

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

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



Saleh, Barsoum & Abdel Aziz

Grant Thornton

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*Translation of Review  
Report Originally Issued in Arabic*

**Limited Review Report on the condensed separate 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 separate interim financial statements of Fawry for Banking Technology and Electronic Payments S.A.E. which comprise the condensed separate interim statement of financial position as of June 30, 2023, and the related condensed separate 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 separate interim financial statements in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements". Our responsibility is to express a conclusion on these condensed separate 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 separate interim financial statements do not present fairly in all material respects the separate financial position of the entity as of June 30, 2023, and of its separate financial performance and its separate 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)  
FPA Register No. "69"  
Saleh, Barsoum & Abdel Aziz – Grant Thornton





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

	Note No.	June 30, 2023	December 31, 2022
		EGP	EGP
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	(4)	726 011 871	671 626 871
Intangible assets	(5)	508 046 122	372 162 129
Projects under construction	(6)	4 291 037	35 615 802
Investments in subsidiaries	(7)	359 012 632	216 514 882
Investments in associates and joint venture		21 414 659	21 414 659
Investments at fair value through OCI		38 505 101	38 505 101
Deferred tax asset		36 983 355	27 784 162
Loans to related parties	(8)	101 497 188	193 416 296
<b>Total non-current assets</b>		<b>1 795 761 965</b>	<b>1 577 039 902</b>
<b>Current assets</b>			
Inventory		1 150 820	3 198 362
Accounts and notes receivable	(9)	29 942 854	8 164 899
Debtors and other debit balances	(10)	182 282 248	140 971 946
Advances to billers		730 624 003	498 083 700
Due from related parties	(11)	123 150 500	11 601 893
Investments at fair value through P&L		14 152 000	13 318 250
Treasury bills	(12)	1 728 808 603	1 392 557 695
Cash and Bank balances	(13)	3 089 329 205	2 125 353 270
<b>Total current assets</b>		<b>5 899 440 233</b>	<b>4 193 250 015</b>
<b>Total assets</b>		<b>7 695 202 198</b>	<b>5 770 289 917</b>
<b>Equity</b>			
Issued and paid-up capital	(14)	1 703 261 622	1 653 652 060
Legal reserve		62 039 050	53 150 023
Shares for Employee Stock Ownership Plan	(15)	(49 609 562)	
Reserve for employee stock ownership plan (ESOP)		209 353 143	151 513 185
Shares issuance expenses reserve		--	(5 818 102)
Revaluation reserve for Investments at fair value through OCI		(13 795 000)	(13 795 000)
Retained Earnings		768 128 964	537 325 900
<b>Total equity</b>		<b>2 679 378 217</b>	<b>2 376 028 066</b>
<b>Non-Current liabilities</b>			
Deferred tax liabilities		15 406 113	16 960 418
Lease Liabilities		83 795 257	68 803 312
<b>Total non current liabilities</b>		<b>99 201 370</b>	<b>85 763 730</b>
<b>Current liabilities</b>			
Bank credit facilities	(16)	167 957 130	149 542 191
Provisions	(17)	28 116 853	40 634 057
Accounts and notes payable	(18)	25 398 793	61 708 170
Accounts payable - Billers	(19)	3 347 263 683	1 872 568 587
Merchant advances		862 573 391	628 954 407
Retailers' POS security deposits		93 265 970	76 121 037
Creditors and other credit balances	(20)	187 970 945	270 243 189
Due to a related parties	(21)	121 245 810	165 283 478
Current income tax		69 974 772	32 397 288
Lease Liabilities		12 855 264	11 045 717
<b>Total current liabilities</b>		<b>4 916 622 611</b>	<b>3 308 498 121</b>
<b>Total equity and liabilities</b>		<b>7 695 202 198</b>	<b>5 770 289 917</b>

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

 Chief Finance Officer

 Chief Executive Officer

 Chairman

limited review report attached.

