

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

**Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2023
Together with Limited Review Report**



Saleh, Barsoum & Abdel Aziz

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*Translation of Review
Report Originally Issued in Arabic*

Limited review report on the condensed Consolidated interim financial statements

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

Introduction

We have reviewed the accompanying condensed Consolidated interim financial statements of Fawry for Banking Technology and Electronic Payments S.A.E. which comprise the condensed consolidated interim statement of financial position as of June 30, 2023, and the related condensed consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months' period then ended, 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.



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Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed Consolidated interim financial statements do not present fairly in all material respects the Consolidated financial position of the entity as of June 30, 2023, and of its Consolidated financial performance and its Consolidated cash flows for the six months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo – August 10, 2023.


Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510)
FRA Register No. "89"

Saleh, Barsoum & Abdel Aziz – Grant Thornton



Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed consolidated interim statement of financial position
As of June 30, 2023

	<u>Note No.</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
		<u>EGP</u>	<u>EGP</u>
Assets			
Non-current assets			
Fixed assets	(4)	763 641 680	713 292 760
Intangible assets	(5)	517 174 162	378 162 349
Projects under construction	(6)	103 728 544	35 615 801
Goodwill		32 771 437	32 771 437
Deferred tax assets		55 434 341	38 823 508
Micro finance loans - Non Current	(10)	148 210 771	173 742 513
Investments in associates and joint ventures	(7)	10 329 078	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)	2 834 675	2 665 125
Total non-current assets		1 672 629 789	1 422 451 678
Current assets			
Inventories		1 150 820	3 198 362
Accounts and notes receivables	(9)	73 034 536	37 820 433
Micro finance loans - Current	(10)	604 661 812	557 537 938
Advances to billers		730 624 003	498 083 700
Debtors and other debit balances	(11)	254 362 018	195 022 204
Due from related parties	(12)	1 463 771	1 499 172
Investments at fair value through Profit or loss	(8)	14 152 000	13 318 250
Treasury Bills	(13)	1 861 318 089	1 482 137 081
Cash and cash at banks	(14)	3 255 905 580	2 212 689 088
Total current assets		6 796 672 629	5 001 306 228
Total assets		8 469 302 418	6 423 757 906
Equity and Liabilities			
Equity			
Issued and paid-up capital	(15)	1 703 261 622	1653 652 060
Legal reserve		62 039 050	53 150 023
Employee stock ownership shares	(16)	(49 609 562)	--
Reserve for employee stock ownership plan (ESOP)		209 353 143	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		862 369 551	624 603 518
Total equity for the owners of the Parent Company		2 787 976 917	2 477 663 797
Non controlling interest		94 309 716	117 581 137
Total equity		2 882 286 633	2 595 244 934
Non-Current liabilities			
Deferred Tax Liability		20 697 141	21 270 610
Long term loans		38 232 161	24 916 596
Lease Liabilities		103 211 368	98 145 388
Total non current liabilities		162 140 671	144 332 594
Current liabilities			
Provisions	(17)	32 266 940	42 084 144
Banks credit facilities	(18)	269 577 859	249 367 926
Short term loans		289 725 151	254 400 230
Accounts and notes payable		28 549 723	66 885 070
Accounts and notes payable- billers		3 388 387 086	1910 065 835
Merchants advances		862 573 391	627 873 978
Retailer's POS security deposits		93 265 971	76 121 037
Creditors and other credit balances	(19)	309 068 841	348 763 721
Lease Liabilities		41 256 212	27 973 117
Current income tax		110 203 941	80 645 320
Total current liabilities		5 424 875 114	3 684 180 378
Total equity and liabilities		8 469 302 418	6 423 757 906

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 six-months period ended June 30, 2023**

