
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, 2022, 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.

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, 2022, 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, 2022.

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



Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed consolidated interim statement of financial position
As of September 30, 2022

	<u>Note No.</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
		<u>EGP</u>	<u>EGP</u>
Assets			
Non-current assets			
Fixed assets	(4)	643 099 951	535 279 313
Intangible assets	(5)	373 449 920	275 780 339
Projects under construction	(6)	28 448 702	16 199 524
Goodwill	(7)	32 771 437	24 732 978
Deferred tax assets		29 928 424	24 816 082
Micro finance loans	(11)	154 505 564	100 150 604
Investments in associates and joint ventures	(8)	5 159 904	4 041 289
Investments at fair value through other comprehensive income	(9)	56 305 101	47 171 976
Investments at fair value through Profit or loss	(10)	2 578 625	--
Total non-current assets		1 326 247 628	1 028 172 105
Current assets			
Inventories		63 591 649	298 046
Accounts and notes receivables	(11)	103 896 192	63 746 140
Micro finance loans	(12)	496 976 011	310 596 197
Advances to billers		414 939 207	372 680 643
Debtors and other debit balances	(13)	135 177 617	96 414 376
Due from related parties	(14)	1 653 021	1 700 445
Investments at fair value through Profit or loss	(10)	13 042 125	--
Treasury Bills	(15)	1 729 275 939	1 144 724 698
Cash and cash at banks	(16)	1 718 995 783	1 120 900 729
Total current assets		4 677 547 544	3 111 061 274
Total assets		6 003 795 172	4 139 233 379
Equity and Liabilities			
Equity			
Issued and paid-up capital	(17)	1 653 652 060	853 652 060
Legal reserve		53 150 023	47 129 042
Reserve for employee stock ownership plan (ESOP)	(25)	124 282 270	52 398 017
Combination reserve		11 745 574	11 745 574
Compulsory reserve for EAS 47 Application Risk		2 612 539	2 612 539
Shares issuance expenses reserve		(5 818 102)	(2 835 763)
Retained earnings		508 615 874	414 309 089
Total equity for the owners of the Parent Company		2 348 240 238	1 379 010 558
Non controlling interest		99 445 066	79 008 776
Total equity		2 447 685 304	1 458 019 334
Non-Current liabilities			
Deferred Tax Liability		19 873 518	19 952 604
Long term loans		94 002 302	63 758 411
Lease Liabilities		109 258 548	81 540 702
Total non current liabilities		223 134 368	165 251 717
Current liabilities			
Provisions	(18)	32 332 696	32 430 642
Banks credit facilities	(19)	233 376 552	431 224 733
Short term loans		203 665 485	149 820 206
Accounts and notes payable		42 775 925	73 688 962
Accounts and notes payable- billers		1 935 084 108	1015 103 526
Merchants advances		451 322 044	444 655 635
Retailer's POS security deposits		73 672 995	62 338 803
Creditors and other credit balances	(20)	279 329 908	219 126 376
Lease Liabilities		25 054 072	19 695 737
Current income tax		56 361 715	67 877 708
Total current liabilities		3 332 975 500	2 515 962 328
Total equity and liabilities		6 003 795 172	4 139 233 379

