

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

**Condensed Separate Interim Financial Statements**

**For the three months ended March 31, 2023**

**Together with Limited Review Report**



Saleh, Barsoum & Abdel Aziz

Grant Thornton

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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 March 31, 2023, 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.



Saleh, Barsoum & Abdel Aziz

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**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly in all material respects the separate financial position of the entity as of March 31, 2023, 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 – May 17, 2023.

Kamel Magdy Saleh, FCA  
FRA Register No. "69"  
F.E.S.A.A. (R.A.A. 8510)



Translation of financial statement

Originally Issued in Arabic

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed separate interim statement of financial position**  
**as of March 31, 2023**

	Note No.	March 31, 2023	December 31, 2022
		EGP	EGP
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	(4)	695 683 824	671 626 871
Intangible assets	(5)	451 152 942	372 162 129
Projects under construction	(6)	6 363 436	35 615 802
Investments in subsidiaries	(7)	284 012 632	216 514 882
Investments in associates and joint venture		21 414 659	21 414 659
Investments at fair value through OCI		38 505 101	38 505 101
Deferred tax asset		32 603 326	27 784 162
Loans to related parties	(8)	101 931 376	193 416 296
<b>Total non-current assets</b>		<b>1 631 667 296</b>	<b>1 577 039 902</b>
<b>Current assets</b>			
Inventory		3 198 362	3 198 362
Accounts and notes receivable	(9)	22 065 446	8 164 899
Debtors and other debit balances	(10)	153 439 577	140 971 946
Advances to billers		525 317 621	498 083 700
Due from related parties	(11)	179 002 453	11 601 893
Investments at fair value through P&L		13 705 625	13 318 250
Treasury bills	(12)	1 771 708 215	1 392 557 695
Cash and cash at banks	(13)	1 754 506 869	2 125 353 270
<b>Total current assets</b>		<b>4 422 944 168</b>	<b>4 193 250 015</b>
<b>Total assets</b>		<b>6 054 611 464</b>	<b>5 770 289 917</b>
<b>Equity</b>			
Issued and paid-up capital	(14)	1 653 652 060	1 653 652 060
Legal reserve		62 039 050	53 150 023
Reserve for employee stock ownership plan (ESOP)		181 881 789	151 513 185
Shares issuance expenses reserve		-	(5 818 102)
Revaluation reserve for Investments at fair value through OCI		(13 795 000)	(13 795 000)
Retained Earnings		662 712 278	537 325 900
<b>Total equity</b>		<b>2 546 490 177</b>	<b>2 376 028 066</b>
<b>Non-Current liabilities</b>			
Deferred tax liabilities		14 855 829	16 960 418
Lease Liabilities		79 849 030	68 803 312
<b>Total non current liabilities</b>		<b>94 704 859</b>	<b>85 763 730</b>
<b>Current liabilities</b>			
Bank credit facilities	(15)	133 428 538	149 542 191
Provisions	(16)	23 479 547	40 634 057
Accounts and notes payable	(17)	34 375 780	61 708 170
Accounts payable - Billers	(18)	2 021 729 012	1 872 568 587
Merchant advances		646 881 381	628 954 407
Retailers' POS security deposits		86 479 336	76 121 037
Creditors and other credit balances	(19)	282 018 190	270 243 189
Due to a related parties	(20)	113 817 683	165 283 478
Current income tax		57 553 852	32 397 288
Lease Liabilities		13 653 109	11 045 717
<b>Total current liabilities</b>		<b>3 413 416 428</b>	<b>3 308 498 121</b>
<b>Total equity and liabilities</b>		<b>6 054 611 464</b>	<b>5 770 289 917</b>

