

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

**Condensed Consolidated Interim Financial Statements**

**For the three months ended March 31, 2023**

**Together with Limited Review Report**



Saleh, Barsoum & Abdel Aziz

Grant Thornton

---

**Saleh, Barsoum & Abdel Aziz**

Nile City South Tower,  
6th floor  
2005A Cornish El Nil,  
Ramlet Boulaq, Cairo, 11221  
Egypt

T +20 (0) 2 246 199 09

*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 March 31, 2023, and the related consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three 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.



Saleh, Barsoum & Abdel Aziz

Grant Thornton

**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 March 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the three months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo : May 17, 2023.

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 March 31, 2023**

	<u>Note No.</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
		<u>EGP</u>	<u>EGP</u>
<b><u>Assets</u></b>			
<b><u>Non-current assets</u></b>			
Fixed assets	(4)	737 360 939	713 292 760
Intangible assets	(5)	455 551 709	378 162 349
Projects under construction	(6)	122 171 704	35 615 801
Goodwill		32 771 437	32 771 437
Deferred tax assets		47 088 764	38 823 508
Micro finance loans - Non Current	(10)	162 156 463	173 742 513
Investments in associates and joint ventures	(7)	10 313 713	8 873 084
Investments at fair value through other comprehensive income		38 505 101	38 505 101
Investments at fair value through Profit or loss	(8)	2 742 000	2 665 125
<b>Total non-current assets</b>		<b>1 608 661 830</b>	<b>1 422 451 678</b>
<b><u>Current assets</u></b>			
Inventories		5 066 530	3 198 362
Accounts and notes receivables	(9)	31 543 535	37 820 433
Micro finance loans - Current	(10)	564 753 247	557 537 938
Advances to billers		525 317 644	498 083 700
Debtors and other debit balances	(11)	226 823 434	195 022 204
Due from related parties	(12)	1 500 239	1 499 172
Investments at fair value through Profit or loss	(8)	13 705 625	13 318 250
Treasury Bills	(13)	1 884 643 510	1 482 137 081
Cash and cash at banks	(14)	1 936 133 406	2 212 689 088
<b>Total current assets</b>		<b>5 189 487 170</b>	<b>5 001 306 228</b>
<b>Total assets</b>		<b>6 798 149 000</b>	<b>6 423 757 906</b>
<b><u>Equity and Liabilities</u></b>			
<b><u>Equity</u></b>			
Issued and paid-up capital	(15)	1 653 652 060	1 653 652 060
Legal reserve		62 039 050	53 150 023
Reserve for employee stock ownership plan (ESOP)		181 881 789	151 513 185
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)
Revaluation reserve for Investments at fair value through OCI		(13 795 000)	(13 795 000)
Retained earnings		731 293 470	624 603 518
<b>Total equity for the owners of the Parent Company</b>		<b>2 629 429 482</b>	<b>2 477 663 797</b>
Non controlling interest		71 056 630	117 581 137
<b>Total equity</b>		<b>2 700 486 112</b>	<b>2 595 244 934</b>
<b><u>Non-Current liabilities</u></b>			
Deferred Tax Liability		20 110 717	21 270 610
Long term loans		16 687 407	24 916 596
Lease Liabilities		108 213 053	98 145 388
<b>Total non current liabilities</b>		<b>145 011 177</b>	<b>144 332 594</b>
<b><u>Current liabilities</u></b>			
Provisions	(16)	26 129 634	42 084 144
Banks credit facilities	(17)	231 989 028	249 367 926
Short term loans		345 260 000	254 400 230
Accounts and notes payable		39 970 088	66 885 070
Accounts and notes payable- billers		2 042 194 356	1910 065 835
Merchants advances		646 881 381	627 873 978
Retailer's POS security deposits		86 479 336	76 121 037
Creditors and other credit balances	(18)	381 623 513	348 763 721
Lease Liabilities		34 894 059	27 973 117
Current income tax		117 230 316	80 645 320
<b>Total current liabilities</b>		<b>3 952 651 711</b>	<b>3 684 180 378</b>
<b>Total equity and liabilities</b>		<b>6 798 149 000</b>	<b>6 423 757 906</b>

