

**Fawry for Banking Technology and Electronic Payments
(S.A.E.)
Condensed Separate Interim financial statements
Together with limited Review Report
For the Nine months ended
September 30, 2024**



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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 September 30, 2024, and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine 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.

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 September 30, 2024, and of its separate financial performance and its separate cash flows for the nine months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo – November 14, 2024.



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



Fawry for Banking and Payment Technology Services S.A.E.
Condensed Separate interim statement of financial position
as of September 30, 2024

EGP	Note No.	September 30, 2024	December 31, 2023
Assets			
Non-current assets			
Fixed assets	(4)	1 275 708 200	841 498 395
Intangible assets	(5)	827 788 141	601 548 195
Projects under construction	(6)	137 096 648	5 025 865
Investments in subsidiaries		364 012 432	364 012 432
Investments in associates and joint ventures	(7)	17 491 429	8 991 429
Investments at fair value through OCI		40 047 247	40 047 247
Deferred tax asset		27 789 356	36 838 686
Loans to related parties	(8)	735 330 357	133 364 207
Investments at fair value through P&L		29 850 000	29 850 000
Total non-current assets		3 455 113 810	2 061 176 456
Current assets			
Inventory		3 932 471	8 013 979
Accounts and notes receivable		65 992 648	12 327 271
Debtors and other debit balances	(9)	357 656 189	169 918 512
Advances to billers		521 767 675	540 600 371
Due from related parties	(10)	113 499 265	198 411 353
Investments at fair value through P&L		--	16 732 250
Treasury bills	(11)	1 987 089 521	2 117 435 308
Cash and cash at banks	(12)	2 981 626 640	2 571 092 637
Total current assets		6 031 564 409	5 634 531 681
Total assets		9 486 678 219	7 695 708 137
Equity & liabilities			
Equity			
Issued and paid-up capital		1 703 261 622	1 703 261 622
Legal reserve		92 581 238	62 039 050
Reserve for employee stock ownership plan (ESOP)	(26)	113 460 670	198 552 525
Shares for employee stock ownership plan		(31 429 709)	(43 170 059)
Revaluation reserve for Investments at fair value through OCI		(12 252 854)	(12 252 854)
Retained Earnings		2 234 844 396	1 204 234 049
Total equity		4 100 465 363	3 112 664 333
Non-Current liabilities			
Deferred tax liabilities		36 450 896	26 262 512
Lease Liabilities		111 142 251	88 880 933
Total non current liabilities		147 593 147	115 143 445
Current liabilities			
Bank credit facilities	(13)	100 433 632	74 977 067
Provisions	(14)	72 047 995	52 928 805
Accounts and notes payable	(15)	106 376 625	81 996 454
Accounts and notes payable - Billers	(16)	2 537 881 028	2 320 574 794
Merchant advances		1 672 286 639	1 445 685 555
Retailers' POS security deposits		117 589 056	100 810 102
Creditors and other credit balances	(17)	309 149 751	189 633 119
Due to related parties	(18)	90 159 699	71 673 672
Current income tax		215 076 332	114 331 306
Lease Liabilities		17 618 952	15 289 485
Total current liabilities		5 238 619 709	4 467 900 359
Total liabilities		5 386 212 856	4 583 043 804
Total equity and liabilities		9 486 678 219	7 695 708 137

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



Chief Financial Officer

Limited review report attached



Chief Executive Officer



Chairman

Fawry for Banking and Payment Technology Services S.A.E.

