

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

Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025

Together with Limited Review Report



Saleh, Barsoum & Abdel Aziz

Grant Thornton

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Translation of Review
Report Originally Issued in Arabic

Limited review report on the condensed 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 June 30, 2025, and the related consolidated interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six months' period then ended, 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.



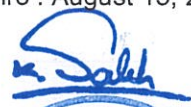
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Conclusion

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 respects the consolidated financial position of the entity as of June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the six months' period then ended in accordance with Egyptian Accounting Standard No. (30) "Interim financial statements".

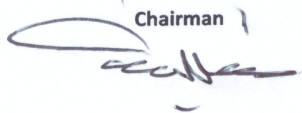
Cairo : August 13, 2025.


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


Fawry for Banking Technology and Electronic Payments S.A.E.
Condensed Consolidated interim statement of Financial Position
As of June 30, 2025

EGP	Note No.	June 30, 2025	December 31, 2024
Assets			
Non-current assets			
Fixed assets	(4)	1 836 764 024	1 388 672 663
Intangible assets	(5)	1 233 532 971	914 418 379
Projects under construction	(6)	204 365 182	136 823 092
Goodwill	(27)	91 606 292	32 771 437
Deferred tax assets		81 889 678	74 949 462
Loans and facilities to customers - non current	(10)	895 519 766	725 040 807
Investments in associate and joint ventures	(7)	31 162 902	44 969 727
Investments at fair value through OCI		29 388 425	29 388 425
Investments at fair value through P&L	(8)	34 407 175	33 976 400
Total non-current assets		4 438 636 415	3 381 010 392
Current assets			
Inventory		33 056 582	9 648 579
Accounts and notes receivable	(9)	120 755 966	68 668 663
Loans and facilities to customers - current	(10)	2 745 950 997	2233 166 351
Advances to billers		491 300 931	485 233 968
Debtors and other debit balances	(11)	713 331 612	571 468 538
Investments at fair value through P&L	(8)	57 588 509	--
Treasury bills	(13)	2 925 327 104	2 240 138 857
Cash and cash at banks	(14)	4 179 744 488	4 267 441 022
Total current assets		11 267 056 189	9 875 765 978
Total assets		15 705 692 604	13 256 776 370
Equity and liabilities			
Equity			
Issued and paid-up capital		1 703 261 622	1 703 261 622
Legal reserve		162 845 631	92 581 238
Employee stock ownership shares		(29 281 225)	(31 429 709)
Reserve for employee stock ownership plan (ESOP)	(24)	167 139 656	150 837 104
Combination reserve		11 745 574	11 745 574
Revaluation reserve for Investments at fair value through OCI		(22 911 676)	(22 911 676)
Retained earnings		4 025 097 703	3 043 072 196
Total equity for the parent company		6 017 897 285	4 947 156 349
Non controlling interest		220 117 428	215 839 903
Total equity		6 238 014 713	5 162 996 252
Non-Current Liability			
Deferred tax liability		52 932 341	49 328 304
Long term loans		371 695 355	381 159 804
Lease Liabilities		260 143 838	176 301 969
Total Non-current liabilities		684 771 534	606 790 077
Current liabilities			
Provisions	(15)	176 337 256	145 019 071
Banks overdraft	(16)	545 826 885	279 364 012
Short term loans		914 065 189	886 794 276
Accounts and notes payable		149 452 846	176 449 708
Accounts and notes payable— billers		2 873 329 955	2 303 120 832
Merchants advances		2 954 246 389	2 602 659 644
Retailer's POS security deposits		132 856 808	108 901 634
Creditors and other credit balances	(17)	599 305 554	530 099 002
Lease Liabilities		35 550 671	34 641 791
Current income tax		401 934 804	419 940 071
Total current liabilities		8 782 906 357	7 486 990 041
Total liabilities		9 467 677 891	8 093 780 118
Total equity and liabilities		15 705 692 604	13 256 776 370