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 three-months period ended March 31, 2023**

	<u>Note No.</u>	<u>Three-months period ended</u>	
		<u>March 31, 2023</u>	<u>March 31, 2022</u>
		<u>EGP</u>	<u>EGP</u>
Operating revenues	(20)	675 696 991	482 997 078
<b><u>Deduct:</u></b>			
Operating costs	(21)	(256 910 181)	(204 315 408)
<b>Gross margin</b>		<b>418 786 810</b>	<b>278 681 670</b>
General and administrative expenses	(22)	(170 297 054)	(124 640 443)
Selling and marketing expenses	(24)	(107 598 128)	(88 206 218)
Employee stock ownership plan expenses (ESOP)		(30 368 604)	(19 114 484)
Board of Directors allowances		(1 845 000)	(789 266)
Social contribution for Health and insurance		(2 386 229)	(1 601 439)
Provisions formed		(3 050 000)	(900 000)
Net impairment loss on customers' loans		(6 268 735)	(6 455 771)
Expected credit losses		173 613	(1 574 648)
Net gain from investment at fair value through Profit or loss	(8)	464 250	167,100.00
Credit interest	(25)	87 980 287	38 233 808
Finance costs		(8 904 050)	(14 546 764)
Foreign currency exchange gain		11 768 297	4 248 895
Gain on sale of fixed assets		2 225 539	1 973 447
Other revenues		889 095	1 118 685
<b>Operating profit</b>		<b>191 570 091</b>	<b>66 594 572</b>
Net share of losses on investment in associates and joint venture	(26)	(51 907)	(1 851 159)
<b>Profit for the period before tax</b>		<b>191 518 184</b>	<b>64 743 413</b>
Current income tax		(58 447 066)	(18 223 308)
Deferred Tax		8 986 757	1 317 925
<b>Net profit for the period after tax</b>		<b>142 057 875</b>	<b>47 838 030</b>
<b><u>Distributed as follows:</u></b>			
Profit for the shareholders of the parent Company		123 282 266	28 155 979
Profit for the non-controlling interest		18 775 609	19 682 051
<b>Net profit for the period after tax</b>		<b>142 057 875</b>	<b>47 838 030</b>
<b>Earnings per share for the period - basic</b>	(28)	<b>0.04</b>	<b>0.02</b>
<b>Earnings per share for the period - diluted</b>	(28)	<b>0.04</b>	<b>0.02</b>

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 Three months period ended March 31, 2023**

	<b><u>Three-months period ended</u></b> <b><u>March 31, 2023</u></b> <b><u>EGP</u></b>	<b><u>Three-months period ended</u></b> <b><u>March 31, 2022</u></b> <b><u>EGP</u></b>
<b>Net profit for the period</b>	<b>142 057 875</b>	<b>47 838 030</b>
Other comprehensive income	--	--
<b>Total other comprehensive income</b>	<b>--</b>	<b>--</b>
<b>Total comprehensive income for the period</b>	<b>142 057 875</b>	<b>47 838 030</b>
<b>Distributed as follows:</b>		
Comprehensive income for the owners of the parent Company	123 282 266	28 155 979
Comprehensive income for the non controlling interest	18 775 609	19 682 051
<b>Total comprehensive income for the period</b>	<b>142 057 875</b>	<b>47 838 030</b>

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

**Ferry for Banking Technology and Electronic Payments S.A. E.**  
**Condensed consolidated interim statement of changes in equity**  
**For the three months period ended March 31, 2022**

