

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

**Condensed Separate 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 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 March 31, 2022, and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three 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 March 31, 2022, and of its separate financial performance and its separate cash flows for the three months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo – June 15, 2022



**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed separate 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>
<b>Assets</b>			
<b><u>Non-current assets</u></b>			
Fixed assets	(4)	509 030 471	476 146 746
Intangible assets	(5)	299 387 504	266 718 728
Projects under construction	(6)	19 532 196	16 199 524
Investments in subsidiaries		163 514 882	163 514 882
Investments in associates and joint venture	(7)	18 473 230	15 233 230
Investments at fair value through OCI		47 171 976	47 171 976
Deferred tax asset		11 393 763	8 230 058
<b>Total non-current assets</b>		<b>1 068 504 022</b>	<b>993 215 144</b>
<b><u>Current assets</u></b>			
Inventories		297 287	298 046
Accounts and notes receivable	(10)	59 045 713	37 600 243
Debtors and other debit balances	(11)	112 398 771	53 112 160
Advances to billers		425 233 268	372 680 643
Due from related parties	(12)	7 090 227	25 906 741
Investments at fair value through Profit or loss	(8)	12 639 250	--
Loans to related parties	(9)	185 444 538	121 929 026
Treasury Bills	(13)	1 093 927 457	1 096 455 398
Cash and cash at banks	(14)	1 110 497 185	1 073 389 272
<b>Total current assets</b>		<b>3 006 573 696</b>	<b>2 781 371 529</b>
<b>Total assets</b>		<b>4 075 077 718</b>	<b>3 774 586 673</b>
<b><u>Equity and liabilities</u></b>			
<b><u>Equity</u></b>			
Issued and paid-up capital	(15)	853 652 060	853 652 060
Legal reserve		53 150 023	47 129 042
Reserve for employee stock ownership plan (ESOP)		71 512 501	52 398 017
Share issuance expenses reserve		--	(2 835 763)
Retained earnings		417 443 566	387 664 366
<b>Total equity</b>		<b>1 395 758 150</b>	<b>1 338 007 722</b>
<b><u>Non-Current liabilities</u></b>			
Deferred tax liabilities		14 511 738	14 313 398
Lease liabilities		44 732 518	35 931 789
<b>Total non current liabilities</b>		<b>59 244 256</b>	<b>50 245 187</b>
<b><u>Current liabilities</u></b>			
Bank credit facilities	(16)	418 257 586	431 224 733
Provisions	(17)	33 030 642	32 130 642
Accounts and notes payable		62 009 517	70 405 635
Accounts payable - Billers		1 188 752 407	1009 535 411
Merchant advances		513 972 371	444 655 635
Retailers' POS security deposits		68 946 038	62 338 903
Creditors and other credit balances	(18)	164 513 145	161 366 419
Due to related parties	(19)	126 272 117	136 011 779
Current income tax		35 392 119	33 915 216
Lease liabilities		8 929 370	4 749 391
<b>Total current liabilities</b>		<b>2 620 075 312</b>	<b>2 386 333 764</b>
<b>Total equity and liabilities</b>		<b>4 075 077 718</b>	<b>3 774 586 673</b>

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

**Chief Finance Officer**  
**AbdelMaguid Afifi**

**Chief Executive Officer**  
**Ashraf Sabry**

**Chairman**  
**Saifullah Coutry**

limited review report attached.

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed separate interim statement of profit or loss**  
**for the three months ended March 31, 2022**

