



**Annual report of the Board of Directors attached to the Financial Statements**  
**(Prepared in accordance with the provisions of Article 40 of the registration rules)**

**1) Company information**

Company Name	Fawry For Banking Technology and Electronic Payments		
Company Information	<p>Established in accordance with the provisions of the Investment Law No. 159 of 1981, The Company purpose according to the last amendment dated 4/11/2021 is to provide specialized operating services for information and communication technology systems. Management, operation and maintenance of computer equipment and networks, internal systems of banks, networks and mainframes. Development of operating systems of banking services through the internet and telephone, provision of electronic payment services and circulation of secured documents electronically. Subject to the provisions of the applicable laws, regulations and decisions and provided that the necessary licenses are issued to practice these activities. The company may have an interest or participate in any way with companies and others that are engaged in similar businesses or that may cooperate with them to achieve its purpose in Egypt or abroad, and it may also merge with the above bodies, purchase or attach to them in accordance with the provisions of the law and its executive regulations. The specified period of the company: 25 years from the date of registration in the Commercial Register Investment October 6, No. 1333 dated 3 / 3 / 2022 the Extraordinary General Assembly of the company approved an increase in the authorized capital of EGP 3 billion, and an increase in the issued and paid-up capital to EGP 1,653,652,060 and distributed to 3,307,304,120 shares with a nominal value of half a pound per share. On April 13, 2023, the issued and paid-up capital was increased to 1,703,261,622 Egyptian pounds distributed among 3,406,523,244 Cash nominal shares, the value of each share (Fifty piasters). The company was listed on the Egyptian Stock Exchange on July 22, 2019.</p>		
Investor Relations Contacts	Mr. Mostafa Ibrahim	Phone number	02/35371171-4
Email Address	Mostafa.ibrahem@fawry.com	Website	www.fawry.com
Head Office	Smart Village building B221 / F12, smart village, km 28, Egypt Alexandria Desert Road, Giza.		
Auditor	Mr. Kamel Magdy Saleh	Registration number	69
Date of appointment	April 12, 2023 by the decision of the Ordinary General Assembly of the company	Registration date	6/11/2006





**2) The structure of shareholders and the percentage of ownership of the members of the board of directors:**

Shareholders of 5% of the company's shares	Number of shares at the date of the financial statements	percentage %
Alpha Oryx Limited	416,728,062	12.23%
Banque Misr	331,942,520	9.74%
Egyptian American Enterprise Fund	289,002,353	8.48%
Link Hold Co B. V	270,344,629	7.93%
National Bank of Egypt	206,225,843	6.05%
Black Sparrow Long Term Investments LTD	188,840,077	5.53%

\*According to the structure of shareholders on 31-12-2023

**3) Ownership of the company's shares by the members of the board of directors:**

Ownership of the members of the Board of Directors in shares of the company	Number of shares at the date of the financial statements	percentage %
Ashraf Kamel Moussa Sabry	74,912,691	2.20%
Alpha Oryx Limited	416,728,062	12.23%
Banque Misr	331,942,520	9.74%
Egyptian American Enterprise Fund	289,002,353	8.48%
National Bank of Egypt	206,225,843	6.05%
Responsability Participations AG	161,408,519	4.73%
Magda Raafat Gendy Habib	7,904,105	0.23%
Total ownership of board members	1,071,812,759	38.93%

\* According to the structure of shareholders on 31-12-2023

- **Treasury Shares of the company:** Non



#### 4) Board of directors:

##### The last Board composition of director

	Member name	Position	Title	Representing
1	Seif Allah Coutry Saady Hassan Coutry	Chairman	Non-executive Member	-
2	Ashraf Kamel Moussa Sabry	Managing Director & CEO	Executive Member	-
3	Ashraf Mahmoud Abbas Zaki	Board member	Non-executive Member	Egyptian American Enterprise Fund
4	Volodymyr Tsapko	Board member	Non-executive Member	Responsibility Participations AG
5	Shehab Ezzat Abdelrahman Zidan	Board member	Non-executive Member	Banque Misr
6	Sherif Hussein Safwat Mohamed Tolba	Board member	Non-executive Member	National Bank of Egypt
7	Magda Raafat Gendy Habib	Board member	Non-executive/Non-independent	-
8	Hussein Hassan Choukri	Board member	Non-executive/ Independent	-
9	Moataz Mohamed Hashem Tabaa	Board member	Non-executive/ Independent	-
10	Aziz Moolji	Board member	Non-executive	Alpha Oryx Limited
11	Ahmed Al Tanani	Board member	Non-executive	Alpha Oryx Limited
12	Rafi Aziz Qasim	Board member	Non-executive/Non-independent	-