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, 2022

	Note No.	Nine-months period ended		Three-months period ended	
		September 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
		EGP	EGP	EGP	EGP
Operating revenues	(22)	1 628 010 209	1 190 833 581	613 717 926	448 273 148
Operating costs	(23)	(665 124 466)	(517 822 679)	(237 731 491)	(190 442 514)
Gross margin		962 885 743	673 010 902	375 986 435	257 830 634
General and administrative expenses	(24)	(427 126 268)	(264 678 067)	(160 275 653)	(99 458 577)
Employee stock ownership plan expenses (ESOP)	(25)	(71 884 253)	(37 414 270)	(31 007 700)	(24 052 066)
Board of Directors allowances		(3 209 064)	(2 442 067)	(1 506 954)	(1 005 000)
Selling and marketing expenses	(26)	(285 634 012)	(204 155 069)	(102 886 423)	(79 967 495)
Social contribution for Health and insurance		(5 582 077)	(4 017 925)	(2 334 461)	(1 540 181)
Provisions formed	(11)	(5 400 000)	(2 650 087)	(1 800 000)	(900 000)
Net impairment loss on customers' loans		(21 617 137)	(10 373 621)	(5 882 856)	(3 554 717)
Expected credit losses		(3 385 478)	-	2 651 106	-
Net gain from investment at fair value through Profit or loss	(10)	620 750	-	234 375	-
Net gain from incentives of spreading pos points of CBE initiative		--	21 725 295	--	--
Credit interest	(27)	141 124 380	90 927 072	61 977 469	38 163 068
Finance costs		(23 515 068)	(22 133 553)	(5 825 666)	(9 374 758)
Foreign currency exchange gain		6 467 341	212 862	1 003 757	118 887
Gain on sale of fixed assets		3 517 302	4 028 125	537 464	883 206
Other revenues		2 620 515	978 062	1 524 413	376 115
Operating profit		269 882 674	243 017 659	132 395 306	77 519 116
Share of losses on investment in associates and joint venture	(28)	(4 378 672)	(4 562 282)	(1 034 874)	(1 843 616)
Other expenses		--	(3 632 593)	--	(1 032 593)
Lease interest expense		(9 518 992)	(6 524 536)	(3 476 752)	(2 438 225)
The change from investment in associate to investment in subsidiaries		--	22 800 000	--	-
Profit for the period before tax		255 985 010	251 098 248	127 883 680	72 204 682
Current income tax		(63 053 565)	(57 359 414)	(32 993 367)	(15 616 119)
Net profit for the period after tax		192 931 445	193 738 834	94 890 313	56 588 563
Distributed as follows:					
Net profit for the shareholders of the parent Company		124 066 675	149 390 219	71 766 064	36 089 447
Net profit for the non-controlling interest		68 864 770	44 348 615	23 124 249	20 499 116
Net profit for the period after tax		192 931 445	193 738 834	94 890 313	56 588 563
Earnings per share for the period - basic	(30)	0.05	0.124		
Earnings per share for the period - diluted	(30)	0.05	0.123		

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



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, 2022

	<u>Nine-months period ended</u>		<u>Three months ended</u>	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	192 931 445	193 738 834	94 890 313	56 588 563
Other comprehensive income	--	--	--	--
Total other comprehensive income	--	--	--	--
Total comprehensive income for the period	192 931 445	193 738 834	94 890 313	56 588 563
Distributed as follows:				
Comprehensive income for the owners of the parent Company	124 066 675	149 390 219	71 766 064	36 089 447
Comprehensive income for the non controlling interest	68 864 770	44 348 615	23 124 249	20 499 116
Total comprehensive income for the period	192 931 445	193 738 834	94 890 313	56 588 563

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

ENAVY 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, 2022

	Issued and paid up capital		Legal reserve		Reserve for employee stock ownership plan (ESOP)		Retained amount from retained earnings for capital increase		Combination reserve		Shares issuance expenses reserve		Compulsory reserve for EAS 47 Application Risk		Retained earnings		Total equity of the parent company		Non controlling interest		Total		
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2021	353 652 060	37 799 312					100 000 000	5 841 596					2 612 539	268 270 887	768 176 391	44 348 615	28 727 823	193 738 834	796 904 214				
Comprehensive income items																							
Net profit for the period														149 390 219	149 390 219	149 390 219	44 348 615	44 348 615	193 738 834				
Total comprehensive income														149 390 219	149 390 219	149 390 219	44 348 615	44 348 615	193 738 834				
The Company's shareholders transactions																							
Transferred to legal reserve		9 329 730												(9 329 730)									
Reserve for employee stock ownership plan (ESOP)					37 414 270																		
Capital increase from retained earnings	100 000 000						(100 000 000)																
Capital cash increase	400 000 000																						
Additions on combination reserve								5 903 987															
Dividend distribution														(18 869 936)									
Non-controlling interest share from dividends distributed in subsidiaries																							
Non-controlling interest share from the acquisition of subsidiaries																							
Total company's shareholders transactions	500 000 000		9 329 730		37 414 270		(100 000 000)	5 903 987						(28 199 666)	424 448 312		(17 174 183)	407 274 129					
Balance as of September 30, 2021	853 652 060	47 129 042			37 414 270			11 745 583					2 612 539	389 461 440	1 342 014 925		55 902 255	1 397 917 177					
Balance as of January 1, 2022	853 652 060	47 129 042			52 398 017			11 745 574			(2 835 763)		2 612 539	414 309 089	1 379 010 558		79 008 776	1 458 019 334					
Comprehensive income items																							
Net profit for the period														124 066 675	124 066 675		68 864 769	192 931 444					
Total comprehensive income														124 066 675	124 066 675		68 864 769	192 931 444					
The company's shareholders transactions																							
Transferred to legal reserve		6 020 981												(6 020 981)									
Reserve for employee stock ownership plan (ESOP)					71 884 253																		
Transferred to retained earnings from share issuance expense reserve											2 835 763			(2 835 763)									
Share issuance expense reserve											(5 818 102)			(5 818 102)									
Capital cash increase	800 000 000																						
Acquisition of subsidiary company																							
Dividend distribution														(19 267 071)									
Non-controlling interest's share from dividends distributed in subsidiary														(1 636 074)									
Total company's shareholders transactions	800 000 000		6 020 981		71 884 253			(2 982 339)						(29 759 889)	845 163 006		(48 428 479)	796 734 527					
Balance as of September 30, 2022	1 653 652 060	53 150 023			124 282 270			11 745 574			(5 818 102)		2 612 539	508 615 874	2 348 240 238		99 445 066	2 447 685 304					