	Issued and paid up capital	Loan/Lease	Reserve for employee stock ownership plan (ESOP)	Combination reserve	Compulsory reserve for EAS 47 Application Risk	Share issuance expense - stock	Revaluation for investments at fair value through OCI	Retained earnings	Total equity of the parent company	Non-controlling interest	Total
Balance as of January 1, 2022	853 652 060	47 729 042	52 398 017	11 745 574	2 612 539	(2 835 763)	--	414 309 089	1 379 010 558	79 008 776	1 458 019 334
<b>Comprehensive Income Items</b>											
Net profit for the period	--	--	--	--	--	--	--	28 155 979	28 155 979	19 682 051	47 838 030
Total comprehensive income	--	--	--	--	--	--	--	28 155 979	28 155 979	19 682 051	47 838 030
<b>The Company's shareholders transactions</b>											
Transferred to legal reserve	--	6 020 981	--	--	--	--	--	(6 020 981)	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	19 114 484	--	--	--	--	--	19 114 484	--	19 114 484
Capital increase from retained earnings	--	--	--	--	--	2 835 763	--	(2 835 763)	--	--	--
Dividend distribution	--	--	--	--	--	--	--	(2 863 004)	(2 863 004)	--	(2 863 004)
Non-controlling interest share from dividends distributed in subsidiaries	--	--	--	--	--	--	--	--	--	(52 312 032)	(52 312 032)
Total company's shareholders transactions	--	6 020 981	19 114 484	--	--	2 835 763	--	(11 719 748)	16 251 480	(52 312 032)	(36 060 552)
Balance as of March 31, 2022	853 652 060	53 150 023	71 512 501	11 745 574	2 612 539	--	--	430 745 320	1 423 418 017	46 378 795	1 469 796 812
Balance as of January 1, 2023	1 653 652 060	53 150 023	151 513 185	11 745 574	2 612 539	(5 818 102)	(13 795 000)	624 603 518	2 477 663 797	117 581 137	2 595 244 934
<b>Comprehensive Income Items</b>											
Net profit for the period	--	--	--	--	--	--	--	123 282 266	123 282 266	18 775 609	142 057 875
Total comprehensive income	--	--	--	--	--	--	--	123 282 266	123 282 266	18 775 609	142 057 875
<b>The Company's shareholders transactions</b>											
Transferred to legal reserve	--	8 889 027	--	--	--	--	--	(8 889 027)	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	30 368 604	--	--	--	--	--	30 368 604	--	30 368 604
Capital increase from retained earnings	--	--	--	--	--	5 818 102	--	(5 818 102)	--	--	--
Dividend distribution	--	--	--	--	--	--	--	(1 885 185)	(1 885 185)	--	(1 885 185)
Non-controlling interest share from dividends distributed in subsidiaries	--	--	--	--	--	--	--	--	--	(65 300 116)	(65 300 116)
Total company's shareholders transactions	--	8 889 027	30 368 604	--	--	5 818 102	--	(16 592 314)	28 483 419	(65 300 116)	(36 816 697)
Balance as of March 31, 2023	1 653 652 060	62 039 050	181 881 789	11 745 574	2 612 539	--	(13 795 000)	731 293 470	2 629 429 482	71 056 630	2 700 486 112

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 Three months period ended March 31, 2023**