	<b>Note No.</b>	<b>Three months ended</b>	
		<b>March 31, 2022</b>	<b>March 31, 2021</b>
		<b>EGP</b>	<b>EGP</b>
Operating revenues	(22)	317 698 082	250 114 910
Operating costs	(23)	(137 504 560)	(113 883 157)
<b>Gross margin</b>		<b>180 193 522</b>	<b>136 231 753</b>
<b>Add (Less):</b>			
General and administrative expenses	(24)	(96 504 629)	(59 954 420)
Selling and marketing expenses	(25)	(85 441 949)	(57 947 212)
Employee Stock Ownership Plan expenses	(28)	(14 060 910)	--
Allowances for the Board of Directors		( 739 266)	( 392 067)
Health insurance contribution		( 901 016)	( 684 826)
Expected credit losses		(2 140 387)	--
Provisions formed	(17)	( 900 000)	( 750 000)
Net gain from Incentives of spreading POS points of CBE Initiative		--	19 278 912
Fair value gain on investment measured at FVPL	(8)	139 250	--
Credit interest	(26)	39 444 842	27 136 717
Gain on sale of fixed assets		1 973 447	1 907 633
Other revenues		1 290 182	1 059 464
<b>Operating profit</b>		<b>22 353 086</b>	<b>65 885 954</b>
Finance cost		(12 773 821)	(5 304 155)
Dividends from investments in subsidiaries		29 730 859	--
Gain from the sale of subsidiaries shares		--	6 680 000
Foreign currency exchange		4 258 379	56 558
<b>Profit for the period before tax</b>		<b>43 568 503</b>	<b>67 318 357</b>
Current income tax		(4 932 559)	(13 617 189)
<b>Net profit for the period after tax</b>		<b>38 635 944</b>	<b>53 701 168</b>
<b>Earnings per share basic</b>	(27)	<b>0.02</b>	<b>0.06</b>
<b>Earnings per share diluted</b>	(27)	<b>0.02</b>	<b>0.06</b>

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

Chief Financial Officer  
AbdelMaguid Afifi

Chief Executive Officer  
Ashraf Sabry

Chairman  
Saifullah Coutry

*Translation of financial statement*

*Originally Issued in Arabic*

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed separate interim statement of comprehensive income**  
**for the three months ended March 31, 2022**

	<b><u>Three months ended</u></b>	
	<b><u>March 31, 2022</u></b>	<b><u>March 31, 2021</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
<b>Profit for the period</b>	<b>38 635 944</b>	<b>53 701 168</b>
Other comprehensive income	--	--
<b>Total other comprehensive income</b>	<b>--</b>	<b>--</b>
<b>Total comprehensive income</b>	<b>38 635 944</b>	<b>53 701 168</b>

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

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed separate interim statement of changes in equity**  
**for the three months ended March 31, 2022**

	Issued and paid up capital	Legal reserve	Reserve for employee stock ownership plan (ESOP)	Retained Earnings	Retained amount from retained earnings for capital increase	Shares issuance expenses reserve	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
<b>Balance as of January 1, 2021</b>	353 652 060	37 799 312	--	298 736 310	100 000 000	--	790 187 682
<b>Items of comprehensive income</b>							
Net profit for the period	--	--	--	53 701 168	--	--	53 701 168
<b>Total comprehensive income</b>				53 701 168	--	--	53 701 168
<b>Transactions with Company's owners</b>							
Capital increase from retained earnings	--	9 329 730	--	(9 329 730)	(100 000 000)	--	--
Transferred to retained earnings and legal reserve	100 000 000	9 329 730	--	(9 329 730)	(100 000 000)	--	--
<b>Total transactions with the Company's owners</b>	100 000 000	9 329 730	--	(9 329 730)	(100 000 000)	--	--
<b>Balance as of March 31, 2021</b>	453 652 060	47 129 042	--	343 107 748	--	--	843 888 850
<b>Balance as of January 1, 2022</b>	853 652 060	47 129 042	52 398 017	387 664 366	--	(2 835 763)	1 338 007 722
<b>Items of comprehensive income</b>							
Net profit for the period	--	--	--	38 635 944	--	--	38 635 944
<b>Total comprehensive income for the period</b>	--	--	--	38 635 944	--	--	38 635 944
<b>Transactions with Company's owners</b>							
Transferred to retained earnings and legal reserve	--	6 020 981	--	(6 020 981)	--	--	--
Transferred to retained earnings from share issuance expense reserve	--	--	--	(2 835 763)	--	2 835 763	--
Reserve for employee stock ownership plan (ESOP)	--	--	19 114 484	--	--	--	19 114 484
<b>Total transactions with the Company's owners</b>	--	6 020 981	19 114 484	(8 856 744)	--	2 835 763	19 114 484
<b>Balance as of March 31, 2022</b>	853 652 060	53 150 023	71 512 501	417 443 566	--	--	1 395 758 150

