

## Fawry Releases 1H2024 Results

During the first half of 2024, Fawry capitalized on its strategic business expansion and effective cost management, resulting in notable growth. The company saw a 59.2% increase in revenue and a 122.1% rise in profit.

### 1H2024 Highlights

#### Revenues

**EGP 2,299.4 MN**

▲ 59.2% y-o-y

#### Gross Profit

**EGP 1,517 MN**

▲ 70.0% y-o-y / 66.0% margin

#### Throughput Value

**EGP 244,843 MN**

▲ 65.8% y-o-y

#### EBITDA<sup>1</sup>

**EGP 1,076.8 MN**

▲ 97.4% y-o-y / 46.8% margin

#### Net Profit

**EGP 628.8 MN**

▲ 122.1% y-o-y / 27.3% margin

#### Number of Transactions

**924.8 MN**

▲ 23.5% y-o-y

**14 August 2024** – (Cairo, Egypt) Fawry (the “Company”, FWRY.CA on the Egyptian Exchange), Egypt’s leading provider of e-payments and digital finance solutions, announced today its consolidated results for the quarter ended 30 June 2024. The Company booked revenues of EGP 2,299.4 million in 1H2024, up by 59.2% year-on-year (y-o-y). Strong top-line performance was driven by the expansion and diversification of the Company’s business offerings, which alongside effective cost control measures resulted in robust profitability margins leading to a net profit growth of 122.1% to reach EGP 628.8 million. Net profit for the quarter stood at EGP 321.7 million, up by an impressive 101.3% y-o-y yielding an associated net profit margin (NPM) of 26.5%.

### Summary Profit & Loss Statement – Second Quarter

(EGP 000s)	2Q2023	1Q2024	2Q2024	Y-o-Y Change	Q-o-Q Change
<b>Total Revenues</b>	<b>768,473</b>	<b>1,087,190</b>	<b>1,212,174</b>	<b>57.7%</b>	<b>11.5%</b>
<i>Alternative Digital Payments (ADP)</i>	<i>304,886</i>	<i>354,837</i>	<i>410,266</i>	<i>34.6%</i>	<i>15.6%</i>
<i>Banking Services</i>	<i>294,027</i>	<i>456,941</i>	<i>475,162</i>	<i>61.6%</i>	<i>4.0%</i>
<i>Acceptance</i>	<i>140,238</i>	<i>227,432</i>	<i>249,021</i>	<i>77.6%</i>	<i>9.5%</i>
<i>Agent Banking</i>	<i>153,790</i>	<i>229,508</i>	<i>226,141</i>	<i>47.0%</i>	<i>-1.5%</i>
<i>Financial Services</i>	<i>90,729</i>	<i>174,188</i>	<i>203,501</i>	<i>124.3%</i>	<i>16.8%</i>
<i>Supply Chain Solutions</i>	<i>51,578</i>	<i>75,639</i>	<i>84,433</i>	<i>63.7%</i>	<i>11.6%</i>
<i>Technology &amp; Others</i>	<i>27,253</i>	<i>25,586</i>	<i>38,812</i>	<i>42.4%</i>	<i>51.7%</i>
<b>Gross Profit</b>	<b>473,608</b>	<b>715,620</b>	<b>801,545</b>	<b>69.2%</b>	<b>12.0%</b>
<i>Gross Profit Margin</i>	<i>61.6%</i>	<i>65.8%</i>	<i>66.1%</i>	<i>4.5 pts</i>	<i>0.3 pts</i>
<b>EBITDA<sup>1</sup></b>	<b>305,424</b>	<b>506,615</b>	<b>570,176</b>	<b>86.7%</b>	<b>12.5%</b>
<i>EBITDA Margin</i>	<i>39.7%</i>	<i>46.6%</i>	<i>47.0%</i>	<i>7.3 pts</i>	<i>0.4 pts</i>
<b>Net Profit Before NCI</b>	<b>182,791</b>	<b>333,719</b>	<b>352,193</b>	<b>92.7%</b>	<b>5.5%</b>
<b>Net Profit After NCI</b>	<b>159,774</b>	<b>307,090</b>	<b>321,682</b>	<b>101.3%</b>	<b>4.8%</b>
<i>Net Profit Margin</i>	<i>20.8%</i>	<i>28.2%</i>	<i>26.5%</i>	<i>5.7 pts</i>	<i>-1.7 pts</i>

<sup>1</sup> EBITDA - The Company defines EBITDA as its EAS operating profit, excluding: (a) depreciation, amortization, provisions; (b) noncash ESOP expense included in EAS net profit; (c) interest income not related to the operating cycle; (d) taxes; (e) leasing charges; and certain other non-operating costs including provisions.

<sup>2</sup> Financial services Revenue – Include MSME lending, Consumer finance, Insurance brokerage, Prepaid Card and Money market fund revenues. All except for Microfinance have been reallocated from Others.

