

**Fawry for Banking Technology and Electronic
Payments (S.A.E.)
Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2022
Together with Limited Review Report**

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, 2022, 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.

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, 2022, 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 – June 15, 2022.


Kamel Magdy Saleh, FCA
FCA Register No. 69
S.A.A. (R.A.A. 8510)


Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed consolidated interim statement of financial position
As of March 31, 2022

	<u>Note No.</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
		<u>EGP</u>	<u>EGP</u>
Assets			
Non-current assets			
Fixed assets	(4)	559 754 650	535 279 313
Intangible assets	(5)	307 351 203	275 780 339
Projects under construction	(6)	19 532 196	16 199 524
Goodwill		24 732 978	24 732 978
Deferred tax assets		26 027 583	24 816 082
Micro finance loans	(11)	123 880 835	100 150 604
Investments in associates and joint ventures	(7)	5 430 130	4 041 289
Investments at fair value through OCI	(8)	47 171 976	47 171 976
Investments at FVTPL	(9)	2 527 850	--
Total non-current assets		1 116 409 401	1 028 172 105
Current assets			
Inventories		297 287	298 046
Accounts and notes receivables	(10)	122 493 278	63 746 140
Micro finance loans	(11)	372 477 758	310 596 197
Advances to billers		425 233 268	372 680 643
Debtors and other debit balances	(12)	134 010 624	96 414 376
Due from related parties	(13)	1 749 193	1 700 445
Investments at FVTPL	(9)	12 639 250	--
Treasury Bills	(14)	1 184 393 204	1 144 724 698
Cash and cash at banks	(15)	1 155 682 949	1 120 900 729
Total current assets		3 408 976 811	3 111 061 274
Total assets		4 525 386 212	4 139 233 379
Equity and Liabilities			
Equity			
Issued and paid-up capital	(16)	853 652 060	853 652 060
Legal reserve		53 150 023	47 129 042
Reserve for employee stock ownership plan (ESOP)	(24)	71 512 501	52 398 017
Combination reserve		11 745 574	11 745 574
Compulsory reserve for EAS 47 Application Risk		2 612 539	2 612 539
Shares issuance expenses reserve		--	(2 835 763)
Retained earnings		430 745 320	414 309 089
Total equity for the owners of the Parent Company		1 423 418 017	1 379 010 558
Non controlling interest		46 378 795	79 008 776
Total equity		1 469 796 812	1 458 019 334
Non-Current liabilities			
Deferred Tax Liability		20 044 520	19 952 604
Long term loans		83 362 768	63 758 411
Lease Liabilities		84 401 675	81 540 702
Total non current liabilities		187 808 963	165 251 717
Current liabilities			
Provisions	(17)	33 330 642	32 430 642
Banks credit facilities	(18)	418 257 586	431 224 733
Short term loans		203 665 485	149 820 206
Accounts and notes payable		67 196 454	73 688 962
Accounts and notes payable- billers		1 191 247 885	1015 103 526
Merchants advances		513 972 371	444 655 635
Retailer's POS security deposits		68 946 038	62 338 803
Creditors and other credit balances	(19)	268 279 910	219 126 376
Lease Liabilities		25 054 072	19 695 737
Current income tax		77 829 994	67 877 708
Total current liabilities		2 867 780 437	2 515 962 328
Total equity and liabilities		4 525 386 212	4 139 233 379

