

**Fawry for Banking Technology and Electronic Payments  
(S.A.E.)  
Condensed Separate Interim financial statements  
Together with limited Review Report  
For the six months ended  
June 30, 2024**



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*Translation of Review  
Report Originally Issued in Arabic*

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

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

**Introduction**

We have reviewed the accompanying condensed separate interim financial statements of Fawry for Banking Technology and Electronic Payments S.A.E. which comprise the condensed separate interim statement of financial position as of June 30, 2024, and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months' period then ended, and other explanatory notes. Management is responsible for the preparation and fair presentation of the condensed separate interim financial statements in accordance with Egyptian Accounting Standard No. (30)" Interim financial statements". Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

**Scope of Review**


We conducted our review in accordance with Egyptian Standard on Review Engagements (2410) "Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". Review of condensed interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly in all material respects the separate financial position of the entity as of June 30, 2024, and of its separate financial performance and its separate cash flows for the six months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

Cairo – Aug 13, 2024.

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

## Fawry for Banking and Payment Technology Services S.A.E.

## Condensed Separate interim Statement of Profit or Loss

for the Six months ended June 30, 2024

EGP	Note No.	Six months ended		Three months ended	
		June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Operating revenues	(20)	1 518 371 513	985 751 765	788 394 216	526 000 398
Operating costs	(21)	(415 214 217)	(352 812 223)	(210 863 397)	(189 247 725)
<b>Gross margin</b>		<b>1 103 157 296</b>	<b>632 939 542</b>	<b>577 530 819</b>	<b>336 752 673</b>
<b>Add (Less):</b>					
General and administrative expenses	(22)	(345 364 548)	(245 914 568)	(178 382 304)	(128 973 342)
Selling and marketing expenses	(23)	(290 399 244)	(217 721 799)	(154 487 231)	(111 928 384)
Employee stock ownership plan expenses	(25)	(38 173 688)	(40 885 303)	(16 248 554)	(19 466 796)
Board compensation expenses		(3 806 400)	(3 310 000)	(2 100 000)	(1 800 000)
Medical contribution for health and insurance		(4 647 990)	(3 042 072)	(2 443 043)	(1 597 338)
Expected credit loss		(5 988 148)	(1 172 172)	(2 661 761)	( 671 214)
Formed provisions	(13)	(13 003 596)	(6 337 306)	(7 103 597)	(4 637 306)
Finance costs		(19 355 781)	(14 651 967)	(11 275 661)	(7 730 766)
Gain on revaluation of financial investments through P&L		10 062 880	833 750	2 412 403	446 375
Credit interest	(19)	299 190 411	189 529 402	156 585 291	101 495 674
Gain on disposal of fixed assets		9 209 126	11 064 704	911 525	8 839 165
Other revenues		4 145 926	3 809 832	2 365 873	2 108 574
Foreign currency exchange differences		17 879 292	11 163 406	3 294 152	52 168
<b>Operating profit</b>		<b>722 905 536</b>	<b>316 305 449</b>	<b>368 397 912</b>	<b>172 889 483</b>
Dividends from investments in subsidiaries	(24)	52 951 321	36 646 749	15 194 807	--
<b>Profit for the period before tax</b>		<b>775 856 857</b>	<b>352 952 198</b>	<b>383 592 719</b>	<b>172 889 483</b>
Tax burden		(183 441 927)	(78 996 370)	(96 372 629)	(39 027 162)
<b>Net profit for the period after tax</b>		<b>592 414 930</b>	<b>273 955 828</b>	<b>287 220 090</b>	<b>133 862 321</b>
Earnings per share for the period - basic	(26)	<b>0.17</b>	<b>0.08</b>		
Earnings per share for the period - diluted	(26)	<b>0.17</b>	<b>0.08</b>		

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

**Fawry for Banking and Payment Technology Services S.A.E.**  
**Condensed Separate interim statement of comprehensive income**  
**for the Six months ended June 30, 2024**

<u>EGP</u>	<u>Six months ended</u>		<u>Three months ended</u>	
	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Net profit for the period	592 414 930	273 955 828	287 220 090	133 862 300
Other comprehensive income	--	--	--	--
<b>Total other comprehensive income</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Total comprehensive income</b>	<b>592 414 930</b>	<b>273 955 828</b>	<b>287 220 090</b>	<b>133 862 300</b>