	<b>Note No</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
		<b>EGP</b>	<b>EGP</b>
<b>Cash flows from operating activities:</b>			
Net profit for the period before tax		191 518 184	64 743 413
<b>Adjusted by:</b>			
Depreciation and amortization for the period		61 973 333	49 610 507
Provisions Formed	(16)	3 050 000	900 000
Net impairment losses - Micro finance loans		6 268 735	6 455 771
Expected credit losses		( 173 613)	1 574 648
Employee stock ownership plan expenses		30 368 604	19 114 484
Net gain from investment at fair value through Profit or loss	(8)	( 464 250)	( 167 100)
Credit interest		(87 980 287)	(38 233 808)
Share of investments in associate and joint venture's losses		51 907	1 851 159
Unrealized foreign currency exchange gain		(11 768 297)	(4 248 895)
Gain on disposals of fixed assets		(2 225 539)	(1 973 447)
Finance expenses		8 904 050	14 546 764
<b>Operating profit before changes in working capital</b>		<b>199 522 827</b>	<b>114 173 496</b>
<b>Changes in Working capital</b>			
Decrease/(Increase) in inventories		(1 868 168)	759
(Increase)/Decrease in advances to service providers		(27 233 944)	(52 552 625)
(Increase) / Decrease in debtors and other debit balances		(35 345 905)	(37 596 248)
(Increase) in accounts and notes receivable		6 450 511	(60 321 786)
(Increase) in micro finance loans		(1 897 994)	(92 067 563)
Decrease in due from related parties		( 1 067)	( 48 748)
(Decrease) in accounts and notes payable		(26 914 982)	(6 492 508)
Increase in accounts payable- billers		132 128 521	176 144 359
Increase in merchants advances		19 007 403	69 316 736
Increase in retailer's POS security deposits		10 358 299	6 607 235
Increase / (Decrease) in creditors and other credit balances		(5 879 852)	( 972 949)
Used from provisions		(19 004 510)	--
<b>Net change in working capital</b>		<b>249 321 139</b>	<b>116 190 158</b>
Income tax paid		(18 755 788)	(8 072 683)
Proceeds from credit interest		29 826 891	34 902 426
<b>Net cash provided from operating activities</b>		<b>260 392 242</b>	<b>143 019 901</b>
<b>Cash flows from investing activities</b>			
(Payments) for fixed assets acquisition		(51 537 777)	(51 602 919)
(Payments) for projects under construction		(126 192 159)	(8 043 658)
(Payments) to acquire intangible assets		(51 979 615)	(39 183 992)
Proceeds from sale of fixed assets		4 891 796	5 493 319
(Payments) to increase investments in associates and joint venture companies		(1 492 536)	(3 240 000)
Payments in investments at fair value through profit or loss statement		--	(15 000 000)
Net movement of treasury bills - more than three months		(301 772 188)	( 419 497)
<b>Net cash flows (used in) investing activities</b>		<b>(528 082 479)</b>	<b>(111 996 747)</b>
<b>Cash flows from financing activities</b>			
(Payments) of dividend distribution		(28 445 656)	(5 048 553)
Proceeds from loans		82 630 581	73 449 636
(Payments) Proceeds from bank credit facilities		(17 378 898)	(12 967 147)
(Payments) of lease liabilities		(9 984 705)	(8 426 135)
Finance expenses paid		(4 874 219)	(11 580 003)
<b>Net cash provided from financing activities</b>		<b>21 947 103</b>	<b>35 427 798</b>
Net change in cash and cash equivalents during the period		(245 743 134)	66 450 952
Cash and cash equivalents at beginning of the period		2 784 886 969	1120 900 729
Exchange rate changes on cash and cash equivalents		11 768 297	4 248 895
<b>Cash and cash equivalents at end of the period</b>	(14)	<b>2 550 912 132</b>	<b>1 191 600 576</b>

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 three months ended March 31, 2023

---

**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 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 May 17, 2023.

**2. Statement of compliance**

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

**3. Significant accounting policies**

The condensed consolidated interim financial statements have been prepared using the same accounting policies that were applied in the prior year. The condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements as of 31 December 2022.