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

Chief Financial Officer
Abdel Meguid Afifi

Chief Executive Officer
Ashraf Sabry

Chairman
Saifullah Coutry

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, 2022**

	<u>Note No.</u>	<u>Three-months period ended</u>	
		<u>March 31, 2022</u>	<u>March 31, 2021</u>
		<u>EGP</u>	<u>EGP</u>
Operating revenues	(21)	482 997 078	348 991 710
Less:			
Operating costs	(22)	(204 315 408)	(154 850 414)
Gross margin		278 681 670	194 141 296
Add (Less):			
General and administrative expenses	(23)	(124 640 443)	(80 548 419)
Employee stock ownership plan expenses (ESOP)	(24)	(19 114 484)	--
Board of Directors allowances		(789 266)	(392 067)
Selling and marketing expenses	(25)	(88 206 218)	(58 599 990)
Social contribution for Health and insurance		(1 601 439)	(1 035 383)
Formed provisions		(900 000)	(750 000)
Net impairment loss on microfinance loans		(6 455 771)	(2 959 368)
Expected credit losses		(1 574 648)	--
Net gain from Investments at FVTPL	(9)	167 100	--
Net gain from incentives of spreading pos points of CBE initiative		--	21 725 295
Credit interest	(26)	38 233 808	23 292 771
Finance costs		(14 546 764)	(7 654 947)
Foreign currency exchange gain		4 248 895	76 939
Gain on disposals of fixed assets		1 973 447	1 907 633
Other revenues		1 118 685	228 436
Operating profit		66 594 572	89 432 196
Group's share of losses in investments in associates and joint ventures	(27)	(1 851 159)	(1 011 732)
The change from Investment in associate to Investment in subsidiaries		--	22 800 000
Profit for the period before tax		64 743 413	111 220 464
Current income tax		(16 905 383)	(25 423 018)
Net profit for the period after tax		47 838 030	85 797 446
Distributed as follows:			
Net profit for the shareholders of the parent Company		28 155 979	76 145 827
Net profit for the non-controlling interest		19 682 051	9 651 619
Net profit for the period after tax		47 838 030	85 797 446
Earnings per share - basic (EGP/share)	(29)	0.02	0.08
Earnings per share - diluted (EGP/share)	(29)	0.02	0.08

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

Chief Financial Officer
Abdel Meguid Afifi

Chief Executive Officer
Ashraf Sabry

Chairman
Saifullah Coutry

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, 2022

	<u>Three-months period ended</u>	
	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Net profit for the period	47 838 030	85 797 446
Other comprehensive income	--	--
Total other comprehensive income	--	--
Total comprehensive income for the period	<u>47 838 030</u>	<u>85 797 446</u>
Distributed as follows:		
Comprehensive income for the owners of the parent Company	28 155 979	76 145 827
Comprehensive income for the non controlling interest	19 682 051	9 651 619
Total comprehensive income for the period	<u>47 838 030</u>	<u>85 797 446</u>

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

Factory 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, 2022

	Issued and paid up capital	Legal reserve	Reserve for employee stock ownership plan (ESOP)	Retained amount from retained earnings for capital increase	Combination reserve	Share issuance expenses reserve	Compulsory reserve for EAS 47 Application Risk	Retained earnings	Total Equity of the parent company	Non-controlling interest	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2021	353 652 060	37 799 312	--	100 000 000	5 841 596	--	2 612 539	268 270 884	768 176 391	28 727 833	796 904 214
Comprehensive Income Items											
Net profit for the period	--	--	--	--	--	--	--	76 145 827	76 145 827	9 651 619	85 797 446
Total comprehensive income	--	--	--	--	--	--	--	76 145 827	76 145 827	9 651 619	85 797 446
The Company's shareholders transactions											
Transferred to legal reserve	--	9 329 730	--	--	--	--	--	(9 329 730)	--	--	--
Capital increase from retained earnings	100 000 000	--	--	(100 000 000)	--	--	--	--	--	--	--
Additions on combination reserve	--	--	--	--	5 903 978	--	--	--	5 903 978	776 022	6 680 000
Non-controlling interest share from the acquisition of subsidiaries	--	--	--	--	--	--	--	--	--	5 277 297	5 277 297
Total company's shareholders transactions	100 000 000	9 329 730	--	(100 000 000)	5 903 978	--	--	(9 329 730)	5 903 978	6 053 319	11 957 297
Balance as of March 31, 2021	453 652 060	47 129 042	--	--	11 745 574	--	2 612 539	335 086 984	850 226 199	44 432 761	894 658 960
Balance as of January 1, 2022	853 652 060	47 129 042	52 398 017	--	11 745 574	(2 835 763)	2 612 539	414 308 089	1 379 010 558	79 008 776	1 458 019 334
Comprehensive Income Items											
Net profit for the period	--	--	--	--	--	--	--	28 155 979	28 155 979	19 682 051	47 838 030
Total comprehensive income	--	--	--	--	--	--	--	28 155 979	28 155 979	19 682 051	47 838 030
The company's shareholders transactions											
Transferred to legal reserve	--	6 020 981	--	--	--	--	--	(6 020 981)	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	19 114 484	--	--	--	--	--	19 114 484	--	19 114 484
Transferred to retained earnings from share issuance expenses reserve	--	--	--	--	--	2 835 763	--	(2 835 763)	--	--	--
Dividend distribution for subsidiaries	--	--	--	--	--	--	--	(2 863 004)	(2 863 004)	--	(2 863 004)
Non-controlling interest's share from dividends distributed in subsidiary	--	--	--	--	--	--	--	--	--	(52 312 032)	(52 312 032)
Total Company's shareholders transactions	--	6 020 981	19 114 484	--	--	--	--	(11 719 748)	16 251 480	(52 312 032)	(36 080 552)
Balance as of March 31, 2022	853 652 060	53 150 023	71 512 501	--	11 745 574	--	2 612 539	430 745 320	1 423 418 017	46 378 795	1 469 796 812