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

Translation of financial statements  
Originally issued in Arabic

Fawry for Banking and Payment Technology Services S.A.E.  
Condensed Separate Interim Statement of change in equity  
for the six months ended June 30, 2024

	Issued and paid up capital	Legal reserve	Reserve for employee stock ownership plan (ESOP)	Share for employee stock ownership plan	Shares issuance expenses reserve	Revaluation reserve for investments at fair value through OCI statement	Retained Earnings	Total
<b>EGP</b>								
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	--	--	--	--	--	--	273 955 828	273 955 828
Net profit for the period	--	--	--	--	--	--	273 955 828	273 955 828
Total comprehensive income	--	--	--	--	--	--	--	--
Transactions with company's owners	--	8 889 027	--	--	--	--	(8 889 027)	--
Transferred to legal reserve	--	--	--	--	5 818 102	--	(5 818 102)	--
Transferred to share issuance expense from retained earnings	49 609 562	--	(49 609 562)	--	--	--	--	--
Capital Increase (ESOP Shares)	--	--	107 449 520	(49 609 562)	--	--	--	57 839 958
Reserve for employee stock ownership plan (ESOP)	--	--	--	--	--	--	(28 445 635)	(28 445 635)
Dividend distribution	49 609 562	8 889 027	57 839 958	(49 609 562)	5 818 102	--	(43 152 764)	29 394 323
Total transactions with the company's owners	1 703 261 622	62 039 050	209 353 143	(49 609 562)	--	(13 795 000)	768 128 964	2 679 378 217
Balance as of June 30, 2023								
Balance as of January 1, 2024	1 703 261 622	62 039 050	198 552 525	(43 170 059)	--	(12 252 854)	1 204 234 049	3 112 664 333
Net profit for the period	--	--	--	--	--	--	592 414 930	592 414 930
Total comprehensive income	--	--	--	--	--	--	592 414 930	592 414 930
Transactions with company's owners	--	30 542 188	--	--	--	--	(30 542 188)	--
Transferred to legal reserve	--	--	(133 887 015)	6 144 403	--	--	127 742 612	--
Exercising of employee stock ownership plan shares	--	--	51 018 818	--	--	--	--	51 018 818
Formed for employee stock ownership plan shares	--	--	--	--	--	--	(97 735 003)	(97 735 003)
Dividend distribution	--	30 542 188	(82 868 197)	--	--	--	(534 579)	(46 716 185)
Total transactions with the company's owners	1 703 261 622	92 581 238	115 684 328	(37 025 656)	--	(12 252 854)	1 796 114 400	3 658 363 078
Balance as of June 30, 2024								

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

**Fawry for Banking and Payment Technology Services S.A.E.****Condensed Separate Interim statement of cash flows****for the Six months ended June 30, 2024**

