

Fawry for Banking Technology and Electronic Payments (S.A.E.)
Condensed Consolidated Interim Financial Statements
For the six months ended June 30, 2024
Together with the Limited Review Report



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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, 2024, and the related consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six 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

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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, 2024, 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: Aug 13, 2024.



Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed Consolidated interim statement of Financial Position
As of June 30, 2024

<u>EGP</u>	<u>Note No.</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Assets			
Non-current assets			
Fixed assets	(4)	1 128 788 764	873 824 906
Intangible assets	(5)	772 573 891	606 237 569
Projects under construction	(6)	247 580 803	74 861 241
Goodwill		32 771 437	32 771 437
Deferred tax assets		52 227 182	52 668 674
Loans and facilities to customers	(10)	371 358 065	231 244 380
Investments in associate and joint ventures	(7)	30 358 088	30 894 057
Investments at fair value through OCI		40 047 247	40 047 247
Investments at fair value through P&L	(8)	33 350 375	32 996 450
Total non-current assets		2 709 055 852	1 975 545 961
Current assets			
Inventory		12 521 744	8 415 536
Accounts and notes receivable	(9)	73 855 310	37 973 445
Loans and facilities to customers	(10)	1 275 960 577	920 552 076
Advances to billers		592 821 099	540 600 371
Debtors and other debit balances	(11)	413 421 992	370 125 711
Due from related parties	(12)	--	402 326
Investments at fair value through P&L	(8)	7 360 891	16 732 250
Treasury bills	(13)	1 940 789 495	2 342 600 551
Cash and cash at banks	(14)	6 114 888 557	2 758 635 418
Total current assets		10 431 619 665	6 996 037 684
Total assets		13 140 675 517	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		(37 025 656)	(43 170 059)
Reserve for employee stock ownership plan (ESOP)	(29)	115 684 328	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		2 019 019 388	1 396 481 410
Total equity for the parent company		3 893 013 640	3 316 657 268
Non controlling interest		130 569 658	153 191 364
Total equity		4 023 583 298	3 469 848 632
Non-Current Liability			
Deferred tax liability		42 987 867	32 086 528
Long term loans		216 964 877	147 535 732
Lease Liabilities		139 779 117	110 917 370
Total Non-current liabilities		399 731 861	290 539 630
Current liabilities			
Provisions	(15)	76 466 302	59 762 705
Banks overdraft	(16)	138 266 814	158 290 410
Short term loans		573 483 046	363 478 866
Accounts and notes payable		170 360 265	110 156 483
Accounts and notes payable—billers		5 437 784 394	2 427 822 504
Merchants advances		1 603 208 208	1445 685 555
Retailer's POS security deposits		120 863 067	100 810 102
Creditors and other credit balances	(17)	397 950 354	325 187 742
Lease Liabilities		26 120 423	33 604 441
Current income tax		172 857 485	186 396 575
Total current liabilities		8 717 360 358	5 211 195 383
Total liabilities		9 117 092 219	5 501 735 013
Total equity and liabilities		13 140 675 517	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 Six months period ended June 30, 2024