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

 Auditor's report attached.
  Chief Financial Officer
  Chief Executive Officer
  Chairman

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

Condensed Consolidated Interim Statement of Profit or Loss

As of June 30, 2025

EGP	Note No.	Six months ended		Three months ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Operating revenues	(19)	3 765 482 491	2 299 364 787	1 970 717 164	1 212 174 344
Less:					
Operating costs	(20)	(1 198 439 331)	(782 200 391)	(617 963 724)	(410 629 477)
Gross margin		2 567 043 160	1 517 164 396	1 352 753 440	801 544 867
Add (Less):					
General and administrative expenses	(21)	(715 252 875)	(488 274 011)	(372 555 964)	(252 970 855)
Selling and marketing expenses	(22)	(380 647 452)	(296 434 384)	(191 280 195)	(157 791 988)
Employee stock ownership plan expenses (ESOP)		(27 825 463)	(51 018 818)	(13 418 580)	(22 145 669)
Board of directors allowances		(9 230 228)	(4 950 400)	(5 351 228)	(2 904 000)
Social contribution for Health and Insurance		(12 391 850)	(8 098 419)	(6 277 963)	(4 447 624)
Provisions formed		(31 318 185)	(16 703 597)	(16 918 773)	(9 053 597)
Impairment loss on customer loans	(10)	(123 719 228)	(49 061 216)	(73 130 126)	(29 368 312)
Expected credit loss		1 437 488	(1 840 802)	3 965 141	(604 640)
Revaluation gain of Investments at fair value through P&L		430 775	10 416 805	205 275	2 606 778
Credit interest	(23)	504 564 274	302 669 148	233 334 189	154 133 914
Finance costs		(46 790 713)	(24 705 563)	(25 724 180)	(14 084 199)
Foreign currency exchange gain		(6 758 675)	17 376 188	(5 155 427)	3 653 245
Gain on disposal of fixed assets		23 762 764	9 209 126	9 852 982	911 525
Other revenues		11 453 022	4 498 563	7 673 225	2 374 047
Operating Profit		1 754 756 814	920 247 016	897 971 816	471 853 492
Group's share in (losses) of Investments in associates and joint ventures	(7)	(905 649)	(535 969)	(360 928)	1 080 016
Effect of change from investment in associate		12 776 536	--	12 776 536	--
Profit of the period before tax		1 766 627 701	919 711 047	910 387 424	472 933 508
Current income and deferred tax		(431 593 647)	(233 799 161)	(217 020 882)	(120 740 376)
Net profit for the period after tax		1 335 034 054	685 911 886	693 366 542	352 193 132
Distributed as follows:					
Net profit for the parent company		1 256 964 195	628 771 633	651 586 084	321 681 770
Net profit for the non controlling interest		78 069 859	57 140 253	41 780 458	30 511 362
Net profit for the period after tax		1 335 034 054	685 911 886	693 366 542	352 193 132
Earnings per share for the period - basic (EGP/share)	(26)	0.37	0.18		
Earnings per share for the period - diluted (EGP/share)	(26)	0.37	0.18		

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 Six months period ended June 30, 2025

EGP	Six months ended		Three months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Profit for the period	1 335 034 054	685 911 886	693 366 542	352 193 132
Other comprehensive income	--	--	--	--
Total comprehensive income for the period	1 335 034 054	685 911 886	693 366 542	352 193 132
Distributed as follows:				
Comprehensive income for the parent company	1 256 964 195	628 771 633	651 586 084	321 681 770
Comprehensive income for the non controlling interest	78 069 859	57 140 253	41 780 458	30 511 362
Total comprehensive income for the period	1 335 034 054	685 911 886	693 366 542	352 193 132

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 changes in equity
For the six months period ended June 30, 2025