EGP	Note	Six months ended	
		June 30, 2024	June 30, 2023
<b>Cash flows from operating activities:</b>			
Net profit for the period before tax		775 856 857	352 952 198
<b>Adjusted by:</b>			
Depreciation and amortization of the period		171 111 948	119 751 133
Formed provisions		13 003 596	6 337 306
Unrealized foreign currency exchange		(17 879 292)	(11 163 406)
Expected credit loss		8 497 507	1 172 172
(Gain) on sale of fixed assets		(9 209 126)	(9 459 731)
Dividends from investments in subsidiaries		(52 951 321)	(36 646 749)
Employee stock ownership plan expenses		38 173 688	40 885 303
Revaluation gain of investments at fair value through P&L		(10 062 880)	( 833 750)
Credit interest		(299 190 411)	(189 529 402)
Finance costs		19 355 781	14 651 967
<b>Operating gain before changes in working capital</b>		<b>636 706 347</b>	<b>288 117 041</b>
<b>Changes in working capital</b>			
(Increase) / decrease in inventory		( 863 740)	2 047 542
(Increase) in advances to billers		(54 548 793)	(232 471 575)
(Increase) in debtors and other debit balances		(125 963 707)	(40 778 158)
(Increase) in accounts and notes receivable		(18 459 260)	(23 462 669)
(Increase) in due from related parties		(70 252 570)	(94 690 532)
Increase / (Decrease) in accounts and notes payable		67 092 767	(36 309 377)
Increase in accounts payable-- billers		3 109 923 331	1 474 695 096
Increase / (Decrease) in due to related parties		24 971 882	(44 218 028)
Increase in merchants prepaid balances		157 522 653	233 618 984
Increase in retailer's POS security deposits		20 052 965	17 144 933
Increase in creditors and other credit balances		61 879 693	(82 091 884)
(Decrease) / Increase in loans to related parties		(316 485 813)	91 956 764
Provision used		--	(18 854 510)
Income tax paid		(155 580 520)	(47 022 835)
Proceeds from credit interest		317 716 948	97 656 365
<b>Net cash provided from operating activities</b>		<b>3 653 712 183</b>	<b>1 585 337 157</b>
<b>Cash flows from investing activities</b>			
(Payments) to acquire fixed assets		(362 026 335)	(130 323 767)
(Payments) to acquire intangible assets		(206 469 020)	(119 318 584)
(Payments) for projects under construction		(8 741 798)	(18 034 026)
Proceeds from the sale of fixed assets		12 419 010	15 820 093
Proceeds to acquire financial investments at fair value through P&L		26 795 130	-
Proceeds from dividends from investments in subsidiaries		52 951 321	36 646 749
(Payments) to acquire investment in subsidiary and associates		--	(142 497 750)
(Payment) Dividend distribution		(97 735 003)	(28 445 635)
Net movement of treasury bills - more than three months		(115 541 719)	(608 535 660)
<b>Net cash used in investing activities</b>		<b>( 698 348 414)</b>	<b>(994 688 580)</b>
<b>Cash flows from financing activities</b>			
(Payments) / Proceeds from bank facilities		(23 990 603)	18 414 939
(Payments) for lease liabilities		(14 659 345)	(11 543 691)
Finance expenses paid		(11 067 484)	(8 833 690)
<b>Net cash used in financing activities</b>		<b>(49 717 432)</b>	<b>(1 962 442)</b>
Net change in cash and cash equivalents during the period		2 905 646 337	588 686 135
Cash and cash equivalents at beginning of the year		3 354 077 130	2 686 868 874
Changing currency difference for cash and cash equivalents		17 879 292	11 163 406
<b>Cash and cash equivalents at end of the period</b>	(11)	<b>6 277 602 759</b>	<b>3 286 718 415</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 the six months ended June 30, 2024

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**1. General information**

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

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

The condensed separate interim financial statements of the company were approved in the board of directors meeting dated August 13, 2024.

**2. Statement of compliance**

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

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

The condensed separate interim financial statements have been prepared using the same accounting policies which have been applied in the prior year. These condensed separate interim financial statements should be read in conjunction with the annual separate financial statements for the year ended December 31, 2023.



Fawry for Banking and Payment Technology Services S.A.E.  
Notes to the condensed separate interim financial statements  
For the six months ended June 30, 2024

4- Fixed assets

EGP	Land	Buildings	Networks and servers	Points of sales machines	Computers	Furnitures and other office equipment	Leasghold improvements	Vehicles	Tools and equipment super heavy	Right of use assets	Total
<b>Cost</b>											
As of January 1, 2023	52,490,500	134,050,355	146,263,268	526,196,278	71,915,378	22,548,744	68,456,843	149,300	641,766	91,005,526	1,113,717,958
Additions during the year	--	--	55,176,211	253,309,995	13,350,812	620,997	22,618,793	--	--	37,006,408	382,083,216
Disposals	--	--	--	(46,489,771)	--	--	--	--	--	(2,305,994)	(48,795,765)
As of December 31, 2023	52,490,500	134,050,355	201,439,479	733,016,502	85,266,190	23,169,741	91,075,636	149,300	641,766	125,705,940	1,447,005,409
As of January 1, 2024	52,490,500	134,050,355	201,439,479	733,016,502	85,266,190	23,169,741	91,075,636	149,300	641,766	125,705,940	1,447,005,409
Additions during the period	--	--	27,411,028	305,019,436	6,396,447	458,484	24,172,792	--	--	21,097,776	384,555,963
Disposals	--	--	--	(22,101,463)	--	--	--	--	--	--	(22,101,463)
As of June 30, 2024	52,490,500	134,050,355	228,850,507	1,015,934,475	91,662,637	23,628,225	115,248,428	149,300	641,766	146,803,716	1,809,459,909
<b>Accumulated depreciation</b>											
As of January 1, 2023	--	8,730,469	97,840,281	244,366,867	40,548,512	9,828,061	21,866,864	149,298	641,739	18,098,996	442,091,087
Depreciation for the year	--	3,351,259	33,349,281	117,898,151	10,800,118	3,652,388	12,637,215	--	--	19,185,776	200,874,188
Depreciation of disposals	--	--	--	(36,149,097)	--	--	--	--	--	(1,309,164)	(37,458,261)
As of December 31, 2023	--	12,081,728	131,189,562	326,135,921	51,348,630	13,480,449	34,504,079	149,298	641,739	35,975,608	605,507,014
As of January 1, 2024	--	12,081,728	131,189,562	326,135,921	51,348,630	13,480,449	34,504,079	149,298	641,739	35,975,608	605,507,014
Depreciation for the period	--	1,675,629	19,599,253	80,541,095	4,838,222	1,834,945	8,901,688	--	--	12,030,076	129,420,908
Depreciation of disposals	--	--	--	(18,891,579)	--	--	--	--	--	--	(18,891,579)
As of June 30, 2024	--	13,757,357	150,788,815	387,785,437	56,186,852	15,315,394	43,405,767	149,298	641,739	48,005,684	716,036,343
<b>Net book value</b>											
As of December 31, 2023	52,490,500	121,968,627	70,249,917	406,880,581	33,917,560	9,680,292	56,571,557	2	27	89,730,332	841,498,395
As of June 30, 2024	52,490,500	120,292,998	78,061,692	628,149,038	35,475,785	8,312,831	71,842,661	2	27	98,798,032	1,093,423,566