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

Chief Finance Officer

Chief Executive Officer

Chairman

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, 2023

	-	Note No.	three months ended	
			March 31, 2023	March 31, 2022
			EGP	EGP
Operating revenues		(24)	459 751 367	317 698 082
Operating costs		(25)	(163 564 498)	(137 504 560)
<b>Gross margin</b>			<b>296 186 869</b>	<b>180 193 522</b>
General and administrative expenses		(26)	(120 485 901)	(96 504 629)
Selling and marketing expenses		(27)	(105 793 415)	(85 441 949)
Employee stock ownership plan expenses (ESOP)			(21 418 507)	(14 060 910)
Allowances for the Board of Directors			(1 510 000)	( 739 266)
Health insurance contribution			(1 444 734)	( 901 016)
Expected credit loss			( 500 958)	(2 140 387)
Finance costs			(6 921 201)	(12 773 821)
Formed provisions			(1 700 000)	( 900 000)
Gains from revaluation of investments at fair value through P&L			387 375	139 250
Credit interest		(22)	88 033 728	39 444 842
Gain on sale of fixed assets			2 225 539	1 973 447
Other revenues			1 701 258	1 290 182
Foreign currency exchange			11 111 238	4 258 379
<b>Operating profit</b>			<b>139 871 291</b>	<b>13 837 644</b>
Dividends from investments in subsidiaries			36 646 749	29 730 859
<b>Net Profit for the period before tax</b>			<b>176 518 040</b>	<b>43 568 503</b>
Current income tax			(43 546 626)	(8 096 264)
Deferred tax			7 122 093	3 163 705
<b>Net profit for the period after tax</b>			<b>140 093 507</b>	<b>38 635 944</b>
<b>Earnings per share for the period - Basic</b>		(28)	<b>0.04</b>	<b>0.02</b>
<b>Earnings per share for the period- Diluted</b>		(28)	<b>0.04</b>	<b>0.02</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 comprehensive income**  
**for the three months ended March 31, 2023**

	<u>Three months ended</u>	
	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	<u>EGP</u>	<u>EGP</u>
<b>Net Profit for the period</b>	<b>140 093 507</b>	<b>38 635 944</b>
Other comprehensive income	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>140 093 507</b>	<b>38 635 944</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, 2023**

	Issued and paid up capital	Legal reserve	Reserve for employee stock ownership plan (ESOP)	Shares issuance expenses reserve	Revaluation reserve for investments at fair value through OCI statement	Retained Earnings	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of January 1, 2022	853 652 060	47 129 042	52 398 017	(2 835 763)		387 664 366	1338 007 722
<b>Items of comprehensive income</b>							
Net profit for the period	--	--	--	--	--	--	--
Total comprehensive income	--	--	--	--	--	--	--
<b>Transactions with Company's owners</b>							
Transferred to 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
Total transactions with the Company's owners	--	6 020 981	19 114 484	2 835 763	--	(8 856 744)	19 114 484
Balance as of March 31, 2022	853 652 060	53 150 023	71 512 501	--	--	417 443 566	1 395 758 150
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
<b>Items of comprehensive income</b>							
Net profit for the period	--	--	--	--	--	--	--
Total comprehensive income for the period	--	--	--	--	--	--	--
<b>Transactions with Company's owners</b>							
Transferred to legal reserve	--	8 889 027	--	--	--	(8 889 027)	--
Transferred to retained earnings from share issuance expense reserve	--	--	--	5 818 102	--	(5 818 102)	--
Reserve for employee stock ownership plan (ESOP)	--	--	30 368 604	--	--	--	30 368 604
Total transactions with the Company's owners	--	8 889 027	30 368 604	5 818 102	--	(14 707 129)	30 368 604
Balance as of March 31, 2023	1 653 652 060	62 039 050	181 881 789	--	(13 795 000)	662 712 278	2 546 490 177