##### The amendments of the Board of Directors that have been added last year

- On March 6, 2023, the resignation of Link Hold Co B.V. was accepted and its representative was withdrawn from the Board
- On April 12, 2023, the Ordinary General Assembly approved the appointment of Mrs. Rafi Aziz Qasim as an independent member of the Board of Directors (Female Member).
- On May 17, 2023, the Board approved the resignation submitted by Black Sparrow Ling Term from the Company's Board of Directors and the withdrawal of its representative from the Company, Mr. Hedi Ben Mlouka.
- On May 17, 2023, the Board approved the appointment of Mr. Volodymyr Tsapko as a representative of Responsibility Partnerships AG in the Board of Directors of the company instead of Mr. Michael Fiebig.

**Board of directors' meetings:** The company's Board of directors met 5 times during 2023.



## 5) Audit & Risk Committee

The audit committee was reconstituted in accordance with the Board of Directors decision issued on October 20, 2022 to become the audit and Risk Committee and the committee was formed as follows:

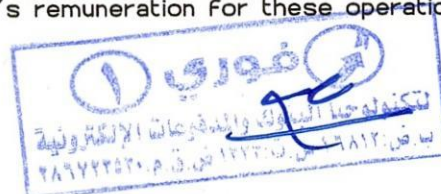
### The last Audit & Risk Committee composition

N	Member Name	Position in the Committee	Title (executive/non-executive/independent)	Representing
1	Hussein Hassan Choukri	Chairman	Non-executive / Independent	Himself
2	Seif Allah Coutry Saady Hassan Coutry	Member	Non-executive / Non-independent	Himself
3	Moataz Mohamed Hashem Tabaa	Member	Non-executive / Independent	Himself
4	Rafi Aziz Qasim	Member	Non-executive / Independent	Herself

### The committee's terms and responsibilities include

The Audit and Risk Committee is composed of four non-executive members, including three independent members. The Audit Committee performs the following tasks:

- Reviewing the company's internal control system and developing a written report on its opinion and recommendations in this regard.
- Reviewing the financial statements before submitting them to the Board of Directors and giving its opinion and recommendations in this regard.
- Reviewing the accounting principles used and expressing its opinion and recommendations regarding them.
- Recommending to the Board of Directors to appoint one or more auditors for the company, outlining the needed qualifications, competence, and independence. The decision to appoint auditors and determine their remuneration is the responsibility of the company's Ordinary General Assembly.
- Reviewing and commenting on the auditor's audit plan.
- Reviewing the auditor's notes and recommendations on the financial and other statements contained in the management letter received from the auditor and following up on the actions taken in their regard.
- Ensuring the company's commitment to follow the internal and external systems, regulations and laws in accordance with the reports submitted to it by the Compliance Department or other concerned departments.
- Recommending approval for the auditor to carry out additional duties other than auditing the accounts, and recommending approval of the auditor's remuneration for these operations in proportion to the annual remuneration.





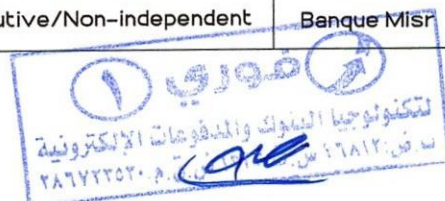
- Discussing and approving the annual plan of the Internal Audit Department, Following up on its efficiency, and ensuring that it includes all the company's departments and activities.
- Reviewing the internal audit reports, identifying the company's shortcomings and their reasons, and following up on the corrective actions.
- Reviewing and evaluating the company's early warning system and suggesting what is needed to effectively improve and implement it.
- Reviewing and evaluating security systems, information, and data, and how to protect them from any internal or external penetrations.
- Reviewing the observations or violations received from the regulatory authorities and following up on the subsequent measures.
- Inviting the company's auditor, head of the internal Audit Department, or whoever deemed appropriate from within or outside the company to attend its meetings whenever the need arises.
- Implementing and following up on any other tasks assigned by the Board of Directors.

