

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

**Condensed Consolidated Interim Financial Statements  
For the Nine months ended September 30, 2023  
Together with Limited Review Report**



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*Translation of Review  
Report Originally Issued in Arabic*

**Limited Review Report on the condensed Consolidated interim financial statements**

**To: The Board of Directors of Fawry for Banking Technology and Electronic Payments  
"S.A.E."**

**Introduction**

We have reviewed the accompanying condensed Consolidated interim financial statements of Fawry for Banking Technology and Electronic Payments S.A.E. which comprise the condensed Consolidated interim statement of financial position as of September 30, 2023, and the related condensed Consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months' period that ended, and other explanatory notes. 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 aspects the Consolidated financial position of the entity as of September 30, 2023, and of its Consolidated financial performance and its Consolidated cash flows for the nine months' period then ended in accordance with Egyptian Accounting Standard No. (30)" Interim financial statements".

Cairo – November 14, 2023.



Kamel Magdy Saleh FCA,  
FESAA (R.A.A. 8510)  
FRA Register No. "69"  
Saleh, Barsoum & Abdel Aziz – Grant Thornton

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed consolidated interim statement of financial position**  
**As of september 30, 2023**

	Note No.	September 30, 2023	December 31, 2022
		EGP	EGP
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	(4)	824 275 566	713 292 760
Intangible assets	(5)	553 969 777	378 162 349
Projects under construction	(6)	50 369 287	35 615 801
Goodwill		32 771 437	32 771 437
Deferred tax assets		60 694 238	38 823 508
Loans and facilities to customers - non current	(10)	160 286 382	173 742 513
Investments in associates and joint ventures	(7)	8 607 488	8 873 084
Investments at fair value through OCI		38 505 101	38 505 101
Investments at fair value through P&L	(8)	2 994 100	2 665 125
<b>Total non-current assets</b>		<b>1 732 473 376</b>	<b>1 422 451 678</b>
<b>Current assets</b>			
Inventories		14 941 865	3 198 362
Accounts and notes receivables	(9)	95 328 398	37 820 433
Loans and facilities to customers - Current	(10)	744 863 428	557 537 938
Advances to billers		655 515 226	498 083 700
Debtors and other debit balances	(11)	292 885 145	195 022 204
Due from related parties	(12)	1 463 771	1 499 172
Investments at fair value through P&L	(8)	24 990 686	13 318 250
Treasury Bills	(13)	2 067 020 331	1 482 137 081
Cash and cash at banks	(14)	3 709 607 778	2 212 689 088
<b>Total current assets</b>		<b>7 606 616 628</b>	<b>5 001 306 228</b>
<b>Total assets</b>		<b>9 339 090 004</b>	<b>6 423 757 906</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
issued and paid-up capital	(15)	1 703 261 622	1 653 652 060
Legal reserve		62 039 050	53 150 023
Employee stock ownership shares	(16)	(43 170 059)	--
Reserve for employee stock ownership plan		164 096 220	151 513 185
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		--	(5 818 102)
Revaluation reserve for Investments at fair value through OCI		(13 795 000)	(13 795 000)
Retained earnings		1 165 071 684	624 603 518
<b>Total equity for the owners of the Parent Company</b>		<b>3 051 861 630</b>	<b>2 477 663 797</b>
Non controlling interest		122 187 803	117 581 137
<b>Total equity</b>		<b>3 174 049 433</b>	<b>2 595 244 934</b>
<b>Non-Current liabilities</b>			
Deferred Tax Liability		23 662 928	21 270 610
Long term loans		50 563 737	24 916 596
Lease Liabilities		108 434 204	98 145 388
<b>Total non current liabilities</b>		<b>182 660 869</b>	<b>144 332 594</b>
<b>Current liabilities</b>			
Provisions	(17)	36 900 535	42 084 144
Banks credit facilities	(18)	379 128 827	249 367 926
Short term loans		322 060 999	254 400 230
Accounts and notes payable		76 868 275	66 885 070
Accounts and notes payable- billers		3 792 782 251	1 910 065 835
Merchants advances		699 714 419	627 873 978
Retailer's POS security deposits		100 763 694	76 121 037
Creditors and other credit balances	(19)	378 929 259	348 763 721
Lease Liabilities		32 222 956	27 973 117
Current income tax		163 008 487	80 645 320
<b>Total current liabilities</b>		<b>5 982 379 702</b>	<b>3 684 180 378</b>
<b>Total equity and liabilities</b>		<b>9 339 090 004</b>	<b>6 423 757 906</b>

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

  
**Chief Financial Officer**  
 Limited review report attached.

  
**Chief Executive Officer**

  
**Chairman**

**Fawry for Banking Technology and Electronic Payments S.A.E.****Condensed consolidated interim statement of Profit or Loss****For the nine-months period ended September 30, 2023**