	Note No.	<u>Six-months period ended</u>		<u>Three-months period ended</u>	
		<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
		<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Operating revenues	(21)	1444 170 109	1014 292 283	768 473 118	531 295 205
Deduct:					
Operating costs	(22)	(551 775 749)	(427 392 975)	(294 865 568)	(223 077 567)
Gross margin		892 394 360	586 899 308	473 607 550	308 217 638
General and administrative expenses	(23)	(343 272 381)	(266 850 615)	(172 975 327)	(142 210 172)
Selling and marketing expenses	(24)	(222 366 608)	(182 747 589)	(114 768 480)	(94 541 371)
Employee stock ownership plan expenses (ESOP)	(25)	(57 837 969)	(40 876 553)	(27 469 365)	(21 762 069)
Board of Directors allowances		(4 035 000)	(1 702 110)	(2 190 000)	(912 844)
Social contribution for Health and insurance		(5 151 703)	(3 247 616)	(2 765 474)	(1 646 177)
Provisions formed		(9 037 306)	(3 600 000)	(5 987 306)	(2 700 000)
Net impairment loss on customers' loans		(17 087 915)	(15 734 281)	(10 819 180)	(9 278 510)
Expected credit losses		(1 395 645)	(6 036 584)	(1 569 258)	(4 461 936)
Net gain from investment at fair value through Profit or loss	(8)	1 003 300	386 375	539 050	219 275
Credit interest	(26)	194 340 273	79 146 911	106 359 986	40 913 103
Finance costs		(18 834 950)	(23 731 642)	(9 930 900)	(9 184 878)
Foreign currency exchange gain		11 818 285	5 463 584	49 988	1 214 689
Gain on sale of fixed assets		11 064 704	2 979 838	8 839 165	1 006 391
Other revenues		2 834 197	1 096 102	1 945 102	(22 583)
Operating profit		434 435 642	131 445 128	242 865 551	64 850 556
Net share of losses on investment in associates and joint venture	(27)	(36 542)	(3 343 798)	15 365	(1 492 639)
Profit for the period before tax		434 399 100	128 101 330	242 880 916	63 357 917
Current income and deferred tax		(109 549 723)	(30 060 198)	(60 089 414)	(13 154 815)
Net profit for the period after tax		324 849 377	98 041 132	182 791 502	50 203 102
Distributed as follows:					
Profit for the shareholders of the parent Company		283 056 537	52 300 611	159 774 271	24 144 632
Profit for the non-controlling interest		41 792 840	45 740 521	23 017 231	26 058 470
Net profit for the period after tax		324 849 377	98 041 132	182 791 502	50 203 102
Earnings per share for the period - basic	(29)	0.08	0.02		
Earnings per share for the period - diluted	(29)	0.08	0.02		

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

Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed consolidated Interim statement of comprehensive income
For the six-months period ended June 30, 2023

	<u>Six-months period ended</u>		<u>Three-months period ended</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	324 849 377	98 041 132	182 791 503	50 203 102
Other comprehensive income				
Revaluation of the Investments through OCI Reserve	--	--	--	--
Total other comprehensive Income	--	--	--	--
Total comprehensive income for the period	<u>324 849 377</u>	<u>98 041 132</u>	<u>182 791 503</u>	<u>50 203 102</u>
Distributed as follows:				
Comprehensive income for the owners of the parent Company	283 056 537	52 300 611	159 774 272	24 144 632
Comprehensive income for the non controlling interest	<u>41 792 840</u>	<u>45 740 521</u>	<u>23 017 231</u>	<u>26 058 470</u>
Total comprehensive income for the period	<u>324 849 377</u>	<u>98 041 132</u>	<u>182 791 503</u>	<u>50 203 102</u>

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

Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed consolidated interim statement of changes in equity
For the six-months period ended June 30, 2023