EGP	Note No.	Six-months period ended		Three-months period ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating revenues	(19)	2 299 364 787	1 444 170 109	1 212 174 344	768 473 118
Less:					
Operating costs	(20)	(782 200 391)	(551 775 749)	(410 629 477)	(294 865 568)
Gross margin		1 517 164 396	892 394 360	801 544 867	473 607 550
Add (Less):					
General and administrative expenses	(21)	(488 274 011)	(343 272 381)	(252 970 855)	(172 975 327)
Selling and marketing expenses	(22)	(296 434 384)	(222 366 608)	(157 791 988)	(114 768 480)
Employee stock ownership plan expenses (ESOP)		(51 018 818)	(57 837 969)	(22 145 669)	(27 469 365)
Board of directors allowances		(4 950 400)	(4 035 000)	(2 904 000)	(2 190 000)
Social contribution for Health and insurance		(8 098 419)	(5 151 703)	(4 447 624)	(2 765 474)
Provisions formed		(16 703 597)	(9 037 306)	(9 053 597)	(5 987 306)
Impairment loss on customer loans	(10)	(49 061 216)	(17 087 915)	(29 368 312)	(10 819 180)
Expected credit loss		(1 840 802)	(1 395 645)	(604 640)	(1 569 258)
Revaluation gain of Investments at fair value through P&L		10 416 805	1 003 300	2 606 778	539 050
Credit interest	(23)	302 669 148	194 340 273	154 133 914	106 359 986
Finance costs		(24 705 563)	(18 834 950)	(14 084 199)	(9 930 900)
Foreign currency exchange gain		17 376 188	11 818 285	3 653 245	49 988
Gain on disposal of fixed assets		9 209 126	11 064 704	911 525	8 839 165
Other revenues		4 498 563	2 834 197	2 374 047	1 945 102
Operating Profit		920 247 016	434 435 642	471 853 492	242 865 551
Group's share in losses of investments in associates and joint ventures	(7)	(535 969)	(36 542)	1 080 016	15 365
Profit of the period before tax		919 711 047	434 399 100	472 933 508	242 880 916
Current income and deferred tax		(233 799 161)	(109 549 723)	(120 740 376)	(60 089 414)
Net profit for the period after tax		685 911 886	324 849 377	352 193 132	182 791 502
Distributed as follows:					
Net profit for the parent company		628 771 633	283 056 537	321 681 770	159 774 271
Net profit for the non controlling interest		57 140 253	41 792 840	30 511 362	23 017 231
Net profit for the period after tax		685 911 886	324 849 377	352 193 132	182 791 502
Earnings per share for the period - basic (EGP/share)	(25)	0.18	0.08		
Earnings per share for the period - diluted (EGP/share)	(25)	0.18	0.08		

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 Six period ended June 30, 2024

<u>EGP</u>	<u>Six-months period ended</u>		<u>Three-months period ended</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Profit for the period	685 911 886	324 849 377	352 193 132	182 791 502
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	<u>685 911 886</u>	<u>324 849 377</u>	<u>352 193 132</u>	<u>182 791 502</u>
Distributed as follows:				
Comprehensive income for the parent company	628 771 633	283 056 537	321 681 770	159 774 271
Comprehensive income for the non controlling Interest	57 140 253	41 792 840	30 511 362	23 017 231
Total comprehensive income for the period	<u>685 911 886</u>	<u>324 849 377</u>	<u>352 193 132</u>	<u>182 791 502</u>

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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, 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												
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												
Transferred to legal reserve	--	8 889 027	--	--	--	--	--	--	(8 889 027)	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	(49 609 562)	107 449 520	--	--	--	--	--	57 839 958	--	57 839 958
Transferred to share issuance expenses reserve from retained earnings	--	--	--	--	--	--	5 818 102	--	(5 818 102)	--	--	--
Dividend distribution of 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	--	--	--	--	--	--	--	--	--	--	(65 064 261)	(65 064 261)
capital increase	49 609 562	--	--	(49 609 562)	--	--	--	--	--	--	--	--
Total Company's shareholders transactions	49 609 562	8 889 027	(49 609 562)	57 839 958	--	--	5 818 102	--	(45 290 304)	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
	1 703 261 622	62 039 050	(43 170 059)	199 552 525	11 745 574	--	--	(12 252 854)	1 396 481 410	3 316 657 268	153 191 364	3 469 848 632
Comprehensive income items												
Net profit for the period	--	--	--	--	--	--	--	--	628 771 633	628 771 633	57 140 253	685 911 886
Total comprehensive income	--	--	--	--	--	--	--	--	628 771 633	628 771 633	57 140 253	685 911 886
The company's shareholders transactions												
Transferred to legal reserve	--	30 542 188	--	--	--	--	--	--	(30 542 188)	--	--	--
Exercising for employee stock ownership plan (ESOP)	--	--	6 144 403	(133 887 015)	--	--	--	--	127 742 612	--	--	--
Formed for employee stock ownership plan	--	--	--	51 018 818	--	--	--	--	--	51 018 818	--	51 018 818
Dividend distribution in subsidiaries	--	--	--	--	--	--	--	--	(5 699 076)	(5 699 076)	(79 761 959)	(85 461 035)
Dividend distribution	--	--	--	--	--	--	--	--	(97 735 003)	(97 735 003)	--	(97 735 003)
Total Company's shareholders transactions	--	30 542 188	6 144 403	(82 868 197)	--	--	--	--	(6 233 655)	(52 415 261)	(79 761 959)	(132 177 220)
Balance as of June 30, 2024	1 703 261 622	92 581 238	(37 025 656)	115 684 328	11 745 574	--	--	(12 252 854)	2 019 019 388	3 893 013 640	130 569 658	4 023 583 298