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

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

## Condensed separate interim statement of cash flows

for the three months ended March 31, 2022

	Note	Three months ended	
		March 31, 2022 EGP	March 31, 2021 EGP
<b>Cash flows from operating activities:</b>			
Net profit for the period before tax		43 568 503	67 318 357
<b>Adjusted by:</b>			
Depreciation and amortization		44 890 767	26 355 081
Provisions formed	(17)	900 000	750 000
Unrealized foreign currency exchange (gain)		(4 258 379)	( 56 558)
Net gain from Incentives of spreading POS points of CBE initiative		--	(19 278 912)
Dividends from Investments in subsidiaries		(27 294 613)	--
Employee Stock Ownership Plan expenses	(28)	14 060 910	--
Expected credit loss		2 140 387	--
Fair value gain on Investment measured at FVPL	(8)	( 139 250)	--
Credit interest	(26)	(39 444 842)	(27 136 717)
(Gain) from the sale of subsidiaries shares		--	(6 680 000)
(Gain) on sale of fixed assets		(1 973 447)	--
Finance Cost		12 773 821	5 304 155
<b>Operating profit before changes in working capital</b>		<b>45 223 857</b>	<b>46 575 406</b>
<b>Changes in working capital</b>			
Decrease In inventories		759	--
(Increase) / Decrease In advances to billers		(52 580 507)	134 517 839
(Increase) In debtors and other debit balances		(32 000 069)	(16 769 658)
(Increase) In accounts and notes receivable		(23 140 558)	(14 041 396)
Decrease / (Increase) in due from related parties		23 910 586	(11 771 152)
(Decrease) in accounts and notes payable		(8 396 118)	(12 877 385)
Increase in billers payable		179 224 322	56 940 991
(Decrease) / Increase in due to related parties		(9 739 662)	19 403 686
Increase / (Decrease) in advances to merchant advances		69 316 736	(33 520 526)
Increase in retail deposits		6 607 135	6 262 604
Increase In creditors and other credit balances		3 146 726	15 929 344
(Increase) in loans to related parties		(63 771 581)	--
Income tax paid		(6 420 952)	--
Proceed from credit interest		39 444 842	27 136 717
Proceeds from POS's machines under CBE initiative		--	19 278 912
<b>Net cash generated from operating activities</b>		<b>170 825 516</b>	<b>237 065 382</b>
<b>Cash flows from investing activities</b>			
(Payments) to acquire fixed assets		(52 796 157)	(12 997 071)
(Payments) for projects under construction		(8 043 658)	(1 284 635)
(Payments) to acquire Intangible assets		(42 777 315)	(9 970 661)
Proceeds from the sale of fixed assets		5 493 319	53 155 307
Payments in investments at fair value through profit or loss statement		(12 500 000)	--
(Payments) to Increase investments in associates and joint venture companies		(3 240 000)	(34 053 000)
Net movement of treasury bills - more than three months		2 326 771	(228 449 160)
(Payments) to acquire Investment in subsidiary		--	(34 077 999)
Proceeds from sale of subsidiaries shares		--	6 674 157
<b>Net cash (used in) investing activities</b>		<b>(111 537 040)</b>	<b>(261 003 062)</b>
<b>Cash flows from financing activities</b>			
(Payments) from bank facilities		(12 967 147)	--
(Payments) of lease liabilities		(2 024 720)	--
(Payments) of finance expense		(11 447 075)	(5 304 155)
<b>Net cash (used in) financing activities</b>		<b>(26 438 942)</b>	<b>(5 304 155)</b>
Net change in cash and cash equivalents during the period		32 849 534	(29 241 835)
Cash and cash equivalents at beginning of the period		1 073 389 272	616 985 307
Changing currency difference for cash and cash equivalent		4 258 379	56 558
<b>Cash and cash equivalents at end of the period</b>	(14)	<b>1 110 497 185</b>	<b>587 800 030</b>

**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 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 Three months ended March 31, 2022

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**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 was re-registered at the commercial register of the 6<sup>th</sup> of October under No. 1333 in 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 interim condensed separate financial statements authorized for issuance at the Board of Directors meeting held on June 15, 2022.