4. Fixed assets.

Cost	Land		Building		Networks and Servers		Point of sales machines		Computers		Furniture and office equipment		Leasehold Improvements		Vehicles		Tools & equipment		Fawry Stores		Cash counting		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	EGP	EGP	EGP	EGP	EGP			
As of January 1, 2022	52 490 500	111 359 500	108 680 571	353 035 198	71 893 873	14 484 452	46 965 842	149 300	2 630 253	4 761 351	1 624 097	109 653 830	877 728 767																	
The effect of acquisition of subsidiary	--	--	--	--	903 667	--	--	--	--	--	--	--	903 667															903 667		
Additions during the year	--	22 690 855	37 589 777	183 604 946	14 714 577	15 044 040	31 073 192	732 421	25 064	--	828 510	51 986 698	358 290 080																	
Disposals	--	--	--	(27 281 745)	--	(1 059 222)	--	--	--	--	--	--	(32 624 143)																	
As of December 31, 2022	52 490 500	134 050 355	146 270 348	509 358 399	87 512 117	28 469 270	78 039 034	881 721	2 655 317	4 761 351	2 452 607	157 357 352	1 204 298 371																	
As of January 1, 2023	52 490 500	134 050 355	146 270 348	509 358 399	87 512 117	28 469 270	78 039 034	881 721	2 655 317	4 761 351	2 452 607	157 357 352	1 204 298 371																	
Additions during the period	--	--	13 024 862	31 583 106	6 537 965	208 693	235 107	--	--	1 473 401	--	22 943 480	76 006 614																	
Disposals	--	--	--	(7 240 374)	--	--	--	--	--	--	--	--	(7 240 374)																	
As of March 31, 2023	52 490 500	134 050 355	159 295 210	533 701 131	94 050 082	28 677 963	78 274 141	881 721	2 655 317	6 234 752	2 452 607	180 300 832	1 273 064 611																	
<b>Accumulated depreciation</b>																														
As of January 1, 2022	--	5 665 813	70 564 409	176 949 743	35 952 433	9 798 312	20 373 045	149 298	1 333 889	54 576	180 314	21 427 622	342 449 454																	
Depreciation for the period	--	3 064 656	27 282 952	73 814 777	13 059 056	3 306 021	14 251 770	12 207	652 380	--	703 904	29 874 209	166 021 932																	
Depreciation of disposals	--	--	--	(15 778 534)	--	(262 518)	--	--	--	--	--	(1 424 723)	(17 465 775)																	
As of December 31, 2022	--	8 730 469	97 847 361	234 985 986	49 011 489	12 841 815	34 624 815	161 505	1 986 269	54 576	884 218	49 877 108	491 005 611																	
As of January 1, 2023	--	8 730 469	97 847 361	234 985 986	49 011 489	12 841 815	34 624 815	161 505	1 986 269	54 576	884 218	49 877 108	491 005 611																	
Depreciation for the Period	--	837 815	8 025 993	23 684 515	3 929 153	1 424 297	892 675	36 620	--	2 744 086	213 916	7 483 108	49 272 178																	
Depreciation of disposals	--	--	--	(4 574 117)	--	--	--	--	--	--	--	--	(4 574 117)																	
As of March 31, 2023	--	9 568 284	105 873 354	254 096 384	52 940 642	14 266 112	35 517 490	198 125	1 986 269	2 798 662	1 098 134	57 360 216	535 703 672																	
<b>Net book value</b>																														
As of March 31, 2023	52 490 500	124 482 071	53 421 856	279 604 747	41 109 440	14 411 851	42 756 651	683 596	669 048	3 436 090	1 354 473	122 940 616	737 360 939																	
As of December 31, 2022	52 490 500	125 319 886	48 422 987	274 372 413	38 500 628	15 627 455	43 414 219	720 216	669 048	4 706 775	1 568 389	107 480 244	713 292 760																	

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

Notes to the Condensed Consolidated interim Financial Statements

For the three months ended March 31, 2023

### 5. Intangible assets

<u>EGP</u>	<u>Software license</u>	<u>Programs</u>	<u>Contractual relationship with clients</u>	<u>Customer List</u>	<u>Trademark</u>	<u>Total</u>
<b><u>Cost</u></b>						
As of January 1, 2022	64 996 809	282 310 248	6 270 000	553 000	19 070 000	373 200 057
Additions during the year	18 654 272	121 452 400	--	--	--	140 106 672
Change of the scope of grouping of subsidiaries and associate companies	--	5 182 239	--	--	--	5 182 239
As of December 31, 2022	<u>83 651 081</u>	<u>408 944 887</u>	<u>6 270 000</u>	<u>553 000</u>	<u>19 070 000</u>	<u>518 488 968</u>
Additions during the period	11 572 109	78 518 406	--	--	--	90 090 515
As of March 31, 2023	<u>95 223 190</u>	<u>487 463 293</u>	<u>6 270 000</u>	<u>553 000</u>	<u>19 070 000</u>	<u>608 579 483</u>
<b><u>Accumulated amortization</u></b>						
As of January 1, 2022	17 532 335	77 995 402	531 815	88 833	1 271 333	97 419 718
Amortization for the year	5 463 562	35 551 358	531 815	88 833	1 271 333	42 906 901
As of December 31, 2022	<u>22 995 897</u>	<u>113 546 760</u>	<u>1 063 630</u>	<u>177 666</u>	<u>2 542 666</u>	<u>140 326 619</u>
Amortization for the period	1 652 979	10 575 181	132 954	22 208	317 833	12 701 155
As of March 31, 2023	<u>24 648 876</u>	<u>124 121 941</u>	<u>1 196 584</u>	<u>199 874</u>	<u>2 860 499</u>	<u>153 027 774</u>
Net Book value as of March 31, 2023	<u>70 574 314</u>	<u>363 341 352</u>	<u>5 073 416</u>	<u>353 126</u>	<u>16 209 501</u>	<u>455 551 709</u>
Net Book value, As of December 31, 2022	<u>60 655 184</u>	<u>295 398 127</u>	<u>5 206 370</u>	<u>375 334</u>	<u>16 527 334</u>	<u>378 162 349</u>