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

## Condensed separate interim statement of profit or loss

for the six - months ended June 30, 2023

Note No.	Six months ended		three months ended		
	June 30, 2023	June 30, 2023	June 30, 2023	June 30, 2022	
	EGP	EGP	EGP	EGP	
Operating revenues	(25)	985 751 765	662 799 787	526 000 398	345 101 705
Operating costs	(26)	(352 812 223)	(295 929 109)	(189 247 725)	(158 424 549)
Gross margin		632 939 542	366 870 678	336 752 673	186 677 156
General and administrative expenses	(27)	(245 914 568)	(197 223 482)	(128 973 342)	(100 718 853)
Selling and marketing expenses	(28)	(217 721 799)	(178 261 075)	(111 928 384)	(92 819 126)
Employee stock ownership plan expenses (ESOP)		(40 885 303)	(29 474 310)	(19 466 796)	(15 413 400)
Allowances for the Board of Directors		(3 310 000)	(1 532 110)	(1 800 000)	( 792 844)
Health insurance contribution		(3 042 072)	(1 871 602)	(1 597 338)	( 970 586)
Expected credit loss		(1 172 172)	(5 427 899)	( 671 214)	(3 287 512)
Finance costs		(6 337 306)	(3 600 000)	(4 637 306)	(2 700 000)
Formed provisions		(14 651 967)	(20 329 247)	(7 730 766)	(7 555 426)
Gains from revaluation of investments at fair value through P&L		833 750	333 250	446 375	194 000
Credit interest	(23)	189 529 402	80 383 486	101 495 674	40 938 644
Gain on sale of fixed assets		11 064 704	2 979 838	8 839 165	1 006 391
Other revenues		3 809 832	2 477 755	2 108 574	1 187 573
Foreign currency exchange		11 163 406	5 262 894	52 168	1 004 515
Operating profit		316 305 449	20 588 176	172 889 483	6 750 532
Dividends from investments in subsidiaries	(24)	36 646 749	29 730 859	-	-
Net Profit for the period before tax		352 952 198	50 319 035	172 889 483	6 750 532
Current income tax		(78 996 370)	(9 683 305)	(39 027 162)	(4 750 746)
Net profit for the period after tax		273 955 828	40 635 730	133 862 321	1 999 786
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 separate

Translation of financial statement

Originally Issued in Arabic

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed separate interim statement of comprehensive Income**  
**for the six - months ended June 30, 2023**

	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>	<u>June 30, 2023</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net Profit for the period	273 955 828	40 635 730	133 862 321	1 999 786
Other comprehensive income	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>273 955 828</b>	<b>40 635 730</b>	<b>133 862 321</b>	<b>1 999 786</b>

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

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

	Issued and paid up capital		Legal reserve		Shares for Employee stock ownership plan		Reserve for employee stock ownership plan (ESOP)		Shares issuance expenses reserve		Revaluation reserve for investments at fair value through OCI statement		Retained Earnings		Total	
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2022	853 652 060	-	47 129 042	-	-	-	52 398 017	(2 835 763)	-	-	-	-	387 664 366	1 338 007 722	-	-
Items of comprehensive income																
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Company's owners																
Capital increase from retained earnings	800,000,000	-	6 020 981	-	-	-	-	-	-	-	-	-	(6 020 981)	800 000 000	-	-
Transferred to legal reserve	-	-	-	-	-	-	-	-	2 835 763	-	-	-	(2 835 763)	-	-	-
Transferred share issuance expense reserve from retained earnings	-	-	-	-	-	-	-	-	(5 820 102)	-	-	-	-	(5 820 102)	-	-
Shares issuance expenses reserve	-	-	-	-	-	-	40 876 553	-	-	-	-	-	-	40 876 553	-	-
Reserve for employee stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	-	-	-	(19 267 071)	(19 267 071)	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with the Company's owners	800 000 000	-	6 020 981	-	-	-	40 876 553	(2 984 339)	-	-	-	-	(28 123 815)	815 789 380	-	-
Balance as of June 30, 2022	1 653 652 060	-	53 150 023	-	-	-	93 274 570	(5 820 102)	-	-	-	-	400 176 281	2 194 432 832	-	-
Balance as of January 1, 2023	1 653 652 060	-	53 150 023	-	-	-	151 513 185	(5 818 102)	-	-	(13 795 000)	-	537 325 900	2 376 028 066	-	-
Items of comprehensive income																
Net profit for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with Company's owners																
Transferred to legal reserve	-	-	8 889 027	-	-	-	-	-	-	-	-	-	(8 889 027)	-	-	-
Transferred share issuance expense reserve from retained earnings	-	-	-	-	-	-	-	-	5 818 102	-	-	-	(5 818 102)	-	-	-
Capital Increase (ESOP Shares)	49 609 562	-	-	-	-	-	(49 609 562)	-	-	-	-	-	-	-	-	-
Reserve for employee stock ownership plan (ESOP)	-	-	-	-	(49 609 562)	-	107 449 520	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total transactions with the Company's owners	49 609 562	-	8 889 027	-	(49 609 562)	-	57 839 958	5 818 102	-	-	-	-	(28 445 635)	57 839 958	-	-
Balance as of June 30, 2023	1 703 261 622	-	62 039 050	-	(49 609 562)	-	209 353 143	(5 818 102)	-	-	(13 795 000)	-	768 128 964	2 679 378 217	-	-