Condensed Separate interim Statement of Profit or Loss

for the Nine months ended September 30, 2024

EGP	Note No.	Nine months ended		Three months ended	
		September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Operating revenues	(21)	2 478 000 032	1 567 287 555	959 628 519	581 535 790
Operating costs	(22)	(667 800 878)	(542 451 830)	(252 586 661)	(189 639 607)
Gross margin		1 810 199 154	1 024 835 725	707 041 858	391 896 183
Add (Less):					
General and administrative expenses	(23)	(529 389 933)	(380 339 501)	(184 025 385)	(134 424 933)
Selling and marketing expenses	(24)	(467 380 008)	(341 180 556)	(176 980 764)	(123 458 757)
Employee stock ownership plan expenses	(26)	(49 141 874)	(58 010 437)	(10 968 186)	(17 125 134)
Board compensation expenses		(5 972 411)	(5 110 000)	(2 166 011)	(1 800 000)
Medical contribution for health and insurance		(7 562 273)	(4 796 226)	(2 914 283)	(1 754 154)
Expected credit loss		(10 307 135)	(6 044 356)	(4 318 987)	(4 872 184)
Formed provisions	(14)	(20 107 193)	(9 637 087)	(7 103 597)	(3 299 781)
Finance costs		(30 149 889)	(22 444 680)	(10 794 108)	(7 792 713)
Gain on revaluation of financial investments through P&L		10 692 009	1 672 436	629 129	838 686
Credit interest	(20)	492 198 720	301 880 024	193 008 309	112 350 622
Gain on disposal of fixed assets		17 758 006	15 268 763	8 548 880	4 204 059
Other revenues		6 726 377	6 495 177	2 580 451	2 685 345
Foreign currency exchange differences		19 124 523	11 203 116	1 245 231	39 710
Operating profit		1 236 688 073	533 792 398	513 782 537	217 486 949
Dividends from investments in subsidiaries	(25)	52 951 321	36 646 749	--	--
Profit for the period before tax		1 289 639 394	570 439 147	513 782 537	217 486 949
Tax burden		(304 667 239)	(128 616 589)	(121 225 312)	(49 620 219)
Net profit for the period after tax		984 972 155	441 822 558	392 557 225	167 866 730
Earnings per share for the period - basic	(27)	0.29	0.13		
Earnings per share for the period - diluted	(27)	0.29	0.13		

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

Fawry for Banking and Payment Technology Services S.A.E.
Condensed Separate interim statement of comprehensive income
for the Nine months ended September 30, 2024

<u>EGP</u>	<u>Nine months ended</u>		<u>Three months ended</u>	
	<u>September 30, 2024</u>	<u>September 30, 2023</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Net profit for the period	984 972 155	441 822 558	392 557 225	167 866 730
Other comprehensive income	--	--	--	--
Total other comprehensive income	--	--	--	--
Total comprehensive income	984 972 155	441 822 558	392 557 225	167 866 730

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

Fawry for Banking and Payment Technology Services S.A.E.
Condensed Separate interim statement of change in equity
for the Nine months ended September 30, 2024

	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>Reserve for employee stock ownership plan (ESOP)</u>	<u>Share for employee stock ownership plan</u>	<u>Shares issuance expenses reserve</u>	<u>Revaluation reserve for Investments at fair value through OCI statement</u>	<u>Retained Earnings</u>	<u>Total</u>
EGP								
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	--	--	--	--	--	--	441 822 558	441 822 558
Total comprehensive income	--	--	--	--	--	--	441 822 558	441 822 558
Transactions with company's owners								
Transferred to legal reserve	--	8 889 027	--	--	--	--	(8 889 027)	--
Capital Increase (ESOP Shares)	49 609 562	--	--	(49 609 562)	--	--	--	--
Excercising of employee stock ownership plan shares	--	--	(69 330 072)	6 439 503	--	--	99 217 165	36 326 596
Formed for employee stock ownership plan	--	--	81 913 107	--	--	--	--	81 913 107
Reserve share issuance expense from retained earnings	--	--	--	--	5 818 102	--	(5 818 102)	--
Dividend distribution	--	--	--	--	--	--	(28 445 636)	(28 445 636)
Total transactions with the company's owners	49 609 562	8 889 027	12 583 035	(43 170 059)	5 818 102	--	56 064 400	89 794 067
Balance as of September 30, 2023	1 703 261 622	62 039 050	164 096 220	(43 170 059)	--	(13 795 000)	1035 212 858	2 907 644 691
Balance as of January 1, 2024	1 703 261 622	62 039 050	198 552 525	(43 170 059)	--	(12 252 854)	1 204 234 049	3 112 664 333
Net profit for the period	--	--	--	--	--	--	984 972 155	984 972 155
Total comprehensive income	--	--	--	--	--	--	984 972 155	984 972 155
Transactions with company's owners								
Transferred to legal reserve	--	30 542 188	--	--	--	--	(30 542 188)	--
Excercising of employee stock ownership plan shares	--	--	(150 960 841)	11 740 350	--	--	173 915 383	34 694 892
Formed for employee stock ownership plan shares	--	--	65 868 986	--	--	--	--	65 868 986
Dividend distribution	--	--	--	--	--	--	(97 735 003)	(97 735 003)
Total transactions with the company's owners	--	30 542 188	(85 091 855)	11 740 350	--	--	45 638 192	2 828 875
Balance as of September 30, 2024	1 703 261 622	92 581 238	113 460 670	(31 429 709)	--	(12 252 854)	2 234 844 396	4 100 465 363