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, 2023

	Note	Three months ended	
		March 31, 2023	March 31, 2022
		EGP	EGP
<b>Cash flows from operating activities:</b>			
Net profit for the period before tax		176 518 040	43 568 503
<b>Adjusted by:</b>			
Depreciation and amortization for the period		56 308 524	44 890 767
Provisions formed		1 700 000	900 000
Unrealized foreign currency exchange		(11 111 238)	(4 258 379)
Dividends from investments in subsidiaries		(36 646 749)	(27 294 613)
Employee Stock Ownership Plan expenses		21 418 507	14 060 910
Expected credit losses		500 958	2 140 387
Fair value gain on investment measured at FVTPL		( 387 375)	( 139 250)
Credit interest		(88 033 728)	(39 444 842)
(Gain) on sale of fixed assets		(2 225 539)	(1 973 447)
Finance Cost		6 921 201	12 773 821
<b>Operating profit before changes in working capital</b>		<b>124 962 601</b>	<b>45 223 857</b>
<b>Changes in working capital</b>			
(Increase) / Decrease in inventories		--	759
(Increase) / Decrease in advances to billers		(27 369 618)	(52 580 507)
(Increase) / Decrease in debtors and other debit balances		(12 397 438)	(32 000 069)
(Increase) in accounts and notes receivable		(14 405 205)	(23 140 558)
Decrease / (Increase) in due from related parties		(158 520 201)	23 910 586
(Decrease) in accounts and notes payable		(27 332 390)	(8 396 118)
Increase in billers payable		149 160 425	179 224 322
(Decrease) / Increase in due to related parties		(51 465 795)	(9 739 662)
Increase in advances to merchant advances		17 926 974	69 316 736
Increase in retail deposits		10 358 299	6 607 135
Increase in creditors and other credit balances		11 775 001	3 146 726
(Increase) / Decrease in loans to related parties		91 670 301	(63 771 581)
Used from provisions		(18 854 510)	--
Income tax paid		(14 647 027)	(6 420 952)
Proceed from credit interest		31 222 997	39 444 842
<b>Net cash generated from operating activities</b>		<b>112 084 414</b>	<b>170 825 516</b>
<b>Cash flows from investing activities</b>			
(Payments) to acquire fixed assets		(53 464 539)	(52 796 157)
(Payments) for projects under construction		(10 383 890)	(8 043 658)
(Payments) to acquire intangible assets		(53 810 092)	(42 777 315)
Proceeds from the sale of fixed assets		4 891 796	5 493 319
(Payments) in investments at fair value through profit or loss.		--	(12 500 000)
Proceeds from Dividends from investments in subsidiaries		33 102 074	--
(Payments) to increase investments in associates and subsidiaries companies		(67 497 750)	(3 240 000)
Net movement of treasury bills - more than three months		(350 821 500)	2 326 771
<b>Net cash (used in) investing activities</b>		<b>(497 983 902)</b>	<b>(111 537 040)</b>
<b>Cash flows from financing activities</b>			
(Payments to)\Proceeds from bank facilities		(16 113 653)	(12 967 147)
(Payments) of lease liabilities		(4 183 506)	(2 024 720)
(Payments) of finance expense		(4 196 244)	(11 447 075)
<b>Net cash generated from financing activities</b>		<b>(24 493 403)</b>	<b>(26 438 942)</b>
Net change in cash and cash equivalents during the period		(410 392 891)	32 849 534
Cash and cash equivalents at beginning of the period		2 686 868 874	1073 389 272
currency exchange difference for cash and cash equivalent		11 111 238	4 258 379
<b>Cash and cash equivalents at end of the period</b>	(13)	<b>2 287 587 221</b>	<b>1 110 497 185</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.**

Originally Issued in Arabic

Notes to the condensed separate interim financial statements

For the three months ended March 31, 2023

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**1. General information**

Fawry for Banking Technology and Electronic Payments S.A.E. was established in accordance with the provisions of Law No. 159 of 1981 and its executive regulation and was registered at the Commercial Register under No. 33258 on June 26, 2008, the commercial register 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 information technology 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 May 17, 2023.

**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. These condensed separate interim financial statements should be read in conjunction with the annual separate financial statements for the year ended December 31, 2022.