EGP	Note.No.	Nine-months period ended		Three-months period ended	
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Operating revenues	(21)	2 317 325 282	1 628 010 209	873 155 173	613 717 926
<b>Deduct:</b>					
Operating costs	(22)	(868 230 224)	(665 124 466)	(316 454 475)	(237 731 491)
<b>Gross margin</b>		<b>1 449 095 058</b>	<b>962 885 743</b>	<b>556 700 698</b>	<b>375 986 435</b>
General and administrative expenses	(23)	(533 000 090)	(427 126 268)	(189 727 709)	(160 275 653)
Selling and marketing expenses	(24)	(350 157 781)	(285 634 012)	(127 791 173)	(102 886 423)
Employee stock ownership plan expenses (ESOP)	(25)	(81 913 107)	(71 884 253)	(24 075 138)	(31 007 700)
Board of Directors allowances		(5 764 400)	(3 209 064)	(1 729 400)	(1 506 954)
Social contribution for Health and Insurance		(8 336 529)	(5 582 077)	(3 184 826)	(2 334 461)
Provisions formed	(17)	(13 687 087)	(5 400 000)	(4 649 781)	(1 800 000)
Net impairment loss on customers' loans	(10)	(27 096 342)	(21 617 137)	(10 008 427)	(5 882 856)
Expected credit losses		(5 710 266)	(3 385 478)	(4 314 621)	2 651 106
Net gain from Investment at fair value through Profit or loss	(8)	2 001 411	620 750	998 111	234 375
Credit interest	(26)	315 715 417	141 124 380	121 375 144	61 977 469
Finance costs		(28 982 661)	(33 034 060)	(10 147 711)	(9 302 418)
Foreign currency exchange gain		11 866 965	6 467 341	48 680	1 003 757
Gain on sale of fixed assets		15 268 763	3 517 302	4 204 059	537 464
Other revenues		4 984 284	2 620 515	2 150 087	1 524 413
<b>Operating profit</b>		<b>744 283 635</b>	<b>260 363 682</b>	<b>309 847 993</b>	<b>128 918 554</b>
Net share of losses on investment in associates and joint venture	(27)	(1 758 132)	(4 378 672)	(1 721 590)	(1 034 674)
<b>Profit for the period before tax</b>		<b>742 525 503</b>	<b>255 985 010</b>	<b>308 126 403</b>	<b>127 883 680</b>
Current income and deferred tax		(186 313 071)	(63 053 565)	(76 763 348)	(32 993 367)
<b>Net profit for the period after tax</b>		<b>556 212 432</b>	<b>192 931 445</b>	<b>231 363 055</b>	<b>94 890 313</b>
<b>Distributed as follows:</b>					
Profit for the shareholders of the parent Company		486 541 505	124 066 675	203 484 968	71 766 064
Profit for the non-controlling interest		69 670 927	68 864 770	27 878 087	23 124 249
<b>Net profit for the period after tax</b>		<b>556 212 432</b>	<b>192 931 445</b>	<b>231 363 055</b>	<b>94 890 313</b>
<b>Earnings per share for the period - basic</b>	(29)	<b>0.15</b>	<b>0.05</b>		
<b>Earnings per share for the period - diluted</b>	(29)	<b>0.15</b>	<b>0.05</b>		

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

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed consolidated interim statement of comprehensive income**  
**For the nine-months period ended September 30, 2023**

<b>EGP</b>	<b>Nine-months period ended</b>		<b>Three-months period ended</b>	
	<b>September 30, 2023</b>	<b>September 30, 2022</b>	<b>September 30, 2023</b>	<b>September 30, 2022</b>
<b>Net profit for the period</b>	<b>556 212 432</b>	<b>192 931 445</b>	<b>231 363 055</b>	<b>94 890 313</b>
Other comprehensive income	--	--	--	--
<b>Total other comprehensive income</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total comprehensive income for the period</b>	<b>556 212 432</b>	<b>192 931 445</b>	<b>231 363 055</b>	<b>94 890 313</b>
<b>Distributed as follows:</b>				
Comprehensive income for the owners of the parent Company	486 541 505	124 066 675	203 484 968	71 766 064
Comprehensive income for the non controlling interest	69 670 927	68 864 770	27 878 087	23 124 249
<b>Total comprehensive income for the period</b>	<b>556 212 432</b>	<b>192 931 445</b>	<b>231 363 055</b>	<b>94 890 313</b>

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

Emery for Banking Technology and Electronic Payments S.A.E.  
Condensed consolidated interim statement of changes in equity  
For the nine-months period ended September 30, 2023