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, 2024

EGP	Note	June 30, 2024	June 30, 2023
<u>Cash flows from operating activities:</u>			
Net profit for the year before tax		919 711 047	434 399 100
<u>Adjusted by:</u>			
Depreciation and amortization during the year		180 110 926	129 258 437
Provisions formed		16 703 597	9 037 306
Formed Provisions for financing risk		49 061 216	17 087 915
Expected credit loss		4 432 776	1 395 645
Employee stock ownership plan expenses		51 018 818	57 837 969
Revaluation Gain of Investments at fair value through P&L Statement		(10 416 805)	(1 003 300)
Credit interest		(302 669 148)	(194 340 273)
Share of investments in associate and joint venture losses		535 968	36 542
Unrealized foreign currency exchange gain		(17 376 188)	(11 818 285)
Gain on sale of fixed assets		(9 209 126)	(11 064 704)
Finance expenses		24 705 563	18 834 950
Operating gain before change in working capital		906 608 644	449 661 302
<u>Changes in Working capital</u>			
(increase) in inventory		(4 106 208)	2 047 542
Decrease in advances to billers		(54 548 793)	(232 540 303)
(Increase) in debtors and other debit balances		(44 049 462)	(59 337 827)
(Increase) / Decrease in accounts and notes receivable		(39 755 018)	(36 609 748)
(Increase) in loans to customers		(530 349 605)	(38 680 047)
Decrease in Due from related parties		2 923 953	35 401
Increase / (Decrease) in accounts and notes payable		60 203 782	(38 335 347)
Increase in accounts payable - billers		3 009 961 890	1 478 321 251
Increase in merchants prepaid balances		157 522 653	234 699 413
Increase in retailer's POS security deposits		20 052 965	17 144 934
(Decrease) / Increase in creditors and other credit balances		75 977 247	(39 694 880)
Provision used		(14 233 797)	(18 854 510)
Net Changes in working capital		3 546 208 251	1 717 857 181
Income tax paid		(242 482 473)	(93 925 935)
Proceeds from credit interest		319 025 324	143 570 282
Net cash (used in) provided from operating activities		3 622 751 102	1 767 501 528
<u>Cash flows from investing activities</u>			
(Payments) to acquire fixed assets		(358 682 586)	(124 814 694)
(Payments) to acquire intangible assets		(205 551 760)	(128 919 562)
(Payments) for projects under construction		(175 374 171)	(107 748 999)
Proceeds from sale of fixed assets		12 419 010	12 645 663
(Payments) to acquire Investment in associate and joint venture		--	(1 492 536)
(Payments) for investments at fair value through P&L		19 434 239	--
Net movement of treasury bills - more than three months		(245 897 242)	(683 686 660)
Net cash flows (used in) investing activities		(953 652 510)	(1034 016 788)
<u>Cash flows from financing activities</u>			
Dividends Paid		(183 196 038)	(93 509 898)
Net proceeds from loans		279 433 325	48 640 486
Net Payments (proceeds) from bank overdrafts		(20 023 596)	20 209 933
(Payments) for lease liabilities		(27 335 076)	(12 510 371)
Finance expenses paid		(13 724 794)	(14 805 119)
Net cash generated from financing activities		35 153 821	(51 974 969)
Net change in cash and cash equivalents during the period		2 704 252 413	681 509 771
Cash and cash equivalents at beginning of the period		3 714 164 902	2 784 886 969
Exchange rate changes on cash and cash equivalents		17 376 188	11 818 285
Cash and cash equivalents at end of the period	(14)	6 435 793 503	3 478 215 025