	Issued and paid up capital	Legal reserve	Employee stock ownership share	Reserve for employee stock ownership plan (ESOP)	Combination reserve	Conservation reserve for EAS 47 Application Risk	Share issuance expense reserve	Revaluation reserve 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	47 129 042	--	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
Comprehensive income items	--	--	--	--	--	--	--	--	--	52 300 611	45 740 521	98 041 132
Net profit for the period	--	--	--	--	--	--	--	--	--	52 300 611	45 740 521	98 041 132
Total comprehensive income	--	--	--	--	--	--	--	--	--	52 300 611	45 740 521	98 041 132
The Company's shareholders transactions	--	6 020 981	--	40 876 553	--	--	--	--	(6 020 981)	40 876 553	--	40 876 553
Transferred to legal reserve	--	--	--	--	--	--	--	--	--	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	--	40 876 553	--	--	--	--	--	--	--	--
Transferred to share issuance expense reserve	--	--	--	--	--	--	2 835 763	--	(2 835 763)	--	--	--
Share issuance expense reserve	--	--	--	--	--	--	(5 820 102)	--	(19 267 071)	(5 820 102)	--	(5 820 102)
Capital increase	800 000 000	--	--	--	--	--	--	--	(19 267 071)	800 000 000	--	800 000 000
Dividend distributions in subsidiaries	--	--	--	--	--	--	--	--	(1 037 935)	(1 037 935)	--	(1 037 935)
Non-controlling interest share from dividends distributed in subsidiaries	--	--	--	--	--	--	--	--	--	(1 037 935)	--	(1 037 935)
Balance as of June 30, 2022	1 653 652 060	53 150 023	--	93 274 570	11 745 574	2 612 539	(5 820 102)	--	437 447 950	2 246 062 614	71 592 023	2 317 654 637
Balance as of January 1, 2023	1 653 652 060	53 150 023	--	151 513 185	11 745 574	2 612 539	(5 818 102)	(13 795 000)	624 603 518	2 477 663 797	117 581 137	2 595 244 934
Comprehensive income items	--	--	--	--	--	--	--	--	283 056 537	283 056 537	41 792 840	324 849 377
Net profit for the period	--	--	--	--	--	--	--	--	283 056 537	283 056 537	41 792 840	324 849 377
Total comprehensive income	--	--	--	--	--	--	--	--	283 056 537	283 056 537	41 792 840	324 849 377
The Company's shareholders transactions	--	8 889 027	(49 609 562)	107 449 520	--	--	--	--	(8 889 027)	57 839 958	--	57 839 958
Transferred to legal reserve	--	--	--	107 449 520	--	--	--	--	--	--	--	--
Transferred to share issuance expense reserve from retained earnings	--	--	--	--	--	--	5 818 102	--	(5 818 102)	--	--	--
Dividend distributions in subsidiaries	--	--	--	--	--	--	--	--	(2 137 738)	(2 137 738)	--	(2 137 738)
Dividend distribution	--	--	--	--	--	--	--	--	(28 445 637)	(28 445 637)	--	(28 445 637)
Non-controlling interest share from dividends distributed in subsidiaries	--	--	--	--	--	--	--	--	--	--	--	--
Capital increase	49 609 562	--	--	(49 609 562)	--	--	--	--	--	--	(65 064 261)	(65 064 261)
Total comprehensive income	49 609 562	8 889 027	(49 609 562)	57 839 958	--	--	5 818 102	--	(45 290 504)	27 256 583	(65 064 261)	(37 807 678)
Balance as of June 30, 2023	1 703 261 622	62 039 050	(49 609 562)	209 353 143	11 745 574	2 612 539	--	(13 795 000)	862 369 551	2 787 976 917	94 309 716	2 882 286 633

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 six-months period ended June 30, 2023