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	Issued and paid up capital	Legal reserve	Employee stock ownership shares	Reserve for employee stock ownership plan (ESOP)	Combination reserve	Compulsory reserve for EAS 47 Application, Risk	Share issuance premium reserve	Revaluation reserve for investments at fair value through OCI	Retained earnings	Total equity of the parent company	Non-controlling interest	Total
Balance as of January 1, 2022	853 652 060	47 129 042	--	52 398 017	11 745 574	2 612 539	(2 835 763)	--	414 309 089	1 379 010 588	79 008 776	1 458 019 333
Comprehensive Income Items												
Net profit for the period	--	--	--	--	--	--	--	--	124 066 675	124 066 675	68 864 769	192 931 444
Total comprehensive income	--	--	--	--	--	--	--	--	124 066 675	124 066 675	68 864 769	192 931 444
The Company's shareholders transactions												
Transferred to legal reserve	--	6 020 981	--	--	--	--	--	--	(6 020 981)	--	--	--
Reserve for employee stock ownership plan (ESOP)	--	--	--	71 884 253	--	--	--	--	--	71 884 253	--	71 884 253
Transferred to share issuance expense reserve from retained earnings	--	--	--	--	--	--	2 835 763	--	(2 835 763)	--	--	--
Share issuance expense reserve	--	--	--	--	--	--	(5 818 102)	--	--	(5 818 102)	--	(5 818 102)
Capital increase	800 000 000	--	--	--	--	--	--	--	--	800 000 000	--	800 000 000
acquisition subsidiaries	--	--	--	--	--	--	--	--	--	--	4 728 795	4 728 795
Dividends to employees	--	--	--	--	--	--	--	--	(19 267 072)	(19 267 072)	--	(19 267 072)
Dividend distributions in subsidiaries	--	--	--	--	--	--	--	--	(1 636 074)	(1 636 074)	--	(1 636 074)
Non-controlling interest share from dividends distributed in subsidiaries	--	--	--	--	--	--	--	--	--	--	(53 157 274)	(53 157 274)
Total company's shareholders transactions	800 000 000	6 020 981	--	71 884 253	--	--	(2 982 339)	--	(29 759 890)	845 163 005	(48 428 479)	796 734 526
Balance as of September 30, 2022	1 653 652 060	53 150 023	--	124 282 270	11 745 574	2 612 539	(5 818 102)	--	508 615 874	2 348 240 238	99 445 066	2 447 685 304
Balance as of January 1, 2023	1 653 652 060	53 150 023	--	151 513 185	11 745 574	2 612 539	(5 818 102)	(13 795 000)	624 603 518	2 477 663 797	117 581 137	2 595 244 934
Comprehensive Income Items												
Net profit for the period	--	--	--	--	--	--	--	--	486 541 505	486 541 505	69 670 927	556 212 432
Total comprehensive income	--	--	--	--	--	--	--	--	486 541 505	486 541 505	69 670 927	556 212 432
The Company's shareholders transactions												
Transferred to legal reserve	--	8 889 027	--	--	--	--	--	--	(8 889 027)	--	--	--
Capital increase (Employee stock ownership)	49 609 562	--	(49 609 562)	--	--	--	--	--	--	--	--	--
Exercising of employee stock ownership plan shares	--	--	6 439 503	--	--	--	--	--	99 217 165	36 326 596	--	36 326 596
Formed for employee stock ownership plan	--	--	--	81 913 107	--	--	--	--	--	81 913 107	--	81 913 107
Transferred to share issuance expense reserve from retained earnings	--	--	--	--	--	--	5 818 102	--	(5 818 102)	--	--	--
Dividend distributions in subsidiaries	--	--	--	--	--	--	--	--	(2 137 738)	(2 137 738)	--	(2 137 738)
Dividend distribution	--	--	--	--	--	--	--	--	(28 445 637)	(28 445 637)	--	(28 445 637)
Total company's shareholders transactions	49 609 562	8 889 027	(43 170 059)	12 583 035	--	--	5 818 102	--	53 926 661	87 656 328	(65 064 261)	22 592 067
Balance as of September 30, 2023	1 703 261 622	62 039 050	(43 170 059)	164 096 220	11 745 574	2 612 539	--	(13 795 000)	1 165 071 684	3 051 861 630	122 187 803	3 174 049 433

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

**Fawry for Banking Technology and Electronic Payments S.A.E.**  
**Condensed consolidated interim statement of cash flows**  
**For the nine-months period ended September 30, 2023**

