

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

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



Saleh, Barsoum & Abdel Aziz

Grant Thornton

---

**Saleh, Barsoum & Abdel Aziz**

Nile City South Tower,

6th floor

2005A Cornish El Nil,

Ramlet Boulaq, Cairo, 11221

Egypt

T +20 (0) 2 246 199 09

*Translation of Review  
Report Originally Issued in Arabic*

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

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

**Introduction**

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

Cairo – November 14, 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 separate interim statement of financial position**  
**as of september 30, 2023**

| <u>EGP</u>  | <u>Note No.</u> | <u>September 30, 2023</u> | <u>December 31, 2022</u> |
|---|-----------------|---------------------------|--------------------------|
| <b>Assets</b>   |                 |                           |                          |
| <b><u>Non-current assets</u></b>                              |                 |                           |                          |
| Fixed assets  | (4)             | 791 605 686               | 671 626 871              |
| Intangible assets   | (5)             | 546 054 062               | 372 162 129              |
| Projects under construction                                   | (6)             | 20 320 689                | 35 615 802               |
| Investments in subsidiaries                                   | (7)             | 359 012 632               | 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  |                 | 40 836 510                | 27 784 162               |
| Loans to related parties                                      | (8)             | 106 737 434               | 193 416 296              |
| <b>Total non-current assets</b>                               |                 | <b>1 924 486 773</b>      | <b>1 577 039 902</b>     |
| <b><u>Current assets</u></b>                                  |                 |                           |                          |
| Inventory   |                 | 14 941 865                | 3 198 362                |
| Accounts and notes receivable                                 | (9)             | 21 207 247                | 8 164 899                |
| Debtors and other debit balances                              | (10)            | 208 099 386               | 140 971 946              |
| Advances to billers   |                 | 655 515 226               | 498 083 700              |
| Due from related parties                                      | (11)            | 68 082 352                | 11 601 893               |
| Investments at fair value through P&L                         |                 | 24 990 686                | 13 318 250               |
| Treasury bills  | (12)            | 1 897 591 982             | 1 392 557 695            |
| Cash and cash at banks  | (13)            | 3 564 152 905             | 2 125 353 270            |
| <b>Total current assets</b>                                   |                 | <b>6 454 581 649</b>      | <b>4 193 250 015</b>     |
| <b>Total assets</b>   |                 | <b>8 379 068 422</b>      | <b>5 770 289 917</b>     |
| <b><u>Equity</u></b>  |                 |                           |                          |
| Issued and paid-up capital                                    | (14)            | 1 703 261 622             | 1 653 652 060            |
| Legal reserve   |                 | 62 039 050                | 53 150 023               |
| Reserve for employee stock ownership plan                     |                 | 164 096 220               | 151 513 185              |
| Shares for Employee Stock Ownership Plan                      | (15)            | (43 170 059 )             | --                       |
| Shares issuance expenses reserve                              |                 | --                        | (5 818 102 )             |
| Revaluation reserve for Investments at fair value through OCI |                 | (13 795 000 )             | (13 795 000 )            |
| Retained Earnings   |                 | 1 035 212 858             | 537 325 900              |
| <b>Total equity</b>   |                 | <b>2 907 644 691</b>      | <b>2 376 028 066</b>     |
| <b><u>Non-Current liabilities</u></b>                         |                 |                           |                          |
| Deferred tax liabilities                                      |                 | 18 371 900                | 16 960 418               |
| Lease Liabilities   |                 | 82 274 958                | 68 803 312               |
| <b>Total non current liabilities</b>                          |                 | <b>100 646 858</b>        | <b>85 763 730</b>        |
| <b><u>Current liabilities</u></b>                             |                 |                           |                          |
| Bank credit facilities  | (16)            | 292 551 901               | 149 542 191              |
| Provisions  | (17)            | 31 416 634                | 40 634 057               |
| Accounts and notes payable                                    | (18)            | 68 426 580                | 61 708 170               |
| Accounts payable - Billers                                    | (19)            | 3 766 122 590             | 1 872 568 587            |
| Merchant advances   |                 | 699 714 419               | 628 954 407              |
| Retailers' POS security deposits                              |                 | 100 763 694               | 76 121 037               |
| Creditors and other credit balances                           | (20)            | 232 601 334               | 270 243 189              |
| Due to a related parties                                      | (21)            | 75 769 576                | 165 283 478              |
| Current income tax  |                 | 89 973 922                | 32 397 288               |
| Lease Liabilities   |                 | 13 436 223                | 11 045 717               |
| <b>Total current liabilities</b>                              |                 | <b>5 370 776 873</b>      | <b>3 308 498 121</b>     |
| <b>Total equity and liabilities</b>                           |                 | <b>8 379 068 422</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  
  
 limited review report attached.