**The workflow of Audit and risk committee during year**

Number of meetings of the audit committee	4
Have the committee's Reports been presented to the company's Board of directors	Yes
Did the committee's reports include substantive observations that should have been addressed	No
Has the board of directors processed the material observations	There were no substantive observations in the report of the audit committee

**6) Compliance & Governance Committee:**

N	Member Name	Position in the Committee	Title (executive/non-executive/independent)	Representing
1	Seif Allah Coutry Saady Hassan Coutry	Chairman	Non-executive/Non-independent	Himself
2	Hussein Hassan Choukri	Member	Non-executive/ independent	Himself
3	Moataz Mohamed Hashem Tabaa	Member	Non-executive/ independent	Himself
4	Sherif Safwat	Member	Non-executive/Non-independent	National Bank of Egypt
5	Shehab Ezzat Zeidan	Member	Non-executive/Non-independent	Banque Misr



**7) Remuneration and Nominations Committee:**

	Member Name	Position in the Committee	Title (executive/non-executive/Independent)	Representing
1	Hussein Hassan Choukri	Chairman	Non-executive/ Independent	Himself
2	Ashraf Kamel Moussa Sabry	Member	Non-executive/Non-independent	Himself
3	Seif Allah Coutry Saady Hassan Coutry	Member	Non-executive/Non-independent	Himself
4	Moataz Mohamed Hashem Tabaa	Member	Non-executive/ Independent	Himself
5	Ashraf Mahmoud Abbas Zaki	Member	Non-executive/Non-independent	Egyptian American Enterprise Fund
6	Magda Raafat Gendy Habib	Member	Non-executive/Experienced	Herself

**8) The Employee Stock Option (ESOP) Committee:**

	Member Name	Position in the Committee	Title (executive/non-executive/Independent)	Representing
1	Seif Allah Coutry Saady Hassan Coutry	Chairman	Non-executive/Non- Independent	Himself
2	Hussein Hassan Choukri	Member	Non-executive/Independent	Himself
3	Moataz Mohamed Hashem Tabaa	Member	Non-executive/ Independent	Himself
4	Ashraf Mahmoud Abbas Zaki	Member	Non-executive/Non-independent	Egyptian American Enterprise Fund
5	Magda Raafat Gendy Habib	Member	Non-executive/Experienced	Herself

### 9) Investment Committee

	Member Name	Position in the Committee	Title (Executive/Non-executive/Independent)	Representing
1	Ashraf Kamel Moussa Sabry	Chairman	Executive/Non-independent	Himself
2	Ashraf Mahmoud Abbas Zaki	Member	Non-Executive/Non-independent	Egyptian American Enterprise Fund
3	Magda Raafat Gendy Habib	Member	Non-executive/Experienced	Herself

### 10) Data of the Company's Employees

The average number of employees in the company during the year	5,875
Average earnings of employees during the year	133,428

### 11) The Employee and managers Stock Option (ESOP) program:

Total shares available according to the employee and managers Stock Option (ESOP) program	3% of the total number of companies shares
The total amount awarded from the employee and managers Stock Option (ESOP) program during the year	12,879,007
The number of beneficiaries of the employee and managers Stock Option (ESOP) program	220
The total amount awarded from the employee and managers Stock Option (ESOP) program since the application of the program	3 %

- **Violations and procedures related to the capital market law and registration rules:** None



**12) Details of the transactions that took place with the related parties:**

- A loan has been signed from the Egyptian American Fund (related party) starting From November 2020 for a period of three years from the date of the beginning of the loan is repaid in two instalments, the first payment is due two years after the date of signing the contract and the second instalment is due a year after the first payment and the parties agreed to calculate monthly interest at a fixed annual rate of return to be paid every six months.
- A medium-term loan contract for a period of 18 months was signed with Banque Misr (a related party) on March 22, 2021 in the amount of EGP 150 million at a market rate of return allocated to be used to finance the company's ongoing activity in order to finance the company's activity in the form of micro-loans in accordance with the regulations of the Financial Supervisory Authority.

**13) The company's contribution during the year to community development and environmental conservation:**

In order to participate in the development of society and the preservation of the environment, Fawry company has made many contributions, including:

- **Farrah w Efrah Initiative**

Fawry Company carried out a campaign for social participation under the slogan "Farah and Efrah", which encourages the spirit of giving. The donations were collected for charitable institutions (AL Nas Hospital, Egyptian Food Bank, Misr Al-Khair, Ahl Al-Khair Hospital, 500 500 Hospital, Magdy Yacoub Hospital, Beit Al Zakah).