EGP	Note No	September 30, 2023	September 30, 2022
<b>Cash flows from operating activities:</b>			
Net profit for the period before tax		742 525 503	255 985 010
<b>Adjusted by:</b>			
Depreciation and amortization for the period		201 783 523	158 124 410
Provisions Formed	(17)	13 687 087	5 400 000
Net impairment losses - Micro finance loans	(10)	27 096 342	21 617 137
Expected credit losses		5 710 266	3 385 478
Employee stock ownership plan expenses		81 913 107	71 884 253
Net gain from Investment at fair value through Profit or loss	(8)	(2 001 411)	( 620 750)
Credit interest		(315 715 417)	( 141 124 380)
Group's share in losses from investments in associate and joint ventures	(27)	1 758 132	4 378 672
Unrealized foreign currency exchange gain		(11 866 965)	( 6 467 341)
Gain on disposals of fixed assets		(15 268 763)	( 3 517 302)
Finance expenses		28 982 661	23 515 068
<b>Operating profit before changes in working capital</b>		<b>758 604 065</b>	<b>392 560 255</b>
<b>Changes in Working capital</b>			
(Increase) in inventories		( 11 743 503)	(63 293 603)
(Increase) in advances to service providers		( 157 431 526)	(42 258 564)
(Increase) in debtors and other debt balances		( 97 862 941)	(36 377 047)
(Increase) in accounts and notes receivable		( 63 218 231)	(42 685 615)
(Increase) in loans to customers		( 200 965 701)	(262 351 911)
Decrease in due from related parties		35 401	47 424
Increase / (Decrease) in accounts and notes payable		9 983 205	(30 913 037)
Increase in accounts payable- billers		1 882 716 416	919 980 582
Increase in merchants advances		71 840 441	6 666 409
Increase in retailer's POS security deposits		24 642 657	11 334 192
Increase in creditors and other credit balances		28 262 284	50 795 500
Provision Used		( 18 870 696)	(5 497 946)
<b>Net change in working capital</b>		<b>2 225 991 871</b>	<b>898 006 639</b>
Income tax paid		(123 662 797)	(85 646 332)
Proceeds from credit interest		261 757 633	59 487 586
<b>Net cash provided from operating activities</b>		<b>2 364 086 707</b>	<b>871 847 893</b>
<b>Cash flows from investing activities</b>			
(Payments) for fixed assets acquisition		( 212 112 793)	( 194 715 269)
(Payments) for projects under construction		( 92 157 848)	( 12 249 178)
(Payments) to acquire intangible assets		( 169 632 055)	( 123 652 223)
Proceeds from sale of fixed assets		22 789 044	14 441 835
Net cash of acquisition of subsidiaries companies		-	( 2 139 024)
(Payments) to increase investments in associates and joint venture companies		( 1 492 536)	( 5 497 287)
(Payments) in investments at fair value through OCI		-	( 9 133 125)
(Payments) in investments at fair value through profit or loss statement		( 10 000 000)	( 15 000 000)
Net movement of treasury bills - more than three months		(845 919 931)	( 453 994 844)
<b>Net cash flows (used in) investing activities</b>		<b>(1 308 526 119)</b>	<b>(801 939 115)</b>
<b>Cash flows from financing activities</b>			
Payments for capital increase		-	800 000 000
Proceeds during the period from employees (ESOP)		36 326 596	-
(Payments) of dividend distribution		( 93 509 898)	( 74 442 106)
Net proceeds from loans		93 307 910	84 089 170
Net Proceeds / (Payments) from bank credit facilities		129 760 901	( 197 848 181)
(Payments) of lease liabilities		( 35 172 486)	( 27 164 269)
(Payments) of Finance expenses		( 16 216 351)	( 13 996 076)
<b>Net cash provided from financing activities</b>		<b>114 496 672</b>	<b>570 638 538</b>
<b>Net change in cash and cash equivalents during the period</b>		<b>1 170 057 260</b>	<b>640 547 316</b>
Cash and cash equivalents at beginning of the period		2 784 886 969	1 120 900 729
Exchange rate changes on cash and cash equivalents		11 866 965	6 467 341
<b>Cash and cash equivalents at end of the period</b>	(14)	<b>3 966 811 194</b>	<b>1 767 915 386</b>

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 nine-months ended September 30, 2023

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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 March 2011. The Company was re-registered at the commercial register of the 6<sup>th</sup> of October under No. 1333 on 19 July 2018.

The purpose of the Company is to provide operations services specialized in information technology 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 November 14, 2023.

**2. Statement of compliance**

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

**3. Significant accounting policies**

The condensed consolidated interim financial statements have been prepared using the same accounting policies that were applied in the prior year. The condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements as of 31 December 2022.