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, 2022

	Note No	September 30, 2022	September 30, 2021
		EGP	EGP
Cash flows from operating activities:			
Net profit for the period before tax		255 985 010	251 098 248
Adjusted by:			
Depreciation and amortization for the period		158 124 410	104 906 135
Provisions Formed	(17)	5 400 000	2 650 087
Net impairment losses - Micro finance loans		21 617 137	10 373 621
Expected credit losses		3 385 478	--
Employee stock ownership plan expenses		71 884 253	37 414 270
Net gain from investment at fair value through Profit or loss	(9)	(620 750)	--
Credit interest		(141 124 380)	(90 927 072)
Share of investments in associate and joint venture's losses		4 378 672	4 562 282
The change from investment in associate to investment in subsidiaries		--	(22 800 000)
Unrealized foreign currency exchange gain		(6 467 341)	(212 862)
Gain on disposals of fixed assets		(3 517 302)	(4 028 125)
Finance expenses		23 515 068	28 658 089
Operating profit before changes in working capital		392 560 255	321 694 673
Changes in Working capital			
Decrease/(Increase) in inventories		(63 293 603)	3 607 795
(Increase)/Decrease in advances to service providers		(42 258 564)	49 488 807
(Increase) / Decrease in debtors and other debit balances		(36 377 047)	29 904 938
(Increase) in accounts and notes receivable		(42 685 615)	(12 718 175)
(Increase) in micro finance loans		(262 351 911)	(114 095 372)
Decrease in due from related parties		47 424	7 817 113
(Decrease) in accounts and notes payable		(30 913 037)	(4 712 404)
Increase in accounts payable- billers		919 980 582	334 492 430
Increase in merchants advances		6 666 409	140 181 517
Increase in retailer's POS security deposits		11 334 192	17 857 675
Increase / (Decrease) in creditors and other credit balances		50 795 500	(15 363 462)
Used from provisions		(5 497 946)	--
		898 006 639	758 155 535
Income tax paid		(85 646 332)	(30 910 068)
Proceeds from credit interest		59 487 586	90 927 072
Net cash provided from operating activities		871 847 893	818 172 539
Cash flows from investing activities			
(Payments) for fixed assets acquisition		(194 715 269)	(264 070 441)
(Payments) for projects under construction		(12 249 178)	(1 368 161)
(Payments) to acquire intangible assets		(123 652 223)	(79 280 937)
Proceeds from sale of fixed assets		14 441 835	11 678 208
Proceeds from POS's machines under CBE initiative		--	68 206 579
Proceeds from selling shares in subsidiary		--	6 674 157
Net Cash paid for acquisition of subsidiary		(2 139 024)	(6 138 341)
(Payments) to increase investements in associates and joint venture companies		(5 497 287)	--
Payments in investments at fair value through OCI		(9 133 125)	--
Payments in investments at fair value through profit or loss statement		(15 000 000)	(47 171 976)
Net movement of treasury bills - more than three months		(453 994 844)	(572 221 798)
Net cash flows (used in) investing activities		(801 939 115)	(883 692 710)
Cash flows from financing activities			
Proceeds from Capital increase		800 000 000	400 000 000
(Payments) of dividend distribution		(74 442 106)	(38 455 984)
Proceeds from loans		84 089 170	160 000 000
(Payments) Proceeds from bank credit facilities		(197 848 181)	(24 225 392)
(Payments) of lease liabilities		(27 164 269)	(13 475 464)
Finance expenses paid		(13 996 076)	(28 658 089)
Net cash provided from financing activities		570 638 538	455 185 071
Net change in cash and cash equivalents during the period		640 547 316	389 664 900
Cash and cash equivalents at beginning of the period		1 120 900 729	623 737 310
Exchange rate changes on cash and cash equivalents		6 467 341	212 862
Cash and cash equivalents at end of the period	(16)	1 767 915 386	1 013 615 072

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.

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

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 6th of October under No. 1333 on 19 July 2018.