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

Fawy for Banking Technology and Electronic Payments S.A.E.
Condensed consolidated interim statement of cash flows
For the three months period ended March 31, 2022

	Note No	Three-months period ended	
		March 31, 2022	March 31, 2021
		EGP	EGP
Cash flows from operating activities:			
Net profit for the period before tax		64 743 413	111 220 464
Adjusted by:			
Depreciation and amortization for the period	(35)	49 610 507	30 918 339
Formed Provisions	(24)	900 000	750 000
Net impairment losses - Micro finance loans		6 455 771	2 959 368
Expected credit losses		1 574 648	--
Employee stock ownership plan expenses		19 114 484	--
Net gain from investments at FVTPL	(9)	(167 100)	--
Credit Interest		(38 233 808)	(23 292 771)
Share of investments in associate and joint venture's losses		1 851 159	1 011 733
The change from investment in associate to investment in subsidiaries		--	(22 800 000)
Unrealized foreign currency exchange gain		(4 248 895)	(76 939)
Gain on disposals of fixed assets		(1 973 447)	(1 907 633)
Finance expenses		14 546 764	5 589 590
Operating profit before changes in working capital		114 173 496	104 372 151
Changes in Working capital			
Decrease/(Increase) in Inventories		759	(746 338)
(Increase) / Decrease in advances to service providers		(52 552 625)	134 517 839
(Increase) in debtors and other debit balances		(37 596 248)	(11 718 766)
(Increase) in accounts and notes receivable		(60 321 786)	(19 756 674)
(Increase) in micro finance loans		(92 067 563)	(41 492 888)
(Increase) / Decrease in due from related parties		(48 748)	4 694 709
(Decrease) in accounts and notes payable		(6 492 508)	(11 052 663)
Increase in accounts payable- billers		176 144 359	52 416 507
Increase / (Decrease) in merchants advances		69 316 736	(33 520 526)
Increase in retailer's POS security deposits		6 607 235	6 262 602
(Decrease) / Increase in creditors and other credit balances		(972 949)	27 814 537
Proceeds from POS's machines under CBE initiative		--	21 725 295
		116 190 158	233 515 785
Income tax paid		(8 072 683)	--
Proceeds from credit interest		34 902 426	23 292 771
Net cash provided from operating activities		143 019 901	256 808 556
Cash flows from investing activities			
(Payments) for fixed assets acquisition		(51 602 919)	(13 787 006)
(Payments) for projects under construction		(8 043 658)	(1 284 635)
(Payments) to acquire intangible assets		(39 183 992)	(15 443 156)
Proceeds from sale of fixed assets		5 493 319	28 983 672
Proceeds from selling shares in subsidiary		--	6 674 157
Cash proceeds from acquisition of subsidiary		--	6 138 341
Proceeds from loans to related parties		--	37 602 912
(Payments) to investments in associates and joint ventures		(3 240 000)	--
(Payments) for investments at FVTPL		(15 000 000)	--
Net movement of treasury bills - more than three months		(419 497)	(174 656 268)
Net cash flows (used in) investing activities		(111 996 747)	(125 771 983)
Cash flows from financing activities			
(Payments) of dividend distribution		(5 048 553)	--
Proceeds from loans		73 449 636	78 225 000
(Payments) Proceeds from bank credit facilities		(12 967 147)	(133 551 110)
(Payments) of lease liabilities		(8 426 135)	--
Finance expenses paid		(11 580 003)	(5 589 590)
Net cash (used in) / provided from financing activities		35 427 798	(60 915 700)
Net change in cash and cash equivalents during the period		66 450 952	70 120 873
Cash and cash equivalents at beginning of the period		1 120 900 729	623 737 310
Exchange rate changes on cash and cash equivalents		4 248 895	76 939
Cash and cash equivalents at end of the period	(15)	1 191 600 576	693 935 122

Non cash transactions:

Non cash transaction effect has been eliminated amounted EGP 4,7 million representing fixed assets addition transferred from project under constructions.