**4. Fixed assets**

	ESF	Land	Building	Networks and Servers	Point of sales machines	Computers	Furniture and Office equipment	Leasehold Improvements	Vehicles	Tools & equipment	Fawry Stores	Cash counting machines	Right of use, branches and premises	Total
Cost														
As of January 1, 2022	52 490 500	111 359 500	108 680 571	353 035 198	71 893 873	14 484 452	46 965 842	149 300	2 630 253	4 761 351	1 624 097	109 653 830	877 728 767	
The effect of acquisition of subsidiary - Net	--	--	--	--	903 667	--	--	--	--	--	--	--	903 667	
Additions during the year	--	22 690 855	37 589 777	183 604 946	14 714 577	15 044 040	31 073 192	732 421	25 064	--	828 510	51 986 698	358 290 080	
Disposals	--	--	--	(27 281 745)	--	(1 059 222)	--	--	--	--	--	--	(32 624 143)	
As of December 31, 2022	52 490 500	134 050 355	146 270 348	509 358 399	87 512 117	28 469 270	78 039 034	881 721	2 655 317	4 761 351	2 452 607	157 357 352	1 204 298 371	
Additions during the period	--	--	18 341 780	194 656 413	15 477 239	818 802	10 612 919	--	214 460	--	263 158	36 944 831	277 329 602	
Disposals during the period	--	--	--	(32 572 564)	--	--	--	--	--	--	--	--	(2 305 994)	
As of September 30, 2023	52 490 500	134 050 355	164 612 128	671 442 248	102 989 356	29 288 072	88 651 953	881 721	2 869 777	4 761 351	2 715 765	191 996 189	1 446 749 415	
Accumulated depreciation														
As of January 1, 2022	--	5 665 813	70 564 409	176 949 743	35 952 433	9 798 312	20 373 045	149 298	1 333 889	54 576	180 314	21 427 622	342 449 454	
Depreciation for the period	--	3 064 656	27 282 952	73 814 777	13 059 056	3 306 021	14 251 770	12 207	652 380	--	703 904	29 874 209	166 021 932	
Depreciation of disposals	--	--	--	(15 778 534)	--	(262 518)	--	--	--	--	--	(1 424 723)	(17 465 775)	
As of December 31, 2022	--	8 730 469	97 847 361	234 985 986	49 011 489	12 841 815	34 624 815	161 505	1 986 269	54 576	884 218	49 877 108	491 005 611	
Depreciation for the Period	--	2 513 445	24 856 978	77 918 467	11 882 293	3 700 156	10 618 918	109 863	267 980	--	607 741	26 350 674	158 826 515	
Depreciation of disposals for the period	--	--	--	(26 049 114)	--	--	--	--	--	--	--	(1 309 163)	(27 358 277)	
As of September 30, 2023	--	11 243 914	122 704 339	286 855 339	60 893 782	16 541 971	45 243 733	271 368	2 254 249	54 576	1 491 959	74 918 619	622 473 849	
Net book value														
As of September 30, 2023	52 490 500	122 806 441	41 907 789	384 586 909	42 095 574	12 746 101	43 408 220	610 353	615 528	4 706 775	1 223 806	117 077 570	824 275 566	
As of December 31, 2022	52 490 500	125 319 886	48 422 987	274 372 413	38 500 628	15 627 455	43 414 219	720 216	669 048	4 706 775	1 568 389	107 480 244	713 292 760	

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

Notes to the Condensed Consolidated interim Financial Statements

For the nine-months ended September 30, 2023

## 5. Intangible assets

<u>EGP</u>	<u>Software license</u>	<u>Programs</u>	<u>Contractual relationship with clients</u>	<u>Customer List</u>	<u>Trademark</u>	<u>Total</u>
<b><u>Cost</u></b>						
As of January 1, 2022	64 996 809	282 310 248	6 270 000	553 000	19 070 000	373 200 057
Additions during the year	18 654 272	121 452 400	--	--	--	140 106 672
Acquisition of subsidiaries companies	--	5 182 239	--	--	--	5 182 239
As of December 31, 2022	83 651 081	408 944 887	6 270 000	553 000	19 070 000	518 488 968
Additions during the period	33 337 633	185 426 806	--	--	--	218 764 439
As of September 30, 2023	116 988 714	594 371 693	6 270 000	553 000	19 070 000	737 253 407
<b><u>Accumulated amortization</u></b>						
As of January 1, 2022	17 532 335	77 995 402	531 815	88 833	1 271 333	97 419 718
Amortization for the year	5 463 562	35 551 358	531 815	88 833	1 271 333	42 906 901
As of December 31, 2022	22 995 897	113 546 760	1 063 630	177 666	2 542 666	140 326 619
Amortization for the period	6 096 907	35 441 119	398 862	66 624	953 499	42 957 011
As of September 30, 2023	29 092 804	148 987 879	1 462 492	244 290	3 496 165	183 283 630
<b><u>Net Book value as of</u></b>						
<b><u>September 30, 2023</u></b>	<u>87 895 910</u>	<u>445 383 814</u>	<u>4 807 508</u>	<u>308 710</u>	<u>15 573 835</u>	<u>553 969 777</u>
<b><u>December 31, 2022</u></b>	<u>60 655 184</u>	<u>295 398 127</u>	<u>5 206 370</u>	<u>375 334</u>	<u>16 527 334</u>	<u>378 162 349</u>