The purpose of the Company is to provide operations services specialized in information technology 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 condensed consolidated interim financial statements authorized for issuance at the Board of Directors meeting held on November 14, 2022.

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 have been applied in the prior year. The condensed consolidated interim financial statements should be read with conjunction with the consolidated annual financial statements as of 31 December 2021.

4. Fixed assets

	Land		Building		Networks and Servers		Point of sales machines		Computers		Furnitures and Office equipment		Leasehold Improvements		Vehicles		Tools & equipment		Right of use branches and premises		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost																						
As of January 1, 2021	25 970 500	41 129 500	58 877 460	268 258 281	57 056 291	11 745 945	17 636 870	149 300	641 766	--	--	--	--	--	--	--	--	--	--	--	--	481 465 913
The effect of acquisition of subsidiary	--	--	--	0	429 225	1 337 581	13 357 586	--	2 589 010	--	--	--	--	--	--	--	--	--	--	--	--	17 713 402
Additions during the year	26 520 000	70 230 000	49 803 111	154 732 416	14 420 387	1 400 926	20 732 737	--	1 363 576	--	--	--	--	--	--	--	--	--	--	--	--	448 856 983
Disposals	--	--	--	(69 955 499)	(12 030)	--	--	--	(340 000)	--	--	--	--	--	--	--	--	--	--	--	--	(70 307 529)
As of December 31, 2021	52 490 500	111 359 500	108 680 571	353 035 198	71 893 873	14 484 452	51 727 193	149 300	4 254 352	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	877 728 769
As of January 1, 2022	52 490 500	111 359 500	108 680 571	353 035 198	71 893 873	14 484 452	51 727 193	149 300	4 254 352	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	109 653 830	877 728 769	877 728 769
Additions during the period	--	--	19 255 798	130 473 784	12 346 995	11 664 131	16 814 888	--	22 844	50 721 458	241 299 898	50 721 458	241 299 898	50 721 458	241 299 898	50 721 458	241 299 898	50 721 458	241 299 898	50 721 458	241 299 898	241 299 898
Acquisition of subsidiary company	--	--	--	--	--	267 973	--	--	--	--	267 973	--	--	--	--	--	--	--	--	--	--	267 973
Disposals	--	--	--	(10 233 277)	--	(1 059 222)	--	--	--	--	(1 460 031)	--	--	--	--	--	--	--	--	--	--	(12 752 530)
As of September 30, 2022	52 490 500	111 359 500	127 936 369	473 275 705	84 240 868	25 357 334	68 542 081	149 300	4 277 196	158 915 257	1 106 544 110	158 915 257	1 106 544 110	158 915 257	1 106 544 110	158 915 257	1 106 544 110	158 915 257	1 106 544 110	158 915 257	1 106 544 110	1 106 544 110
Accumulated depreciation																						
As of January 1, 2021	--	4 198 638	43 627 144	136 549 025	29 565 648	7 099 224	9 855 555	149 298	641 739	--	--	--	--	--	--	--	--	--	--	--	--	231 686 271
Depreciation for the period	--	1 467 175	26 937 265	51 063 102	6 398 815	2 699 088	10 572 066	--	1 212 464	21 427 622	121 777 597	21 427 622	121 777 597	21 427 622	121 777 597	21 427 622	121 777 597	21 427 622	121 777 597	21 427 622	121 777 597	121 777 597
Depreciation of disposals	--	--	--	(10 662 383)	(12 030)	--	--	--	(340 000)	--	--	--	--	--	--	--	--	--	--	--	--	(11 014 413)
As of December 31, 2021	--	5 665 813	70 564 409	176 949 744	35 952 433	9 798 312	20 427 621	149 298	1 514 203	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	342 449 455
As of January 1, 2022	--	5 665 813	70 564 409	176 949 744	35 952 433	9 798 312	20 427 621	149 298	1 514 203	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	21 427 622	342 449 455	342 449 455
Depreciation for the Period	--	2 087 991	27 801 141	52 620 421	8 837 834	2 652 293	10 537 338	--	512 590	21 909 921	126 959 529	21 909 921	126 959 529	21 909 921	126 959 529	21 909 921	126 959 529	21 909 921	126 959 529	21 909 921	126 959 529	126 959 529
Depreciation of disposals	--	--	--	(5 304 775)	--	(262 518)	--	--	--	(397 531)	(5 964 824)	--	(5 964 824)	--	(5 964 824)	--	(5 964 824)	--	(5 964 824)	--	(5 964 824)	(5 964 824)
As of September 30, 2022	--	7 753 804	98 365 550	224 265 390	44 790 267	12 188 087	30 964 959	149 298	2 026 793	42 940 012	463 444 160	42 940 012	463 444 160	42 940 012	463 444 160	42 940 012	463 444 160	42 940 012	463 444 160	42 940 012	463 444 160	463 444 160
Net book value																						
As of September 30, 2022	52 490 500	103 605 696	29 570 819	249 010 315	39 450 601	13 169 247	37 577 122	2	2 250 403	115 975 245	643 099 951	115 975 245	643 099 951	115 975 245	643 099 951	115 975 245	643 099 951	115 975 245	643 099 951	115 975 245	643 099 951	643 099 951
As of December 31, 2021	52 490 500	105 693 687	38 116 162	176 085 454	35 941 440	4 686 140	31 299 572	2	2 740 149	88 226 208	535 279 313	88 226 208	535 279 313	88 226 208	535 279 313	88 226 208	535 279 313	88 226 208	535 279 313	88 226 208	535 279 313	535 279 313

