

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

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024

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, 2024, 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, 2024, 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 13, 2024.


Kamel Magdy Saleh FCA,
FESAA (R.A.A. 8510),
FRA Register No. "69"
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 March 31, 2024

EGP	Note No.	March 31, 2024	December 31, 2023
Assets			
Non-current assets			
Fixed assets	(4)	877 533 117	873 824 906
Intangible assets	(5)	680 657 315	606 237 569
Projects under construction	(6)	306 701 995	74 861 241
Goodwill		32 771 437	32 771 437
Deferred tax assets		59 621 322	52 668 674
Loans and facilities to customers - non current	(10)	363 041 212	231 244 380
Investments in associate and joint ventures	(7)	29 278 070	30 894 057
Investments at fair value through OCI		40 047 247	40 047 247
Investments at fair value through P&L	(8)	33 156 000	32 996 450
Total non-current assets		2 422 807 715	1 975 545 961
Current assets			
Inventory		12 859 483	8 415 536
Accounts and notes receivable	(9)	52 397 215	37 973 445
Loans and facilities to customers - current	(10)	1 012 359 083	920 552 076
Advances to billers		542 610 931	540 600 371
Debtors and other debit balances	(11)	453 419 835	370 125 711
Due from related parties	(12)	500 241	402 326
Investments at fair value through P&L	(8)	181 192 838	16 732 250
Treasury bills	(13)	1 951 875 206	2 342 600 551
Cash and cash at banks	(14)	2 348 315 997	2 758 635 418
Total current assets		6 555 530 829	6 996 037 684
Total assets		8 978 338 544	8 971 583 645
Equity and liabilities			
Equity			
Issued and paid-up capital		1 703 261 622	1 703 261 622
Legal reserve		92 581 238	62 039 050
Employee stock ownership shares		(43 170 059)	(43 170 059)
Reserve for employee stock ownership plan (ESOP)	(29)	227 425 674	198 552 525
Combination reserve		11 745 574	11 745 574
Revaluation reserve for Investments at fair value through OCI		(12 252 854)	(12 252 854)
Retained earnings		1 671 015 060	1396 481 410
Total equity for the parent company		3 650 606 255	3 316 657 268
Non controlling interest		112 421 462	153 191 364
Total equity		3 763 027 717	3 469 848 632
Non-Current Liability			
Deferred tax liability		32 086 528	32 086 528
Long term loans		222 682 404	147 535 732
Lease Liabilities		112 006 117	110 917 370
Total Non-current liabilities		366 775 049	290 539 630
Current liabilities			
Provisions	(15)	67 412 705	59 762 705
Banks overdraft	(16)	152 369 964	158 290 410
Short term loans		503 359 016	363 478 866
Accounts and notes payable		60 879 809	110 156 483
Accounts and notes payable- billers		1 966 076 630	2 427 822 504
Merchants advances		1 242 857 846	1445 685 555
Retailer's POS security deposits		112 146 275	100 810 102
Creditors and other credit balances	(17)	433 576 923	325 187 742
Lease Liabilities		32 986 930	33 604 441
Current income tax		276 869 680	186 396 575
Total current liabilities		4 848 535 778	5 211 195 383
Total equity and liabilities		8 978 338 544	8 971 583 645

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, 2024

<u>EGP</u>	<u>Note No.</u>	<u>Three-months period ended</u>	
		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Operating revenues	(19)	1 087 190 443	675 696 991
Less:			
Operating costs	(20)	(371 570 914)	(256 910 181)
Gross margin		715 619 529	418 786 810
Add (Less):			
General and administrative expenses	(21)	(235 303 154)	(170 297 054)
Selling and marketing expenses	(22)	(138 642 396)	(107 598 128)
Employee stock ownership plan expenses (ESOP)		(28 873 149)	(30 368 604)
Board of directors allowances		(2 046 400)	(1 845 000)
Social contribution for Health and insurance		(3 650 795)	(2 386 229)
Provisions formed		(7 650 000)	(3 050 000)
Impairment loss on customer loans		(19 692 904)	(6 268 735)
Expected credit loss		(1 236 162)	173 613
Revaluation gain of Investments at fair value through P&L		7 810 027	464 250
Credit interest	(23)	148 535 234	87 980 287
Finance costs		(10 621 364)	(8 904 050)
Foreign currency exchange gain		13 722 943	11 768 297
Gain on disposal of fixed assets		8 297 601	2 225 539
Other revenues		2 124 516	889 095
Operating Profit		448 393 526	191 570 091
Group's share in losses of investments in associates and joint ventures	(7)	(1 615 987)	(51 907)
Profit of the period before tax		446 777 539	191 518 184
Current income and deferred tax		(113 058 785)	(49 460 309)
Net profit for the period after tax		333 718 754	142 057 875
Distributed as follows:			
Net profit for the parent company		307 089 863	123 282 266
Net profit for the non controlling interest		26 628 891	18 775 609
Net profit for the period after tax		333 718 754	142 057 875
Earnings per share for the period - basic (EGP/share)	(25)	0.09	0.04
Earnings per share for the period - diluted (EGP/share)	(25)	0.09	0.04