### 6. Projects under construction

The increase in the projects under construction is mainly because of the advance payments to purchase point of sale machines POS with EGP 115 million.

### 7. Investment in associates and joint ventures

	<u>Type of investment</u>	<u>Ownership %</u>	<u>March 31,2023</u>	<u>December 31,2022</u>
			<u>EGP</u>	<u>EGP</u>
Bosta Co.	Associate	9.05%	--	--
Tazcara Co.	Associate	20%	--	--
EGY Insure-tech for electronic applications Co.(*)	Associate	20%	4 290 404	2 618 775
Roderz for smart Applications Co.	Associate	30%	4 602 991	4 887 991
Waffarha.com Co.	Joint venture	30%	1 420 318	1 366 318
			<u>10 313 713</u>	<u>8 873 084</u>

(\*) A part of the financial capital amounting to EGP 1.4 million was paid on the first day of the year to Egy Insure-tech for electronic applications Co.

### 8. Investments at Fair Value through profit or loss

The increase in the account is mainly due to the recognition of revaluation profits, which pertain to the first quarter, for the long-term part with an amount OF EGP 76 thousand, and for the short-term part with an amount of EGP 387 thousand.

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

Notes to the Condensed Consolidated interim Financial Statements

For the three months ended March 31, 2023

**9. Accounts and notes receivables**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivables	34 888 840	39 595 961
Notes receivables	373 989	1 057 459
<b>Less: Expected credit losses</b>	<b>(3 719 294)</b>	<b>(2 832 987)</b>
	<b>31 543 535</b>	<b>37 820 433</b>

**10. Micro finance loans**

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Loans to customers	779 077 304	777 179 311
<b>Less:</b>		
Expected credit losses	(52 167 594)	(45 898 860)
	<b>726 909 710</b>	<b>731 280 451</b>
<b>Mapped as Follows:</b>		
	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Loans to Customers – Short term	564 753 247	557 537 938
Loans to Customers – Long term	162 156 463	173 742 513
	<b>726 909 710</b>	<b>731 280 451</b>

Provision movement represented as following:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Beginning balance during the period	45 898 860	25 985 369
Formed during the period	6 268 734	29 509 880
Used During the period	--	(9 596 389)
<b>Balance at the end of the period</b>	<b>52 167 594</b>	<b>45 898 860</b>

**11. Debtors and other debit balances**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Advance payments – to Suppliers	6 338 458	2 877 486
Prepaid expenses	31 902 126	13 671 049
Deposits held with others	1 586 050	1 581 090
Withholding tax	44 065 558	30 025 500
Accrued interest revenue – Microfinance portfolio	21 725 607	21 599 633
Custodies	4 628 900	14 874 740
Accrued Revenue	92 939 894	81 145 070
Letter of guarantee margin	512 532	512 532
Other debit balances	24 237 755	30 581 974
<b>Less: Expected credit losses</b>	<b>(1 113 446)</b>	<b>(1 846 870)</b>
	<b>226 823 434</b>	<b>195 022 204</b>