Chief Executive Officer  


Chairman  


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

## Condensed separate Interim statement of profit or loss

for the nine - months ended september 30, 2023

| EGP   | Note No. | Nine months ended  |                    | Three months ended |                    |
|---|----------|--------------------|--------------------|--------------------|--------------------|
|   |          | September 30, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| Operating revenues  | (25)     | 1 567 287 555      | 1 056 387 965      | 581 535 790        | 393 588 178        |
| Operating costs   | (26)     | (542 451 830)      | (443 193 872)      | (189 639 607)      | (147 264 763)      |
| Gross margin  |          | 1 024 835 725      | 613 194 093        | 391 896 183        | 246 323 415        |
| General and administrative expenses                             | (27)     | (380 339 501)      | (317 112 441)      | (134 424 933)      | (119 888 959)      |
| Selling and marketing expenses                                  | (28)     | (341 180 556)      | (277 727 741)      | (123 458 757)      | (99 466 666)       |
| Employee stock ownership plan expenses (ESOP)                   |          | (58 010 437)       | (51 695 624)       | (17 125 134)       | (22 221 314)       |
| Allowances for the Board of Directors                           |          | (5 110 000)        | (2 700 064)        | (1 800 000)        | (1 167 954)        |
| Health Insurance contribution                                   |          | (4 796 226)        | (3 089 975)        | (1 754 154)        | (1 218 373)        |
| Expected credit loss  |          | (6 044 356)        | (2 108 749)        | (4 872 184)        | 3 319 150          |
| Provision Formed  | (17)     | (9 637 087)        | (5 400 000)        | (3 299 781)        | (1 800 000)        |
| Finance costs   |          | (22 444 680)       | (27 904 977)       | (7 792 713)        | (7 575 730)        |
| Gains from revaluation of investments at fair value through P&L |          | 1 672 436          | 542 125            | 838 686            | 208 875            |
| Credit interest   | (23)     | 301 880 024        | 141 449 532        | 112 350 622        | 61 066 046         |
| Gain on sale of fixed assets                                    |          | 15 268 763         | 3 517 302          | 4 204 059          | 537 464            |
| Other revenues  |          | 6 495 177          | 4 904 362          | 2 685 345          | 2 426 607          |
| Foreign currency exchange differences                           |          | 11 203 116         | 6 046 998          | 39 710             | 784 104            |
| Operating profit  |          | 533 792 398        | 81 914 841         | 217 486 949        | 61 326 665         |
| Dividends from investments in subsidiaries companies            | (24)     | 36 646 749         | 29 730 859         | -                  | -                  |
| Net Profit for the period before tax                            |          | 570 439 147        | 111 645 700        | 217 486 949        | 61 326 665         |
| Current income and deferred tax                                 |          | (128 616 589)      | (23 936 416)       | (49 620 219)       | (14 253 111)       |
| Net profit for the period after tax                             |          | 441 822 558        | 87 709 284         | 167 866 730        | 47 073 554         |
| Earnings per share for the period - Basic                       | (29)     | 0.13               | 0.04               |                    |                    |
| Earnings per share for the period- Diluted                      | (29)     | 0.13               | 0.04               |                    |                    |

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 nine-months ended september 30, 2023**

| <u>EGP</u>                       | <u>Nine months ended</u>  |                           | <u>Three months ended</u> |                           |
|----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                  | <u>September 30, 2023</u> | <u>September 30, 2022</u> | <u>September 30, 2023</u> | <u>September 30, 2022</u> |
| Net Profit for the period        | 441 822 558               | 87 709 284                | 167 866 730               | 47 073 554                |
| Other comprehensive income       | -                         | -                         | -                         | -                         |
| Total other comprehensive Income | -                         | -                         | -                         | -                         |
| Total comprehensive income       | <u>441 822 558</u>        | <u>87 709 284</u>         | <u>167 866 730</u>        | <u>47 073 554</u>         |

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 nine-months ended september 30, 2023