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

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed separate interim statement of cash flows**  
**for the six-months ended June 30, 2023**

	Note	Six months ended	
		June 30, 2023	June 30, 2022
		EGP	EGP
<b>Cash flows from operating activities:</b>			
Net profit for the period before tax		352 952 198	50 319 035
<b>Adjusted by:</b>			
Depreciation and amortization for the period		119 751 133	92 909 893
Provisions formed		6 337 306	3 600 000
Unrealized foreign currency exchange		(11 163 406)	(5 262 894)
Dividends from investments in subsidiaries		(36 646 749)	(29 730 859)
Employee Stock Ownership Plan expenses		40 885 303	29 474 310
Expected credit losses		1 172 172	5 427 899
Fair value gain on investment measured at FVTPL		( 833 750)	( 333 250)
Credit interest		(189 529 402)	(80 383 486)
(Gain) on sale of fixed assets		(9 459 731)	(2 979 838)
Finance Cost		14 651 967	20 329 247
<b>Operating profit before changes in working capital</b>		<b>288 117 041</b>	<b>83 370 057</b>
<b>Changes in working capital</b>			
Decrease / (increase) in Inventories		2 047 542	(2 900 316)
(Increase) in advances to billers		(232 471 575)	(41 768 093)
(Increase) in debtors and other debit balances		(40 778 158)	(31 577 983)
(Increase) in accounts and notes receivable		(23 462 669)	(29 728 959)
(Increase) / decrease in due from related parties		(94 690 532)	20 806 179
(Decrease) in accounts and notes payable		(36 309 377)	(41 933 802)
Increase in billers payable		1474 695 096	810 828 309
(Decrease) in due to related parties		(44 218 028)	(98 167 180)
Increase in advances to merchant advances		233 618 984	172 021 131
Increase in retail deposits		17 144 933	13 949 329
(Decrease) / Increase in creditors and other credit balances		(82 091 884)	28 544 360
Decrease in loans to related parties		91 956 764	11 329 298
Used from provisions		(18 854 510)	--
Income tax paid		(47 022 835)	(47 191 939)
Proceed from credit interest		97 656 365	53 234 568
<b>Net cash generated from operating activities</b>		<b>1 585 337 157</b>	<b>900 814 959</b>
<b>Cash flows from investing activities</b>			
(Payments) to acquire fixed assets		(130 323 767)	(72 405 947)
(Payments) for projects under construction		(18 034 026)	(16 529 108)
(Payments) to acquire intangible assets		(119 318 584)	(89 540 158)
Proceeds from the sale of fixed assets		15 820 093	8 280 603
(Payments) in investments at fair value through profit or loss.		--	(12 500 000)
(Payments) in investments at fair value through Comprehensive income		--	(9 133 125)
Proceeds from Dividends from investments in subsidiaries		36 646 749	29 730 859
(Payments) to increase investments in associates and subsidiaries companies		(142 497 750)	(53 240 000)
(Payments) Dividends		(28 445 635)	(19 267 071)
Net movement of treasury bills - more than three months		(608 535 660)	(406 024 496)
<b>Net cash (used in) investing activities</b>		<b>(994 688 580)</b>	<b>(640 628 443)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from / (Payments to) bank facilities		18 414 939	(198 490 285)
(Payments) of lease liabilities		(11 543 691)	(5 600 614)
(Payments) of finance expense		(8 833 690)	(17 152 116)
Proceeds from capital increase		--	800 000 000
<b>Net cash used in financing activities</b>		<b>(1 962 442)</b>	<b>578 756 985</b>
Net change in cash and cash equivalents during the period		588 686 135	838 943 501
Cash and cash equivalents at beginning of the period		2 686 868 874	1073 389 272
currency exchange difference for cash and cash equivalent		11 163 406	5 262 894
<b>Cash and cash equivalents at end of the period</b>	(13)	<b>3 286 718 415</b>	<b>1 917 595 667</b>