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

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

Notes to the Condensed Consolidated Interim Financial Statements

For the Three months ended March 31, 2022

1. General information

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

The purpose of the Company is to provide operations services specialized in systems and communications, management, operating and maintenance of equipment and computers networks services and internal systems of banks, networks, and centralized systems, establish operating systems for banking services through the internet, phone and e-payment services and circulation of secured documents electronically, taking into account the provisions of laws, regulations and decisions and provided that all the licenses necessary for pursuing these activities are issued. The duration of the company is twenty-five years from the Commercial Register date.

The condensed consolidated interim financial statements authorized for issuance at the Board of Directors meeting held on June 15, 2022.

2. Statement of compliance

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

3. Basis of preparation of the consolidated financial statements

The condensed consolidated interim financial statements have been prepared using the same accounting policies that have been applied in the prior year. The condensed consolidated interim financial statements should be read with conjunction with the consolidated annual financial statements as of 31 December 2021.

Fawry for Banking and Payment Technology Services S.A.E.
Notes to the Condensed Consolidated Financial Statements
For the three months period ended March 31, 2022

4. Fixed assets.

	Land		Building		Networks and Servers		Point of sales machines		Computers		Furniture and Office equipment		Leasehold Improvements		Vehicles		Tools & equipments		Right of use branches and premises		Total		
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP	
Cost																							
As of January 1, 2021	25 970 500	41 129 500	58 877 460	268 258 281	57 056 291	11 745 945	17 636 870	149 300	641 766	---	---	---	---	---	---	---	---	---	---	---	---	---	481 465 913
The effect of acquisition of subsidiary	---	---	---	---	429 225	1 337 581	13 357 586	---	2 589 010	---	---	---	---	---	---	---	---	---	---	---	---	---	17 713 402
Additions during the year	26 520 000	70 230 000	49 803 111	154 732 416	14 420 387	1 400 926	20 732 737	---	1 363 576	---	---	---	---	---	---	---	---	---	---	---	---	---	448 856 983
Disposals	---	---	---	(69 955 499)	(12 030)	---	---	---	(340 000)	---	---	---	---	---	---	---	---	---	---	---	---	---	(70 307 529)
As of December 31, 2021	52 490 500	111 359 500	108 680 571	353 035 198	71 893 873	14 484 452	51 727 193	149 300	4 254 352	---	---	---	---	---	---	---	---	---	---	---	---	---	877 728 769
As of January 1, 2022	52 490 500	111 359 500	108 680 571	353 035 198	71 893 873	14 484 452	51 727 193	149 300	4 254 352	---	---	---	---	---	---	---	---	---	---	---	---	---	877 728 769
Additions during the period	---	---	17 739 103	32 403 636	3 036 935	1 991 786	1 142 445	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	69 992 587
Disposals*	---	---	---	(5 262 155)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	(5 262 155)
As of March 31, 2022	52 490 500	111 359 500	126 419 674	380 176 679	74 930 807	16 476 238	52 869 638	149 300	4 254 352	---	---	---	---	---	---	---	---	---	---	---	---	---	942 459 200
Accumulated depreciation																							
As of January 1, 2021	---	4 198 638	43 627 144	136 549 025	29 565 648	7 099 224	9 855 555	149 298	641 739	---	---	---	---	---	---	---	---	---	---	---	---	---	231 686 271
Depreciation for the period	---	1 467 175	26 937 265	51 063 102	6 398 816	2 699 088	10 572 066	---	1 212 464	---	---	---	---	---	---	---	---	---	---	---	---	---	121 777 598
Depreciation of disposals	---	---	---	(10 662 383)	(12 031)	---	---	---	(340 000)	---	---	---	---	---	---	---	---	---	---	---	---	---	(11 014 414)
As of December 31, 2021	---	5 665 813	70 564 409	176 949 744	35 952 433	9 798 312	20 427 621	149 298	1 514 203	---	---	---	---	---	---	---	---	---	---	---	---	---	342 449 455
As of January 1, 2022	---	5 665 813	70 564 409	176 949 744	35 952 433	9 798 312	20 427 621	149 298	1 514 203	---	---	---	---	---	---	---	---	---	---	---	---	---	342 449 455
Depreciation for the period	---	695 997	9 783 697	18 449 933	2 500 050	695 773	3 355 061	---	293 843	---	---	---	---	---	---	---	---	---	---	---	---	---	41 997 378
Depreciation of disposals	---	---	---	(1 742 283)	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	(1 742 283)
As of March 31, 2022	---	6 361 810	80 348 106	193 657 394	38 452 483	10 494 085	23 782 682	149 298	1 808 046	---	---	---	---	---	---	---	---	---	---	---	---	---	382 704 550
Net book value																							
As of March 31, 2022	52 490 500	104 997 690	46 071 568	186 519 285	36 478 324	5 982 153	29 086 956	2	2 446 306	---	---	---	---	---	---	---	---	---	---	---	---	---	559 754 650
As of December 31, 2021	52 490 500	105 693 687	38 116 162	176 085 454	35 941 440	4 686 140	31 299 572	2	2 740 149	---	---	---	---	---	---	---	---	---	---	---	---	---	535 279 313