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, 2023

4- Fixed assets (net)

EGP COE1	Land EGP	Buildings EGP	Networks and servers EGP	Point of sale machines EGP	Computers EGP	Furniture & office equipments EGP	Leasehold improvements on rental places EGP	Vehicles EGP	Tools and equipments super fawry EGP	Right of use, branches and premises EGP	Total EGP								
												As of January 1, 2022	Additions during the year	Disposals	As of December 31, 2022	As of January 1, 2023	Additions during the period	Disposals	As of March 31, 2023
	52,490,500	111,359,500	108,673,491	363,632,834	62,786,841	9,828,875	37,621,998	149,300	641,766	44,885,093	791,990,108								
	-	22,690,855	37,969,777	189,845,189	9,138,537	13,719,869	30,834,845	-	-	49,023,577	351,832,649								
	-	-	-	(27,281,745)	-	-	-	-	-	(2,823,145)	(30,104,890)								
	52,490,500	134,050,355	146,263,268	526,196,278	71,915,378	22,548,744	68,456,843	149,300	641,766	91,005,525	1,113,717,957								
	52,490,500	134,050,355	146,263,268	526,196,278	71,915,378	22,548,744	68,456,843	149,300	641,766	91,005,525	1,113,717,957								
	-	-	13,024,862	33,998,704	6,475,246	17,684	1,473,400	-	-	15,111,659	70,101,555								
	-	-	-	(7,240,374)	-	-	-	-	-	-	(7,240,374)								
	52,490,500	134,050,355	159,288,130	552,954,608	78,390,624	22,566,428	69,929,243	149,300	641,766	106,117,184	1,176,579,138								
	-	5,665,813	70,557,329	180,897,828	31,564,826	7,730,826	13,443,810	149,298	641,739	5,171,983	316,843,162								
	-	3,064,656	27,282,952	79,267,573	8,963,686	2,097,235	8,423,053	-	-	13,954,205	143,033,168								
	-	-	-	(15,778,534)	-	-	-	-	-	(1,027,022)	(16,805,720)								
	-	8,730,469	97,840,281	244,386,867	40,548,512	9,828,061	21,866,863	149,298	641,739	18,098,596	448,091,086								
	-	8,730,469	97,840,281	244,386,867	40,548,512	9,828,061	21,866,863	149,298	641,739	18,098,596	448,091,086								
	-	8,377,815	8,025,993	24,826,988	2,447,379	920,668	2,882,357	-	-	3,437,145	43,378,345								
	-	-	-	(4,574,117)	-	-	-	-	-	-	(4,574,117)								
	-	9,568,284	105,866,274	264,639,738	42,995,891	10,748,729	24,749,220	149,298	641,739	21,536,141	480,895,314								
	-	9,568,284	105,866,274	264,639,738	42,995,891	10,748,729	24,749,220	149,298	641,739	21,536,141	480,895,314								
	52,490,500	124,482,071	53,421,856	288,314,870	35,394,733	11,817,699	45,181,024	2	27	84,888,043	695,683,823								
	52,490,500	125,319,886	48,423,987	281,809,411	31,366,866	12,720,683	46,589,580	2	27	72,906,529	671,626,871								