## 6. Projects Under Construction

The increase in the projects under construction is mainly because of the additions during the period with EGP 92 million and transferred to Fixed Assets with EGP 28 Million and transferred to Intangible assets with EGP 49 Million.

## 7. Investment in associates and joint ventures

<u>EGP</u>	<u>Type of investment</u>	<u>Ownership%</u>	<u>September 30,2023</u>	<u>December 31,2022</u>
Bosta Co.	Associate	9.05%	--	--
Tazcara Co.	Associate	20%	--	--
EGY Insure-tech for electronic applications Co.	Associate	20%	4 418 888	2 618 775
Roaderz for smart Applications Co.	Associate	19.4%	1 227 857	4 887 991
Waffarha.com Co.	Joint venture	30%	2 960 743	1 366 318
			<u>8 607 488</u>	<u>8 873 084</u>

## 8. Investments at Fair Value through profit or loss

The increase in the account is mainly due to the increase in investment by EGP 10 million and the recognition of revaluation profits, which pertain to long-term part with an amount of EGP 329 thousand, and for the short-term part with an amount of EGP 1.6 million.

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

## Notes to the Condensed Consolidated interim Financial Statements

For the nine-months ended September 30, 2023

**9. Accounts and notes receivables**

<b>EGP</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Accounts receivables	99 954 076	39 595 961
Notes receivables	417 500	1 057 459
<b>Less: Expected credit losses</b>	<b>(5 043 178)</b>	<b>(2 832 987)</b>
	<b>95 328 398</b>	<b>37 820 433</b>

**10. Loans and facilities to customers**

<b>EGP</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Loans to customers	872 353 383	777 179 311
Provision Loans to Customers	(58 152 356)	(45 898 860)
	<b>814 201 027</b>	<b>731 280 451</b>
Consumer finance loans	91 403 751	--
Provision loans to customers	(454 968)	--
	<b>90 948 783</b>	<b>--</b>
	<b>905 149 810</b>	<b>731 280 451</b>

Mapped as Follows:

<b>EGP</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Loans to Customers – Short term	744 863 428	557 537 938
Loans to Customers – Long term	160 286 382	173 742 513
	<b>905 149 810</b>	<b>731 280 451</b>

Provision movement represented as following:

<b>EGP</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Beginning balance during the period	45 898 860	25 985 369
Formed during the period	27 096 342	29 509 880
Used During the period	(14 387 878)	(9 596 389)
<b>Balance at the end of the period</b>	<b>58 607 324</b>	<b>45 898 860</b>

**11. Debtors and other debit balances**

<b>EGP</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Advance payments – to Suppliers	9 700 710	2 877 486
Prepaid expenses	40 938 540	13 671 049
Deposits held with others	1 676 890	1 581 090
Advance Payment - Withholding tax	49 718 857	30 025 500
Accrued interest revenue – Microfinance portfolio	25 508 856	21 599 633
Custodies	4 272 602	14 874 740
Accrued Revenue	117 183 095	81 145 070
Letter of guarantee margin	200 000	512 532
Other debit balances	44 347 603	30 581 974
<b>Less: Expected credit losses</b>	<b>(662 008)</b>	<b>(1 846 870)</b>
	<b>292 885 145</b>	<b>195 022 204</b>

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

Notes to the Condensed Consolidated interim Financial Statements

For the nine-months ended September 30, 2023

**12. Due from related parties**

<b>EGP</b>	<b>Nature</b>	<b>Transaction type</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
ACIS Co.	Associate	Current account	3 000 000	3 000 000
Tazcara for Information Technology and Electronic Booking co.	Associate	Current account	1 500 240	1 500 316
<b>Less: Expected credit losses</b>			(3 036 469)	(3 001 144)
			<b>1 463 771</b>	<b>1 499 172</b>

**13. Treasury Bills**

<b>EGP</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Treasury bills - with maturities up to three months	247 163 080	566 978 030
Treasury bills - with maturities after three months	1 726 278 672	869 511 993
<b>Add</b>		
Accrued interest – with maturities up to three months	12 550 370	6 524 814
Accrued interest – with maturities after three months	104 727 775	50 769 991
<b>Deduct:</b>		
Tax – Accrued up to three months	(2 510 034)	(1 304 963)
Tax – Accrued after three months	(20 945 555)	(10 153 760)
<b>Less:</b>		
Expected credit losses	(243 977)	(189 024)
	<b>2 067 020 331</b>	<b>1 482 137 081</b>