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

Notes to the Condensed Consolidated interim Financial Statements

For the Three months ended March 31, 2022

5. Intangible assets

	<u>Software license</u>	<u>Programs</u>	<u>Contractual relationship with clients</u>	<u>Customer List</u>	<u>Trademark</u>	<u>Total</u>
<u>Cost</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
As of January 1, 2021	39 032 651	198 977 608	--	--	--	238 010 259
Additions during the year	25 964 158	84 126 350	--	--	--	110 090 508
Change of the scope of grouping of subsidiaries and associate companies	--	--	6 270 000	533 000	19 070 000	25 873 000
As of December 31, 2021	64 996 809	283 103 958	6 270 000	533 000	19 070 000	373 973 767
Additions during the period	4 424 673	34 759 319	--	--	--	39 183 992
As of March 31, 2022	69 421 482	317 863 277	6 270 000	533 000	19 070 000	413 157 759
<u>Accumulated amortization</u>						
As of January 1, 2021	14 876 938	53 747 158	--	--	--	68 624 096
Amortization for the year	3 429 107	24 248 244	531 815	88 833	1 271 333	29 569 332
As of December 31, 2021	18 306 045	77 995 402	531 815	88 833	1 271 333	98 193 428
Amortization for the period	1 319 323	5 820 811	132 954	22 208	317 833	7 613 129
As of March 31, 2022	19 625 367	83 816 213	664 769	111 041	1 589 166	106 580 266
Net Book value As of March 31, 2022	49 796 115	234 047 064	5 605 231	421 959	17 480 834	307 351 203
Net Book value, As of December 31, 2021	46 690 765	205 108 556	5 738 185	444 167	17 798 667	275 780 339

6. Projects under construction

The increase in projects under construction is mainly due to the additions of servers and furniture during the period amounted by EGP 8 million with the transfer of fixed assets by amount of EGP 4.7 million.

7. Investment in associates and joint ventures

			<u>March 31,2022</u>	<u>December 31,2021</u>
	<u>Type of investment</u>	<u>Ownership %</u>	<u>EGP</u>	<u>EGP</u>
Bosta Co.	Associate	9.05%	1 013 392	1 814 084
EGY Insure-tech for electronic applications Co.	Associate	20%	1 086 862	1 470 162
Roderz for smart technologies Co.*	Associate	30%	2 386 897	--
Tazcara for information technology Co.	Associate	20%	--	--
Waffarha.com Co.	Joint venture	30%	942 979	757 043
			5 430 130	4 041 289

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

Notes to the Condensed Consolidated Interim Financial Statements

For the Three months ended March 31, 2022

(*) During the first quarter in 2022 the company paid the remaining amount of the investment in Roderz technologies Co. which amounted by EGP 3.24 million.

8. Investments at fair value through OCI

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
El menus Co	15 716 676	15 716 676
Brimore Co.	15 700 000	15 700 000
Bringer Co. (Netherlands)	15 755 300	15 755 300
	<u>47 171 976</u>	<u>47 171 976</u>

9. Investments at FVTPL

	<u>No. of shares</u>	<u>March 31, 2021</u>	<u>December 31, 2021</u>
		<u>EGP</u>	<u>EGP</u>
Fawry banking investment in Misr capital fund	12 500 000	12 500 000	--
Fawry micro finance investment in misr capital fund	2 500 000	2 500 000	--
Net gain from investments at FVTPL	--	167 100	--
		<u>15 167 100</u>	<u>--</u>

During the first quarter of 2022 the Group invested in Fawry Misr capital fund.