| EGP  | Issued and paid up capital | Legal reserve | Shares for Employee stock ownership plan | Reserve for employee stock ownership plan (ESOP) | Shares issuance expenses reserve | Revaluation reserve for investments at fair value through OCI statement | Retained Earnings | Total         |
|--|----------------------------|---------------|--|--|----------------------------------|---|-------------------|---------------|
| Balance as of January 1, 2022  | 853 652 060                | 47 129 042    | -  | 52 398 017                                       | (2 835 763)                      | -   | 387 664 366       | 1 338 007 722 |
| Items of comprehensive income  |                            |               |  |  |                                  |   |                   |               |
| Net profit for the period  | -                          | -             | -  | -  | -                                | -   | -                 | -             |
| Total comprehensive income   | -                          | -             | -  | -  | -                                | -   | 87 709 284        | 87 709 284    |
| Transactions with Company's owners                                   |                            |               |  |  |                                  |   |                   |               |
| Capital increase   | 800 000 000                | -             | -  | -  | -                                | -   | -                 | 800 000 000   |
| Transferred to legal reserve   | -                          | 6 020 981     | -  | -  | -                                | -   | (6 020 981)       | -             |
| Transferred share issuance expense reserve from retained earnings    | -                          | -             | -  | -  | 2 835 763                        | -   | (2 835 763)       | -             |
| Shares issuance expenses reserve                                     | -                          | -             | -  | -  | (5 818 102)                      | -   | -                 | (5 818 102)   |
| Reserve for employee stock ownership plan (ESOP)                     | -                          | -             | -  | 71 884 253                                       | -                                | -   | -                 | 71 884 253    |
| Dividends  | -                          | -             | -  | -  | -                                | -   | (19 267 071)      | (19 267 071)  |
| Total transactions with the Company's owners                         | 800 000 000                | 6 020 981     | -  | 71 884 253                                       | (2 982 339)                      | -   | (28 123 815)      | 846 799 080   |
| Balance as of september 30, 2022                                     | 1 653 652 060              | 53 150 023    | -  | 124 282 270                                      | (5 818 102)                      | -   | 447 249 835       | 2 272 516 086 |
| Balance as of January 1, 2023  | 1 653 652 060              | 53 150 023    | -  | 151 513 185                                      | (5 818 102)                      | (13 795 000)  | 537 325 900       | 2 376 028 066 |
| Items of comprehensive income  |                            |               |  |  |                                  |   |                   |               |
| Net profit for the period  | -                          | -             | -  | -  | -                                | -   | -                 | -             |
| Total comprehensive income   | -                          | -             | -  | -  | -                                | -   | 441 822 558       | 441 822 558   |
| Transactions with Company's owners                                   |                            |               |  |  |                                  |   |                   |               |
| Transferred to legal reserve   | -                          | 8 889 027     | -  | -  | -                                | -   | (8 889 027)       | -             |
| Capital increase (Employee stock ownership)                          | 49 609 562                 | -             | (49 609 562)                             | -  | -                                | -   | -                 | -             |
| Exercising of employee stock ownership plan shares                   | -                          | -             | 6 439 503                                | (69 330 072)                                     | -                                | -   | 99 217 165        | 36 326 596    |
| Formed for employee stock ownership plan                             | -                          | -             | -  | 81 913 107                                       | -                                | -   | -                 | 81 913 107    |
| Transferred to share issuance expense reserve from retained earnings | -                          | -             | -  | -  | 5 818 102                        | -   | (5 818 102)       | -             |
| Dividend distribution  | -                          | -             | -  | -  | -                                | -   | (28 445 636)      | (28 445 636)  |
| Total transactions with the Company's owners                         | 49 609 562                 | 8 889 027     | (43 170 059)                             | 12 583 035                                       | 5 818 102                        | -   | 56 064 400        | 89 794 067    |
| Balance as of september 30, 2023                                     | 1 703 261 622              | 62 039 050    | (43 170 059)                             | 164 096 220                                      | -                                | (13 795 000)  | 1 035 212 858     | 2 907 644 691 |

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 nine-months ended september 30, 2023