	Note No	June 30, 2023 EGP	June 30, 2022 EGP
Cash flows from operating activities:			
Net profit for the period before tax		434 399 100	128 101 330
Adjusted by:			
Depreciation and amortization for the period		129 258 437	107 510 502
Provisions Formed	(17)	9 037 306	3 600 000
Net impairment losses - Micro finance loans		17 087 915	15 734 281
Expected credit losses		1 395 645	6 036 584
Employee stock ownership plan expenses		57 839 958	40 876 553
Net gain from investment at fair value through Profit or loss	(8)	(1 003 300)	(386 375)
Credit interest		(194 340 273)	(79 146 911)
Group's share in losses from investments in associate and joint ventures		36 542	3 343 798
Unrealized foreign currency exchange gain		(11 818 285)	(5 463 584)
Gain on disposals of fixed assets		(11 064 704)	(2 979 838)
Finance expenses		18 834 950	17 689 402
Operating profit before changes in working capital		449 663 291	234 915 742
Changes in Working capital			
Decrease/(Increase) in Inventories		2 047 542	(4 857 857)
(Increase) in advances to service providers		(232 540 303)	(41 733 824)
(Increase) in debtors and other debit balances		(59 339 814)	(31 954 364)
(Increase) in accounts and notes receivable		(36 609 748)	(83 547 744)
(Increase) in micro finance loans		(38 680 047)	(181 356 556)
Decrease / (Increase) in due from related parties		35 401	(4 759)
(Decrease) in accounts and notes payable		(38 335 347)	(40 655 704)
Increase in accounts payable- billers		1 478 321 251	841 675 092
Increase in merchants advances		234 699 413	172 021 131
Increase in retailer's POS security deposits		17 144 934	13 949 429
(Decrease) / Increase in creditors and other credit balances		(39 694 880)	20 345 612
Used from provisions		(18 854 510)	-
Net change in working capital		1 717 857 183	898 796 198
Income tax paid		(93 925 935)	(77 677 231)
Proceeds from credit interest		143 570 282	51 525 002
Net cash provided from operating activities		1 767 501 530	872 643 969
Cash flows from investing activities			
(Payments) for fixed assets acquisition		(124 814 694)	(76 761 038)
(Payments) for projects under construction		(107 748 999)	(16 728 582)
(Payments) to acquire Intangible assets		(128 919 562)	(86 560 034)
Proceeds from sale of fixed assets		12 645 663	10 139 807
(Payments) to increase investments in associates and joint venture companies		(1 492 536)	(4 004 751)
Payments in investments at fair value through profit or loss statement		-	(15 000 000)
Payments in investments at fair value through OCI		-	(9 133 125)
Net movement of treasury bills - more than three months		(683 686 660)	(444 324 401)
Net cash flows (used in) investing activities		(1 034 016 790)	(642 372 124)
Cash flows from financing activities			
Proceeds from capital increase		-	800 000 000
(Payments) of dividend distribution		(93 509 898)	(74 442 106)
Proceeds from loans		48 640 486	48 449 959
(Payments) / Proceeds from bank credit facilities		20 209 933	(97 984 730)
(Payments) of lease liabilities		(12 510 371)	(11 158 698)
(Payments) of Finance expenses		(14 805 119)	(17 689 402)
Net cash provided from financing activities		(51 974 969)	647 175 023
Net change in cash and cash equivalents during the period		681 509 771	877 446 867
Cash and cash equivalents at beginning of the period		2 784 886 969	1 120 900 729
Exchange rate changes on cash and cash equivalents		11 818 285	5 463 584
Cash and cash equivalents at end of the period	(14)	3 478 215 025	2 003 811 180

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 Six months ended June 30, 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 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 August 10, 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