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

Notes to the Condensed Consolidated interim Financial Statements

For the three months ended March 31, 2023

**12. Due from related parties**

<u>EGP</u>	<u>Nature</u>	<u>Account type</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
ACIS Co.	Associate	Current account	3 000 000	3 000 000
Tazcara for Information Technology and Electronic Booking co.	Associate	Current account	1 500 239	1 500 316
<b>Less: Expected credit losses</b>			<b>(3 000 000)</b>	<b>(3 001 144)</b>
			<b>1 500 239</b>	<b>1 499 172</b>

**13. Treasury Bills**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Treasury bills - with maturities up to three months	598 516 481	566 978 030
Treasury bills - with maturities after three months	1 223 572 535	869 511 993
<b>Add</b>		
Accrued interest – with maturities up to three months	20 327 806	6 524 814
Accrued interest – with maturities after three months	58 153 396	50 769 991
<b>Deduct:</b>		
Tax – Accrued below 3 months	(4 065 561)	(1 304 963)
Tax – Accrued above 3 months	(11 630 680)	(10 153 760)
<b>Less:</b>		
Expected credit losses	(230 467)	(189 024)
	<b>1 884 643 510</b>	<b>1 482 137 081</b>

**14. Cash and bank balances**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Cash (*)	419 367 448	59 792
Current accounts at banks – local currency	284 338 851	209 461 270
E-Acceptance transactions under settlement	412 879 680	371 326 942
Cash collections – agents	616 104 025	888 190 415
Time deposit – local currency	131 656 752	690 712 506
Time deposit – foreign currency	61 067 084	48 845 882
Current accounts at banks – foreign currency	11 198 865	4 804 986
<b>Less: Expected credit losses</b>	<b>(479 299)</b>	<b>(712 705)</b>
	<b>1 936 133 406</b>	<b>2 212 689 088</b>

(\*) Cash balance represent in cash with cash collection representatives “the Company's employees” on March 31, 2023.

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

<u>EGP</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Cash and bank balances	1 936 133 406	1 155 682 949
Treasury Bills – less than three months	614 778 726	35 917 627
	<b>2 550 912 132</b>	<b>1 191 600 576</b>

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

Notes to the Condensed Consolidated interim Financial Statements

For the three months ended March 31, 2023

**15. 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 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.

**16. Provisions**

	<u>Balance as at January 1, 2023</u>	<u>Formed during the period</u>	<u>Used during the period</u>	<u>Balance as at March 31, 2023</u>
<b>EGP</b>				
Provision for claims	42 084 144	3 050 000	(19 004 510)	26 129 634
	<u>42 084 144</u>	<u>3 050 000</u>	<u>(19 004 510)</u>	<u>26 129 634</u>

**17. Banks credit facilities**

The decrease in bank facilities balance amounted by EGP 17 million is due to the increase in payment of facilities in the first quarter of 2023.

**18. Creditors and other credit balances**

	<u>March 31, 2023</u>	<u>December 31, 2022</u>
<b>EGP</b>		
Accrued expenses	111 671 544	69 856 207
Accrued interest	1 536 074	5 905 973
Accrued commissions	42 528 479	43 770 602
Unearned revenue	10 508 065	7 730 584
Health insurance contribution	9 410 873	6 486 035
Customer advance payments	7 658 760	9 329 520
Tax Authority	121 781 703	142 511 479
Social Insurance Authority	13 229 799	10 219 515
Transactions under settlement	18 638 469	6 678 139
Other credit balances	44 659 747	46 275 667
	<u>381 623 513</u>	<u>348 763 721</u>

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

Notes to the Condensed Consolidated interim Financial Statements

For the three months ended March 31, 2023

**19. 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 March 31, 2023, the utilized amounts from the bank's facilities amounted to EGP 855 million in the form of issued letters of guarantee.

**20. Operating revenue**

<u>EGP</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<b><u>Description</u></b>		
Transaction services revenue - collection fees	569 630 291	419 275 614
Other revenues	19 535 373	14 717 955
Insurance brokerage commission	4 269 066	1 658 437
Interest revenue Micro finance	82 262 261	47 345 072
	<u>675 696 991</u>	<u>482 997 078</u>

**21. Operating cost**

The increase in operating costs is mainly due to the increase in merchants' fees by an amount of EGP 16 million, increase in cost of financing microfinance loans by amount of EGP 12 million and cash collection cost increased by amount of EGP 9 million.