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

5. Intangible assets

	<u>Software license</u>	<u>Programs</u>	<u>Contractual relationship with clients</u>	<u>Customer List</u>	<u>Trademark</u>	<u>Total</u>
<u>Cost</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
As of January 1, 2021	39 032 651	198 977 608	--	--	--	238 010 259
Additions during the year	25 964 158	84 126 350	--	--	--	110 090 508
Change of the scope of grouping of subsidiaries and associate companies	--	--	6 270 000	533 000	19 070 000	25 873 000
As of December 31, 2021	64 996 809	283 103 958	6 270 000	533 000	19 070 000	373 973 767
Additions during the period	6 239 186	117 413 038	--	--	--	123 652 224
Acquisition of subsidiary company	--	5 182 239	--	--	--	5 182 239
As of September 30, 2022	71 235 995	405 699 235	6 270 000	533 000	19 070 000	502 808 230
<u>Accumulated amortization</u>						
As of January 1, 2021	14 876 938	53 747 158	--	--	--	68 624 096
Amortization for the year	3 429 106	24 248 244	531 815	88 833	1 271 333	29 569 332
As of December 31, 2021	18 306 044	77 995 402	531 815	88 833	1 271 333	98 193 428
Amortization for the period	4 100 636	25 645 260	398 861	66 625	953 500	31 164 882
As of September 30, 2022	22 406 860	103 640 662	930 676	155 458	2 224 833	129 358 310
Net Book value As of September 30, 2022	48 829 314	302 058 573	5 339 324	377 542	16 845 167	373 449 920
Net Book value, As of December 31, 2021	46 690 765	205 108 556	5 738 185	444 167	17 798 667	275 780 339

6. Projects under construction

The increase in projects under construction is mainly due to the additions of programs, licenses, servers and furniture during the period amounted by EGP 37.2 million with the transfer of fixed assets by amount of EGP 25 million.

7. Goodwill

The increase in goodwill is mainly due to the acquisition of Dirack for information systems S.A.E during the period, and resulting of a goodwill of EGP 8 million, as well as goodwill has been measured and identified according to temporary fair value (Note 31)

8. Investment in associates and joint ventures

	<u>Type of investment</u>	<u>Ownership %</u>	<u>September 30, 2022 EGP</u>	<u>December 31, 2021 EGP</u>
Bosta Co.	Associate	9.05%	--	1 814 084
EGY Insure-tech for electronic applications Co.	Associate	20%	2 471 558	1 470 162
Roderz for smart Applications Co.*	Associate	30%	1 382 455	--
Tazcara for information technology Co.	Associate	20%	--	--
Waffarha.com Co.	Joint venture	30%	1 035 891	757 043
			5 159 904	4 041 289

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

*During the period the company Paid the remaining amount of the investment in Roaders Technology Co. amounted of EGP 3.24 million.

9. Investments at fair value through other comprehensive income

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
El menus Co	15 716 676	15 716 676
Brimore Co.	15 700 000	15 700 000
Bringer Co. (Netherlands)	15 755 300	15 755 300
Mylerz Co.	9 133 125	--
	<u>56 305 101</u>	<u>47 171 976</u>

10. Investments at Fair Value through profit or loss

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Fawry Banking Investment in Misr Capital Fund - Current	12 500 000	--
Fawry Banking Investment in Misr Capital Fund - Non current	2 500 000	--
	<u>15 000 000</u>	<u>--</u>
Gain from investment at fair value through profit or loss	620 750	--
	<u>15 620 750</u>	<u>--</u>

11. Accounts and notes receivables

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Accounts receivables	109 227 362	60 668 946
Notes receivables	496 718	5 783 896
Less: Expected credit losses	(5 827 888)	(2 706 702)
	<u>103 896 192</u>	<u>63 746 140</u>