**5. Intangible assets**

<u>EGP</u>	<u>Programs' license</u>	<u>Programs</u>	<u>Total</u>
<b><u>Cost</u></b>			
As of January 1, 2023	83 485 901	439 737 861	523 223 762
Additions during the year	34 778 946	256 828 298	291 607 244
As of December 31, 2023	118 264 847	696 566 159	814 831 006
Additions during the period	11 865 187	195 826 591	207 691 778
As of June 30, 2024	130 130 034	892 392 750	1 022 522 784
<b><u>Accumulated amortization</u></b>			
As of January 1, 2023	23 751 286	127 310 347	151 061 633
Amortization for the year	8 583 782	53 637 396	62 221 178
As of December 31, 2023	32 335 068	180 947 743	213 282 811
Amortization for the period	5 143 473	36 547 567	41 691 040
As of June 30, 2024	37 478 541	217 495 310	254 973 851
<b><u>Net book value</u></b>			
As of June 30, 2024	92 651 493	674 897 440	767 548 933
As of December 31, 2023	85 929 779	515 618 416	601 548 195

**6. Projects under construction**

The increase in projects under construction is mainly due to additions with EGP 142.3 Million during the period taking into consideration transfers to fixed and intangible assets by amount of EGP 136.2 Million.

**7. Loans to related parties**

The increase in Loans to related parties is mainly increase due for Fawry for Medium, Small and Micro finance is paid by amount of EGP 52.3 million and increase due for Fawry consumer finance by amount of 262.7 Million and increase due for Dirac for information system by amount of 1.5 Million during the second Quarter.

**8. Debtors and other debit balances**

The increase in mainly due to the increase in accrued Revenue by amount of EGP 105 Million and increase in the prepaid expenses by amount of EGP 24 Million.

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

Notes to the condensed Separate interim Financial Statements

For the six months ended June 30, 2024

**9. Due from related parties**

<u>EGP</u>	<u>Nature</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Fawry Fast Moving Consumer goods Co.	Current account	15 270 687	7 810 424
Fawry insurance Brokerage Co.	Current account	2 247 550	2 524 658
Tazcara Information Technology	Current account	1 500 240	1 500 240
Fawry consumer finance Co.	Current account	--	91 592 043
Fawry Gulf Co.	Current account	3 327 932	1 809 267
Fawry Integrated System	Current account	243 476 778	85 685 185
Fawry Plus for Banking Services	Current account	--	2 568 306
Fawry for commercial technologies	Current account	20 635 170	8 870 534
Less: Expected credit losses		(1 565 018)	(3 949 304)
		<u>284 893 339</u>	<u>198 411 353</u>

**10. Treasury bills**

The decrease in treasury bills mainly due to accrual of treasury bills during the second quarter of the year which led to a decrease in the balance of treasury bills by amount of EGP 431.8 Million.