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



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

Notes to the condensed separate interim financial statements

For Six months ended June 30, 2023

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**1. General information**

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

The purpose of the Company is to provide operations services specialized in information technology 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 separate financial statements were approved by the Board of Directors on August 10, 2023.

**2. Statement of compliance**

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

**3. Basis of preparation of the separate financial statements**

The condensed separate interim financial statements have been prepared using the same accounting policies which were applied in the prior year. These condensed separate interim financial statements should be read in conjunction with the annual separate financial statements for the year ended December 31, 2022.

Fawry for Banking Technology and Electronic Payments S.A.E.  
Notes to the condensed separate interim financial statements  
for the six months ended June 30, 2023

4- Fixed assets (net)

EGP Cost	Land	Buildings	Networks and servers	Point of sale machines	Computers	Furniture & office equipments	Leasehold improvements on rental places	Vehicles	Tools and equipments super fawry	Right of use branches and premises	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
53,490,500	111,359,500	108,673,491	363,633,834	9,828,875	641,766	149,300	44,903,093	791,991,198			
-	21,600,855	37,569,777	189,845,189	12,719,869	-	-	49,023,577	351,831,649			
-	-	-	(27,281,745)	-	-	-	(2,823,145)	(30,054,900)			
53,490,500	134,050,355	146,263,268	526,195,278	22,548,744	641,766	149,300	91,005,525	1,113,717,957			
53,490,500	134,050,355	146,263,268	526,195,278	22,548,744	641,766	149,300	91,005,525	1,113,717,957			
-	-	13,658,757	102,130,143	165,501	-	-	22,528,893	152,852,660			
-	-	-	(20,868,900)	-	-	-	(1,921,949)	(22,790,849)			
53,490,500	134,050,355	159,922,025	607,457,521	22,714,245	641,766	149,300	111,612,469	1,243,779,788			
<b>Accumulated depreciation</b>											
As of January 1, 2022	-	5,665,813	70,557,329	140,497,828	31,584,926	7,730,826	13,443,910	149,298	641,739	5,171,903	315,843,452
Depreciation and amortization of the year	-	3,064,656	27,282,952	79,267,573	8,963,086	2,097,235	8,423,053	-	-	13,951,205	143,051,360
Depreciation of disposals	-	-	-	(15,778,534)	-	-	-	-	-	(1,027,192)	(16,805,726)
As of December 31, 2022	-	8,730,469	97,840,281	244,386,867	40,548,512	9,828,061	21,866,963	149,298	641,739	18,098,916	442,091,086
As of January 1, 2023	-	8,730,469	97,840,281	244,386,867	40,548,512	9,828,061	21,866,963	149,298	641,739	18,098,916	442,091,086
Depreciation and amortization of the period	-	1,675,629	16,453,972	51,767,555	5,258,979	1,840,180	5,881,822	-	-	9,239,861	92,107,298
Depreciation of disposals	-	-	-	(15,278,131)	-	-	-	-	-	(1,152,356)	(16,430,487)
As of June 30, 2023	-	10,406,098	114,294,153	240,876,291	45,806,991	11,668,241	27,748,685	149,298	641,739	26,176,501	517,767,897
<b>Net book value</b>											
As of June 30, 2023	53,490,500	123,644,257	45,627,872	326,581,230	33,310,554	11,046,004	47,975,458	1	27	85,435,968	736,011,871
As of December 31, 2022	53,490,500	125,319,886	48,422,887	281,909,411	31,366,866	12,720,683	46,589,980	2	27	72,906,529	671,626,871