**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, 2023

**5. Intangible assets**

<u>EGP</u>	<u>Licenses</u>	<u>Programs</u>	<u>Total</u>
<b><u>Cost</u></b>			
<b>As of January 1, 2022</b>	<b>64 831 629</b>	<b>309 534 530</b>	<b>374 366 159</b>
Additions during the year	18 654 272	130 203 331	148 857 603
<b>As of December 31, 2022</b>	<b>83 485 901</b>	<b>439 737 861</b>	<b>523 223 762</b>
Additions during the period	13 402 585	78 518 407	91 920 992
<b>As of March 31, 2023</b>	<b>96 888 486</b>	<b>518 256 268</b>	<b>615 144 754</b>
<b><u>Accumulated amortization</u></b>			
<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 year	5 445 242	37 968 960	43 414 202
<b>As of December 31, 2022</b>	<b>23 751 286</b>	<b>127 310 347</b>	<b>151 061 633</b>
Amortization for the period	1 652 979	11 277 200	12 930 179
<b>As of March 31, 2023</b>	<b>25 404 265</b>	<b>138 587 547</b>	<b>163 991 812</b>
<b><u>Net book value</u></b>			
<b>As of March 31, 2023</b>	<b>71 484 221</b>	<b>379 668 721</b>	<b>451 152 942</b>
<b>As of December 31, 2022</b>	<b>59 734 615</b>	<b>312 427 514</b>	<b>372 162 129</b>

**6. Projects Under Construction**

The decrease in Projects under construction is mainly due to transfers to fixed and intangible assets by amount of EGP 39.6 million taking in consideration additions related to furniture with EGP 3 million.

**7. Investments in subsidiaries**

The increase in investments in subsidiaries is mainly due to capital increase for Fawry for consumer finance with amount of EG 67 million.

**8. Loans to related parties.**

<u>EGP</u>		
Fawry for microfinance Co. – long term	102 207 465	193 877 766
<b>Less: Expected credit losses</b>	<b>(276 089)</b>	<b>(461 470)</b>
	<b>101 931 376</b>	<b>193 416 296</b>

**9. Accounts and Notes receivables**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivables	24 417 315	9 688 843
Notes receivable	--	120 470
<b>Less: Expected credit losses</b>	<b>(2 351 869)</b>	<b>(1 644 414)</b>
	<b>22 065 446</b>	<b>8 164 899</b>

**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, 2023

**10. Debtors and other debit balances**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Advance payments to suppliers	6 338 458	2 656 473
Accrued revenue	80 158 814	80 440 917
Prepaid expenses	27 038 854	11 028 176
Deposits with others	1 374 298	1 390 298
Withholding tax	14 486 742	14 486 742
Other debit balances	20 595 959	17 349 241
Custodies	4 628 900	14 872 740
<b>Less: Excepted credit losses</b>	<b>(1 182 448)</b>	<b>(1 252 641)</b>
	<b>153 439 577</b>	<b>140 971 946</b>

**11. Due from related parties**

<u>EGP</u>	<u>Account type</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Fawry for Fast Moving Consumer Goods Co. (subsidiary)	Current account	8 974 976	7 783 338
Fawry Brokerage Co.(subsidiary)	Current account	1 009 523	512 624
Fawry integrated systems (Subsidiary)	Current account	166 281 761	--
Tazcra Information Technology and Electronic Booking (Associate)	Current account	1 500 240	1 500 240
Fawry gulf (subsidiary)	Current account	1 309 787	1 309 787
Dirac (Subsidiary)	Current account	--	500 000
<b>Less: Excepted credit losses</b>		<b>(73 834)</b>	<b>(4 096)</b>
		<b>179 002 453</b>	<b>11 601 893</b>

**12. Treasury Bills**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Treasury bills – less than three months	520 193 651	556 414 865
Treasury bills – more than three months	1 193 409 746	795 772 153
<b>Add:</b>		
Accrued interest - less than three months	16 108 376	6 375 924
Accrued interest - More than three months	56 810 731	44 317 433
<b>Less:</b>		
Accrued tax on accrued interest – less than three months	(3 221 675)	(1 275 185)
Accrued tax on accrued interest - More than three months	(11 362 147)	(8 863 487)
Expected credit losses	(230 467)	(184 008)
<b>Balance</b>	<b>1 771 708 215</b>	<b>1 392 557 695</b>
<b>Nominal value</b>	<b>1 889 100 000</b>	<b>1 468 475 000</b>