| EGP   | Note | Nine months ended      |                       |
|---|------|------------------------|-----------------------|
|   |      | September 30, 2023     | September 30, 2022    |
| <b>Cash flows from operating activities:</b>                                |      |                        |                       |
| Net profit for the period before tax  |      | 570 439 147            | 111 645 700           |
| <b>Adjusted by:</b>   |      |                        |                       |
| Depreciation and amortization for the period                                |      | 187 229 569            | 140 461 620           |
| Provisions formed   |      | 9 637 087              | 5 400 000             |
| Unrealized foreign currency exchange  |      | (11 203 116)           | (6 046 998)           |
| Dividends from investments in subsidiaries                                  |      | (36 646 749)           | (29 730 859)          |
| Employee Stock Ownership Plan expenses                                      |      | 58 010 437             | 51 695 624            |
| Expected credit losses  |      | 6 044 356              | 2 108 749             |
| Fair value gain on investment measured at FVTPL                             |      | (1 672 436)            | ( 542 125)            |
| Credit interest   |      | (301 880 024)          | (141 449 532)         |
| (Gain) on sale of fixed assets  |      | (15 268 763)           | (3 517 302)           |
| Finance Cost  |      | 22 444 680             | 27 904 977            |
| <b>Operating profit before changes in working capital</b>                   |      | <b>487 134 188</b>     | <b>157 929 854</b>    |
| <b>Changes in working capital</b>   |      |                        |                       |
| (Increase) in inventories   |      | (11 743 503)           | (2 900 316)           |
| (Increase) in advances to billers   |      | (158 333 726)          | (42 138 825)          |
| (Increase) in debtors and other debit balances                              |      | (66 091 814)           | (22 710 555)          |
| (Increase) in accounts and notes receivable                                 |      | (18 562 524)           | (14 222 168)          |
| Decrease in due from related parties  |      | (32 759 697)           | 17 990 060            |
| Increase / (Decrease) in accounts and notes payable                         |      | 6 718 410              | (43 503 381)          |
| Increase in billers payable   |      | 1 893 554 003          | 893 749 007           |
| (Decrease) in due to related parties  |      | (89 513 902)           | (63 953 832)          |
| Increase in advances to merchant advances                                   |      | 70 760 012             | 6 666 410             |
| Increase in retail deposits   |      | 24 642 657             | 11 334 092            |
| (Decrease) / Increase in creditors and other credit balances                |      | (37 641 855)           | 45 049 540            |
| Decrease / (increase) in loans to related parties                           |      | 86 243 118             | (17 203 442)          |
| Provision Used  |      | (18 854 510)           | (5 497 946)           |
| Income tax paid   |      | (82 680 818)           | (37 822 373)          |
| Proceed from credit interest  |      | 199 886 710            | 140 907 407           |
| <b>Net cash generated from operating activities</b>                         |      | <b>2 252 756 749</b>   | <b>1 023 673 532</b>  |
| <b>Cash flows from investing activities</b>                                 |      |                        |                       |
| (Payments) to acquire fixed assets  |      | (245 573 345)          | (192 065 950)         |
| (Payments) for projects under construction                                  |      | (62 109 249)           | (12 249 179)          |
| (Payments) to acquire intangible assets                                     |      | (168 953 296)          | (128 085 112)         |
| Proceeds from the sale of fixed assets                                      |      | 51 061 021             | 10 141 602            |
| (Payments) in investments at fair value through profit or loss.             |      | (10 000 000)           | (12 500 000)          |
| (Payments) in investments at fair value through Comprehensive income        |      |                        | (9 133 125)           |
| Proceeds from Dividends from investments in subsidiaries                    |      | 36 646 749             | 29 730 859            |
| (Payments) to increase investments in associates and subsidiaries companies |      | (142 497 750)          | (66 240 000)          |
| Net movement of treasury bills - more than three months                     |      | (814 639 407)          | (479 439 990)         |
| <b>Net cash (used in) investing activities</b>                              |      | <b>(1 356 065 277)</b> | <b>( 859 840 895)</b> |
| <b>Cash flows from financing activities</b>                                 |      |                        |                       |
| Proceeds from capital increase  |      | -                      | 800 000 000           |
| Proceeds during the period from employees (ESOP)                            |      | 36 326 596             | -                     |
| Net proceeds from / (Payments to) bank facilities                           |      | 143 009 710            | (297 285 392)         |
| (payments) dividends distributions  |      | (28 445 637)           | (19 267 071)          |
| (Payments) of lease liabilities   |      | (13 604 141)           | (10 259 148)          |
| (Payments) of finance expense   |      | (17 939 959)           | (22 578 662)          |
| <b>Net cash generated from financing activities</b>                         |      | <b>119 346 569</b>     | <b>450 609 727</b>    |
| Net change in cash and cash equivalents during the period                   |      | 1 016 038 041          | 614 442 364           |
| Cash and cash equivalents at beginning of the period                        |      | 2 686 868 874          | 1 073 389 272         |
| Currency exchange difference for cash and cash equivalent                   |      | 11 203 116             | 6 046 998             |
| <b>Cash and cash equivalents at end of the period</b>                       | (13) | <b>3 714 110 031</b>   | <b>1 693 878 634</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.**

Notes to the condensed separate interim financial statements

For nine months ended September 30, 2023

---

**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 on 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 condensed separate financial statements were approved by the Board of Directors on November 14, 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 were 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 nine months ended September 30, 2023