10. Accounts and notes receivables

	<u>March 31, 2021</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Accounts receivables - Billers and banks	126 493 598	60 668 946
Notes receivables	9 500	5 783 896
Less: Expected credit losses	(4 009 820)	(2 706 702)
	<u>122 493 278</u>	<u>63 746 140</u>

11. Micro finance loans, (net)

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Loans to customers – Short term	397 323 262	330 689 315
Less:		
Expected credit losses	(24 845 508)	(20 093 118)
Loans to customers – short term	<u>372 477 758</u>	<u>310 596 197</u>
Loans to customers – Long term	131 476 471	106 042 857
Less:		
Expected credit losses	(7 595 636)	(5 892 253)
Loans to customers – Long term	<u>123 880 835</u>	<u>100 150 604</u>
	<u>496 358 593</u>	<u>410 746 801</u>

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Provision movement represented as following:

Description	March 31, 2022	December 31, 2021
	EGP	EGP
Beginning balance	25 985 370	13 235 976
Formed during the period	6 455 771	12 749 394
	32 441 141	25 985 370

12. Debtors and other debit balances

Description	March 31, 2022	December 31, 2021
	EGP	EGP
Advance payments - Vendors	2 761 810	2 407 203
Prepaid expenses	22 242 865	9 141 207
Deposits held with others	3 728 288	3 699 788
Value added tax	583 341	--
Withholding tax	39 417 814	38 642 826
Other debit balances	22 534 858	11 263 171
Accrued interest revenue – Microfinance portfolio	13 884 150	9 841 468
Custodies	9 605 876	10 765 565
Accrued Revenue	19 325 372	10 685 892
Less: Expected credit losses	(73 750)	(33 044)
	134 010 624	96 414 376

13. Due from related parties

Description	Nature	Account type	March 31, 2022	December 31, 2021
			EGP	EGP
Waffarha.com Co.	Joint venture	Current account	220 211	220 211
ACIS Co.	associate	Current account	3 000 000	3 000 000
Tazcara for Information Technology and Electronic Booking co.	associate	Current account	1 495 592	1 494 309
Others			46 200	--
Less: Expected credit losses			(3 012 810)	(3 014 075)
			1 749 193	1 700 445

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14. Treasury Bills

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Treasury bills - with maturities up to (91) days	35 702 500	32 342 990
Treasury bills - with maturities after (91) days	1 070 772 755	1 037 616 535
Add		
Accrued interest - less than three months	268 909	246 343
Accrued interest - more than three months	78 858 182	75 526 800
Less: Expected credit losses	(1 209 142)	(1 007 970)
	<u>1 184 393 204</u>	<u>1 144 724 698</u>

15. Cash and bank balances

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Cash (*)	318 627 241	--
Current accounts at banks - local currency	174 220 986	291 482 114
E-Acceptance transactions under settlement	175 875 081	128 704 285
Cash collections - agents	441 380 786	583 161 259
Time deposit - local currency	10 285 000	95 086 110
Time deposit - foreign currency	17 614 702	15 155 942
Current accounts at banks - foreign currency	17 853 633	7 523 412
Less: Expected credit losses	(174 480)	(212 493)
	<u>1 155 682 949</u>	<u>1 120 900 729</u>

(*) Cash balance represent in cash with sales representatives "the company's employees" on March 31, 2022.

For the purpose of preparing the cash flow statement, the cash and cash equivalents represented as follows:

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Cash and bank balances	1 155 682 949	637 407 316
Treasury Bills - less than 3 months	35 917 627	56 527 806
	<u>1 191 600 576</u>	<u>693 935 122</u>

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16. Capital

The issued and paid-up capital amounted to EGP 353 652 060 distributed over 707 304 120 shares with a nominal value of EGP 0.5, and on December 31, 2020, the General Assembly of the company decided to increase the capital by EGP 100 million by distributing free shares financed from the retained earnings of the Company and registered that increase in the commercial register on February 3, 2021, as well as on December 31, 2020, the General Assembly of the Company decided to increase the capital by EGP 400 million by cash increase in nominal value through underwriting to the old shareholders and was registered by this increase in the commercial register on 20 June 2021 to become the issued and paid-up capital of EGP 853 652 060 distributed on 1 707 304 120 shares with a nominal value of EGP 0.5.