	Land		Building		Networks and Servers		Point of sales machines		Computers		Furniture and Office equipment		Leasehold Improvements		Vehicles		Tools & equipment		Fawry Stores		Cash counting machines		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
Cost																											
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																											
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)						(4,283,176)	(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			13,658,757	96,550,731	7,709,157	856,910	7,564,496					26,829,615	153,169,666														
Disposals				(16,089,497)								(1,921,949)	(18,011,446)														
As of June 30, 2023	52,490,500	134,050,355	159,929,105	589,819,633	95,221,274	29,326,180	85,603,530	881,721	2,655,317	4,761,351	2,452,607	182,265,018	1,339,456,591														
Accumulated depreciation																											
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		1,675,629	16,453,872	54,066,275	7,904,965	2,289,597	7,071,527	73,242			418,965	11,285,715	101,239,787														
Depreciation of disposals				(15,278,131)								(1,152,356)	(16,430,487)														
As of June 30, 2023		10,406,098	114,301,233	273,774,130	56,916,454	15,131,412	41,696,342	234,747	1,986,269	54,576	1,303,183	60,010,467	575,814,911														
Net book value																											
As of June 30, 2023	52,490,500	123,644,257	45,627,872	316,045,503	38,304,820	14,194,768	43,907,188	646,974	669,048	4,706,775	1,149,424	122,254,551	763,641,680														
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 Six months ended June 30, 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>
<u>Cost</u>						
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	83 651 081	408 944 887	6 270 000	553 000	19 070 000	518 488 968
Additions during the period	23 909 639	143 120 823	--	--	--	167 030 462
As of June 30, 2023	107 560 720	552 065 710	6 270 000	553 000	19 070 000	685 519 430
<u>Accumulated amortization</u>						
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	22 995 897	113 546 760	1 063 630	177 666	2 542 666	140 326 619
Amortization for the period	3 761 021	23 784 633	132 954	22 208	317 833	28 018 649
As of June 30, 2023	26 756 918	137 331 393	1 196 584	199 874	2 860 499	168 345 268
Net Book value as of June 30, 2023	80 803 802	414 734 317	5 073 416	353 126	16 209 501	517 174 162
December 31, 2022	60 655 184	295 398 127	5 206 370	375 334	16 527 334	378 162 349

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 99 million.

7. Investment in associates and joint ventures

	<u>Type of investment</u>	<u>Ownership %</u>	<u>June 30,2023</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%	4 381 869	2 618 775
Roderz for smart Applications Co.	Associate	30%	4 347 492	4 887 991
Waffarha.com Co.	Joint venture	30%	1 599 717	1 366 318
			10 329 078	8 873 084

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 long-term part with an amount of EGP 335 thousand, and for the short-term part with an amount of EGP 834 thousand.

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

Notes to the Condensed Consolidated interim Financial Statements

For the Six months ended June 30, 2023

9. Accounts and notes receivables

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Accounts receivables	76 363 696	39 595 961
Notes receivables	560 500	1 057 459
Less: Expected credit losses	<u>(3 889 660)</u>	<u>(2 832 987)</u>
	73 034 536	37 820 433

10. Micro finance loans

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Loans to customers	801 471 480	777 179 311
Less: Expected credit losses	<u>(48 598 897)</u>	<u>(45 898 860)</u>
	752 872 583	731 280 451

Mapped as Follows:

<u>EGP</u>	<u>June 30,2023</u>	<u>December 31,2022</u>
Loans to Customers – Short term	604 661 812	557 537 938
Loans to Customers – Long term	148 210 771	173 742 513
	752 872 583	731 280 451

Provision movement represented as following:

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Beginning balance during the period	45 898 860	25 985 369
Formed during the period	17 087 914	29 509 880
Used During the period	<u>(14 387 877)</u>	<u>(9 596 389)</u>
Balance at the end of the period	48 598 897	45 898 860

11. Debtors and other debit balances

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Advance payments – to Suppliers	11 789 107	2 877 486
Prepaid expenses	35 523 235	13 671 049
Deposits held with others	1 987 071	1 581 090
Withholding tax	51 103 655	30 025 500
Accrued interest revenue – Microfinance portfolio	26 117 174	21 599 633
Custodies	4 365 222	14 874 740
Accrued Revenue	101 804 049	81 145 070
Letter of guarantee margin	--	512 532
Other debit balances	22 433 978	30 581 974
Less: Expected credit losses	<u>(761 473)</u>	<u>(1 846 870)</u>
	254 362 018	195 022 204

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Notes to the Condensed Consolidated interim Financial Statements

For the Six months ended June 30, 2023

12. Due from related parties

<u>EGP</u>	<u>Nature</u>	<u>Account type</u>	<u>June 30, 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	1 500 240	1 500 316
Less: Expected credit losses			(3 036 469)	(3 001 144)
			1 463 771	1 499 172