**4- Fixed assets**

| EGP   | Land       | Buildings   | Networks and servers | Point of sale machines | Computers  | Furniture & office equipments | Leasehold improvements on rental places | Vehicles | Tools and equipments super-fawry | Right of use, branches and premises | Total          |
|---|------------|-------------|----------------------|------------------------|------------|-------------------------------|---|----------|----------------------------------|-------------------------------------|----------------|
| <b>Cost</b>                                 |            |             |                      |                        |            |                               |   |          |                                  |                                     |                |
| <b>As of January 1, 2022</b>                | 52,490,500 | 111,359,500 | 106,673,491          | 363,423,834            | 62,786,441 | 9,828,875                     | 37,621,998                              | 149,300  | 641,766                          | 44,805,093                          | 791,990,198    |
| Additions during the year                   | -          | 22,690,855  | 37,589,777           | 189,845,189            | 9,129,537  | 12,715,869                    | 30,834,844                              | -        | -                                | 49,023,577                          | 351,832,648    |
| Disposals                                   | -          | -           | -                    | (27,381,745)           | -          | -                             | -                                       | -        | -                                | (2,823,145)                         | (30,104,890)   |
| <b>As of December 31, 2022</b>              | 52,490,500 | 134,050,355 | 146,263,268          | 526,196,278            | 71,916,378 | 22,540,744                    | 68,456,842                              | 149,300  | 641,766                          | 91,005,525                          | 1,113,717,956  |
| Additions during the period                 | -          | -           | 18,341,780           | 204,389,938            | 12,685,335 | 268,353                       | 9,887,949                               | -        | -                                | 24,961,572                          | 270,534,917    |
| Disposals                                   | -          | -           | -                    | (1,32,572,564)         | -          | -                             | -                                       | -        | -                                | (2,305,994)                         | (13,878,558)   |
| <b>As of September 30, 2023</b>             | 52,490,500 | 134,050,355 | 164,605,048          | 698,013,642            | 84,600,713 | 22,817,097                    | 78,344,791                              | 149,300  | 641,766                          | 113,661,103                         | 1,349,374,315  |
| <b>Accumulated depreciation</b>             |            |             |                      |                        |            |                               |   |          |                                  |                                     |                |
| <b>As of January 1, 2022</b>                | -          | 5,665,813   | 70,557,329           | 180,897,828            | 31,584,826 | 7,730,826                     | 13,443,810                              | 149,298  | 641,739                          | 5,171,983                           | 315,843,452    |
| Depreciation and amortization of the year   | -          | 3,064,656   | 27,282,952           | 79,367,573             | 8,963,686  | 2,897,235                     | 8,423,052                               | -        | -                                | 13,954,205                          | 143,053,359    |
| Depreciation of disposals                   | -          | -           | -                    | (15,778,534)           | -          | -                             | -                                       | -        | -                                | (1,027,192)                         | (16,805,726)   |
| <b>As of December 31, 2022</b>              | -          | 8,730,469   | 97,840,281           | 244,386,867            | 40,548,512 | 9,828,061                     | 21,866,862                              | 149,298  | 641,739                          | 18,098,996                          | 442,091,085    |
| Depreciation and amortization of the period | -          | 2,513,445   | 24,856,978           | 81,903,363             | 7,842,885  | 2,754,911                     | 9,139,727                               | -        | -                                | 14,024,513                          | 143,053,822    |
| Depreciation of disposals                   | -          | -           | -                    | (26,049,114)           | -          | -                             | -                                       | -        | -                                | (1,309,164)                         | (1,27,358,278) |
| <b>As of September 30, 2023</b>             | -          | 11,243,914  | 122,697,259          | 300,241,116            | 48,391,397 | 12,582,972                    | 31,006,589                              | 149,298  | 641,739                          | 30,814,345                          | 557,768,629    |
| <b>Net book value</b>                       |            |             |                      |                        |            |                               |   |          |                                  |                                     |                |
| <b>As of September 30, 2023</b>             | 52,490,500 | 122,806,441 | 41,907,789           | 397,772,526            | 36,209,316 | 10,234,125                    | 47,338,202                              | 2        | 27                               | 82,846,758                          | 791,605,686    |
| <b>As of December 31, 2022</b>              | 52,490,500 | 125,319,886 | 48,421,987           | 281,809,411            | 31,366,966 | 12,715,683                    | 46,589,980                              | 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 nine months ended September 30, 2023

**5. Intangible assets**

| <u>EGP</u>                             | <u>Licenses</u> | <u>Programs</u> | <u>Total</u> |
|--|-----------------|-----------------|--------------|
| <b><u>Cost</u></b>                     |                 |                 |              |
| As of January 1, 2022                  | 64 831 629      | 309 534 530     | 374 366 159  |
| Additions during the year              | 18 654 272      | 130 203 331     | 148 857 603  |
| As of December 31, 2022                | 83 485 901      | 439 737 861     | 523 223 762  |
| Additions during the period            | 33 337 633      | 184 748 047     | 218 085 680  |
| As of September 30, 2023               | 116 823 534     | 624 485 908     | 741 309 442  |
| <b><u>Accumulated amortization</u></b> |                 |                 |              |
| As of January 1, 2022                  | 18 306 044      | 89 341 387      | 107 647 431  |
| Amortization for the year              | 5 445 242       | 37 968 960      | 43 414 202   |
| As of December 31, 2022                | 23 751 286      | 127 310 347     | 151 061 633  |
| Amortization for the period            | 6 090 404       | 38 103 343      | 44 193 747   |
| As of September 30, 2023               | 29 841 690      | 165 413 690     | 195 255 380  |
| <b><u>Net book value</u></b>           |                 |                 |              |
| As of September 30, 2023               | 86 981 844      | 459 072 218     | 546 054 062  |
| As of December 31, 2022                | 59 734 615      | 312 427 514     | 372 162 129  |