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

Fawry for Banking and Payment Technology Services S.A.E.
Condensed Separate interim statement of cash flows
for the Nine months ended September 30, 2024

EGP	Note	Nive months ended	
		September 30, 2024	September 30, 2023
Cash flows from operating activities:			
Net profit for the period before tax		1 289 639 394	570 439 147
Adjusted by:			
Depreciation and amortization of the period		284 077 306	187 229 569
Formed provisions		20 107 193	9 637 087
Unrealized foreign currency exchange		(19 124 523)	(11 203 116)
Expected credit loss		13 687 258	6 044 356
(Gain) on sale of fixed assets		(17 758 006)	(15 268 763)
Dividends from investments in subsidiaries		(52 951 321)	(36 646 749)
Employee stock ownership plan expenses		49 141 874	58 010 437
Revaluation gain of investments at fair value through P&L		(10 692 009)	(1 672 436)
Credit interest		(492 198 720)	(301 880 024)
Finance costs		30 149 889	22 444 680
Operating gain before changes in working capital		1 094 078 335	487 134 188
Changes in working capital			
decrease / (Increase) in inventory		4 081 508	(11 743 503)
decrease / (Increase) in advances to billers		20 431 486	(158 333 726)
(Increase) in debtors and other debit balances		(200 315 189)	(66 091 814)
(Increase) in accounts and notes receivable		(57 681 275)	(18 562 524)
decrease / (Increase) in due from related parties		105 088 264	(32 759 697)
Increase in accounts and notes payable		24 380 171	6 718 410
Increase in accounts payable– billers		217 306 234	1 893 554 003
Increase / (Decrease) in due to related parties		18 486 027	(89 513 902)
Increase in merchants prepaid balances		226 601 084	70 760 012
Increase in retailer's POS security deposits		16 778 954	24 642 657
(Decrease) / Increase in creditors and other credit balances		119 516 632	(37 641 855)
(Decrease) in loans to related parties		(615 599 779)	86 243 118
Provision used		(988 003)	(18 854 510)
Income tax paid		(168 598 310)	(82 680 818)
Proceeds from credit interest		469 227 409	199 886 710
Net cash provided from operating activities		1 272 793 548	2 252 756 749
Cash flows from investing activities			
(Payments) to acquire fixed assets		(618 902 651)	(245 573 345)
(Payments) to acquire intangible assets		(290 669 362)	(168 953 296)
(Payments) for projects under construction		(135 938 615)	(62 109 249)
Proceeds from the sale of fixed assets		22 844 649	51 061 021
Proceeds to acquire financial investments at fair value through P&L		27 424 259	(10 000 000)
Proceeds from dividends from investments in subsidiaries		52 951 321	36 646 749
(Payments) to acquire investment in subsidiary and associates		(8 500 000)	(142 497 750)
(Payment) Dividend distribution		(97 735 003)	(28 445 637)
Net movement of treasury bills - more than three months		(35 514 519)	(814 639 407)
Net cash used in investing activities		(1 084 039 921)	(1 384 510 914)
Cash flows from financing activities			
proceeds During the preioed from employee stock ownership plan (ESOP)		34 694 892	36 326 596
Proceeds from bank facilities		25 456 565	143 009 710
(Payments) for lease liabilities		(25 163 349)	(13 604 141)
Finance expenses paid		(16 569 609)	(17 939 959)
Net cash provided from financing activities		18 418 499	147 792 206
Net change in cash and cash equivalents during the period		207 172 126	1 016 038 041
Cash and cash equivalents at beginning of the year		3 354 077 130	2 686 868 874
Changing currency difference for cash and cash equivalents		19 124 523	11 203 116
Cash and cash equivalents at end of the period	(12)	3 580 373 779	3 714 110 031

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 the Nine months ended September 30, 2024

1. General information

Fawry for Banking and Payment Technology Services S.A.E. was established in accordance with the provisions of Law No. 159 of 1981 and its executive regulation, and was registered at the Commercial Register under No. 33258 on June 26, 2008, the commercial register has changed to 50840 in June 2011. The company reregistered at the commercial register investment 6th of October under the 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 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 interim financial statements of the company were approved in the board of directors meeting dated November 14, 2024.