**2. Statement of compliance**

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

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

The condensed separate interim financial statements have been prepared using the same accounting policies which have been applied in the prior year. This condensed separate interim financial statements should be read in conjunction with the annual separate financial statements for the year ended December 31, 2021.



Fawry for Banking and Payment Technology Services S.A.E.  
Notes to the condensed separate interim financial statements  
For the three months ended March 31, 2022

4- Fixed assets (cont)

	Land		Buildings		Networks and Servers		Point-of- sale machines		Computers		Furniture & Office equipment		Leasehold improvements on rental places		Vehicles		Right of use branches and premises		Total		
	EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		EGP		
<b>Cost</b>																					
As of January 1, 2021	25 970 500		41 129 500		58 870 300		274 933 548		52 997 081		9 774 778		16 956 649		149 300		--				480 781 737
Additions during the period	26 520 000		70 230 000		49 803 111		158 654 784		9 789 760		695 863		20 665 349		--		44 805 093				381 163 960
Disposals	--		--		--		(69 955 499)		--		--		--		--		--				(69 955 499)
As of December 31, 2021	52 490 500		111 359 500		108 673 491		363 632 834		62 786 841		10 470 641		37 621 998		149 300		44 805 093				791 990 198
As of January 1, 2022	52 490 500		111 359 500		108 673 491		363 632 834		62 786 841		10 470 641		37 621 998		149 300		44 805 093				791 990 198
Additions during the period	--		--		17 739 103		34 109 090		2 638 181		1 878 344		1 142 445		--		13 678 682				71 185 825
Disposals	--		--		--		(5 262 155)		--		--		--		--		--				(5 262 155)
As of March 31, 2022	52 490 500		111 359 500		126 412 594		392 479 769		65 425 002		12 348 985		38 764 443		149 300		58 483 775				857 913 868
<b>Accumulated depreciation</b>																					
As of January 1, 2021	--		4 198 638		43 620 064		137 546 784		26 906 892		7 050 123		9 313 727		149 298		--				228 785 526
Depreciation for the period	--		1 467 175		26 937 265		54 013 427		4 677 934		1 322 442		4 130 083		--		5 171 983				97 720 309
Depreciation of disposals	--		--		--		(10 662 383)		--		--		--		--		--				(10 662 383)
As of December 31, 2021	--		5 665 813		70 557 329		180 897 828		31 584 826		8 372 565		13 443 810		149 298		5 171 983				315 843 452
As of January 1, 2022	--		5 665 813		70 557 329		180 897 828		31 584 826		8 372 565		13 443 810		149 298		5 171 983				315 843 452
Depreciation for the period	--		695 997		9 783 697		17 764 409		1 788 385		341 316		1 750 211		--		2 658 013				34 782 228
Depreciation of disposals	--		--		--		(1 742 283)		--		--		--		--		--				(1 742 283)
As of March 31, 2022	--		6 361 810		80 341 026		196 919 954		33 373 411		8 713 881		15 194 021		149 298		7 829 996				348 863 397
<b>Net book value</b>																					
As of January 1, 2021	25 970 500		104 937 690		46 071 568		195 559 815		31 051 591		3 635 104		23 570 423		2		50 653 779				569 050 471
As of December 31, 2021	25 970 500		105 693 687		38 116 162		182 735 006		31 202 015		2 086 076		24 178 188		2		39 633 110				476 146 745