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

Notes to the condensed separate interim financial statements

For Six months ended June 30, 2023

**5. Intangible assets**

<u>EGP</u>	<u>Licenses</u>	<u>Programs</u>	<u>Total</u>
<b><u>Cost</u></b>			
As of January 1, 2022	64 831 629	309 534 530	374 366 159
Additions during the year	18 654 272	130 203 331	148 857 603
As of December 31, 2022	83 485 901	439 737 861	523 223 762
Additions during the period	25 740 115	137 787 713	163 527 828
As of June 30, 2023	109 226 016	577 525 574	686 751 590
<b><u>Accumulated amortization</u></b>			
As of January 1, 2022	18 306 044	89 341 387	107 647 431
Amortization for the year	5 445 242	37 968 960	43 414 202
As of December 31, 2022	23 751 286	127 310 347	151 061 633
Amortization for the period	3 761 021	23 882 814	27 643 835
As of June 30, 2023	27 512 307	151 193 161	178 705 468
<b><u>Net book value</u></b>			
As of June 30, 2023	81 713 709	426 332 413	508 046 122
As of December 31, 2022	59 734 615	312 427 514	372 162 129

**6. Projects Under Construction**

The decrease in Projects under construction is mainly due to transfers to fixed and intangible assets by amount of EGP 49,4 million, taking into consideration additions with EGP 18 million.

**7. Investments in subsidiaries**

The increase in investments in subsidiaries is mainly due to capital increase for Fawry for consumer finance with amount of EG 67 million and Fawry for microfinance Co. with amount of EGP 75 million during the period.

**8. Loans to related parties.**

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Fawry for microfinance Co. – noncurrent	101 921 003	193 877 766
Less: Expected credit losses	(423 815)	(461 470)
	<u>101 497 188</u>	<u>193 416 296</u>

**9. Accounts and Notes receivables**

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Accounts receivables	31 890 828	9 688 843
Notes receivable	--	120 470
Less: Expected credit losses	(1 947 947)	(1 644 414)
	<u>29 942 854</u>	<u>8 164 899</u>

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

Notes to the condensed separate interim financial statements

For Six months ended June 30, 2023

**10. 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	2 656 473
Accrued revenue	100 539 249	80 440 917
Prepaid expenses	31 589 016	11 028 176
Deposits with others	1 374 298	1 390 298
Withholding tax	18 261 758	14 486 742
Other debit balances	15 103 945	17 349 241
Custodies	4 345 372	14 872 740
<b>Less: Excepted credit losses</b>	<b>(720 497)</b>	<b>(1 252 641)</b>
	<b>182 282 248</b>	<b>140 971 946</b>

**11. Due from related parties**

<u>EGP</u>	<u>Account type</u>	<u>June 30 2023</u>	<u>December 31, 2022</u>
Fawry for Fast Moving Consumer Goods Co. (subsidiary)	Current account	8 948 874	7 783 338
Fawry for Insurance Brokerage Co.(subsidiary)	Current account	2 116 707	512 624
Fawry for integrated systems (subsidiary)	Current account	109 373 579	--
Tazcra Information Technology and Electronic Booking (Associate)	Current account	1 500 240	1 500 240
Fawry gulf (subsidiary)	Current account	1 309 787	1 309 787
Dirac (subsidiary)	Current account	--	500 000
<b>Less: Excepted credit losses</b>		<b>(98 687)</b>	<b>(4 096)</b>
		<b>123 150 500</b>	<b>11 601 893</b>