EGP	Issued and paid up capital	Legal reserve	Employee stock ownership plan	Reserve for employee stock ownership plan (ESOP)	Combination reserve	Revaluation reserve for investments at fair value through OCI statement	Retained earnings	Total equity of the parent	Non controlling Interest	Total
Balance as of January 1, 2024	1 703 261 622	62 039 050	(43 170 059)	198 552 525	11 745 574	(12 252 854)	1 396 481 410	3 316 657 268	153 191 364	3 469 848 632
Comprehensive income items										
Net profit for the period	--	--	--	--	--	--	628 771 633	628 771 633	57 140 253	685 911 886
Total comprehensive income	--	--	--	--	--	--	628 771 633	628 771 633	57 140 253	685 911 886
The company's shareholders transactions										
Transferred to legal reserve	--	30 542 188	--	--	--	--	(30 542 188)	--	--	--
Exercising for employee stock ownership plan (ESOP)	--	--	6 144 403	(133 887 015)	--	--	127 742 612	--	--	--
Formed for employee stock ownership plan	--	--	--	51 018 818	--	--	51 018 818	--	--	51 018 818
Dividend distribution in subsidiaries	--	--	--	--	--	--	(5 699 076)	(5 699 076)	(79 761 959)	(85 461 035)
Dividend distribution	--	--	--	--	--	--	(97 735 003)	(97 735 003)	--	(97 735 003)
Total Company's shareholders transactions	--	30 542 188	6 144 403	(82 868 197)	--	--	(6 233 655)	(52 415 261)	(79 761 959)	(132 177 220)
Balance as of June 30, 2024	1 703 261 622	92 581 238	(37 025 656)	115 684 328	11 745 574	(12 252 854)	2 019 019 388	3 893 013 640	130 569 658	4 023 583 298
Balance as of January 1, 2025	1 703 261 622	92 581 238	(31 429 709)	150 837 104	11 745 574	(22 911 676)	3 043 072 196	4 947 156 349	215 839 903	5 162 996 252
Comprehensive income items										
Net profit for the period	--	--	--	--	--	--	1 256 964 195	1 256 964 195	78 069 859	1 335 034 054
Total comprehensive income	--	--	--	--	--	--	1 256 964 195	1 256 964 195	78 069 859	1 335 034 054
The company's shareholders transactions										
Transferred to legal reserve	--	70 264 393	--	--	--	--	(70 264 393)	--	--	--
Exercising of employee stock ownership plan shares	--	--	2 148 484	(11 522 911)	--	--	32 967 135	23 592 708	--	23 592 708
Formed for employee stock ownership plan	--	--	--	27 825 463	--	--	27 825 463	27 825 463	--	27 825 463
Dividend distribution in subsidiaries	--	--	--	--	--	--	(2 383 292)	(2 383 292)	(82 608 522)	(84 991 814)
Dividend distribution	--	--	--	--	--	--	(235 258 138)	(235 258 138)	--	(235 258 138)
Effect of change from investment in associate	--	--	--	--	--	--	--	--	6 361 674	6 361 674
Non-controlling interests share in the capital increase of subsidiaries	--	--	--	--	--	--	--	--	2 454 514	2 454 514
Total Company's shareholders transactions	--	70 264 393	2 148 484	16 302 552	--	--	(274 938 688)	(186 223 259)	(73 792 334)	(260 015 593)
Balance as of June 30, 2025	1 703 261 622	162 845 631	(29 281 225)	167 139 656	11 745 574	(22 911 676)	4 025 097 703	6 017 897 285	220 117 428	6 238 014 713

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 Six months period ended June 30, 2025