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 three months period ended March 31, 2024

<u>EGP</u>	<u>Three-months period ended</u>	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Profit for the period	333 718 754	142 057 875
Other comprehensive income	--	--
Total comprehensive income for the period	333 718 754	142 057 875
Distributed as follows:		
Comprehensive income for the parent company	307 089 863	123 282 266
Comprehensive income for the non controlling interest	26 628 891	18 775 609
Total comprehensive income for the period	333 718 754	142 057 875

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 three months period ended March 31, 2024

EGP	Issued and paid up capital	Legal reserve	Employee stock ownership plan	Reserve for employee stock ownership plan (ESOP)	Combination reserve	Compulsory reserve for EAS 47 Application Risk	Shares issuance expenses	Revaluation reserve for investments at fair value through OCI statement	Retained earnings	Total equity of the parent	Non controlling interest	Total
	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	--	--	--	--	--	--	--	--	123 282 266	123 282 266	18 775 609	142 057 875
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
The company's shareholders transactions	--	8 889 027	--	--	--	--	--	--	(8 889 027)	30 368 604	--	30 368 604
Transferred to legal reserve	--	8 889 027	--	--	--	--	--	--	(8 889 027)	30 368 604	--	30 368 604
Reserve for employee stock ownership plan (ESOP)	--	--	--	30 368 604	--	--	--	--	(5 818 102)	--	--	--
Transferred to R/E From issuance expenses reserve	--	--	--	--	--	--	5 818 102	--	(5 818 102)	--	--	--
Dividend distribution	--	--	--	--	--	--	--	--	(1 885 185)	(1 885 185)	(65 300 116)	(67 185 301)
Total Company's shareholders transactions	--	8 889 027	--	30 368 604	--	--	5 818 102	--	(16 592 314)	28 483 415	(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)	731 299 470	2 629 429 482	71 056 630	2 700 486 112
Balance as of January 1, 2024	1 703 261 622	62 039 050	(43 170 059)	198 552 525	11 745 574	--	--	(12 252 854)	1 396 481 410	3 316 657 268	153 191 364	3 469 848 632
Comprehensive Income Items	--	--	--	--	--	--	--	--	307 089 863	307 089 863	26 628 891	333 718 754
Net profit for the period	--	--	--	--	--	--	--	--	307 089 863	307 089 863	26 628 891	333 718 754
Total comprehensive income	--	--	--	--	--	--	--	--	307 089 863	307 089 863	26 628 891	333 718 754
The company's shareholders transactions	--	30 542 188	--	28 873 149	--	--	--	--	(30 542 188)	28 873 149	--	28 873 149
Transferred to legal reserve	--	30 542 188	--	28 873 149	--	--	--	--	(30 542 188)	28 873 149	--	28 873 149
Transferred to retained earnings from Revaluation reserve	--	--	--	--	--	--	--	--	(2 014 025)	(2 014 025)	(67 398 793)	(69 412 818)
Dividend distribution in subsidiaries	--	30 542 188	--	28 873 149	--	--	--	--	(32 556 213)	26 859 124	(67 398 793)	(40 539 669)
Total Company's shareholders transactions	--	30 542 188	--	28 873 149	--	--	--	--	(32 556 213)	26 859 124	(67 398 793)	(40 539 669)
Balance as of March 31, 2024	1 703 261 622	92 581 238	(43 170 059)	227 425 674	11 745 574	--	--	(12 252 854)	1 671 015 060	3 650 606 255	112 421 462	3 763 027 717