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 August 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 six months period ended June 30, 2024

4. Fixed assets

EGP	Land	Building	Networks and Servers	Point of sales machines	Computers	Furnitures 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
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	--	--	27 411 028	292 708 197	9 827 772	5 634 941	24 532 500	--	37 732 035	397 846 473
Disposals	--	--	--	(22 101 463)	--	--	--	--	--	(22 101 463)
As of June 30, 2024	52 490 500	134 050 355	228 857 588	971 568 672	120 145 490	41 103 872	131 062 020	881 721	241 048 999	1 921 209 217
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	--	1 673 629	19 599 253	78 585 795	8 678 591	3 270 295	9 183 494	--	18 679 674	139 672 731
Depreciation of disposals	--	--	--	(18 891 579)	--	--	--	--	--	(18 891 579)
As of June 30, 2024	--	13 757 357	150 795 895	368 241 455	73 319 682	24 914 872	58 278 272	161 505	102 951 415	792 420 453
Net book value										
As of June 30, 2024	52 490 500	120 292 998	78 061 693	603 327 217	46 825 808	16 189 000	72 783 748	720 216	138 097 584	1 128 788 764
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

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, 2024

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	11 865 187	194 909 330	--	--	--	206 774 517
As of June 30, 2024	130 295 214	860 682 515	6 270 000	553 000	19 070 000	1 017 787 989
<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	5 143 473	34 348 730	265 908	44 417	635 667	40 438 195
As of June 30, 2024	36 730 285	201 532 886	1 861 353	310 916	3 861 398	244 296 838
Net Book value As of June 30, 2024	93 564 929	659 149 629	4 408 647	242 084	15 208 602	772 573 891
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 379 million and transferred to fixed Assets and intangible assets with EGP 206 million.

7. Investment in associates and Joint venture

The decrease in the account is mainly due to the loss of investment in Roaderz for smart applications by amount of EGP 2.4 million and taking into consideration group's share in the profits of Waffarha increased with EGP 2.2 million.

8. Investments at Fair Value through Profit or loss

The decrease in the account is mainly due to the decrease in investment by EGP 9 Million and EGP 10.4 Million gain from this investment during the second 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 35.8 million and this resulted from increase in group business volume during the first half of 2024.

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, 2024

10. Loans and facilities to customers

<u>EGP</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Microfinance, small and medium loans	1 366 658 863	1 036 848 733
Less: Customers financing risk provision	(76 818 842)	(59 315 401)
	<u>1 289 840 021</u>	<u>977 533 332</u>
Consumer finance loans	380 191 296	179 651 821
Less: Customers financing risk provision	(22 712 675)	(5 388 697)
	<u>357 478 621</u>	<u>174 263 124</u>
	<u>1 647 318 642</u>	<u>1 151 796 456</u>

Reclassified as follows:

<u>EGP</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Loans to customers – current	1 275 960 777	920 552 076
Loans to customers – non-current	371 358 065	231 244 380
	<u>1 647 318 642</u>	<u>1 151 796 456</u>

Customers financing risk provision movement represented as follow:

<u>EGP</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Beginning balance	64 704 098	45 898 860
Formed during the period/ year	49 061 216	49 738 948
Used during the period/ year	(14 233 797)	(30 933 710)
Ending balance	<u>99 531 517</u>	<u>64 704 098</u>

11. Debtors and other debit balances

The increase in the account is mainly due to the increase in prepaid expenses by amount of EGP 28 million and increase in Accrued interest from micro finance loans by amount of EGP 21.3 million and accrued revenue by amount of EGP 24 million and decrease letter of guarantee cover by amount of EGP 27 million.

12. Due from related parties

<u>EGP</u>	<u>Nature</u>	<u>Account Type</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
ACIS co.	Associate	Current account	--	3 000 000
Tazcara Information Technology and Electronic Booking co.	Associate	Current account	1 500 240	1 424 192
Less: Expected credit loss			(1 500 240)	(4 021 866)
			<u>--</u>	<u>402 326</u>

13. Treasury bills

The decrease in treasury bills mainly due to redemption some of treasury bills during the second quarter of the year which led to a decrease in the balance of treasury bills by amount of EGP 402 million.