**6. Projects Under Construction**

The decrease in Projects under construction is mainly due to transfers to fixed and intangible assets by amount of EGP 77 million, taking into consideration additions with EGP 62 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 and Fawry for microfinance Co. with amount of EGP 75 million during the period.

**8. Loans to related parties.**

| <u>EGP</u>                              | <u>September 30, 2023</u> | <u>December 31, 2022</u> |
|---|---------------------------|--------------------------|
| Fawry for microfinance Co. – noncurrent | 107 634 648               | 193 877 766              |
| Less: Expected credit losses            | (897 214)                 | (461 470)                |
|   | <u>106 737 434</u>        | <u>193 416 296</u>       |

**9. Accounts and Notes receivables**

| <u>EGP</u>                   | <u>September 30, 2023</u> | <u>December 31, 2022</u> |
|------------------------------|---------------------------|--------------------------|
| Accounts receivables         | 24 709 607                | 9 688 843                |
| Notes receivable             | --                        | 120 470                  |
| Less: Expected credit losses | (3 502 360)               | (1 644 414)              |
|                              | <u>21 207 247</u>         | <u>8 164 899</u>         |

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

Notes to the condensed separate interim financial statements

For nine months ended September 30, 2023

**10. Debtors and other debit balances**

| <b>EGP</b>                          | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|-------------------------------------|---------------------------|--------------------------|
| Advance payments to suppliers       | 9 675 710                 | 2 656 473                |
| Accrued revenue                     | 115 568 928               | 80 440 917               |
| Prepaid expenses                    | 35 472 062                | 11 028 176               |
| Deposits with others                | 1 380 098                 | 1 390 298                |
| Advance Payment Withholding tax     | 7 552 595                 | 14 486 742               |
| Other debit balances                | 34 450 256                | 17 349 241               |
| Custodies                           | 4 216 752                 | 14 872 740               |
| <b>Less: Excepted credit losses</b> | <b>(217 015)</b>          | <b>(1 252 641)</b>       |
|                                     | <b>208 099 386</b>        | <b>140 971 946</b>       |

**11. Due from related parties**

| <b>EGP</b>   | <b>Transaction type</b> | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|--|-------------------------|---------------------------|--------------------------|
| Fawry for Fast Moving Consumer Goods Co. (subsidiary)            | Current account         | 12 059 018                | 7 783 338                |
| Fawry for Insurance Brokerage Co.(subsidiary)                    | Current account         | 3 901 753                 | 512 624                  |
| Fawry for integrated systems (subsidiary)                        | Current account         | 16 202 800                | --                       |
| Tazcra Information Technology and Electronic Booking (Associate) | Current account         | 1 500 240                 | 1 500 240                |
| Fawry consumer finance (subsidiary)                              | Current account         | 33 259 269                | --                       |
| Fawry gulf (subsidiary)  | Current account         | 1 345 276                 | 1 309 787                |
| Dirac (subsidiary)   | Current account         | --                        | 500 000                  |
| <b>Less: Excepted credit losses</b>                              |                         | <b>(186 004)</b>          | <b>(4 096)</b>           |
|  |                         | <b>68 082 352</b>         | <b>11 601 893</b>        |

**12. Treasury Bills**

| <b>EGP</b>  | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|---|---------------------------|--------------------------|
| Treasury bills – with maturities up to three months   | 146 240 800               | 556 414 865              |
| Treasury bills – with maturities after three months   | 1 666 264 169             | 795 772 153              |
| <b>Add:</b>   |                           |                          |
| Accrued interest - with maturities up to three months | 4 645 408                 | 6 375 924                |
| Accrued interest - with maturities after three months | 101 993 314               | 44 317 433               |
| <b>Less:</b>  |                           |                          |
| Tax - accrued - with maturities up to three months    | (929 082)                 | (1 275 185)              |
| Tax - accrued - with maturities after three months    | (20 398 663)              | (8 863 487)              |
| Expected credit losses                                | (223 964)                 | (184 008)                |
| <b>Net Treasury Bills</b>                             | <b>1 897 591 982</b>      | <b>1 392 557 695</b>     |
| <b>Nominal value</b>                                  | <b>2 035 250 000</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 nine months ended September 30, 2023