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, 2024

EGP	Note	March 31, 2024	March 31, 2023
Cash flows from operating activities:			
Net profit for the year before tax		446 777 539	191 518 184
Adjusted by:			
Depreciation and amortization during the year		85 362 677	61 973 333
Provisions formed		7 650 000	3 050 000
Formed Provisions for financing risk		19 692 904	6 268 735
Expected credit loss		1 075 153	(173 613)
Employee stock ownership plan expenses		28 873 149	30 368 604
Revaluation Gain of Investments at fair value through P&L Statement		(7 810 027)	(464 250)
Credit interest		(148 535 234)	(87 980 287)
Share of investments in associate and joint venture losses		1 615 987	51 907
Unrealized foreign currency exchange gain		(13 722 943)	(11 768 297)
Gain on sale of fixed assets		(8 297 601)	(2 225 539)
Finance expenses		10 621 364	8 904 050
Operating gain before change in working capital		423 302 968	199 522 827
Changes in Working capital			
(increase) in inventory		(4 443 947)	(1 868 168)
(increase) in advances to billers		(1 763 005)	(27 233 944)
(Increase) in debtors and other debit balances		(82 876 345)	(35 345 905)
(Increase) / Decrease in accounts and notes receivable		(16 186 122)	6 450 511
(Increase) in loans to customers		(243 296 743)	(1 897 994)
Decrease in Due from related parties		(76 049)	(1 067)
Increase / (Decrease) in accounts and notes payable		(49 276 674)	(26 914 982)
Increase in accounts payable - billers		(461 745 874)	132 128 521
Increase in merchants prepaid balances		(202 827 708)	19 007 403
Increase in retailer's POS security deposits		11 336 173	10 358 299
(Decrease) / Increase in creditors and other credit balances		108 045 236	(5 879 852)
Provision and loans customers used		--	(19 004 510)
Net Changes in working capital		(519 808 090)	249 321 139
Income tax paid		(40 254 060)	(18 755 788)
Proceeds from credit interest		218 039 985	29 826 891
Net cash (used in) provided from operating activities		(342 022 165)	260 392 242
Cash flows from investing activities			
(Payments) to acquire fixed assets		(62 221 543)	(51 537 777)
(Payments) to acquire intangible assets		(93 207 417)	(51 979 615)
(Payments) for projects under construction		(233 790 342)	(126 192 159)
Proceeds from sale of fixed assets		10 980 530	4 891 796
(Payments) to acquire Investment in associate and joint venture		--	(1 492 536)
(Payments) for investments at fair value through P&L		(156 810 111)	--
Net movement of treasury bills - more than three months		406 074 747	(301 772 188)
Net cash flows (used in) investing activities		(128 974 136)	(528 082 479)
Cash flows from financing activities			
Dividends Paid		(69 412 818)	(28 445 656)
Net proceeds from loans		215 026 821	82 630 581
Net (Payments) from bank overdrafts		(5 920 445)	(17 378 898)
(Payments) for lease liabilities		(8 323 777)	(9 984 705)
Finance expenses paid		(5 514 358)	(4 874 219)
Net cash generated from financing activities		125 855 423	21 947 103
Net change in cash and cash equivalents during the period		(345 140 878)	(245 743 134)
Cash and cash equivalents at beginning of the year		3 714 164 902	2 784 886 969
Exchange rate changes on cash and cash equivalents		13 722 943	11 768 297
Cash and cash equivalents at end of the period	(14)	3 382 746 967	2 550 912 132

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

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 was changed to No. 50840 in March 2011. The company has been re-registered at the 6th of October's Commercial Register under No. 1333 on July 19, 2018.

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

The Condensed Consolidated Interim financial statements of the company were approved in the board of directors meeting dated May 13, 2024.

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 2023

Fawry for Banking Technology and Electronic Payments S.A.E.
Notes to the Consolidated Financial Statements
For the three months period ended March 31, 2024