On March 3, 2022, the company's extraordinary general assembly agreed to increase the capital to EGP 3 billion, and to increase the issued and paid-up capital by EGP 800 million at nominal value through underwriting to the old shareholders.

17. Provisions

	<u>Balance as at</u> <u>December 31, 2021</u>	<u>Formed during</u> <u>the period</u>	<u>Balance as at</u> <u>March 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Provision for claims	32 430 642	900 000	33 330 642
	<u>32 430 642</u>	<u>900 000</u>	<u>33 330 642</u>

18. Banks credit facilities

The decrease in Bank credit facilities amounted by 12.9 Million EGP is due to the decrease in used value of facilities during the first quarter of 2022.

19. Creditors and other credit balances

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Accrued expenses	70 628 031	46 896 427
Accrued interest	3 550 658	7 344 769
Accrued commissions	52 667 175	50 604 607
Unearned revenue	6 130 208	3 868 268
Health insurance contribution	6 724 102	5 220 402
Tax Authority	49 799 951	75 683 299
Social Insurance Authority	5 663 943	4 325 030
Transactions under settlement	6 781 620	6 096 583
Dividend payables	50 126 482	-
Other credit balances	16 207 740	19 086 991
	<u>268 279 910</u>	<u>219 126 376</u>

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20. Contingent liabilities

The contingent liabilities are represented in the uncovered part of the letters of guarantee issued for the benefit of some parties and entities as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Letters of guarantee – local currency	1 086 500 000	1 286 500 000
	<u>1 086 500 000</u>	<u>1 286 500 000</u>

Letters of guarantee facilities to 1.086 million Egyptian pounds as of March 31, 2022, The utilized amounts from the banks facilities amounted to EGP 748 million Egyptian Pounds in the form of issued letters of guarantee.

21. Operating revenue

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Transaction services revenue - collection fees	419 275 614	317 856 936
Other revenues	14 717 955	2 478 763
Insurance brokerage commission	1 658 437	801 585
Interest revenue Micro finance	47 345 072	27 854 426
	<u>482 997 078</u>	<u>348 991 710</u>

22. Operating cost

The increase in operating costs is mainly due to the increase of merchants' fees by an amount of EGP 17.1 million, increase in cost of financing microfinance loans by amount of EGP 6.6 million, increase in cash collection costs by an amount of EGP 16.6 million, and increase in depreciation and amortization by an amount of EGP 6.7 million.

23. General and administrative expenses

The increase in general and administrative expenses is mainly due to the increase in salaries and wages by an amount of EGP 29.6 million. In addition to the increase in subscription fees, technical support, communication and services Centers by an amount of EGP 2.2 million, and increase in depreciation by an amount of EGP 12.8 million.

24. Share - based payment

The main reason for the increase in share-based payments is due to the recognition of expenses related to first quarter of the current year amounted by EGP 19.1 million compared to nil at prior period, as the plan started on 10 May 2021.

25. Selling and marketing expenses

The main reason for the increase in selling and distribution expenses is the increase of the salaries by an amount of EGP 17.8 million, In addition to the increase of marketing and advertising expenses by an amount of EGP 18.2 million for nothing in return during the period.

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26. Credit Interest

<u>Description</u>	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest - current accounts	876 334	1 655 847
Credit interest - treasury bills	37 213 746	21 556 448
Credit interest - time deposits	143 728	80 476
	38 233 808	23 292 771

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

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Waffarha.com Co.	185 936	(139 650)
Bosta Inc. Co.	(800 692)	(872 082)
EGY Insure-tech Co.	(383 300)	--
Roderz for smart applications Co.	(853 103)	--
	(1 851 159)	(1 011 732)

28. segment information

The group has two major sectors representing the important sectors of the group, offering different and services that are managed in a separate way because they require different skills and have different types of clients. The managers of each sector review internal management reports at least once every three months.