EGP	Note	June 30, 2025	June 30, 2024
Cash flows from operating activities:			
Net profit for the period before tax		1 766 627 701	919 711 047
Adjusted by:			
Depreciation and amortization during the year		313 851 557	180 110 926
Provisions formed	(15)	31 318 185	16 703 597
Formed Provisions for financing risk		123 719 228	49 061 216
Expected credit loss		(1 478 237)	4 432 776
Employee stock ownership plan expenses		27 825 463	51 018 818
Revaluation Gain of Investments at fair value through P&L Statement	(8)	(430 775)	(10 416 805)
Credit interest	(23)	(504 564 274)	(302 669 148)
Share of investments in associate and joint venture losses		905 649	535 968
Unrealized foreign currency exchange gain		6 758 675	(17 376 188)
Gain on sale of fixed assets		(23 762 764)	(9 209 126)
Finance expenses		46 790 713	24 705 563
Effect of change from investment in associate		(12 776 536)	--
Operating gain before change in working capital		1 774 784 585	906 608 644
Changes in Working capital			
(Increase) in inventory		(23 408 003)	(4 106 208)
(Increase) in advances to billers		(6 066 963)	(54 548 793)
(Increase) in debtors and other debit balances		(134 635 356)	(44 049 462)
(Increase) in accounts and notes receivable		(57 836 785)	(39 755 018)
(Increase) in loans to customers		(740 527 730)	(530 349 605)
Decrease in Due from related parties		--	2 923 953
Increase in accounts and notes payable		(26 996 862)	60 203 782
Increase in accounts payable - billers		570 209 123	3 009 961 890
Increase in merchants prepaid balances		351 586 745	157 522 653
Increase in retailer's POS security deposits		23 955 174	20 052 965
Increase in creditors and other credit balances		79 211 838	75 977 247
Used from Provision		(66 455 103)	(14 233 797)
Net Changes in working capital		1 743 820 663	3 546 208 251
Income tax paid		(441 688 268)	(242 482 473)
Proceeds from credit interest		442 378 340	319 025 324
Net cash provided from operating activities		1 744 510 735	3 622 751 102
Cash flows from investing activities			
(Payments) to acquire fixed assets		(599 011 278)	(358 682 586)
(Payments) to acquire intangible assets		(383 946 866)	(205 551 760)
(Payments) for projects under construction		(67 542 090)	(175 374 171)
Proceeds from sale of fixed assets		30 485 570	12 419 010
(Payments) to acquire Investment in associate and joint venture		(33 157 143)	--
(Payments) for investments at fair value through P&L		(57 588 509)	19 434 239
Net movement of treasury bills - more than three months		(895 330 840)	(245 897 242)
Net cash flows (used in) investing activities		(2 006 091 156)	(953 652 510)
Cash flows from financing activities			
Exercising for employee stock ownership plan (ESOP)		23 592 708	--
Dividends Paid		(320 249 952)	(183 196 038)
Net proceeds from loans		17 806 464	279 433 325
Net Proceeds (payments) from bank overdrafts		266 462 873	(20 023 596)
(Payments) for lease liabilities		(46 592 329)	(27 335 076)
Finance expenses paid		(20 269 806)	(13 724 794)
Net cash (used in) / generated from financing activities		(79 250 042)	35 153 821
Net change in cash and cash equivalents during the year		(340 830 463)	2 704 252 413
Cash and cash equivalents at beginning of the year		4 691 959 027	3 714 164 902
Exchange rate changes on cash and cash equivalents		(6 758 675)	17 376 188
Cash and cash equivalents at end of the year	(14)	4 344 369 889	6 435 793 503

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

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 September 26, 2008 the Commercial Register was changed to No. 50840 in March 2011. The company has been re-registered at the 6th of October's Commercial Register under 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's 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, and renting properties, 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 Group is twenty-five years from the Commercial Register date.

The Condensed Consolidated Interim financial statements of the company were approved in the board of directors meeting dated August 13, 2025.