4. Fixed assets

EGP	Land	Building	Networks and Servers	Point of sales machines	Computers	Furniture and Office Equipment super fawry and cash counting machines	Leasehold Improvements and fawry stores	Vehicles	Right of use assets	Total
Cost										
As of January 1, 2023	52 490 500	134 050 355	146 270 348	509 358 399	87 512 117	33 577 194	82 800 385	881 721	157 357 352	1 204 298 371
Impact of acquisition of subsidiaries - net cost	--	--	--	--	--	--	--	--	--	--
Additions during the year	--	--	55 176 212	238 093 310	22 805 601	1 891 737	23 729 135	--	48 265 606	389 961 601
Disposals	--	--	--	(46 489 771)	--	--	--	--	(2 305 994)	(48 795 765)
As of December 31, 2023	52 490 500	134 050 355	201 446 560	700 961 938	110 317 718	35 468 931	106 529 520	881 721	203 316 964	1 545 464 207
Additions during the period	--	--	15 719 790	28 902 321	1 236 777	4 039 288	13 050 199	--	8 795 014	71 743 389
Disposals	--	--	--	(13 485 661)	--	--	--	--	--	(13 485 661)
As of March 31, 2024	52 490 500	134 050 355	217 166 350	716 378 598	111 554 495	39 508 219	119 579 719	881 721	212 111 978	1 603 721 935
Accumulated depreciation										
As of January 1, 2023	--	8 730 469	97 847 361	234 985 986	49 011 489	15 712 302	34 679 391	161 505	49 877 108	491 005 611
Depreciation for the year	--	3 351 259	33 349 281	109 710 350	15 629 602	5 932 275	14 415 387	--	35 703 797	218 091 951
Depreciation of disposals	--	--	--	(36 149 097)	--	--	--	--	(1 309 164)	(37 458 261)
As of December 31, 2023	--	12 081 728	131 196 642	308 547 239	64 641 091	21 644 577	49 094 778	161 505	84 271 741	671 639 301
Depreciation for the period	--	837 815	9 605 043	34 584 677	4 531 184	1 558 455	4 358 585	--	9 876 490	65 352 249
Depreciation of disposals	--	--	--	(10 802 732)	--	--	--	--	--	(10 802 732)
As of March 31, 2024	--	12 919 543	140 801 685	332 329 184	69 172 275	23 203 032	53 453 363	161 505	94 148 231	726 188 818
Net book value										
As of March 31, 2024	52 490 500	121 130 812	76 364 665	384 049 414	42 382 220	16 305 187	66 126 356	720 216	117 963 747	877 533 117
As of December 31, 2023	52 490 500	121 968 627	70 249 918	392 414 699	45 676 627	13 824 354	57 434 742	720 216	119 045 223	873 824 906

5. Intangible assets

<u>EGP</u>	<u>licenses</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, 2023	83 651 081	408 944 887	6 270 000	553 000	19 070 000	518 488 968
Additions during the year	34 778 946	256 828 298	--	--	--	291 607 244
As of December 31, 2023	118 430 027	665 773 185	6 270 000	553 000	19 070 000	810 096 212
Additions during the period	1 907 443	92 522 730	--	--	--	94 430 173
As of March 31, 2024	120 337 470	758 295 915	6 270 000	553 000	19 070 000	904 526 385
<u>Accumulated amortization</u>						
As of January 1, 2023	22 995 897	113 546 760	1 063 630	177 666	2 542 666	140 326 619
Amortization for the year	8 590 915	53 637 396	531 815	88 833	683 065	63 532 024
As of December 31, 2023	31 586 812	167 184 156	1 595 445	266 499	3 225 731	203 858 643
Amortization for the period	2 500 540	17 183 959	132 954	22 208	170 766	20 010 427
As of March 31, 2024	34 087 352	184 368 115	1 728 399	288 707	3 396 497	223 869 070
Net Book value As of March 31, 2024	86 250 118	573 927 800	4 541 601	264 293	15 673 503	680 657 315
Net Book value As of December 31, 2023	86 843 215	498 589 029	4 674 555	286 501	15 844 269	606 237 569

6. Projects under construction

The increase in the projects under construction is mainly because of the addition during the period with EGP 292,8 million and transferred to fixed Assets and intangible assets with EGP 61 million.

7. Investment in associates and Joint venture

The decrease in the account is mainly due to the loss of investment in Roderz for smart applications by amount of EGP 2.6 million and the increase in mainly due to the profit for the group in Waffarha.com by amount of EGP 1 million

8. Investments at Fair Value through Profit or loss

The increase in the account is mainly due to the increase in investment by EGP 164.6 million and EGP 7,8 Million gain from this investment during the first quarter of the year.

9. Accounts and notes receivable

The increase in the account is mainly due to the increase of customers -balances by amount of EGP 13.8 million and this resulted from increase in group business volume during the first quarter in 2024.