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Summary Profit & Loss Statement – First Half

(EGP 000s)	1H2023	1H2024	Y-o-Y Change
<b>Total Revenues</b>	<b>1,444,170</b>	<b>2,299,365</b>	<b>59.2%</b>
<i>Alternative Digital Payments (ADP)</i>	<i>582,637</i>	<i>765,103</i>	<i>31.3%</i>
<i>Banking Services</i>	<i>547,667</i>	<i>932,103</i>	<i>70.2%</i>
<i>Acceptance</i>	<i>255,985</i>	<i>476,453</i>	<i>86.1%</i>
<i>Agent Banking</i>	<i>291,682</i>	<i>455,649</i>	<i>56.2%</i>
<i>Financial Services</i>	<i>177,278</i>	<i>377,689</i>	<i>113.0%</i>
<i>Supply Chain Solutions</i>	<i>95,959</i>	<i>160,072</i>	<i>66.8%</i>
<i>Technology &amp; Others</i>	<i>40,628</i>	<i>64,398</i>	<i>58.5%</i>
<b>Gross Profit</b>	<b>892,394</b>	<b>1,517,164</b>	<b>70.0%</b>
<i>Gross Profit Margin</i>	<i>61.8%</i>	<i>66.0%</i>	<i>4.2 pts</i>
<b>EBITDA<sup>1</sup></b>	<b>545,359</b>	<b>1,076,791</b>	<b>97.4%</b>
<i>EBITDA Margin</i>	<i>37.8%</i>	<i>46.8%</i>	<i>9.1 pts</i>
<b>Net Profit Before NCI</b>	<b>324,849</b>	<b>685,912</b>	<b>111.1%</b>
<b>Net Profit After NCI</b>	<b>283,057</b>	<b>628,772</b>	<b>122.1%</b>
<i>Net Profit Margin</i>	<i>19.6%</i>	<i>27.3%</i>	<i>7.7 pts</i>

<sup>1</sup> EBITDA - The Company defines EBITDA as its EAS operating profit, excluding: (a) depreciation, amortization, provisions; (b) noncash ESOP expense included in EAS net profit; (c) interest income not related to the operating cycle; (d) taxes; (e) leasing charges; and certain other non-operating costs including provisions.

<sup>2</sup> Financial services Revenue – Include MSME lending, Consumer finance, Insurance brokerage, Prepaid Card and Money market fund revenues. All except for Microfinance have been reallocated from Others.

Financial & Operational Highlights

- Fawry's top-line increased by 59.2% year-on-year, marking its highest growth rate since 2015, reaching EGP 2,299.4 million in 1H2024. This robust performance was driven by strong results across the company's business lines.
- The ADP segment experienced substantial year-on-year growth of 31.3%, the highest increase since 2Q2020. This growth was fueled by the continuous addition of new billers, expansion of Point of Sale (POS) services, increased engagement with customers and merchants to enhance existing POS activity, and a rise in average ticket sizes driven by price increases in select industries. Despite this growth, ADP's contribution decreased to 33.3% in 1H2024 from 40.3% in 1H2023 as other revenue streams continued to grow.
- Fawry's commitment to diversifying revenue streams was evident this year, with impressive expansion across its business lines. Banking services saw revenues increase by 70.2% year-on-year, financial services surged by 113.0% year-on-year, supply chain solutions experienced a notable year-on-year increase of 66.8%, and the technology and other sectors grew by 58.5% year-on-year.
- EBITDA almost doubled in 1H2024 to EGP 1,076.8 million, reflecting the company's success in growing its revenue streams while capitalizing on service synergy and improving operational cost efficiency.
- Fawry's bottom-line increased by an impressive 122.1% year-on-year to EGP 628.8 million in 1H2024, reflecting both revenue growth and EBITDA margin enhancement.
- Throughput value maintained its upward momentum, up 65.8% year-on-year to EGP 244.8 billion in the first half of 2024, supported by the company's ability to broaden its portfolio to address a diverse user base in Egypt.

## Chief Executive's Review

I am pleased to report that in 2Q2024, Fawry has continued its upward trajectory from 1Q2024, achieving substantial operational and financial growth, and making significant progress on our long-term value creation and revenue diversification strategy. Despite the challenging macroeconomic environment – characterized by soaring inflation, interest rate hikes, and supply chain disruptions – we successfully mitigated the impact while achieving considerable expansion through rigorous cost control measures and a synergistic approach to business development. Overall, Fawry's top-line recorded a solid 57.7% year-on-year increase in 2Q2024, while profitability remained robust with an impressive EBITDA margin of 47.0% (+7.3 points), and bottom-line growth of 101.3%, with an associated margin enhancement of 5.7 percentage points to 26.5%.