**14. Cash and cash at banks**

<b>EGP</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Cash	220 867 212	59 792
Current accounts at banks – local currency	564 104 522	209 461 270
Current accounts at banks – foreign currency	9 046 661	4 804 986
E-Acceptance transactions under settlement	786 224 537	371 326 942
Cash collections – agents	2 041 094 703	888 190 415
Time deposit – local currency	31 602 355	690 712 506
Time deposit – foreign currency	61 072 954	48 845 882
<b>Less: Expected credit losses</b>	(4 405 166)	(712 705)
	<b>3 709 607 778</b>	<b>2 212 689 088</b>

Cash balance is represented in cash with collection representatives " The company employees" on September 30, 2023.

Current accounts at banks include restricted cash against letters of guarantee with an amount of EGP 1.5 million.

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

<b>EGP</b>	<b>September 30, 2023</b>	<b>September 30, 2022</b>
Cash and bank balances	3 709 607 778	1 718 995 783
Treasury Bills – less than three months	257 203 416	48 919 603
	<b>3 966 811 194</b>	<b>1 767 915 386</b>

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Notes to the Condensed Consolidated Interim Financial Statements

For the nine-months ended September 30, 2023

**15. Issued and paid-up 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 General Assembly of the company decided to increase the authorized 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. 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.

On April 13, 2023, the General Assembly of Fawry for Banking Technology decided to increase the company's capital by EGP 49.6 million, and to increase the number of shares by 99.2 million shares, and to allocate that increase to the reward and incentive system, so that the issued and paid-up capital became 1 703 261 622 Egyptian pounds distributed over 3 406 523 244 shares, with a nominal value of 0.5 Egyptian pounds, and an entry has been made in the commercial register on the date of 11 May, 2023. And the right has been exercised on 12.8 million shares during the period (Note No. 16).

**16. Employee stock ownership shares**

In accordance with the decision of the Extraordinary General Assembly held on April 13, 2023, the capital was increased by 49 609 562 Egyptian pounds with 99 219 124 shares, the value of each share being 0.5 Egyptian pounds, to finance the reward and incentive system of the company, and reflected in the commercial register on the date of 11 May, 2023 and during the period, the right to 12.8 million shares was exercised and ownership of those shares was transferred to the beneficiaries of the program.

**17. Provisions**

<u>EGP</u>	<u>Beginning balance</u>	<u>Formed during the period</u>	<u>Used during the period</u>	<u>Ending balance</u>
Provision for claims	42 084 144	13 687 087	(18 870 696)	36 900 535
	<u>42 084 144</u>	<u>13 687 087</u>	<u>(18 870 696)</u>	<u>36 900 535</u>

**18. Banks credit facilities**

The increase in the balance of credit facilities by EGP 130 million is due to the increase in the value of credit facilities used during the third quarter of 2023 and the company signing a new facility contract with an Egyptian bank amounting to EGP 50 million.

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

Notes to the Condensed Consolidated interim Financial Statements

For the nine-months ended September 30, 2023

**19. Creditors and other credit balances**

	<u>September 30, 2023</u>	<u>December 31, 2022</u>
<b>EGP</b>		
Accrued expenses	196 417 321	69 856 207
Accrued interest	1 442 557	5 905 973
Accrued commissions	46 710 875	43 770 602
Unearned revenue	10 267 761	7 730 584
Health insurance contribution	7 748 614	6 486 035
Customer advance payments	13 192 548	9 329 520
Tax Authority	30 927 198	142 511 479
Social Insurance Authority	12 544 348	10 219 515
Transactions under settlement	36 655 757	6 678 139
Other credit balances	23 022 280	46 275 667
	<u><b>378 929 259</b></u>	<u><b>348 763 721</b></u>

**20. Contingent liabilities**

The contingent liabilities are represented in the uncovered part of the letters of guarantee issued in favor of some parties and entities. The total letters of guarantee facilities amounted to EGP 1,436 billion, of which EGP 997.7 million were used from banks in the form of letters of guarantee.