**12. Treasury Bills**

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Treasury bills – less than three months	192 170 652	556 414 865
Treasury bills – more than three months	1 458 136 366	795 772 153
<b>Add:</b>		
Accrued interest - less than three months	6 523 198	6 375 924
Accrued interest - More than three months	91 873 035	44 317 433
<b>Less:</b>		
Accrued tax on accrued interest – less than three months	(1 304 640)	(1 275 185)
Accrued tax on accrued interest - More than three months	(18 374 607)	(8 863 487)
Expected credit losses	(215 401)	(184 008)
<b>Balance</b>	<b>1 728 808 603</b>	<b>1 392 557 695</b>
<b>Nominal value</b>	<b>1 840 950 000</b>	<b>1 468 475 000</b>

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

Notes to the condensed separate interim financial statements

For Six months ended June 30, 2023

**13. Cash and bank balances**

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Cash (*)	395 283 898	--
Current accounts at banks – local currency (**)	355 284 389	142 649 995
E-Acceptance (transactions under settlement)	686 880 751	371 326 942
Cash collection agencies	1 579 092 991	888 190 416
Current accounts at banks – foreign currency	3 597 684	4 289 142
Time deposits – local currency	10 059 384	670 712 520
Time deposits – foreign currency	61 172 888	48 845 881
<b>Less: Expected credit loss</b>	<b>(2 042 780)</b>	<b>(661 626)</b>
<b>Cash and cash at banks</b>	<b>3 089 329 205</b>	<b>2 125 353 270</b>

(\*) Cash balance is represented in cash with cash collection representatives "the company's employees" on June 30, 2023.

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

For the purpose of cash flow statement, the cash and cash equivalents comprise the following:

<u>EGP</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash and bank balances	3 089 329 205	1 818 454 363
Treasury bills – less than three months	197 389 210	99 141 304
	<b>3 286 718 415</b>	<b>1 917 595 667</b>

**14. 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, 2021, 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 par value of EGP 0.50.

On March 3, 2022, the General Assembly meeting 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.

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 employee stock ownership program, 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 on May 11, 2023.

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

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**15. Employee stock ownership program**

In accordance with the decision of the Extraordinary General Assembly held on April 13, 2023, the capital was increased by EGP 49 609 562 million with 99 219 124 shares with a nominal value of 0.5, to provide shares to the company's stock ownership program, and it was registered in the commercial register on May 11, 2023.

**16. Banks facilities**

The increase in the account by EGP 18.4 million is due to the increase in utilization of the credit facilities during the first half of the current period.

**17. Provisions**

<u>EGP</u>	<u>Balance as of January 1, 2023</u>	<u>Formed during the period</u>	<u>Used during the period</u>	<u>Balance as of June 30, 2023</u>
Provision for claims	40 634 057	6 337 306	(18 854 510)	28 116 853
	<u>40 634 057</u>	<u>6 337 306</u>	<u>(18 854 510)</u>	<u>28 116 853</u>

**18. Accounts and notes payable.**

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Accounts payable	20 137 028	60 412 265
Notes Payable	5 261 765	1 295 905
	<u>25 398 793</u>	<u>61 708 170</u>

**19. Accounts payable – Billers**

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Accounts payables – billers	2 811 263 683	1 592 568 587
Notes payables – billers	536 000 000	280 000 000
	<u>3 347 263 683</u>	<u>1 872 568 587</u>

**20. Creditors and other credit balances**

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Accrued expenses	84 707 540	48 112 495
Accrued commissions	32 921 104	43 968 942
Tax Authority	24 342 393	124 762 607
Unearned revenue	4 084 244	3 006 165
Health insurance contributions	3 005 367	4 304 652
Transactions under settlement	18 128 457	6 680 018
Other credit balances	20 781 840	39 408 310
	<u>187 970 945</u>	<u>270 243 189</u>



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

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For Six months ended June 30, 2023

**21. Due to related parties**

<u>EGP</u>	<u>Nature of relationship</u>	<u>Account type</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Fawry for Integrated Systems Co.	Subsidiary	Current account	--	44 614 021
Fawry Dahab for Electronic Services	Subsidiary	Current account	52 715 395	118 036 447
Fawry Plus for banking services	Subsidiary	Current account	6 337 380	2 619 186
Fawry for consumer finance	Subsidiary	Current account	62 193 035	13 824
			<u>121 245 810</u>	<u>165 283 478</u>

**22. Contingent liabilities**

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

<u>EGP</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>
Letters of guarantee – local currency	1 236 500 000	1 236 500 000
	<u>1 236 500 000</u>	<u>1 236 500 000</u>

- the utilized amounts from the bank's facilities amounted to EGP 1,019 million as issued letters of guarantee on the date of financial statements.