2. Statement of compliance

The Condensed separate interim financial statements have been prepared in accordance with 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 have been 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, 2023.

4- Fixed assets

<u>EGP</u>	<u>Land</u>	<u>Buildings</u>	<u>Networks and servers</u>	<u>Points of sales machines</u>	<u>Computers</u>	<u>Furnitures & other office equipment and super fawry</u>	<u>Leasehold improvements</u>	<u>Vehicles</u>	<u>Right of use assets</u>	<u>Total</u>
<u>Cost</u>										
As of January 1, 2023	52 490 500	134 050 355	146 263 268	526 196 278	71 915 378	23 190 510	68 456 843	149 300	91 005 526	1 113 717 958
Additions during the year	--	--	55 176 211	253 309 995	13 350 812	620 997	22 618 793	--	37 006 408	382 083 216
Disposals	--	--	--	(46 489 771)	--	--	--	--	(2 305 994)	(48 795 765)
As of December 31, 2023	52 490 500	134 050 355	201 439 479	733 016 502	85 266 190	23 811 507	91 075 636	149 300	125 705 940	1 447 005 409
As of January 1, 2024	52 490 500	134 050 355	201 439 479	733 016 502	85 266 190	23 811 507	91 075 636	149 300	125 705 940	1 447 005 409
Additions during the period	--	--	42 792 244	521 448 970	16 173 244	1 009 598	39 445 067	--	36 173 854	657 042 977
Disposals	--	--	--	(31 897 479)	--	--	--	--	--	(31 897 479)
As of September 30, 2024	52 490 500	134 050 355	244 231 723	1 222 567 993	101 439 434	24 821 105	130 520 703	149 300	161 879 794	2 072 150 907
<u>Accumulated depreciation</u>										
As of January 1, 2023	--	8 730 469	97 840 281	244 386 867	40 548 512	10 469 800	21 866 864	149 298	18 098 996	442 091 087
Depreciation for the year	--	3 351 259	33 349 281	117 898 151	10 800 118	3 652 388	12 637 215	--	19 185 776	200 874 188
Depreciation of disposals	--	--	--	(36 149 097)	--	--	--	--	(1 309 164)	(37 458 261)
As of December 31, 2023	--	12 081 728	131 189 562	326 135 921	51 348 630	14 122 188	34 504 079	149 298	35 975 608	605 507 014
As of January 1, 2024	--	12 081 728	131 189 562	326 135 921	51 348 630	14 122 188	34 504 079	149 298	35 975 608	605 507 014
Depreciation for the period	--	2 513 444	29 924 541	141 476 862	7 884 565	2 736 463	14 380 180	--	18 830 474	217 746 529
Depreciation of disposals	--	--	--	(26 810 836)	--	--	--	--	--	(26 810 836)
As of September 30, 2024	--	14 595 172	161 114 103	440 801 947	59 233 195	16 858 651	48 884 259	149 298	54 806 082	796 442 707
<u>Net book value</u>										
As of December 31, 2023	52 490 500	121 968 627	70 249 917	406 880 581	33 917 560	9 689 319	56 571 557	2	89 730 332	841 498 395
As of September 30, 2024	52 490 500	119 455 183	83 117 620	781 766 046	42 206 239	7 962 454	81 636 444	2	107 073 712	1 275 708 200

5. Intangible assets

<u>EGP</u>	<u>Programs' license</u>	<u>Programs</u>	<u>Total</u>
<u>Cost</u>			
As of January 1, 2023	83 485 901	439 737 861	523 223 762
Additions during the year	34 778 946	256 828 298	291 607 244
As of December 31, 2023	118 264 847	696 566 159	814 831 006
Additions during the period	11 812 233	280 758 489	292 570 722
As of September 30, 2024	130 077 080	977 324 648	1 107 401 728
<u>Accumulated amortization</u>			
As of January 1, 2023	23 751 286	127 310 347	151 061 633
Amortization for the year	8 583 782	53 637 396	62 221 178
As of December 31, 2023	32 335 068	180 947 743	213 282 811
Amortization for the period	7 957 804	58 372 973	66 330 777
As of September 30, 2024	40 292 872	239 320 716	279 613 588
<u>Net book value</u>			
As of September 30, 2024	89 784 208	738 003 932	827 788 140
As of December 31, 2023	85 929 779	515 618 416	601 548 195

6. Projects under construction

The increase in projects under construction is mainly due to additions with EGP 136 Million and the main increase in building by amount of EGP 115 Million during the period taking into consideration transfers to fixed and intangible assets by amount of EGP 3.8 Million.