**11. Cash and cash at banks**

<u>EGP</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Cash *	175 780 594	--
Banks current accounts – local currency	903 851 999	1 172 313 246
E-Acceptance transactions under settlement	1 924 401 557	379 358 060
Cash at collecting agencies	2 751 851 599	476 238 682
Banks current accounts – foreign currencies	13 326 698	30 067 253
Time deposit – local currencies	86 304 385	460 257 330
Time deposit – foreign currencies	177 260 263	61 042 173
Less: Expected credit losses	(5 674 749)	(8 184 107)
	<u>6 027 102 346</u>	<u>2 571 092 637</u>

\*Cash balance is represented in cash with cash collection representatives “the company’s employees” on June 30, 2024.

For the purpose of preparing cash flow statement, the cash and cash equivalents are comprised of the following:

<u>EGP</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Cash and bank balances	6 027 102 346	3 089 329 205
Treasury bills – less than 3 months	250 500 413	197 389 210
	<u>6 277 602 759</u>	<u>3 286 718 415</u>

**12. Bank Credit Facilities**

The decrease in the account by EGP 24 Million is due to the decrease in the amount used of the credit facilities during the second quarter from the current period.

**13. Provisions**

The increase in the account due to provision formed by amount of EGP 13 Million during the first half year from year 2024.

**14. Accounts and notes payable**

The increase in the account is related to the company the dues and notes payable during the second quarter which lead to increase in the account by amount of EGP 67 Million.

**15. Accounts and notes payable – Billers.**

The increase in the account is related to the company the dues for Billers and notes payable during the second quarter it's effected to increase the account by amount of EGP 3.1 Billion.

**16. Creditors and other credit balances**

The increase in the account is mainly due to the increase in the accrued expenses by amount of EGP 46,9 million and the accrued commission by amount of EGP 16 Million and increase in transactions under settlement by amount of EGP 16 Million Taking into account decrease the balance for Tax authority by amount of EGP 9 Million during the second quarter.

**17. Due to related parties**

<u>EGP</u>	<u>Nature of relationship</u>	<u>Account type</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Fawry Dahab Technology	Subsidiary	Current account	95 303 811	71 673 672
Fawry Plus for Banking service	Subsidiary	Current account	1 341 743	--
			<u>96 645 554</u>	<u>71 673 672</u>

**18. Contingent liabilities**

The balance of contingent liabilities amounted by EGP 1.8 Billion on June 30, 2024, compared to EGP 1.5 Billion on December 31, 2023.

**19. Credit Interest**

The increase in the account is mainly due to an increase in credit interest on current accounts by amount of EGP 22.5 Million and credit interest on treasury bills and Time deposit by amount of EGP 68 Million and due from related parties interest by amount of EGP 19 Million.

**20. Operating revenues**

The reason for the increase in revenues is due to the increase in the company's business volume during the second quarter compared to the second quarter of the previous year by amount of EGP 532.6 Million.

**21. Operating costs**

The main reason for the increase in the operating cost is due to the increase in cash collection cost by EGP 20.5 Million and the increase in other expenses by EGP 14 Million and the increase in depreciation and amortization by EGP 37,9 Million and, the decrease in merchants' commissions by EGP 11.6 Million.

**22. General and administrative expenses**

The main reason for the increase in the account is due to the increase in salaries and equivalents by an amount of EGP 33.9 Million, and an increase in depreciation and amortization by an amount of EGP 13.4 Million, in addition to the increase in subscription expenses, technical support, communications and services centers by an amount of EGP 42.2 Million during the period and an increase in premises and insurance expenses by EGP 2.3 Million.

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

Notes to the condensed Separate interim Financial Statements

For the six months ended June 30, 2024

**23. Selling and Marketing expenses**

The main reason for the increase in the account is due to the increase in salaries by EGP 44.9 Million and the increase in sales and marketing commissions by EGP 27.7 Million.