10. Loans and facilities to customers

<u>EGP</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Loans to customers	1 216 848 359	1 036 848 733
Less: Customers financing risk provision	(72 545 309)	(59 315 401)
	1 144 303 050	977 533 332
Consumer finance loans	242 948 938	179 651 821
Less: Customers financing risk provision	(11 851 693)	(5 388 697)
	231 097 245	174 263 124
	1 375 400 295	1 151 796 456

Reclassified as follows:

<u>EGP</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Loans to customers – current	1 012 359 083	920 552 076
Loans to customers – non current	363 041 212	231 244 380
	1 375 400 295	1 151 796 456

Customers financing risk provision movement represented as follow:

<u>EGP</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Beginning balance	64 704 098	45 898 860
Formed during the period/ year	19 692 904	49 738 948
Used during the period/ year	--	(30 933 710)
Ending balance	84 397 002	64 704 098

11. Debtors and other debit balances

The increase in the account is mainly due to the increase in prepaid expenses by amount of EGP 17 million and increase in dividends paid in advance by EGP 94.4 million which held by board of directors at 4 March 2024 and approved by general assembly meeting at 7 April 2024

12. Due from related parties

<u>EGP</u>	<u>Nature</u>	<u>Account Type</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
ACIS co.	Associate	Current account	3 000 000	3 000 000
Tazcara Information Technology and Electronic Booking co.	Associate	Current account	1 500 241	1 424 192
Less: Expected credit loss			(4 000 000)	(4 021 866)
			500 241	402 326

13. Treasury bills

the decrease in treasury bills mainly due to redemption some of treasury bills during the first quarter of year which led to a decrease in the balance of treasury bills by amount of EGP 390 million.

14. Cash and cash at banks

<u>EGP</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand	223 028 336	41 666
Current bank accounts – local currency	779 929 286	1 358 338 662
E-Acceptance transactions under settlement	440 898 956	379 358 060
Cash at companies and agents of money collections	684 035 639	476 238 682
Time deposit – local currencies	10 072 942	460 257 330
Time deposit – foreign currencies	93 294 656	61 042 173
Current bank accounts – foreign currencies	125 483 928	31 625 583
Less: Expected credit loss	(8 427 746)	(8 266 738)
Cash and cash at banks	2 348 315 997	2 758 635 418

For cash flows purposes, Cash and cash equivalents are analyzed as follows:

<u>EGP</u>	<u>March 31, 2024</u>	<u>March 31, 2024</u>
Cash and banks balances	2 348 315 997	1 936 133 406
Treasury bills – less than 3 months	1 034 430 970	614 778 726
	3 382 746 967	2 550 912 132

15. Provisions

The increase due to provision formed during the first quarter of the year by EGP 7.6 million.

16. Banks overdraft

- The decrease in account is mainly due to the decrease in Balance of Bank credit facilities used during the first Quarter of 2024 by amount of EGP 5.9 million

17. Creditors and other credit balances

the increase in the account is mainly due to the increase in the Accrued Expenses by amount of EGP 45 million and the Accrued commission by amount of EGP 11.4 million and the balance for Tax authority by amount of EGP 5.6 million Considering the decrease in transactions under settlement by amount of EGP 8.8 million as a result of settling those transactions during the first quarter.

18. Contingent liabilities

The balance of the contingent liabilities EGP 1.7 billion on 31 March 2024 compared to EGP 1.4 billion on December 31, 2023.

19. Operating revenues

The reason for the increase in revenues is due to the increase in the company's throughput during the first quarter compared to the first quarter of the previous period according to increase in revenues by amount of EGP 353 million and increase in revenue of micro and consumer finance by amount EGP 58,4 million.

20. Operating costs

The increase in operating costs is mainly due to the increase in merchants' fees by an amount of EGP 69.7 million, increase of cost of fund for micro finance loans by amount of EGP 28,7 million increase in Depreciation and amortization by amount of EGP 18,6 million and increase in cash collection cost by amount of EGP 8.2 million.

21. 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 33 million. In addition to the increase in subscription fees. technical support, communication and service centers by an amount of EGP 18.7 million during the period and increase in depreciation by an amount of EGP 3.9 million.

22. 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 8,6 million during the period.

23. Credit Interest

The increase in the account is mainly due to an increase in credit interest on current accounts by amount of EGP 11.6 million and credit interest on treasury bills by amount of EGP 48.9 million

24. Segment information

The group has two major sectors representing the important sectors of the group, offering different and services that managed in a separate way because they require different skills and have different types of clients. The managers of each department review internal management reports in a periodic manner 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, 2023, and the profits of each sector represented in the profits it makes, which reviewed regularly without any distribution of income tax expense. This measure is considered the most appropriate for the purpose of allocating resources to sectors and assessing their performance.