7. Investments in associates and joint ventures

The increase in investments in associates and joint ventures is mainly due to investing in VCFO Consulting by amount of EGP 8.5 Million and represent 50% from investment amount and the company has joint venture investment so its reclassified as investment in associates and joint venture.

8. Loans to related parties

The increase in Loans to related parties is mainly increase due for Fawry for Medium, Small and Micro finance is paid by amount of EGP 115.5 million and increase due for Fawry consumer finance by amount of 496 million and increase due for Dirac for information system by amount of EGP 4 Million during the Third Quarter.

9. Debtors and other debit balances

The increase in mainly due to the increase in accrued Revenue by amount of EGP 133.8 Million and increase in the prepaid expenses by amount of EGP 32.4 Million.

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

Notes to the condensed Separate interim Financial Statements

For the Nine months ended September 30, 2024

10. Due from related parties

<u>EGP</u>	<u>Nature</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Fawry Fast Moving Consumer goods Co.	Current account	16 306 826	7 810 424
Fawry insurance Brokerage Co.	Current account	571 396	2 524 658
Tazcara Information Technology	Current account	1 500 240	1 500 240
Fawry consumer finance Co.	Current account	--	91 592 043
Fawry Gulf Co.	Current account	3 345 789	1 809 267
Fawry Integrated System	Current account	42 472 602	85 685 185
Fawry Plus for Banking Services	Current account	5 252 748	2 568 306
Fawry for commercial technologies	Current account	45 549 904	8 870 534
Less: Expected credit losses		(1 500 240)	(3 949 304)
		<u>113 499 265</u>	<u>198 411 353</u>

11. Treasury bills

The decrease in treasury bills mainly due to accrual of treasury bills during the third quarter of the year which led to a decrease in the balance of treasury bills by amount of EGP 130.3 Million.

12. Cash and cash at banks

<u>EGP</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Cash *	179 441 826	--
Banks current accounts – local currency	927 616 024	1 172 313 246
E-Acceptance transactions under settlement	764 045 387	379 358 060
Cash at collecting agencies	913 220 241	476 238 682
Banks current accounts – foreign currencies	12 929 191	30 067 253
Time deposit – local currencies	10 128 776	460 257 330
Time deposit – foreign currencies	179 049 180	61 042 173
Less: Expected credit losses	(4 803 985)	(8 184 107)
	<u>2 981 626 639</u>	<u>2 571 092 637</u>

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

For the purpose of preparing cash flow statement, the cash and cash equivalents are comprised of the following:

<u>EGP</u>	<u>September 30, 2024</u>	<u>September 30, 2023</u>
Cash and bank balances	2 981 626 640	3 564 152 905
Treasury bills – less than 3 months	598 747 139	149 957 126
	<u>3 580 373 779</u>	<u>3 714 110 031</u>

13. Bank credit facilities

The decrease in the account by EGP 25.4 Million is due to the decrease in the amount used of the credit facilities during the Third quarter from the current period.

14. Provisions

The increase in the account due to provision formed by amount of EGP 20.1 Million taking into consideration provision used EGP 900 thousand during the third quarter year from year 2024 and the purpose for provision formed for future contingent liabilities.

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

Notes to the condensed Separate interim Financial Statements

For the Nine months ended September 30, 2024

15. Accounts and notes payable

The increase in the account is related to the company dues and notes payable during the third quarter which lead to increase in the account by amount of EGP 24 million.

16. Accounts and notes payable – Billers.

The increase in the account is related to increase the company dues for billers and notes payable during the third quarter it's effected to increase the account by amount of EGP 217 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 27.6 million and the accrued commission by amount of EGP 31.5 Million and increase the balance for Tax authority by amount of EGP 52.6 Million during the third quarter.