**21. Operating revenue**

<b>EGP</b>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Transaction services revenue - collection fees	1 963 285 946	1 428 757 731
Other revenues	74 556 775	17 798 614
Interest revenue Micro finance	260 775 283	172 234 183
Insurance brokerage commission	14 363 066	9 219 681
Consumer finance interest revenue	4 344 212	--
	<u><b>2 317 325 282</b></u>	<u><b>1 628 010 209</b></u>

**22. Operating cost**

The increase in operating costs is mainly due to the increase in merchants' fees by an amount of EGP 98 million, an increase in cost of financing microfinance loans by amount of EGP 37 million, an increase in depreciation and amortization by EGP 41 million and a decrease in cash collection cost by amount of EGP 70 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 53 million. In addition to an increase in subscription fees, technical support, communication, and services Centers by an amount of EGP 26 million during the period and increase in depreciation by an amount of EGP 1.7 million.

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

Notes to the Condensed Consolidated interim Financial Statements

For the nine-months ended September 30, 2023

**24. Selling and marketing expenses**

The main reason for the increase in selling and marketing expenses is the increase in salaries by an amount of EGP 36 million, in addition to an increase in marketing and advertising expenses by an amount of EGP 7 million and an increase in selling and distribution expenses by EGP 21 million during the period.

**25. Share - based payment**

The increase in the employee share-based payment expense is due to granting employees shares within the program during the period from the first quarter of the previous year until the date of the financial statements by an amount of EGP 43 million, which led to an increase in the cost.

**26. Credit Interest**

<u>EGP</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Credit interest - current accounts and time deposits	104 905 717	11 511 770
Credit interest – treasury bills	210 809 700	129 612 610
	<u>315 715 417</u>	<u>141 124 380</u>

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

<u>EGP</u>	<u>September 30, 2023</u>	<u>September 30, 2022</u>
Waffarha.com Co.	1 594 425	278 849
Bosta Inc. Co.	--	(1 814 084)
EGY Insure-tech Co.	307 577	(265 891)
Roaderz for smart applications Co.	(3 660 134)	(2 577 546)
	<u>(1 758 132)</u>	<u>(4 378 672)</u>

**28. segment information**

The group has two major sectors representing the important sectors of the group, offering different 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, 2022 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.



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

Notes to the Condensed Consolidated interim Financial Statements

For the nine-months ended September 30, 2023

**A. Segment profit or loss statement**

<u>EGP</u>	<u>Revenue</u>		<u>Profit</u>	
	<u>September 30,</u> <u>2023</u>	<u>September 30,</u> <u>2022</u>	<u>September 30,</u> <u>2023</u>	<u>September 30,</u> <u>2022</u>
Banking technology and E-payment segment	2 052 205 787	1 455 776 026	706 331 810	221 524 882
Finance segment	265 119 495	172 234 183	36 193 693	34 460 128
<b>Total</b>	<b>2 317 325 282</b>	<b>1 628 010 209</b>	<b>742 525 503</b>	<b>255 985 010</b>
<b>Net profit for the period before tax</b>			<b>742 525 503</b>	<b>255 985 010</b>
Inc			(186 313 071)	(63 053 565)
<b>Net profit for the period after tax</b>			<b>556 212 432</b>	<b>192 931 445</b>

**B. Segment Assets**

<u>EGP</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>
Banking Technology and E-payment segment	9 083 859 011	6 292 583 525
Finance segment	1 022 362 399	773 591 663
<b>Segment Assets before elimination</b>	<b>10 106 221 410</b>	<b>7 066 175 188</b>
Elimination of internal transactions between segments	(767 131 406)	(642 417 282)
<b>Segment Assets after elimination</b>	<b>9 339 090 004</b>	<b>6 423 757 906</b>
<b>Total consolidated Assets</b>	<b>9 339 090 004</b>	<b>6 423 757 906</b>

**29. Earnings per share**

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

	<u>September 30, 2023</u>		<u>September 30, 2022</u>	
<u>EGP</u>	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit for the period	486 541 505	486 541 505	124 066 675	124 066 675
Average number of outstanding shares	3 310 370 550	3 347 502 932	2 336 715 885	2 350 405 782
	<b>0.15</b>	<b>0.15</b>	<b>0.05</b>	<b>0.05</b>

**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 the 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.  
Years from 2009 until 2017
- The Company was inspected, and tax differences were settled.  
Years from 2018 until 31 December 2020
- The Company received an announcement to inspect it's books for the mentioned dates and they are currently preparing for the office inspection.  
Years from 2021 until 31 December 2022
- The Company submitted the tax forms and settled the accrued tax in the legal dates.

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

### **Notes to the Condensed Consolidated interim Financial Statements**

**For the nine-months ended September 30, 2023**

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#### **Payroll tax**

##### Years from inception until 31 December 2020

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

##### Years from 2021 till 31 December 2022

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

#### **Stamp duty tax**

##### Years from inception until 31 December 2020

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

##### Years 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**

##### Years from inception until 31 December 2019

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

##### Years from 2021 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.

### **31. 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" 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 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.