**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, 2023

**13. Cash and bank balances**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Cash (*)	419 326 621	--
Current accounts at banks – local currency	128 517 983	142 649 995
E-Acceptance (transactions under settlement)	412 879 680	371 326 942
Cash collection agencies	616 104 025	888 190 416
Current accounts at banks – foreign currency	6 941 806	4 289 142
Time deposits – local currency	110 128 493	670 712 520
Time deposits – foreign currency	61 067 084	48 845 881
<b>Less: Expected credit loss</b>	<b>(458 823)</b>	<b>(661 626)</b>
<b>Cash and cash at banks</b>	<b>1 754 506 869</b>	<b>2 125 353 270</b>

(\*) Cash balance is represented in cash with cash collection representatives "the company's employees" on March 31, 2023.

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

<u>EGP</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Cash and bank balances	1 754 506 869	1 110 497 185
Treasury bills – less than three months	533 080 352	--
	<b>2 287 587 221</b>	<b>1 110 497 185</b>

**14. 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 par value of EGP 0.50.

On March 3, 2022, the General Assembly meeting of the company decided to increase the authorized capital to be 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. And was registered by this increase in the commercial register on June 15, 2022, to become the issued and paid-up capital of EGP 1 653 652 060 distributed on 3 307 304 120 shares with a nominal value of EGP 0.5.

**15. Banks facilities**

The decrease in the account by EGP 16.1 million is due to the decrease in the amount used of the credit facilities during the first quarter.

**16. Provisions**

<u>EGP</u>	<u>Balance as of January 1, 2023</u>	<u>Formed during the period</u>	<u>Used during the period</u>	<u>Balance as of March 31, 2023</u>
Provision for claims	40 634 057	1 700 000	(18 854 510)	23 479 547
	<b>40 634 057</b>	<b>1 700 000</b>	<b>(18 854 510)</b>	<b>23 479 547</b>

**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, 2023

**17. Accounts and notes payable.**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	32 369 880	60 412 265
Notes Payable	2 005 900	1 295 905
	<u>34 375 780</u>	<u>61 708 170</u>

**18. Accounts payable – Billers**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Accounts payables – billers	1 601 729 012	1 592 568 587
Notes payables – billers	420 000 000	280 000 000
	<u>2 021 729 012</u>	<u>1 872 568 587</u>

**19. Creditors and other credit balances**

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Accrued expenses	74 632 274	48 112 495
Accrued commissions	42 528 479	43 968 942
Tax Authority	93 500 264	124 762 607
Unearned revenue	8 263 203	3 006 165
Health insurance contributions	5 749 387	4 304 652
Transactions under settlement	18 638 469	6 680 018
Other credit balances	38 706 114	39 408 310
	<u>282 018 190</u>	<u>270 243 189</u>

**20. Due to related parties**

<u>EGP</u>	<u>Nature of relationship</u>	<u>Account type</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Fawry for Integrated Systems Co.	Subsidiary	Current account	--	44 614 021
Fawry Dahab for Electronic Services	Subsidiary	Current account	40 848 966	118 036 447
Fawry Plus for banking services	Subsidiary	Current account	7 970 720	2 619 186
Fawry for consumer finance	Subsidiary	Current account	64 997 997	13 824
			<u>113 817 683</u>	<u>165 283 478</u>

**21. Contingent liabilities**

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

<u>EGP</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
Letters of guarantee – local currency	1 236 500 000	1 236 500 000
	<u>1 236 500 000</u>	<u>1 236 500 000</u>

- the utilized amounts from the bank's facilities amounted to EGP 873 million as issued letters of guarantee on the date of financial statements.