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14. Cash and cash at banks

<u>EGP</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Cash*	175.829 093	41 666
Current bank accounts – local currency	991 340 119	1 358 338 662
E-Acceptance transactions under settlement	1 924 401 557	379 358 060
Cash at companies and agents of money collections	2 751 851 599	476 238 682
Time deposit – local currencies	86 304 385	460 257 330
Time deposit – foreign currencies	177 260 262	61 042 173
Current bank accounts – foreign currencies	13 576 307	31 625 583
Less: Expected credit loss	(5 674 765)	(8 266 738)
	<u>6 114 888 557</u>	<u>2 758 635 418</u>

* Cash balance is represented in cash with cash collection representatives “the company’s employees” on June 30, 2024.

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

<u>EGP</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash and banks balances	6 114 888 557	3 255 905 580
Treasury bills – less than 3 months	320 904 946	222 309 445
	<u>6 435 793 503</u>	<u>3 478 215 025</u>

15. Provisions

The increase due to provision formed during the second quarter of the year by EGP 16.7 million.

16. Banks overdraft

The decrease in account is mainly due to the decrease in Balance of Bank credit facilities used during the second Quarter of 2024 by amount of EGP 20 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 54 million and the Accrued commission by amount of EGP 16 million and transactions under settlement by amount of EGP 16 million Considering the decrease the balance for Tax authority by amount of EGP 23 million.

18. Contingent liabilities

The balance of the contingent liabilities EGP 1.8 billion on 30 June 2024 compared to EGP 1.5 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 second quarter compared to the second quarter of the previous period according to increase in revenues by amount of EGP 683 million and increase in revenue of micro and consumer finance by amount EGP 172 million.

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20. Operating costs

The increase in operating costs is mainly due to the increase in merchants' fees by an amount of EGP 107 million, increase of cost of fund for micro finance loans by amount of EGP 68 million, increase in Depreciation and amortization by amount of EGP 37 million., increase in cost of Fawry plus branches by an amount of EGP 43 million, and decrease on cash collection cost by an amount of EGP 47.4 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 68 million. In addition to the increase in subscription fees. technical support, communication and service centers by an amount of EGP 50.4 million during the period and increase in depreciation by an amount of EGP 13.6 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 45 million, in addition to the increase of selling and distribution expenses by an amount of EGP 34 million during the period and decrease in marketing expense by 4.6 million.

23. Credit Interest

The increase in the account is mainly due to an increase in credit interest from banks by amount of EGP 25.6 million and increase credit interest on treasury bills and time deposits by amount of EGP 82.6 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>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Banking technology and E-payment sector	1 959 135 944	1 276 056 740	885 723 465	407 884 229
Lending sector	340 228 843	168 113 369	33 987 582	26 514 871
Total	2 299 364 787	1 444 170 109	919 711 047	434 399 100
Net profit before tax			919 711 047	434 399 100
Tax			(233 799 161)	(109 549 723)
Net profit after tax			685 911 886	324 849 377

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B. Segment Assets

EGP	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Banking technology and E-payment	12 725 608 934	8 516 908 150
Lending sector	1 814 012 318	1 259 632 790
Segment Assets before disposals	14 539 612 252	9 776 540 940
Elimination of internal transactions between segments	(1 398 945 735)	(804 957 295)
Segment Assets after disposals	13 140 675 518	8 971 583 645
Total consolidated Assets	13 140 675 518	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.

<u>EGP</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit for the period	628 771 633	628 771 633	283 056 537	283 056 537
Outstanding shares	3 406 523 244	3 406 523 244	3 307 304 120	3 331 838 660
	0.18	0.18	0.08	0.08

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 paid all tax due within the legal deadlines.

d. Sales tax / VAT tax

The years from inception until December 31, 2020

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

The years 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 number of employees have exercised their rights in 12.2 million shares. charged cost of the period of the granted shares within the (ESOP) reached 51 Million Egyptian Pounds and the Reserve of ESOP is amounted by 115.6 Million Egyptian Pounds at the date of financial statements.