**24. Significant related parties' transactions**

The following are significant related parties' transactions:

<u>EGP</u>	<u>Nature of the Transaction</u>	<u>Transactions during the period</u>
Fawry Dahab for Electronics Services	Cost related to cash collection on behalf of related party	283 092 894
	Electronic Payment services revenues	154 414 306
	Dividends revenue	37 756 514
Fawry for Integrated Systems	Program acquisition from related party	126 834 425
	POS machine acquisition	305 029 682
	Technical support service revenues	16 111 625
Fawry for medium, small and MicroFinance	Loans to related parties	188 273 918
	Credit Interest revenue	14 431 351
Fawry Plus for Banking Services	Cost payment on behalf of related party	33 869 734
	Revenue from electronic payment services	26 404 106
	Branches managing fees for related party	11 428 122
	Dividends revenue	15 194 807
Fawry for FMCG	Electronic Payment services revenue	57 360 242
	Operations revenue on Fawry's Services	271 105
Fawry for consumer finance	Loans to related parties	262 704 288
	Credit Interest revenue	16 860 080
Dirac for information system	Loans to related parties	1 500 000

**25. Share based payments**

The company introduced an Employees Share Ownership Plan (ESOP) program in accordance with the shareholders' approval at the extraordinary general assembly meeting held on February 22, 2021, The company granted free shares and allocated shares to some of its employees in accordance with the ESOP program which includes giving the right to some employees completing a term of 3 years in service at The Company to have the right in ordinary shares by granting free shares or allocating shares by 50% of the fair value on the vesting date after completion of a term of 2 years in service at The Company and which will be issued on the date of the grants. The equity instruments for share-based payment are recognized at fair value on the grant date and are recorded in the income statement on a straight line basis during a three-years period for the grant of free shares and two years for the allocated shares at 50% of the shares' fair values on the vesting date, with a corresponding increase in equity based on the Company's estimate, at each reporting date, for the number of shares that will vest. The fair value of granted shares was determined based on the share price announced on the Egyptian Stock Exchange at the grant date.

During the period some of employees of the group and its subsidiaries granted 12,2 Million shares for employee stock ownership plan and charged total cost for the year shares granted is amounting to EGP 51 Million and total reserve for employee stock ownership plan at the reporting date is EGP 115.6 Million.

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

Notes to the condensed Separate interim Financial Statements

For the six months ended June 30, 2024

**26. Earnings per share**

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

<u>EGP</u>	<u>June 30, 2024</u>		<u>June 30, 2023</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit of the period	592 414 930	592 414 930	273 955 828	273 955 828
Weighted average number of shares	3 406 523 244	3 406 523 244	3 307 304 120	3 331 838 660
	<u>0.17</u>	<u>0.17</u>	<u>0.08</u>	<u>0.08</u>

**27. 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 of 2005, its executive regulations, and its amendments

**Corporate tax**

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

**The years from establishment until 2017**

- The Company was inspected and tax differences were settled.

**The years from 2018 until 2019**

The company received an announcement to inspect its books for the mentioned dates and they are currently preparing for the office inspection.

**The years from 2020 until Now**

Tax returns were submitted and paid all tax due on the legal dates.

**Salaries and wages tax**

**The years from establishment until 2020**

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

**The years 2021 until now**

- Tax returns were submitted and paid all tax due within the legal deadlines.

**Stamp duty tax**

**The years from establishment until 2020**

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

**The years 2021 until now**

- Tax returns were submitted and paid all tax due within the legal deadlines.

**Sales tax / VAT tax**

**The years from establishment until December 31, 2019**

Company's recorded were inspected for the mentioned years, and differences were settled.

**The years from 2020 until now**

Tax returns were submitted and paid all tax due on its dates.

**Withholding tax**

- The company has not been notified of any inspection forms.

**28. Legal Position**

During the third quarter of 2019, a company filed a lawsuit against Fawry for Banking Technology and Electronic Payments “the Company” claiming an amount of EGP 50 Million under a contract covering the period from year 2015 to 30 June 2019 in addition to the legal accrued interest on the said amount. No transactions took place under the aforementioned contract, the company and the company’s external legal advisor opinion regarding the outcome of this case that it will be in favor of the Company without any financial liabilities on the company in relation to this case.

**29. Significant events during the current period**

On February 1<sup>st</sup>, 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting, to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 200 basis points to 21.25%, 22.25% and 21.75%, respectively. The discount rate was also raised by 200 basis points to 21.75%.

On March 6<sup>th</sup>, 2024, The Monetary Policy Committee of the Central Bank of Egypt decided in its extra ordinary meeting, to raise the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 600 basis points to 27.25%, 28.25% and 27.75%, respectively. The discount rate was also raised by 600 basis points to 27.75%.