The accounting policies of the reportable sectors are the same as the group's accounting policies on December 31, 2021, 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

<u>EGP</u>	<u>Revenue</u>		<u>Profit</u>	
	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2022</u>	<u>March 31,</u> <u>2021</u>
Banking technology and E-payment segment	435 652 006	321 137 284	55 575 374	105 587 640
Micro-Finance segment	47 345 072	27 854 426	9 168 039	5 632 824
Total	482 997 078	348 991 710	64 743 413	111 220 464
Net profit for the period before tax			64 743 413	111 220 464
Income tax			(16 905 383)	(25 423 018)
Net profit for the period after tax			47 838 030	85 797 446

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B. Segment Assets

EGP	March 31, 2022	December 31, 2021
Banking Technology and E-payment segment	4 436 491 104	4 111 477 098
Micro-Finance segment	575 860 739	452 425 403
Assets before disposals	5 012 351 843	4 563 902 501
Elimination of internal transactions between segments	(486 965 631)	(424 669 122)
Assets after disposals	4 525 386 212	4 139 233 379
Total consolidated Assets	4 525 386 212	4 139 233 379

29. Earnings per share

Earnings per share is calculated by divide available net profit for parent company shareholders by weighted average number of shares for the period.

	March 31, 2022		March 31, 2021	
	EGP		EGP	
	Basic	Diluted	Basic	Diluted
Net profit for the period	28 155 979	28 155 979	76 145 827	76 145 827
Average number of shares during the period	1 707 304 120	1 716 544 400	907 304 120	907 304 120
	0.02	0.02	0.08	0.08

30. Tax Position

The Company's profits are subject to tax on the profits of legal persons in accordance with the provisions of the income Tax law no. 91 for year 2005, its executive regulations and its amendments.

Corporate tax

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

The period from 2009 until 2012

- The Company was inspected and tax differences were settled.

The period from 2013 until 31 December 2017

- The company has been notified of a request for an estimated evaluation of the aforementioned years, and it has been appealed against at the legal dates, and the company's books are being examined on actual basis.

The period from 2018 until 31 December 2021

- The books and records of the company have not yet been inspected by the tax authority for the mentioned years, and the company has not received any tax claims or notifications of requesting examination of records those years.

Payroll tax

The period from inception until 31 December 2016

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

The period from 2017 until 31 December 2020

- The company's records have not been tax inspected for the mentioned years yet.

Financial year until 31 December 2021

- The books and records of the company have not yet been inspected by the tax authority for the mentioned years, and the company has not received any tax claims or notifications of requesting examination of those years.

Stamp duty tax

The period from inception until 31 December 2014

- The company's records has been tax inspected from the date of incorporation till 2014.

The period from 2015 until 31 December 2021

- The books and records of the company have not yet been inspected by the tax authority for the mentioned years, and the company has not received any tax claims or notifications of requesting examination of those years.

Sales tax / VAT tax

The period from inception until 31 December 2015

- The company's records have been tax inspected from the date of incorporation till 2014.

The period from 2016 until 31 December 2019

- During the prior financial year, the company received a tax claim of 100.1 million Egyptian pounds for tax differences resulting from the examination of the tax for the years 2016 to 2019 the company has objected and appealed to claim on due legal dates, the company believes that the claim has no merit in the light of the tax assessment prepared by the tax advisory and legal opinion from the company's legal advisor in that regard.

Years 2020 - 2021

- The books and records of the company have not yet been inspected by the tax authority for the mentioned years, and the company has not received any tax claims or notifications of requesting examination of those years.

Withholding tax

- The company's records have not been tax inspected yet.

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31. Significant events

- In February 2022, the Russian and Ukrainian conflict broke out. Conditions are changing rapidly, leading to high volatility in all markets. Nevertheless, management is closely monitoring and analyzing market developments in this highly volatile situation. However, the Group's management considers that there is currently no indication of disruption to the group's business or failure to meet the Group's obligations to its customers and there are no indications of a material impact on its future operational performance.
- On March 21, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided at its extraordinary meeting to raise the rates of deposit and lending return for one night and the price of the central bank's main operation by 100 points to 9.25%, 10.25% and 9.75%, respectively. The credit and discount rate was also raised by 100 basis points to 9.75%.

32. 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.

33. Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation of the financial statements for the current period.

34. Subsequent events

- On May 19, 2022, the Monetary Policy Committee of the Central Bank of Egypt decided at its extraordinary meeting to raise the rates of deposit and lending return for one night and the price of the central bank's main operation by 200 points to 11.25%, 12.25% and 11.75%, respectively. The credit and discount rate was also raised by 200 basis points to 11.75%.
- On May 26, 2022 the OGM decides to distribute 19.3 million EGP for the employees.
- During May 2022 the company granted 51.8 million shares regarding ESOP Program.