**13. Cash and cash at banks**

| <b>EGP</b>                                   | <b>September 30, 2023</b> | <b>December 31, 2022</b> |
|--|---------------------------|--------------------------|
| Cash   | 220 782 650               | --                       |
| Current accounts at banks – local currency   | 441 751 146               | 142 649 995              |
| E-Acceptance (transactions under settlement) | 786 224 537               | 371 326 942              |
| Cash collection agencies                     | 2 041 094 703             | 888 190 416              |
| Current accounts at banks – foreign currency | 7 481 387                 | 4 289 142                |
| Time deposits – local currency               | 10 069 384                | 670 712 520              |
| Time deposits – foreign currency             | 61 072 954                | 48 845 881               |
| <b>Less: Expected credit loss</b>            | <b>(4 323 856)</b>        | <b>(661 626)</b>         |
| <b>Cash and cash at banks</b>                | <b>3 564 152 905</b>      | <b>2 125 353 270</b>     |

Cash balance is represented in cash with cash collection representatives "the company's 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 cash flow statement, the cash and cash equivalents comprise the following:

| <b>EGP</b>                              | <b>September 30, 2023</b> | <b>September 30, 2022</b> |
|---|---------------------------|---------------------------|
| Cash and cash at banks                  | 3 564 152 905             | 1 644 959 031             |
| Treasury bills – less than three months | 149 957 126               | 48 919 603                |
|   | <b>3 714 110 031</b>      | <b>1 693 878 634</b>      |

**14. 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 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.

On April 13, 2023, the General Assembly of Fawry for Banking Technology decided to increase the company's capital by 49.6 million Egyptian pounds, and to increase the number of shares by 99.2 million shares, and to allocate that increase to the employee stock ownership program, 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 on May 11, 2023. And the right to 12.8 million shares has been exercised during the period (Note No. 15).

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

Notes to the condensed separate interim financial statements

For nine months ended September 30, 2023

**15. Employee stock ownership plan**

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 system.

**16. Bank credit facilities**

The increase in the account by EGP 143 million is due to the increase in utilization of the credit facilities additionally, the company obtained a new credit facility during the third quarter of the current period and the company signing a new facility contract with an Egyptian Bank.

**17. Provisions**

| <u>EGP</u>           | <u>Balance as of<br/>January 1,<br/>2023</u> | <u>Formed<br/>during the<br/>period</u> | <u>Used during<br/>the period</u> | <u>Balance as of<br/>September 30,<br/>2023</u> |
|----------------------|--|---|-----------------------------------|---|
| Provision for claims | 40 634 057                                   | 9 637 087                               | (18 854 510)                      | 31 416 634                                      |
|                      | <u>40 634 057</u>                            | <u>9 637 087</u>                        | <u>(18 854 510)</u>               | <u>31 416 634</u>                               |

**18. Accounts and notes payable.**

| <u>EGP</u>       | <u>September 30, 2023</u> | <u>December 31, 2022</u> |
|------------------|---------------------------|--------------------------|
| Accounts payable | 64 475 698                | 60 412 265               |
| Notes Payable    | 3 950 882                 | 1 295 905                |
|                  | <u>68 426 580</u>         | <u>61 708 170</u>        |

**19. Accounts payable – Billers**

| <u>EGP</u>                  | <u>September 30, 2023</u> | <u>December 31, 2022</u> |
|-----------------------------|---------------------------|--------------------------|
| Accounts payables – billers | 3 416 122 590             | 1 592 568 587            |
| Notes payables – billers    | 350 000 000               | 280 000 000              |
|                             | <u>3 766 122 590</u>      | <u>1 872 568 587</u>     |

**20. Creditors and other credit balances**

| <u>EGP</u>                     | <u>September 30, 2023</u> | <u>December 31, 2022</u> |
|--------------------------------|---------------------------|--------------------------|
| Accrued expenses               | 113 099 771               | 48 112 495               |
| Accrued commissions            | 46 710 875                | 43 968 942               |
| Tax Authority                  | 8 317 961                 | 124 762 607              |
| Unearned revenue               | 5 561 509                 | 3 006 165                |
| Health insurance contributions | 4 759 520                 | 4 304 652                |
| Transactions under settlement  | 36 655 757                | 6 680 018                |
| Other credit balances          | 17 495 941                | 39 408 310               |
|                                | <u>232 601 334</u>        | <u>270 243 189</u>       |

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

Notes to the condensed separate interim financial statements

For nine months ended September 30, 2023

**21. Due to related parties**

| <u>EGP</u>                          | <u>Nature of relationship</u> | <u>Transaction type</u> | <u>September 30, 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         | 73 542 228                | 118 036 447              |
| Fawry Plus for banking services     | Subsidiary                    | Current account         | 2 227 348                 | 2 619 186                |
| Fawry for consumer finance          | Subsidiary                    | Current account         | --                        | 13 824                   |
|                                     |                               |                         | <u>75 769 576</u>         | <u>165 283 478</u>       |

**22. 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>September 30, 2023</u> | <u>December 31, 2022</u> |
|----------------------|---------------------------|--------------------------|
| Letters of guarantee | 1 436 500 000             | 1 236 500 000            |
|                      | <u>1 436 500 000</u>      | <u>1 236 500 000</u>     |

- The utilized amounts from the bank's facilities amounted to EGP 998 million as issued letters of guarantee on the date of financial statements.