**22. 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 17 million. In addition to the increase in subscription fees, technical support, communication, and services Centers by an amount of EGP 6.5 million during the period and increase in depreciation by an amount of EGP 8 million as well as increase in other expenses by an amount of EGP 5.4 million.

**23. Share - based payments**

The increase in the employee share-based payments expense is due to granting employees shares within the program during the period from the first quarter of the current year which led to an increase in the cost.

**24. Selling and marketing expenses**

The main reason for the increase in selling and marketing expenses is the increase in the salaries by an amount of EGP 11.5 million, In addition to the increase of marketing and advertising expenses by an amount of EGP 9.6 million during the period.

**25. Credit Interest**

<u>EGP</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
<b><u>Description</u></b>		
Credit interest - current accounts and time deposits	5 237 410	1 020 062
Credit interest – treasury bills	82 742 877	37 213 746
	<u>87 980 287</u>	<u>38 233 808</u>

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

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2023

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

<u>EGP</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Waffarha.com Co.	54 000	185 936
Bosta Inc. Co.	--	(800 692)
EGY Insure-tech Co.	179 093	(383 300)
Roderz for smart applications Co.	(285 000)	(853 103)
	<u>(51 907)</u>	<u>(1 851 159)</u>

### 27. segment information

The group has two major sectors representing the important sectors of the group, offering different 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, 2022, 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

<u>EGP</u>	<u>Revenue</u>		<u>Profit</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Banking technology and E-payment segment	593 434 730	435 652 006	177 181 630	55 575 374
Micro-Finance segment	82 262 261	47 345 072	14 336 554	9 168 039
<b>Total</b>	<b>675 696 991</b>	<b>482 997 078</b>	<b>191 518 184</b>	<b>64 743 413</b>
<b>Net profit for the period before tax</b>			<b>191 518 184</b>	<b>64 743 413</b>
Income tax			(49 460 309)	(16 905 383)
<b>Net profit for the period after tax</b>			<b>142 057 875</b>	<b>47 838 030</b>

#### B. Segment Assets

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Banking Technology and E-payment segment	6 798 205 542	6 292 583 525
Micro-Finance segment	796 326 015	773 591 663
<b>Assets before elimination</b>	<b>7 594 531 557</b>	<b>7 066 175 188</b>
Elimination of internal transactions between segments	(796 382 557)	(642 417 282)
<b>Assets after elimination</b>	<b>6 798 149 000</b>	<b>6 423 757 906</b>
<b>Total consolidated Assets</b>	<b>6 798 149 000</b>	<b>6 423 757 906</b>



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

Notes to the Condensed Consolidated interim Financial Statements

For the three months ended March 31, 2023

### 28. Earnings per share

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

<u>EGP</u>	<u>March 31, 2023</u>		<u>March 31, 2022</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit for the period	123 282 266	123 282 266	28 155 979	28 155 979
Average number of outstanding shares	3 308 917 453	3 321 157 801	1 707 304 120	1 716 544 400
	<u>0.04</u>	<u>0.04</u>	<u>0.02</u>	<u>0.02</u>

### 29. 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 the 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 2022

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### Payroll tax

#### The period from inception until 31 December 2020

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

#### The period from from 2021 till 31 December 2022

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### Stamp duty tax

#### The period from inception until 31 December 2020

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

#### The period from 2021 until 31 December 2022

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### 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 2022

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### Withholding tax

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

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

Notes to the Condensed Consolidated interim Financial Statements

For the three months ended March 31, 2023

---

### **30. 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 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.

### **31. Subsequent events after the period**

- The Board of Directors of the company, in its meeting held on March 6, 2023, approved dividends for the fiscal year ending on December 31, 2022, for employees in amount of EGP 28 445 656.
- On April 13, 2023, the General Assembly of Fawry for Banking Technology and Electronic Payments decided to increase the company's capital by EGP 49.6 million and increase the number of shares by 99.2 million shares to be allocated to employee stock ownership plan program (ESOP).