12. Micro finance loans

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Loans to customers - Short term	526 050 529	330 689 315
Less:		
Expected credit losses	(29 074 518)	(20 093 118)
Loans to customers - short term	<u>496 976 011</u>	<u>310 596 197</u>
Loans to customers - Long term	163 437 160	106 042 856
Less:		
Expected credit losses	(8 931 596)	(5 892 252)
Loans to customers - Long term	<u>154 505 564</u>	<u>100 150 604</u>
	<u>651 481 575</u>	<u>410 746 801</u>

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

Provision movement represented as following:

<u>Description</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Beginning balance	25 985 370	13 235 976
Formed	21 617 133	12 749 394
Utilized during the period	(9 596 389)	--
	38 006 114	25 985 370

13. Debtors and other debit balances

<u>Description</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Advance payments – to Suppliers	2 185 134	2 407 203
Prepaid expenses	20 551 833	9 141 207
Deposits held with others	4 078 986	3 699 788
Withholding tax	35 556 460	38 642 826
Accrued interest revenue – Microfinance portfolio	17 674 235	9 841 468
Custodies	10 219 869	10 765 565
Accrued Revenue	21 425 368	10 685 892
Letter of guarantee margin	512 532	--
Other debit balances	23 063 148	11 263 171
Less: Expected credit losses	(89 948)	(33 044)
	135 177 617	96 414 376

14. Due from related parties

<u>Description</u>	<u>Nature</u>	<u>Account type</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
			<u>EGP</u>	<u>EGP</u>
Waffarha.com Co.	Joint venture	Current account	220 211	220 211
ACIS Co.	associate	Current account	3 000 000	3 000 000
Tazcara for Information Technology and Electronic Booking co.	associate	Current account	1 500 240	1 494 309
Less: Expected credit losses			(3 067 430)	(3 014 075)
			1 653 021	1 700 445

15. Treasury Bills

<u>Description</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Treasury bills - with maturities up to three months	48 142 000	32 342 990
Treasury bills - with maturities after three months	1 598 861 946	1 037 616 535
Add		
Accrued interest – with maturities up to three months	777 603	246 343
Accrued interest – with maturities after three months	81 636 794	75 526 800
Less: Expected credit losses	(142 404)	(1 007 970)
	1 729 275 939	1 144 724 698

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

16. Cash and bank balances

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Cash (*)	424 255 248	--
Current accounts at banks – local currency	280 714 335	291 482 114
E-Acceptance transactions under settlement	219 993 154	128 704 285
Cash collections - agents	743 965 598	583 161 259
Time deposit – local currency	10 046 027	95 086 110
Time deposit – foreign currency	28 806 306	15 155 942
Current accounts at banks – foreign currency	11 891 172	7 523 412
Less: Expected credit losses	(676 057)	(212 493)
	<u>1 718 995 783</u>	<u>1 120 900 729</u>

(*) Cash balance represent in cash with cash collection representatives “the Company’s employees” on September 30, 2022.

To preparing the cash flow statement, the cash and cash equivalents represented as follows:

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Cash and bank balances	1 718 995 783	982 124 924
Treasury Bills – less than three months	48 919 603	9 764 853
	<u>1 767 915 386</u>	<u>991 889 777</u>

17. Capital

The issued and paid-up capital amounted to EGP 353 652 060 distributed over 707 304 120 shares with a nominal value of EGP 0.5, and on December 31, 2020, the General Assembly of the company decided to increase the capital by EGP 100 million by distributing free shares financed from the retained earnings of the Company and registered that increase in the commercial register on February 3, 2021, as well as on December 31, 2020, the General Assembly of the Company decided to increase the capital by EGP 400 million by cash increase in nominal value through underwriting to the old shareholders and was registered by this increase in the commercial register on 20 June 2021 to become the issued and paid-up capital of EGP 853 652 060 distributed on 1 707 304 120 shares with a nominal value of EGP 0.5.

On March 3, 2022, the General Assembly of the company decided to increase the authorized capital to be EGP 3 billion, and to increase the issued and paid-up capital by EGP 800 million at nominal value through underwriting to the old shareholders. And was registered by this increase in the commercial register on June 15, 2022, to become the issued and paid-up capital of EGP 1 653 652 060 distributed on 3 307 304 120 shares with a nominal value of EGP 0.5.

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

18. Provisions

	<u>Balance as at</u> <u>January 1, 2022</u>	<u>Formed during</u> <u>the period</u>	<u>Used during the</u> <u>period</u>	<u>Balance as at</u> <u>September 30, 2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision for claims	32 430 642	5 400 000	(5 497 946)	32 332 696
	32 430 642	5 400 000	(5 497 946)	32 332 696

19. Banks credit facilities

The decrease in bank facilities balance amounted by EGP 198 million is due to the increase in payment of facilities in the Third quarter of 2022.