**23. Credit Interest**

<u>EGP</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Credit interest - current accounts and time deposits	16 448 091	8 307 948
Credit interest – treasury bills	160 865 943	65 045 945
Credit interest – loans to related party	12 215 368	7 029 593
	<u>189 529 402</u>	<u>80 383 486</u>

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**24. Significant related parties' transactions**

Significant related party transactions during the period as follow:

<u>EGP</u>	<u>Nature of the Transaction</u>	<u>Volume of transactions during the period</u>
Fawry Dahab for Electronic Services Co.	Payment services cost on behalf of related party	175 225 383
	Electronic Payment services revenue	76 461 985
	Dividends income	36 646 749
Fawry Integrated systems Co.	Program acquisition from related party	86 859 392
	POS machine acquisition	102 144 040
Fawry for Micro Finance Co.	Capital Increase	75 000 000
	Loans To related parties	101 921 003
	Credit Interest Revenue	12 215 367
Fawry Plus for Banking Services Co.	Revenue collection on behalf of related party	54 847 036
	Electronic payments revenue	549 338
	Branch management cost	5 500 000
Fawry for Fast Moving Consumer Goods Co.	Service revenue	26 712 365
	Transactions on Fawry network revenue	251 427
Fawry Consumer Finance	Capital Increase	67 500 000

**25. Operating revenues**

<u>EGP</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Transaction's services revenues – collection fees	841 009 405	593 546 351
Other revenue	144 742 360	69 253 436
	<u>985 751 765</u>	<u>662 799 787</u>

**26. Operating costs**

The main reason for the increase in the operating cost is due to the increase in merchants' commissions by EGP 20.1 million, the increase in depreciation by EGP 19 million, and the increase in cash collection cost by EGP 10.8 million.

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

Notes to the condensed separate interim financial statements

For Six months ended June 30, 2023

### 27. General and administrative expenses

The main reason for the increase in the account is due to the increase in salaries and the like by an amount of EGP 25 million, and an increase in depreciation and amortization by an amount of EGP 7.7 million, in addition to the increase in subscription expenses, technical support, communications and service centers by an amount of EGP 14 million ,during the period and an increase premises and insurance expenses by EGP 2.4 million.

### 28. Selling and Marketing expenses

The main reason for the increase in the account is due to the increase in salaries by EGP 23 million and the increase in sales and marketing commissions by EGP 15 million.

### 29. Earnings per share

Earnings per share are calculated by dividing net profit by the weighted average of outstanding shares during the period.

	<u>June 30, 2023</u>		<u>June 30, 2022</u>	
	<u>EGP</u>		<u>EGP</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit of the period	273 955 828	273 955 828	40 635 730	40 635 730
Average number of shares	<u>3 307 304 120</u>	<u>3 331 838 660</u>	<u>1 840 637 453</u>	<u>1 840 637 453</u>
	<u>0.08</u>	<u>0.08</u>	<u>0.02</u>	<u>0.02</u>

### 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 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.

#### Payroll tax

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

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

#### Financial year from 2021 till 31 December 2022

- 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 separate interim financial statements

For Six months ended June 30, 2023

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### **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 for the mentioned period and tax differences were settled.

#### **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.

### **31. Legal Position**

During the third quarter of 2019, a company filed a lawsuit against Fawry for Banking Technology and Electronic Payments "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 fore mentioned 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. Significant events during 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 shareholders in amount of EGP 28 445 656.

### **33. Events subsequent to the date of the financial statements**

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.