18. Due to related parties

<u>EGP</u>	<u>Nature of relationship</u>	<u>Account type</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>
Fawry Dahab Technology	Subsidiary	Current account	90 159 699	71 673 672
			90 159 699	71 673 672

19. Contingent liabilities

The balance of contingent liabilities amounted by EGP 1.6 Billion on September 30, 2024, compared to EGP 1.4 Billion on December 31, 2023.

20. Credit interest

The increase in the account is mainly due to and credit interest on treasury bills and Time deposits by amount of EGP 169.7 Million and due from related parties interest by amount of EGP 53.2 Million taking into account an decrease in credit interest on current accounts by amount of EGP 32.7 Million.

21. Operating revenues

The reason for the increase in revenues is due to the increase in the company's business volume during the third quarter compared to the third quarter of the previous year by amount of EGP 910.7 Million.

22. Operating costs

The main reason for the increase in the operating cost is due to the increase in cash collection cost by EGP 31.7 Million and the increase in other expenses by EGP 42.3 Million and the increase in depreciation and amortization by EGP 71 Million and, the decrease in merchants' commissions by EGP 21 Million.

23. General and administrative expenses

The main reason for the increase in the account is due to the increase in salaries and equivalents by an amount of EGP 53 Million, and an increase in depreciation and amortization by an amount of EGP 25.7 Million, in addition to the increase in subscription expenses, technical support, communications and services centers by an amount of EGP 60 Million during the period and an increase in premises and insurance expenses by EGP 4 Million.

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24. Selling and marketing expenses

The main reason for the increase in the account is due to the increase in salaries by EGP 95.3 Million and the increase in sales and marketing commissions by EGP 30.8 Million.

25. Significant related parties' transactions

The following are significant related parties' transactions:

<u>EGP</u>	<u>Nature of the Transaction</u>	<u>Transactions during the period</u>
Fawry Dahab for Electronics Services	Cost related to cash collection on behalf of related party	501 178 655
	Electronic Payment services revenues	273 370 175
	Dividends revenue	37 756 514
Fawry for Integrated Systems	Program acquisition from related party	191 247 800
	POS machine acquisition	521 455 939
	Technical support service revenues	20 678 380
Fawry for medium, small and MicroFinance	Loans to related parties	251 567 595
	Credit Interest revenue	30 593 219
Fawry Plus for Banking Services	Cost payment on behalf of related party	55 045 890
	Revenue from electronic payment services	44 494 975
	Branches managing fees for related party	18 413 735
	Dividends revenue	15 194 807
Fawry for FMCG	Electronic Payment services revenue	91 249 854
	Operations revenue on Fawry's Services	500 931
Fawry for consumer finance	Loans to related parties	496 024 576
	Credit Interest revenue	40 737 193
Dirac for information system	Loans to related parties	4 000 000

26. 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 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 period some of employees of the group and its subsidiaries granted 23,4 Million shares for employee stock ownership plan and charged total cost for the year shares granted is amounting to EGP 65 Million and total reserve for employee stock ownership plan at the reporting date is EGP 113.4 Million.

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27. Earnings per share

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

<u>EGP</u>	<u>September 30, 2024</u>		<u>September 30, 2023</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit of the period	984 972 155	984 972 155	441 822 558	441 822 558
Weighted average number of shares	3 406 523 244	3 406 523 244	3 310 370 550	3 344 436 502
	<u><u>0.29</u></u>	<u><u>0.29</u></u>	<u><u>0.13</u></u>	<u><u>0.13</u></u>

28. 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

Corporate tax

The company submits the tax return prepared in accordance with the provisions of Law 91 of 2005 on legal dates.

The years from establishment until 2017

- The Company was inspected and tax differences were settled.

The years from 2018 until 2019

The company received an announcement to inspect its books for the mentioned dates and they are currently preparing for the office inspection.

The years from 2020 until Now

Tax returns were submitted and paid all tax due on the legal dates.

Salaries and wages tax**The years from establishment until 2021**

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

The years 2022 until now

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

Stamp duty tax**The years from establishment until 2020**

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

The years 2021 until now

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

Sales tax / VAT tax**The years from establishment until December 31, 2020**

Company's recorded were inspected for the mentioned years, and differences were settled.

The years from 2021 until now

Tax returns were submitted and paid all tax due on its dates.

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Withholding tax

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

29. Legal Position

During the third quarter of 2019, a company filed a lawsuit against Fawry for Banking Technology and Electronic Payments “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.

30. Significant events during the current 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%.