20. Creditors and other credit balances

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Accrued expenses	75 299 492	46 896 427
Accrued interest	3 629 589	7 344 769
Accrued commissions	46 977 815	50 604 607
Unearned revenue	10 371 322	3 868 268
Health insurance contribution	5 166 780	5 220 402
Customer advance payments	7 658 760	--
Tax Authority	55 086 483	75 683 299
Social Insurance Authority	27 127 252	4 325 030
Transactions under settlement	10 833 568	6 096 583
Other credit balances	37 178 847	19 086 991
	279 329 908	219 126 376

21. Contingent liabilities

The contingent liabilities are represented in the uncovered part of the letters of guarantee issued for the benefit of some parties and entities as Letters of guarantee facilities reached EGP 1.236 million as of September 30, 2022, the utilized amounts from the bank's facilities amounted to EGP 855 million Egyptian Pounds in the form of issued letters of guarantee.

22. Operating revenue

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Transaction services revenue - collection fees	1 428 757 731	1 084 603 110
Other revenues	17 798 614	6 540 692
Insurance brokerage commission	9 219 681	2 666 582
Interest revenue Micro finance	172 234 183	97 023 197
	1 628 010 209	1 190 833 581

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

23. Operating cost

The increase in operating costs is mainly due to the increase of merchants' fees by an amount of EGP 82.4 million, increase in cost of financing microfinance loans by amount of EGP 17.2 million and cash collection cost increased by amount of EGP 42.7 million.

24. 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 89 million. In addition to the increase in subscription fees, technical support, communication and services Centers by an amount of EGP 12.6 million during the period and increase in depreciation by an amount of EGP 52 million as well as increase in other expenses by an amount of EGP 6.7 million.

25. Share - based payment

The main reason for the increase in share-based payments due to granting 51.8 million shares on July 7, 2022 in addition to ESOP started from May 10, 2021.

26. Selling and marketing expenses

The main reason for the increase in selling and marketing expenses is the increase of the salaries by an amount of EGP 27.4 million, In addition to the increase of marketing and advertising expenses by an amount of EGP 49.5 million during the period.

27. Credit Interest

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Credit interest - current accounts	11 511 770	9 751 642
Credit interest - treasury bills	129 612 610	81 175 430
	<u>141 124 380</u>	<u>90 927 072</u>

28. Group's share of profit / (losses) in investment in associates and joint venture entities

	<u>September 30, 2022</u>	<u>September 30, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Waffarha.com Co.	278 849	(112 034)
Bosta Inc. Co.	(1 814 084)	(4 450 248)
EGY Insure-tech Co.	(265 891)	--
Roderz for smart applications Co.	(2 577 546)	--
	<u>(4 378 672)</u>	<u>(4 562 282)</u>

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

29. segment information

The group has two major sectors representing the important sectors of the group, offering different and services that are managed in a separate way because they require different skills and have different types of clients. The managers of each sector review internal management reports 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, 2021, 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	Revenue		Profit	
	<u>September 30, 2022</u>	<u>September 30, 2021</u>	<u>September 30, 2022</u>	<u>September 30, 2021</u>
Banking technology and E-payment segment	1 455 776 026	1 093 810 384	221 524 882	235 737 055
Micro-Finance segment	172 234 183	97 023 197	34 460 128	15 361 193
Total	1 628 010 209	1 190 833 581	255 985 010	251 098 248
Net profit for the period before tax			255 985 010	251 098 248
Income tax			(63 053 565)	(57 359 414)
Net profit for the period after tax			192 931 445	193 738 834

B. Segment Assets

EGP	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Banking Technology and E-payment segment	5 729 717 533	4 111 477 098
Micro-Finance segment	713 139 156	452 425 403
Assets before elimination	6 442 856 689	4 083 941 109
Elimination of internal transactions between segments	(439 061 517)	(424 669 122)
Assets after elimination	6 003 795 172	4 139 233 379
Total consolidated Assets	6 003 795 172	4 139 233 379

30. 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>September 30, 2022</u>		<u>September 30, 2021</u>	
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit for the period	124 066 675	124 066 675	149 390 219	149 390 219
Average number of outstanding shares	2 336 715 885	2 350 405 782	1 209 526 342	1 209 966 108
	0.05	0.05	0.124	0.123

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

31. Goodwill

During the period, Fawry for banking technology and electronic payments S.A.E acquired a percentage of 51.20% from the total shares of Dirac for information systems S.A.E. , the company paid EGP 3 million with commitment to pay the remaining amount of investment amounted to EGP 10 million. The goodwill recognized as the value of the increase in cash consideration against the fair value of the company's net assets.