**Other points:**

- **The general condition of the company, the result of the business and its future**  
According to the company's annual business results, the company achieves annual growth in accordance with the company's strategic vision for growth.
- **Proposed dividends to be distributed to shareholders**  
Non-distribution of profits to shareholders.
- **Suggestions for switching to precautions**  
The company forms a legal reserve in accordance with law 159 of year 81 and its executive regulations and in accordance with the company's articles of association at a rate of 5% of Net Profit after taxes.
- **The main activities of the company and its subsidiaries and any change in the ownership of subsidiaries during the year.**

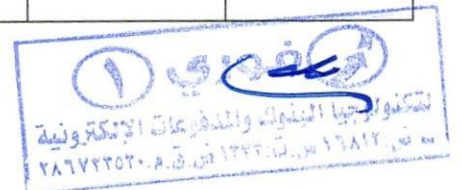




**14) Fawry for Banking and Payment Technology Services:**

- Providing specialized operating services for ICT systems.
- Management, operation and maintenance of computer equipment and networks, internal systems of banks, networks and mainframe computers.
- Development of operating systems for banking services through the internet and telephone, provision of electronic payment services and circulation of secured documents electronically.

Subsidiaries	Purpose of the Company	Contribution percentage in 31- 12- 2022	Contribution percentage in 31- 12-2023
Fawry Integrated system	Providing specialized operations services in systems, communications, management, operation and maintenance of equipment and computer networks services	99.99%	99.99%
Fawry Dahab For electronic services	Providing specialized operations services in systems, communications, management, operation and maintenance of equipment network services, computers and electronic financial payments through the group.	37.11%	37.11%
Fawry For Medium, Small and Microfinance	<ul style="list-style-type: none"> <li>• Microfinance</li> <li>• Practicing the activity of investment Funds itself or with others.</li> <li>• Practicing the activity of financing small and medium enterprises.</li> </ul>	99.80%	99.80%
Fawry Insurance brokerage	Insurance brokerage	90%	90%
Fawry For FMCG Services	Providing electronic payment services, invoice collection, secure document handling services through the internet for consumer and pharmaceutical goods companies, advertising, e-marketing, online commercial brokerage, e-commerce online, marketing of goods and services, providing consulting and financial solutions	51%	51%
Fawry plus For Banking Services	Providing electronic payment services and electronic circulation of secured documents	60.46%	60.46%
Fawry Gulf	Free zone – United Arab Emirates	75%	75%
Fawry Consumer Finance	Consumer Finance	100%	100%
Dirac System	Is a regional service provider offering advanced solutions and strategic business software services, which support digital transformation in business organizations, especially for planning	51.2%	51.2%



The current value of assets, if the book value is significantly different from the current market: None

**15) Profit volume ratio and the net profit or loss is distributed over the various main activities of the company:**

	Sector revenues EGP		Profits / (losses) sector EGP	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Banking and electronic payment technology Sector	2,804,469,831	2,028,802,602	1,085,522,372	390,859,226
Microfinance Sector	367,546,252	251,032,572	59,099,574	53,683,723
<b>Total</b>	<b>3,272,016,083</b>	<b>2,279,335,174</b>	<b>1,094,621,946</b>	<b>444,542,949</b>
<b>Total Net profit for the year before taxes</b>			<b>1,094,621,946</b>	<b>444,542,949</b>
Burden of taxation			(278,653,009)	(117,487,788)
<b>Net profit for the year after taxes</b>			<b>815,968,937</b>	<b>327,055,161</b>

- **Export volume:** None

**16) Donations:**

The Foundation of the Egyptian Food Bank	250 thousand pounds
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**17) Statement of shares issued during the year:**

On April 13, 2023, the company's ordinary general assembly meeting was held, the issued and paid-up capital was increased from 1,653,652,060 Egyptian pounds to 1,703,261,622 Egyptian pounds distributed among 3,406,523,244 Cash nominal shares, the value of each share (fifty piasters). Using the reserve balance of the reward and incentive system (ESOP).

**Managing Director and CEO**

**Name:** Ashraf Kamel Moussa Sabry

**Signature:**