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 2024

4. Fixed assets

<u>EGP</u>	<u>Land</u>	<u>Building</u>	<u>Networks and Servers</u>	<u>Point of sales machines</u>	<u>Computers</u>	<u>Furniture and Office Equipment super fawry and cash counting machines</u>	<u>Leasehold Improvements and fawry stores</u>	<u>Vehicles</u>	<u>Right of use assets</u>	<u>Total</u>
Cost										
As of January 1, 2024										
Additions during the year	52 490 500	134 050 355	201 446 560	700 961 938	110 317 718	35 468 931	106 529 520	881 721	203 316 964	1 545 464 207
Disposals	--	--	78 185 011	563 491 979	24 139 030	21 389 675	68 420 822	--	103 009 374	858 635 891
	--	--	--	(83 429 943)	--	--	--	--	--	(83 429 943)
As of December 31, 2024	52 490 500	134 050 355	279 631 571	1 181 023 974	134 456 748	56 858 606	174 950 342	881 721	306 326 338	2 320 670 155
Additions during the period	--	--	17 156 223	517 865 904	17 033 684	9 471 726	34 889 881	2 593 860	104 822 170	703 833 448
Disposals	--	--	--	(27 522 468)	--	--	--	--	--	(27 522 468)
As of June 30, 2025	52 490 500	134 050 355	296 787 794	1 671 367 410	151 490 432	66 330 332	209 840 223	3 475 581	411 148 508	2 996 981 135
Accumulated depreciation										
As of January 1, 2024										
Depreciation for the year	--	12 081 728	131 196 842	308 547 239	64 641 091	21 644 577	49 094 778	161 505	84 271 741	671 639 301
Depreciation of disposals	--	3 351 258	41 220 411	201 067 899	17 799 659	7 340 988	20 782 284	--	43 377 553	334 940 052
	--	--	--	(74 581 861)	--	--	--	--	--	(74 581 861)
As of December 31, 2024	--	15 432 986	172 417 053	435 033 277	82 440 750	28 985 565	69 877 062	161 505	127 649 294	931 997 492
Depreciation for the period	--	1 675 629	26 306 329	157 503 009	12 778 274	5 753 922	15 389 822	--	29 612 296	249 019 281
Depreciation of disposals	--	--	--	(20 799 662)	--	--	--	--	--	(20 799 662)
As of June 30, 2025	--	17 108 615	198 723 382	571 736 624	95 219 024	34 739 487	85 266 884	161 505	157 261 590	1 160 217 111
Net book value										
As of June 30, 2025	52 490 500	116 941 740	98 064 412	1 099 630 786	56 271 408	31 590 845	124 573 339	3 314 076	253 886 918	1 836 764 024
As of December 31, 2024	52 490 500	118 617 369	107 214 518	745 990 697	52 015 998	27 873 041	105 073 280	720 216	178 677 044	1 388 672 663

Fawry for Banking Technology and Electronic payments S.A.E.
Notes to the Condensed Consolidated Interim Financial Statements
For the Six-months Ended June 30, 2025

5. Intangible assets

<u>EGP</u>	<u>licenses</u>	<u>Programs</u>	<u>Contractual relationship with clients</u>	<u>Customer List</u>	<u>Trademark</u>	<u>Total</u>
<u>Cost</u>						
As of January 1, 2024	118 430 027	665 773 185	6 270 000	553 000	19 070 000	810 096 212
Additions during the year	24 588 704	374 489 202	--	--	--	399 077 906
As of December 31, 2024	143 018 731	1 040 262 387	6 270 000	553 000	19 070 000	1 209 174 118
Additions during the period	7 775 651	376 206 887	--	--	--	383 946 866
As of June 30, 2025	150 794 382	1 416 433 602	6 270 000	553 000	19 070 000	1 593 120 984
<u>Accumulated amortization</u>						
As of January 1, 2024	31 586 812	167 184 156	1 595 445	266 499	3 225 731	203 858 643
Amortization for the year	10 716 987	78 288 127	531 815	88 833	1 271 333	90 897 096
As of December 31, 2024	42 303 799	245 472 283	2 127 260	355 332	4 497 065	294 755 739
Amortization for the period	6 395 040	57 491 243	265 908	44 417	635 667	64 832 274
As of June 30, 2025	48 698 839	302 963 526	2 393 168	399 749	5 132 731	359 588 013
Net Book value As of June 30, 2025	102 095 543	1 113 470 076	3 876 832	153 251	13 937 269	1 233 532 971
Net Book value As of December 31, 2024	100 714 932	794 790 104	4 142 740	197 668	14 572 935	914 418 379