The fair value of identifiable assets acquired, liabilities and potential liabilities assumed resulting from the acquisition of Dirack for information system S.A.E. has been provisionally determined, and the provisional fair value of the net assets acquired at the date of the acquisition was EGP 9 690 336.

	<u>EGP</u>
	<u>September 30, 2022</u>
Provisional fair values of net assets acquired and liabilities assumed	9 690 336
Deduct:	
Non-controlling interest (provisional fair value)	4 728 794
Fair value of consideration	13 000 000
Total goodwill	8 038 458

According to article No. 45 of the Egyptian Accounting Standard No. (29), the initial accounting for the business combination was not completed until the end of the reporting period, as the group's management is still preparing a study for the purchase price allocation at the date of the combination for the purpose of allocating the consideration paid over the fair values of the acquired assets, assumed liabilities and goodwill. The company will perform during the measurement period, which is the period post the acquisition date, where there will be a reasonable time for the company to determine and measure the fair values of the following at the acquisition date:

- A-** Identifiable acquired assets, contingent liabilities and any non-controlling interests in the acquired subsidiary.
- B-** The consideration transferred to acquire the subsidiary
- C-** Previously owned equity interest in the acquired subsidiary.

Net cash acquired from the acquisition of a subsidiary:

	<u>EGP</u>
Cash Consideration paid	3 000 000
Less: Cash and cash equivalents for subsidiaries	(860 976)
	<u>2 139 024</u>

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

32. 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 for year 2005, its executive regulations and its amendments.

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 2009 until 2017

- The Company was inspected, and tax differences were settled.

The period from 2018 until 31 December 2019

- The Company received the notifications of requesting for examination for the mentioned years and it's preparing for the office/field inspection.

The period from 2020 until 31 December 2021

- The books and records of the company have not yet been inspected by the tax authority for the mentioned years, and the company has not received any tax claims or notifications of requesting examination of those years.

Payroll tax

The period from inception until 31 December 2020

- The Company was inspected, and tax differences were settled.

Financial year until 31 December 2021

- The books and records of the company have not yet been inspected by the tax authority for the mentioned years, and the company has not received any tax claims or notifications of requesting examination of those years.

Stamp duty tax

The period from inception until 31 December 2014

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

The period from 2015 until 31 December 2021

- The Company received the notifications of requesting for examination for the mentioned years and it's preparing for the office/field inspection.

Sales tax / VAT tax

The period from inception until 31 December 2019

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

Years 2020 - until 31 December 2021

- The books and records of the company have not yet been inspected by the tax authority for the mentioned years, and the company has not received any tax claims or notifications of requesting examination of those years.

Withholding tax

- The company's records have not been tax inspected yet by the tax authority for the years from inspection until the date of F.S, and the company has not received any tax claims or notifications of requesting examination of those years.

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

Notes to the Condensed Consolidated interim Financial Statements

For the Nine months ended September 30, 2022

33. Significant events

- In February 2022, the Russian and Ukrainian conflict broke out. Conditions are changing rapidly, leading to high volatility in all markets. Nevertheless, management is closely monitoring and analyzing market developments in this highly volatile situation. However, the Group's management considers that there is currently no indication of disruption to the group's business or failure to meet the Group's obligations to its customers and there are no indications of a material impact on its future operational performance.
- On March 21, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided at its extraordinary meeting to raise the rates of deposit and lending return for one night and the price of the central bank's main operation by 100 points to 9.25%, 10.25% and 9.75%, respectively. The credit and discount rate was also raised by 100 basis points to 9.75%.
- On May 19, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided at its extraordinary meeting to raise the rates of deposit and lending return for one night and the price of the central bank's main operation by 200 points to 11.25%, 12.25% and 11.75%, respectively. The credit and discount rate was also raised by 200 basis points to 11.75%.
- On May 26, 2022 the OGM decides to distribute 19.3 million EGP for the employees.
- During July 2022 the company granted 51.8 million shares regarding ESOP.

34. 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" and one of its subsidiaries claiming an amount of EGP 50 million under a contract covering the period from year 2015 to 30 June 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.

35. Subsequent events after the period

On October 27, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided at its extraordinary meeting to raise the rates of deposit and lending return for one night and the price of the central bank's main operation by 200 points to 13.25%, 14.25% and 13.75%, respectively. The credit and discount rate were also raised by 200 basis points to 13.75%.