13. Treasury Bills

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Treasury bills - with maturities up to three months	215 546 333	566 978 030
Treasury bills - with maturities after three months	1 562 449 101	869 511 993
Add		
Accrued interest – with maturities up to three months	8 294 811	6 524 814
Accrued interest – with maturities after three months	96 152 775	50 769 991
Deduct:		
Tax – Accrued below 3 months	(1 531 699)	(1 304 963)
Tax – Accrued above 3 months	(19 357 818)	(10 153 760)
Less:		
Expected credit losses	(235 414)	(189 024)
	1 861 318 089	1 482 137 081

14. Cash and bank balances

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Cash (*)	395 283 898	59 792
Current accounts at banks – local currency (**)	449 002 329	209 461 270
Current accounts at banks – foreign currency	5 044 217	4 804 986
E-Acceptance transactions under settlement	686 880 751	371 326 942
Cash collections – agents	1 579 092 991	888 190 415
Time deposit – local currency	31 552 595	690 712 506
Time deposit – foreign currency	61 172 888	48 845 882
Less: Expected credit losses	(2 124 090)	(712 705)
	3 255 905 580	2 212 689 088

(*) The cash balance is represented in the sums with the collection representatives "employees of the Fawry Company for Banking Technology and Electronic Payments on June 30, 2023.

(**) Current accounts at banks include restricted cash against letters of guarantee with an amount of EGP 1.5 million.

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

<u>EGP</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash and bank balances	3 255 905 580	1 904 669 875
Treasury Bills – less than three months	222 309 445	99 141 305
	3 478 215 025	2 003 811 180

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Notes to the Condensed Consolidated Interim Financial Statements

For the Six months ended June 30, 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, 2021, 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.

On April 13, 2023, the General Assembly of Fawry for Banking Technology decided to increase the company's capital by 49.6 million Egyptian pounds, and to increase the number of shares by 99.2 million shares, and to allocate that increase to the reward and incentive system, so that the issued and paid-up capital became 1 703 261 622 Egyptian pounds distributed over 3 406 523 244 shares, with a nominal value of 0.5 Egyptian pounds, and an entry has been made in the commercial register on the date of 11 May, 2023.

16. Shares of reward and incentive system

In accordance with the decision of the Extraordinary General Assembly held on April 13, 2023, the capital was increased by 49 609 562 Egyptian pounds with 99 219 124 shares, the value of each share being 0.5 Egyptian pounds, to finance the reward and incentive system of the company, and an entry has been made in the commercial register on the date of 11 May, 2023.

17. Provisions

	<u>Balance as of</u> <u>January 1, 2023</u>	<u>Formed during</u> <u>the period</u>	<u>Used during the</u> <u>period</u>	<u>Balance as of</u> <u>June 30, 2023</u>
EGP				
Provision for claims	42 084 144	9 037 306	(18 854 510)	32 266 940
	<u>42 084 144</u>	<u>9 037 306</u>	<u>(18 854 510)</u>	<u>32 266 940</u>

18. Banks credit facilities

The increase in bank facilities balance amounted by EGP 20 million is due to the increase in value of facilities in the second quarter of 2023.

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

Notes to the Condensed Consolidated interim Financial Statements

For the Six months ended June 30, 2023

19. Creditors and other credit balances

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Accrued expenses	113 572 224	69 856 207
Accrued interest	3 935 622	5 905 973
Accrued commissions	52 597 616	43 770 602
Unearned revenue	8 222 543	7 730 584
Health insurance contribution	5 047 315	6 486 035
Customer advance payments	12 773 995	9 329 520
Tax Authority	61 101 379	142 511 479
Social Insurance Authority	9 408 574	10 219 515
Transactions under settlement	18 128 457	6 678 139
Other credit balances	24 281 116	46 275 667
	<u>309 068 841</u>	<u>348 763 721</u>

20. Contingent liabilities

The contingent liabilities are represented in the uncovered part of the letters of guarantee issued in favor of some parties and entities. The total letters of guarantee facilities amounted to 1,236 million Egyptian pounds, of which 1,019 million Egyptian pounds were used from banks in the form of letters of guarantee.