6. Projects under construction

The increase in the projects under construction is mainly because of the addition during the period with EGP 77.1 million with addition in buildings with EGP 16.7 million and addition in advance payment EGP 56.4 million and the transferred from Fixed Assets and intangible assets by amount of EGP 9.6 million

7. Investment in associates and Joint venture

The decrease in the account is mainly due to reclassification Codezone company investment to investment in subsidiaries in consideration with increase investing in VCFO Consulting by amount of EGP 8.5 million.

8. Investments at Fair Value through Profit or loss

The increase in the account is mainly due to the increase in investment of Fawry CI capital fund by EGP 57.5 Million and EGP 430.7 thousand gains from this investment during the Second quarter of the year.

9. Accounts and notes receivable

The increase in the account is mainly due to the increase of customers balances by amount of EGP 57.8 million and this resulted from increase in group business volume during the Second quarter of 2025.

10. Loans and facilities to customers

<u>EGP</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Microfinance, small and medium loans	2 097 053 102	2 096 284 648
Less: Customers financing risk provision	(112 628 314)	(103 402 493)
	<u>1 984 424 788</u>	<u>1 992 882 155</u>
Consumer finance loans	1 762 632 139	1 022 872 863
Less: Customers financing risk provision	(105 586 164)	(57 547 860)
	<u>1 657 045 975</u>	<u>965 325 003</u>
	<u>3 641 470 763</u>	<u>2 958 207 158</u>

Reclassified as follows:

<u>EGP</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Loans to customers – current	2 745 950 997	2 233 166 351
Loans to customers – non-current	895 519 766	725 040 807
	<u>3 641 470 763</u>	<u>2 958 207 158</u>

Customers financing risk provision movement represented as follow:

<u>EGP</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Beginning balance period/ year	160 950 353	64 704 098
Formed during the period/ year	123 719 228	134 600 555
Used during the period/ year	(66 455 103)	(38 354 300)
Ending balance period/ year	<u>218 214 478</u>	<u>160 950 353</u>

11. Debtors and other debit balances

The increase in the account is mainly due to the increase in prepaid expenses by amount of EGP 48 million and increase in tax authority balances by amount of EGP 47.5 million increase in Accrued interest from finance loans by amount of EGP 81.2 million taking into consideration with decrease in deferred revenue by amount of EGP 12 Million and decrease in advance payment to suppliers by amount of EGP 8.1 million.

12. Due from related parties

<u>EGP</u>	<u>Nature</u>	<u>Account Type</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Tazcara Information Technology and Electronic Booking co.	Associate	Current account	1 500 240	1 500 240
Less: Expected credit loss			(1 500 240)	(1 500 240)
			<u>--</u>	<u>--</u>

13. Treasury bills

The increase in treasury bills mainly due to the increase in the investing in treasury bills by amount of EGP 685.1 million.

14. Cash and cash at banks

<u>EGP</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Cash*	168 675 975	205 773
Current bank accounts – local currency **	1 441 188 312	2 477 071 390
E-Acceptance transactions under settlement	1 215 038 552	991 381 441
Cash at companies and agents of money collections	1 126 752 929	487 408 107
Time deposit – local currencies	10 110 511	109 000 000
Time deposit – foreign currencies	185 787 942	188 937 632
Current bank accounts – foreign currencies	37 097 340	18 300 003
Less: Expected credit loss	(4 904 073)	(4 863 324)
	<u>4 179 744 488</u>	<u>4 267 441 022</u>

* Cash balance is represented in cash with cash collection representatives “the company’s employees” on June 30, 2025.

** Current bank accounts - local currency include EGP 82.1 million for a letter of guarantee was issued in the subsequent period for credit enhancement.