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

Notes to the condensed separate interim financial statements

For the Three months ended March 31, 2022

**5. Intangible assets**

<u>Cost</u>	<u>Licenses</u>	<u>Programs</u>	<u>Total</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
<b>As of January 1, 2021</b>	<b>38 867 471</b>	<b>222 382 308</b>	<b>261 249 779</b>
Additions during the year	25 964 158	87 152 222	113 098 380
<b>As of December 31, 2021</b>	<b>64 831 629</b>	<b>309 534 530</b>	<b>374 366 159</b>
Additions during the period	4 424 673	38 352 642	42 777 315
<b>As of March 31, 2022</b>	<b>69 256 302</b>	<b>347 887 172</b>	<b>417 143 474</b>
<b><u>Accumulated amortization</u></b>			
<b>As of January 1, 2021</b>	<b>14 876 938</b>	<b>62 818 775</b>	<b>77 695 713</b>
Amortization for the year	3 429 106	26 522 612	29 951 718
<b>As of January 1, 2022</b>	<b>18 306 044</b>	<b>89 341 387</b>	<b>107 647 431</b>
Amortization for the period	1 319 324	8 789 215	10 108 539
<b>As of March 31, 2022</b>	<b>19 625 368</b>	<b>98 130 602</b>	<b>117 755 970</b>
<b><u>Net book value</u></b>			
<b>As of March 31, 2022</b>	<b>49 630 934</b>	<b>249 756 570</b>	<b>299 387 504</b>
<b>As of December 31, 2021</b>	<b>46 525 585</b>	<b>220 193 143</b>	<b>266 718 728</b>

**6. Projects Under Construction**

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

**7. Investments in associates and joint ventures**

<u>Description</u>	<u>Type of investment</u>	<u>Ownership %</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
			<u>EGP</u>	<u>EGP</u>
Bosta Co.	Associate	%9.05	12 423 230	12 423 230
Tazcara for information Technology Co.	Associate	%20	200 000	200 000
Roaderz Technologies Co.	Associate	%30	3 600 000	360 000
Waffarha.Com	Joint Venture	%30	2 250 000	2 250 000
			<b>18 473 230</b>	<b>15 233 230</b>

During the first quarter of 2022 the company Paid the remaining amount of the investment in Roaderz Technology Co. amounted of EGP 3.24 million.

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

Notes to the condensed separate interim financial statements

For the Three months ended March 31, 2022

**8. Investment at fair value through Profit or loss**

<u>Company Name</u>	<u>Number of Policies</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
		<u>EGP</u>	<u>EGP</u>
Fawry Misr Capital fund	12 500 000	12 500 000	--
Fair value gain on investment measured at FVPL		139 250	--
		<u>12 639 250</u>	<u>--</u>

During the first quarter of 2022 the company invested in Fawry Misr Capital fund.

**9. Loans to related parties**

<u>Description</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Fawry for microfinance	185 961 581	122 190 000
<b>Less:</b> Expected credit losses	(517 043)	(260 974)
	<u>185 444 538</u>	<u>121 929 026</u>

**10. Accounts and Notes receivables**

<u>Description</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Accounts receivables – Billers and banks	62 029 871	32 267 409
Notes receivable	9 500	1 631 404
<b>Less:</b> Expected credit losses	(2 993 658)	(1 298 570)
	<u>59 045 713</u>	<u>37 600 243</u>

The increase in accounts and notes receivables is due to the increase in the volume of transactions, which was reflected in the increase in revenue during the period, therefore the accounts and notes receivables increased by EGP 21.4 million.

**11. Debtors and other debit balances**

<u>Description</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Advance payments to suppliers	2 736 810	2 407 203
Accrued revenue	11 956 070	4 755 495
Accrued dividends distribution	27 294 613	--
Prepaid expenses	19 179 591	7 116 189
Deposits with others	1 374 552	1 346 052
Withholding tax	19 247 936	19 247 935
Other debit balances	21 038 122	7 500 448
Custodies	9 605 876	10 765 565
<b>Less:</b> Excepted credit losses	(34 799)	(26 727)
	<u>112 398 771</u>	<u>53 112 160</u>