**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, 2023

**22. Credit Interest**

<b>EGP</b>	<b>March 31, 2023</b>	<b>March 31, 2022</b>
Credit interest - current accounts and time deposits	6 740 038	803 831
Credit interest – treasury bills	74 226 937	35 866 280
Credit interest – loans to related party	7 066 753	2 774 731
	<b>88 033 728</b>	<b>39 444 842</b>

**23. Significant related parties' transactions**

Significant related party transactions during the period as follow:

<b>EGP</b>	<b>Nature of the Transaction</b>	<b>Volume of transactions during the period</b>
Fawry Dahab for Electronic Services Co.	Payment services cost on behalf of related party	(80 919 495)
	Electronic Payment services revenue	35 310 325
	Dividends Revenue	36 646 749
Fawry Integrated systems Co.	Program acquisition from related party	(38 440 018)
	POS machine acquisition	(33 998 704)
Fawry for Micro Finance Co.	Loans to related parties.	(102 207 465)
	Credit interest from related party	7 066 753
Fawry Plus for Banking Services Co.	Revenue collection on behalf of related party	(21 193 094)
	Electronic payments revenue	255 170
	Branch management cost	(2 500 000)
Fawry for Fast Moving Consumer Goods Co.	Service revenue	11 057 005
	Transactions on Fawry network revenue	111 383
Fawry Consumer Finance	Capital Increase	67 500 000

**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, 2023

**24. Operating revenues**

<u>EGP</u>	<u>March 31, 2023</u>	<u>March 31, 2022</u>
Transaction's services revenues – collection fees	397 610 577	293 468 725
Other revenue	62 140 790	24 229 357
	<u>459 751 367</u>	<u>317 698 082</u>

**25. Operating costs**

The increase in operating costs mainly due to the increase of depreciation and amortization by an amount of EGP 6 million, in addition to the cash collection elevated expenses by an amount of EGP 4 million and eventually the increase in the expenses of company's stores by an amount of EGP 9.5 million during the period.

**26. General and administrative expenses**

The increase in the general and administrative expenses due to the increase of salaries and wages by an amount of EGP 12 million, depreciation, and amortization by an amount of EGP 6 million, in addition to the increase of subscription, technical support, communication, and the service premises by an amount of EGP 6.7 million during the period plus an increase in the premise and insurance expenses by an amount of EGP 1.2 million.

**27. Selling and Marketing expenses**

The main reason for the increase in selling and marketing expenses is the increase of the salaries by an amount of EGP 11.1 million, In addition to the increase of marketing and advertising expenses by an amount of EGP 9.2 million during the period.

**28. Earnings per share**

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

	<u>March 31, 2023</u>		<u>March 31, 2022</u>	
	<u>EGP</u>		<u>EGP</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit of the period	140 093 507	140 093 507	38 635 944	38 635 944
Average number of shares	3 308 917 453	3 321 117 590	1 707 304 120	1 716 544 400
	<u>0.04</u>	<u>0.04</u>	<u>0.02</u>	<u>0.02</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, 2023

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### **29. 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 2017**

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

#### **The period from 2018 until 31 December 2022**

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### **Payroll tax**

#### **The period from inception until 31 December 2020**

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

#### **Financial year from 2021 till 31 December 2022**

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### **Stamp duty tax**

#### **The period from inception until 31 December 2020**

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

#### **The period from 2021 until 31 December 2022**

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### **Sales tax / VAT tax**

#### **The period from inception until 31 December 2019**

- The company's records have been tax inspected and the tax differences have been paid.

#### **Years 2020 - until 31 December 2022**

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

#### **Withholding tax**

- The Company submitted the tax forms and settled the accrued tax in the legal dates.

### **30. Legal Position**

During the third quarter of 2019, a company filed a lawsuit against Fawry for Banking Technology and Electronic Payments "the Company" and one of its subsidiaries 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 fore mentioned 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.

**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, 2023

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**31. Subsequent events after the period**

- The Board of Directors of the company, in its meeting held on March 6, 2023, approved dividends for the fiscal year ending on December 31, 2022, for employees in amount of EGP 28 445 656.
- On April 13, 2023, the General Assembly of Fawry for Banking Technology and Electronic Payments decided to increase the company's capital by EGP 49.6 million and increase the number of shares by 99.2 million shares to be allocated to employee stock ownership plan program (ESOP).