For cash flows purposes, Cash and cash equivalents are analyzed as follows:

<u>EGP</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Cash and banks balances	4 179 744 488	6 114 888 557
Treasury bills – less than 3 months	164 625 401	320 904 946
	<u>4 344 369 889</u>	<u>6 435 793 503</u>

15. Provisions

The increase due to provision formed during the Second quarter of the year by EGP 31.3 million and the purpose for provision formed for future contingent liabilities.

16. Banks overdraft

The increase in account is mainly due to the increase in Balance of Bank credit facilities used during the Second Quarter of 2025 by amount of EGP 266.4 million.

17. Creditors and other credit balances

The increase in the account is mainly due to the increase in the Accrued Expenses by amount of EGP 94.3 million and the Accrued commission by amount of EGP 8.3 million and Deferred Revenue by amount of EGP 22.1 million taking into consideration decrease in tax authority balances by amount of EGP 36.6 million.

18. Contingent liabilities

The balance of the contingent liabilities EGP 2.1 billion on 30 June 2025 compared to EGP 1.8 billion on December 31, 2024.

19. Operating revenues

The reason for the increase in revenues is due to the increase in the company’s throughput during the Second quarter compared to the Second quarter of the previous period according to increase in revenues by amount 867.8 of EGP and increase in revenue of finance by amount EGP 598.2 million contain securitization surplus by amount EGP 40.5 million (Note 30).

20. Operating costs

The increase in operating costs is mainly due to the increase in Bank fees by an amount of EGP 94.9 million, increase of cost of fund for finance loans by amount of EGP 110.8 million, increase in Depreciation and amortization by amount of EGP 76.9 million., increase in cost of branches by an amount of EGP 43.4 million, and increase on cash collection cost by an amount of EGP 14 million.

21. 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 119.4 million. In addition to the increase in subscription fees. technical support, communication and service centers by an amount of EGP 34.2 million during the period and increase in depreciation and amortization by an amount of EGP 53.7 million.

22. Selling and marketing expenses

The main reason for the increase in selling and Marketing expenses is the increase in the salaries by an amount of EGP 55.6 million, in addition to the increase of marketing expense by 29.2 million.

23. Credit Interest

The increase in the account is mainly due to increase in credit interest on treasury bills by amount of EGP 123.1 million and increase in credit interest on time deposits and call accounts by amount of EGP 78.6 million.

24. 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 a 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 employees exercised their rights with 4.2 Million shares and charged total cost for the period shares granted is amounting to EGP 27.8 Million and total reserve for employee stock ownership plan at the reporting date is EGP 167.1 Million.

25. Segment information

The group has two major sectors representing the important sectors of the group, offering different and services that managed in a separate way because they require different skills and have different types of clients. The managers of each department review internal management reports in a periodic manner 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, 2024, 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.

A. Segment profit or loss statement

EGP	<u>Segment Revenue</u>		<u>Segment Profit/(Loss)</u>	
	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Banking technology and E-payment sector	2 826 990 958	1 959 135 944	1 515 429 540	885 723 465
Lending sector	938 491 533	340 228 843	251 198 161	33 987 582
Total	3 765 482 491	2 299 364 787	1 766 627 701	919 711 047
Net profit before tax			1 766 627 701	919 711 047
Tax			(431 593 647)	(233 799 161)
Net profit after tax			1 335 034 054	685 911 886

B. Segment Assets

EGP	<u>June 30, 2025</u>	<u>December 31, 2024</u>
Banking technology and E-payment	14 442 290 388	11 954 286 407
Lending sector	4 184 551 731	3 274 553 088
Segment Assets before eliminations	18 626 842 119	15 228 839 495
Elimination of internal transactions between segments	(2 921 149 514)	(1 972 063 125)
Segment Assets after eliminations	15 705 692 605	13 256 776 370
Total consolidated Assets	15 705 692 605	13 256 776 370