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

Notes to the condensed separate interim financial statements

For the Three months ended March 31, 2022

**12. Due from related parties**

<b>Description</b>	<b>Account type</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
		<b>EGP</b>	<b>EGP</b>
Fawry for fast moving consumer goods	Current account	3 358 643	2 406 653
Fawry for Micro Finance	Current account	--	18 960 591
Wafarrha.com	Current account	220 211	220 211
Fawry Brokerage	Current account	1 910 549	2 760 244
Tazcra Information Technology and Electronic Booking	Current account	1 495 592	1 494 309
Fawry consumer finance	Current account	125 000	125 000
<b>Less: Excepted credit losses</b>		(19 768)	(60 267)
		<b>7 090 227</b>	<b>25 906 741</b>

**13. Treasury Bills**

	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>EGP</b>	<b>EGP</b>
Treasury bills due after (91) days	1 016 897 605	1 022 985 555
<b>Add:</b>		
Accrued interest - More than three months	78 237 979	74 476 798
<b>Less:</b>		
Expected credit losses	(1 208 127)	(1 006 955)
	<b>1 093 927 457</b>	<b>1 096 455 398</b>

**14. Cash and bank balances**

<b>Description</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>EGP</b>	<b>EGP</b>
Cash (*)	318 624 241	--
Current accounts at banks – local currency	139 603 828	243 380 392
E-Acceptance (transactions under settlement)	175 875 081	128 704 285
Cash collection agencies	441 380 786	583 161 259
Current accounts at banks – foreign currency	17 573 027	7 233 158
Time deposits – local currency	--	95 036 110
Time deposits – foreign currency	17 614 702	15 155 942
<b>Less: Expected credit loss</b>	(174 480)	(181 874)
<b>Cash and cash at banks</b>	<b>1 110 497 185</b>	<b>1 073 389 272</b>

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

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

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For the Three months ended March 31, 2022

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

	<b><u>March 31, 2022</u></b>	<b><u>March 31, 2021</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Cash and bank balances	1 110 497 185	587 475 708
Treasury bills – less than 3 months	--	--
	<b><u>1 110 497 185</u></b>	<b><u>587 475 708</u></b>

**15. 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 100 million Egyptian pounds 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 400 million Egyptian pounds by cash increase in nominal value through underwriting to the old shareholders and was registered by this increase in the commercial register on 20 June 2021 to become the issued and paid-up capital of EGP 853 652 060 distributed on 1 707 304 120 shares with a par value of EGP 0.50.

On March 3, 2022, the 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.

**16. Banks facilities**

The decrease in bank facilities amounted by EGP 12.9 Million is due to the decrease in the utilized facilities in the first quarter.

**17. Provisions**

	<b><u>Balance as of</u></b> <b><u>January 1, 2022</u></b>	<b><u>Formed during the</u></b> <b><u>period</u></b>	<b><u>Balance as of</u></b> <b><u>March 31, 2022</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Provision for claims	32 130 642	900 000	33 030 642
	<b><u>32 130 642</u></b>	<b><u>900 000</u></b>	<b><u>33 030 642</u></b>

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

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For the Three months ended March 31, 2022

**18. Creditors and other credit balances**

<b>Description</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
	<b>EGP</b>	<b>EGP</b>
Accrued expenses	49 345 503	33 737 380
Accrued commissions	52 667 175	50 604 607
Tax Authority	35 728 656	50 867 801
Unearned revenue	2 769 246	1 756 320
Health insurance contributions	4 134 203	3 233 187
Transactions under settlement	6 781 620	6 096 583
Other credit balances	13 086 742	15 070 541
	<b>164 513 145</b>	<b>161 366 419</b>

**19. Due to related parties**

	<b>Nature of relationship</b>	<b>Account type</b>	<b>March 31, 2022</b>	<b>December 31, 2021</b>
			<b>EGP</b>	<b>EGP</b>
Fawry for Integrated Systems	Subsidiary	Current account	40 299 040	56 137 454
Fawry Dahab for Electronic Services	Subsidiary	Current account	82 487 812	79 555 835
Fawry Plus for banking services	Subsidiary	Current account	3 485 265	318 490
			<b>126 272 117</b>	<b>136 011 779</b>

**20. Contingent liabilities**

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

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

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.