A. Segment profit or loss statement

EGP	<u>Segment Revenue</u>		<u>Segment Profit/(Loss)</u>	
	<u>March 31, 2024</u>	<u>March 31, 2023</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Banking technology and E-payment sector	946 435 824	593 434 730	431 395 251	177 181 630
Micro-Finance and consumer sector	140 754 619	82 262 261	15 382 288	14 336 554
Total	1 087 190 443	675 696 991	446 777 539	191 518 184
Net profit before tax			446 777 539	191 518 184
Tax			(113 058 785)	(49 460 309)
Net profit after tax			333 718 754	142 057 875

B. Segment Assets

EGP	March 31, 2024	December 31, 2023
Banking technology and E-payment	8 606 781 612	8 516 908 150
Micro-Finance	1 504 428 543	1 259 632 790
Assets before disposals	10 111 210 155	9 776 540 940
Elimination of internal transactions between segments	(1 132 871 611)	(804 957 295)
Assets after disposals	8 978 338 544	8 971 583 645
Total Assets	8 978 338 544	8 971 583 645

25. 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	March 31, 2024		March 31, 2023	
	Basic	Diluted	Basic	Diluted
Net profit for the period	307 089 863	307 089 863	123 282 266	123 282 266
Outstanding shares	3 406 523 244	3 406 523 244	3 308 917 453	3 321 157 801
	0.09	0.09	0.04	0.04

26. 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 of 2005, its executive regulations, and its amendments

a. 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 inception until 2017

- The Company was inspected and any difference settled.

The period from 2018 until 2019

The company has been notified for inspection and documents are being prepared.

The period from 2020 until Now

Tax returns were submitted and the tax due was paid within the legal deadlines.

b. Salaries tax

The period from inception until 2020

- The Company was inspected and any difference settled.

The year 2021 until now

- Tax returns were submitted and and paid all tax due within the legal deadlines.

c. Stamp duty tax

The period from inception until 2020

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

The year 2021 until now

- Tax returns were submitted and and paid all tax due within the legal deadlines.

d. Sales tax / VAT tax

The period from inception until December 31, 2019

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

The period from 2020 until now

- Company's recorded were inspected, all tax due amounts were paid within the legal deadlines.

e. Withholding tax

- The company has not been notified of any inspection forms.

27. 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" claiming an amount of EGP 50 million under a contract covering the period from year 2015 to 30 June 2019 in addition to the legal accrued interest on the said amount. No transactions took place under the aforementioned contract, the company and the company's external legal advisor opinion regarding the outcome of this case that it will be in favor of the Company without any financial liabilities on the company in relation to this case.

28. Significant events during the period

On February 1st, 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting, to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 200 basis points to 21.25%, 22.25% and 21.75%, respectively. The discount rate was also raised by 200 basis points to 21.75%.

On March 6th, 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its extra ordinary meeting, to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 600 basis points to 27.25%, 28.25% and 27.75%, respectively. The discount rate was also raised by 600 basis points to 27.75%.

29. Share-based payments

The Company introduced an Employees Share Ownership Plan (ESOP) program in accordance with the shareholders' approval at the extraordinary general assembly meeting held on February 22, 2021, The company granted free shares and allocated shares to some of its employees in accordance with the ESOP program which includes giving the right to some employees a completing a term of 3 years in service at The Company to have the right in ordinary shares by granting free shares or allocating shares by 50% of the fair value on the vesting date after completion of a term of 2 years in service at The Company and which will be issued on the date of the grants. The equity instruments for share-based payment are recognized at fair value on the grant date and are recorded in the income statement on a straight line basis during a three-years period for the grant of free shares and two years for the allocated shares at 50% of the shares' fair values on the vesting date, with a corresponding increase in equity based on the Company's estimate, at each reporting date, for the number of shares that will vest. The fair value of granted shares was determined based on the share price announced on the Egyptian Stock Exchange at the grant date.

During the year, the Group & its subsidiaries charged cost of the period of the granted shares within the (ESOP) reached 29 Million Egyptian Pounds and the Reserve of ESOP is amounted by 227.4 Million Egyptian Pounds at the date of financial statements.