21. Operating revenue

<u>EGP</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Description		
Transaction services revenue - collection fees	1 201 722 112	874 772 492
Other revenues	65 276 683	34 466 497
Insurance brokerage commission	9 057 945	5 325 986
Interest revenue Micro finance	168 113 369	99 727 308
	<u>1 444 170 109</u>	<u>1 014 292 283</u>

22. Operating cost

The increase in operating costs is mainly due to the increase in merchants' fees by an amount of EGP 34 million, an increase in cost of financing microfinance loans by amount of EGP 26 million and cash collection cost increased by amount of EGP 42 million.

23. 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 34 million. In addition to the increase in subscription fees, technical support, communication, and services Centers by an amount of EGP 14 million during the period and increase in depreciation by an amount of EGP 6.5 million as well as increase in other expenses by an amount of EGP 6 million.

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Notes to the Condensed Consolidated interim Financial Statements

For the Six months ended June 30, 2023

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 22 million, in addition to the increase of marketing and advertising expenses by an amount of EGP 1.6 plus increasing in selling and distribution expenses by 16 million Egyptian pounds during the period.

25. Share - based payment

The increase in the employee share-based payment expense is due to granting employees shares within the program during the period from the first quarter of the previous year until the date of the financial statements by an amount of 49 million EGP, which led to an increase in the cost.

26. Credit Interest

<u>EGP</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<u>Description</u>		
Credit interest - current accounts and time deposits	21 776 200	2 476 193
Credit interest – treasury bills	172 564 073	76 670 718
	<u>194 340 273</u>	<u>79 146 911</u>

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

<u>EGP</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Waffarha.com Co.	233 399	210 664
Bosta Inc. Co.	--	(1 814 084)
EGY Insure-tech Co.	270 558	(454 151)
Roderz for smart applications Co.	(540 499)	(1 286 227)
	<u>(36 542)</u>	<u>(3 343 798)</u>

28. 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.

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Notes to the Condensed Consolidated interim Financial Statements

For the Six months ended June 30, 2023

A. Segment profit or loss statement

EGP	Revenue		Profit	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Banking technology and E-payment segment	1 276 056 740	914 744 975	407 884 226	109 733 371
Micro-Finance segment	168 113 369	99 727 308	26 514 874	18 367 959
Total	1 444 170 109	1 014 472 283	434 399 100	128 101 330
Net profit for the period before tax			434 399 100	128 101 330
Income tax			(109 549 723)	(30 060 198)
Net profit for the period after tax			324 849 377	98 041 132

B. Segment Assets

EGP	June 30, 2023	December 31, 2022
Banking Technology and E-payment segment	8 451 289 950	6 292 583 525
Micro-Finance segment	839 937 141	773 591 663
Assets before elimination	9 291 227 091	7 066 175 188
Elimination of internal transactions between segments	(245 919 956)	(642 417 282)
Assets after elimination	8 469 302 418	6 423 757 906
Total consolidated Assets	8 469 302 418	6 423 757 906

29. 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.

EGP	June 30, 2023		June 30, 2022	
	Basic	Diluted	Basic	Diluted
Net profit for the period	283 056 537	283 056 537	52 300 611	52 300 611
Average number of outstanding shares	3 307 304 120	3 331 838 660	1 851 849 511	1 851 849 511
	0.08	0.08	0.03	0.03

30. 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 2020

- The Company received an announcement to inspect it's books for the mentioned dates and they are currently preparing for the office inspection.

The period from 2021 until 31 December 2022

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

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For the Six months ended June 30, 2023

Payroll tax

The period from inception until 31 December 2020

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

The period 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.

The Period from 2021 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.

31. 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.

32. Subsequent events after the period

During the subsequent period some employees used their rights by asking for their shares in the Employees stock ownership plan and asked for 12.8 Million of shares.