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

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### **21. Significant related parties' transactions**

Significant related party transactions during the period as follow:

	<b><u>Nature of the Transaction</u></b>	<b><u>Volume of transactions during the period</u></b> <b><u>EGP</u></b>
Fawry Dahab for Electronic Services	Revenue collection on behalf of related party	(116 643 822)
	Electronic Payment services cost on behalf of related party	64 154 041
	Electronic Payment services revenue	(20 121 040)
	Dividends Revenue	(29 730 859)
Fawry Integrated Services	Program acquisition from related party	(25 795 266)
	POS machine acquisition	(34 109 090)
Fawry for Micro Finance	Loans to related parties	(185 700 607)
	Credit interest from related party	(2 774 731)
Fawry Plus for Banking Services	Revenue collection on behalf of related party	(20 820 867)
Fawry for fast moving consumer goods	Electronic payment service revenue	(7 008 611)

### **22. Operating revenues**

	<b><u>March 31, 2022</u></b>	<b><u>March 31, 2021</u></b>
	<b><u>EGP</u></b>	<b><u>EGP</u></b>
Transactions services revenues – collection fees	293 468 725	232 115 191
Subscription revenues	24 229 357	17 999 719
	<b><u>317 698 082</u></b>	<b><u>250 114 910</u></b>

### **23. Operating costs**

The increase in operating costs mainly due to the increase in depreciation and amortization by amount of EGP 7.2 million, the increase of company's branches cost by an amount of EGP 6.2 million.

### **24. 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 19.4 million, In addition to the increase in subscriptions, technical support and services Centers with an amount of EGP 2.4 million, and increase in depreciation and amortization expenses by an amount of EGP 11.1 million.

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

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### 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 16.5 million, the increase in selling and marketing commission by an amount of EGP 5.4 million. In addition to the increase of marketing and advertising expenses by an amount of EGP 5.9 million during the period.

### 26. Credit Interest

	<u>March 31, 2022</u>	<u>March 31, 2021</u>
	<u>EGP</u>	<u>EGP</u>
Credit interest - current accounts and time deposits	803 831	780 995
Credit interest – treasury bills	35 866 280	21 195 304
Credit interest – loans to related parties	2 774 731	5 160 418
	<u><b>39 444 842</b></u>	<u><b>27 136 717</b></u>

### 27. Earnings per share

Earning per share is calculated by dividing net profit by the weighted average of existing shares during the period.

	<u>March 31, 2022</u>		<u>March 31, 2021</u>	
	<u>EGP</u>		<u>EGP</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit of the period	38 635 944	38 635 944	53 701 168	53 701 168
Average number of shares	1 707 304 120	1 716 544 400	907 304 120	907 304 120
	<u><b>0.02</b></u>	<u><b>0.02</b></u>	<u><b>0.06</b></u>	<u><b>0.06</b></u>

### 28. Share-based payments

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 14 million compared to nil at prior period as the plan started on May 10, 2021.



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

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For the Three months ended March 31, 2022

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### **29. Tax Position**

The Company's profit is subject to tax in accordance with the income tax law no. 91 for year 2005, its executive regulations and 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 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.

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

Notes to the condensed separate interim financial statements

For the Three months ended March 31, 2022

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### **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.

#### **Year 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.

### **30. 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.

### **31. Significant events during the period**

- 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 analysing market developments in this highly volatile situation. However, the company's management considers that there is currently no indication of disruption to the company's business or failure to meet the company'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%.
- On May 26, 2022, the AGM decided to distribute an amount of EGP 19.3 million to the company's employees.

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

Notes to the condensed separate interim financial statements

For the Three months ended March 31, 2022

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### **32. Subsequent events after the interim financial statements date**

- 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 AGM decided to distribute an amount of EGP 19.3 million to the company's employees.
- During May 2022 the company granted 51.8 million shares regarding ESOP Program.