26. Earnings per share

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

EGP	<u>June 30, 2025</u>		<u>June 30, 2024</u>	
	<u>Basic</u>	<u>Diluted</u>	<u>Basic</u>	<u>Diluted</u>
Net profit for the period	1 256 964 195	1 256 964 195	628 771 633	628 771 633
Outstanding shares	3 406 523 244	3 406 523 244	3 406 523 244	3 406 523 244
	0.37	0.37	0.18	0.18

Fawry for Banking Technology and Electronic payments S.A.E.
Notes to the Condensed Consolidated Interim Financial Statements
For the Six-months Ended June 30, 2025

27. Acquisition of subsidiary

During the first quarter of 2025 Fawry for banking technology and electronic payments S.A.E acquired a percentage of 51% from the total shares of code zone company L.L.C the goodwill recognized as the value of the increase in cash consideration against the fair value of the company's net assets.

The fair value of the identifiable assets acquired, liabilities and potential liabilities assumed resulting from the acquisition of Code zone L.L.C has been previously determined and the provisional fair value on the date of acquisition amounted to EGP 12 983 008.

	<u>January 1, 2025</u>
	<u>EGP</u>
Fair value of consideration	<u>12 983 008</u>
Less:	
Non-controlling interest (Provisional fair value)	6 361 674
Fair value of previously held interest	34 068 189
Fair value of consideration given for controlling interest	<u>31 388 000</u>
Total goodwill	<u>58 834 855</u>

According to article No. 45 of Egyptian Accounting Standard No. (29), the initial processing of the business combination was not completed until the end of the fiscal period, as the group's management is still preparing a study of the allocation of the cash consideration in the date of the combination on the fair values of the company's net assets with aim of measuring the assets defined annually and potential obligations in the date of acquisition and determining the value of goodwill the company will perform during the measurement period, which is the period after the acquisition date, where there is reasonable time to determine and measure the following date of acquisition.

- A. Identifiable acquired assets, potential liabilities and any non-controlling interests in the acquired facility.
- B. The material equivalent transferred to the acquired facility or any other value used in measuring Goodwill.
- C. Equity retained by subsidiary in the acquired subsidiary.

Net cash paid to acquire a subsidiary:

	<u>EGP</u>
Cash consideration	31 388 000
Less: cash and cash equivalents for subsidiaries	<u>(4 680 332)</u>
	<u>26 707 668</u>

28. 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 2022

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 2023 until Now

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

Salaries and wages tax

The years from establishment until 2022

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

The years 2023 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 November 30, 2020

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

The years from December 31, 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.

29. 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" claiming an amount of EGP 82 million under a contract with the company in addition to the legal accrued interest on the said amount. No transactions took place under the aforementioned contract, the legal case is presented for Appeal court.

30. Securitization surplus

In May 2025, the group signed through one of its subsidiaries a securitization portfolio transfer agreement with Capital for Securitization Company, completing the first securitization bond issuance with a total value of EGP 497.5 million. This is the first tranche of a securitization program with an expected volume of EGP 8 billion over the next three years. The issuance period is 13 months, ending in May 2026. The profits achieved from the securitization portfolio transfer amounted to EGP 40.5 million noting that the conditions for disposals financial assets were applied to the financial assets transferred to Capital for Securitization Company.

31. Significant Events During the Reporting Period

On April 17, 2025, the Monetary Policy Committee of the Central Bank of Egypt decided, in its meeting, to reduce the overnight deposit and lending rates, as well as the Central Bank's main operation rate, by 225 basis points to 25%, 26%, and 25.50%, respectively. Additionally, the credit and discount rate was cut by 225 basis points to reach 25.50%.

On May 22nd, 2025, The Monetary Policy Committee of the Central Bank of Egypt decided in its meeting, to decrease the overnight deposit and lending rates and the rate of the main operation of the Central Bank by 100 basis points to 24%, 25% and 24.50%, respectively. The discount rate was also decreased by 100 basis points to 24.50%.