**23. Credit Interest**

| <u>EGP</u>   | <u>September 30, 2023</u> | <u>September 30, 2022</u> |
|--|---------------------------|---------------------------|
| Credit interest - current accounts and time deposits | 99 339 543                | 10 659 159                |
| Credit interest – treasury bills                     | 184 483 684               | 120 830 074               |
| Credit interest – loans to related party             | 18 056 797                | 9 960 299                 |
|  | <u>301 880 024</u>        | <u>141 449 532</u>        |

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

Notes to the condensed separate interim financial statements

For nine months ended September 30, 2023

**24. Significant related parties transactions**

Significant related party transactions during the period as follow:

| <u>EGP</u>                               | <u>Nature of the Transaction</u>                 | <u>Volume of transactions during the period</u> |
|--|--|---|
| Fawry Dahab for Electronic Services Co.  | Payment services cost on behalf of related party | 297 027 688                                     |
|  | Electronic Payment services revenue              | 136 255 844                                     |
|  | Dividends income                                 | 36 646 749                                      |
| Fawry Integrated systems Co.             | Program acquisition from related party           | 129 640 159                                     |
|  | POS machine acquisition                          | 204 403 822                                     |
| Fawry for Micro Finance Co.              | Capital Increase                                 | 75 000 000                                      |
|  | Loans To related parties                         | 107 634 648                                     |
|  | Credit Interest Revenue                          | 18 056 797                                      |
| Fawry Plus for Banking Services Co.      | Revenue collection on behalf of related party    | 76 113 950                                      |
|  | Electronic payments revenue                      | 34 835 650                                      |
|  | Branch management cost                           | 12 000 000                                      |
| Fawry for Fast Moving Consumer Goods Co. | Service revenue                                  | 47 805 904                                      |
|  | Transactions on Fawry network revenue            | 872 463   |
| Fawry Consumer Finance                   | Capital Increase                                 | 67 500 000                                      |

**25. Operating revenues**

| <u>EGP</u>                                       | <u>September 30, 2023</u> | <u>September 30, 2022</u> |
|--|---------------------------|---------------------------|
| Transactions services revenues – collection fees | 1 503 947 044             | 1 014 280 662             |
| Other revenue                                    | 63 340 511                | 42 107 303                |
|  | <b>1 567 287 555</b>      | <b>1 056 387 965</b>      |

**26. Operating costs**

The main reason for the increase in the operating cost is due to the increase in merchants' commissions by EGP 25 million, the increase in depreciation by EGP 42 million, and the increase in cash collection cost by EGP 56.6 million and the increase in other expenses by EGP 87 million.

**27. General and administrative expenses**

The main reason for the increase in the account is due to the increase in salaries and the like by an amount of EGP 30 million, and an increase in depreciation and amortization by an amount of EGP 4 million, in addition to the increase in subscription expenses, technical support, communications and service centers by an amount of EGP 18 million ,during the period and an increase premises and insurance expenses by EGP 7.5 million.

**28. Selling and Marketing expenses**

The main reason for the increase in the account is due to the increase in salaries by EGP 36 million and the increase in sales and marketing commissions by EGP 22 million.



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

Notes to the condensed separate interim financial statements

For nine months ended September 30, 2023

**29. Earnings per share**

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

| <u>EGP</u>               | <u>September 30, 2023</u> |                | <u>September 30, 2022</u> |                |
|--------------------------|---------------------------|----------------|---------------------------|----------------|
|                          | <u>Basic</u>              | <u>Diluted</u> | <u>Basic</u>              | <u>Diluted</u> |
| Net profit of the period | 441 822 558               | 441 822 558    | 87 709 284                | 87 709 284     |
| Average number of shares | 3 310 370 550             | 3 344 436 502  | 2 336 715 885             | 2 350 405 782  |
|                          | <u>0.13</u>               | <u>0.13</u>    | <u>0.04</u>               | <u>0.04</u>    |

**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 its 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.

**Payroll tax****Years 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****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 for the mentioned period and tax differences were settled.

**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.

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

Notes to the condensed separate interim financial statements

For nine months ended September 30, 2023

---

**31. 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.