On a segment basis, in 2Q2024, Banking Services was the primary driver of our top-line expansion, delivering a notable 61.6% year-on-year growth, highlighting our commitment to diversifying revenue streams. In our financial services sector, Fawry is reaping the rewards of its expansion into neobanking, with the nascent venture driving a substantial 124.3% year-on-year increase in financial services revenue. Similarly, the supply chain solutions division saw a significant revenue increase of 63.7%, showcasing our transformation into an ecosystem offering a wide array of value-added services beyond our core offerings. Lastly, our Alternative Digital Payments segment demonstrated solid growth of 34.6% year-on-year, underscoring its pivotal role as the foundation of our interconnected ecosystem while maturing alongside other expanding business lines.

Operationally, Fawry has delivered exceptional performance, notably with mobile wallet transactions soaring by an impressive 49.5% year-on-year, with total processed value through mobile wallets more than doubling to EGP 93.1 billion. The myFawry app continues to serve as a consolidated platform for bill payments, promotions, and various services, with annualized throughput up by an impressive 150.0% year-on-year to EGP 13.2 billion. This surge is propelled by the full integration of Prepaid card, BNPL services, and Money Market Fund "Fawry Yawmy" through the myFawry App implemented last year, significantly contributing to gaining traction and solidifying our position as a comprehensive financial services platform. This strategic shift enables us to provide users with a diverse range of financial services, covering payments, consumer lending, savings, and investments.

As we progress into 2024, our strategic focus remains sharply centered on innovation and the expansion of services to meet the diverse needs of our customer base. Concurrently, we have placed a strong emphasis on increasing our reach to Egypt's unbanked and underserved populations. To achieve this objective, we've consistently grown our network, extending our presence into more locations across the country, and refining our digital solutions to offer a wide array of financing options for the communities we serve.

I am proud to announce that in February 2024, we acquired the SME financing license through our subsidiary, Fawry MSME, previously known as Fawry Microfinance. This strategic move aligns seamlessly with our commitment to delivering cutting-edge technology and adaptable solutions, addressing the financial needs of SMEs in Egypt and supporting the government's initiative to empower this vital sector. Furthermore, on the SME side, Fawry launched HR and Accounting ERP solutions through its subsidiary, Dirac, in addition to launching Payout and Payroll solutions customized for SMEs, and aims to launch corporate cards crafted specifically for SMEs.

We also successfully introduced Buy Now, Pay Later (BNPL) solutions for consumers utilizing the myFawry prepaid card, and as of 30 June 2024, the loan portfolio reached EGP 380 million. These achievements signify the first stage of our comprehensive strategy to spearhead the Embedded Finance era.

Our robust performance this quarter underscores our commitment to innovation and efforts to engage with a wider audience nationwide, positioning us for sustained growth and success. The strong start witnessed in this first half sets

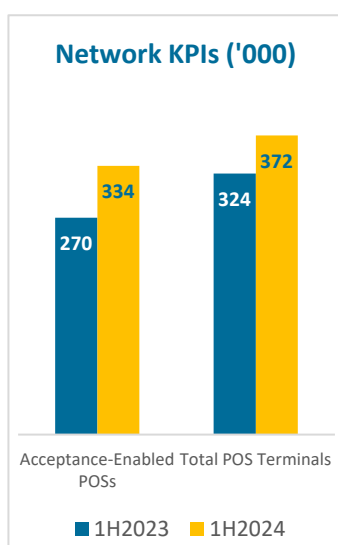
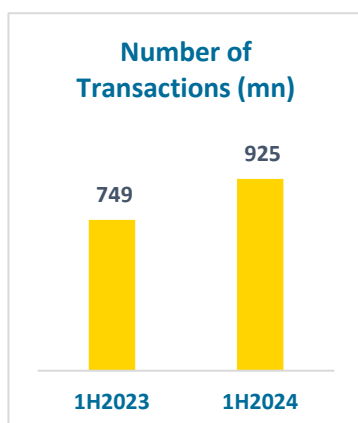
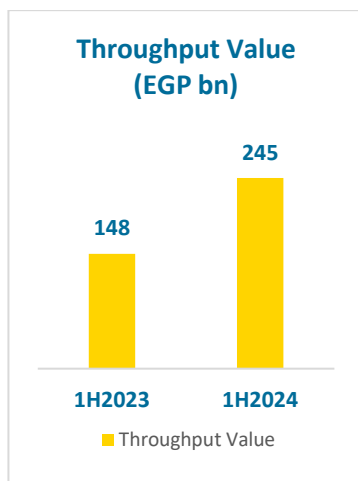
**Press Release**

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a promising tone for Fawry, and I am confident in the company's ability to uphold its financial and operational excellence while further expanding its service portfolio. As we move forward in the year, Fawry remains committed to generating sustainable value and excellence across all facets of our operations and fostering growth and development across the financial sector and wider economy.

**Eng. Ashraf Sabry**

Chief Executive Officer



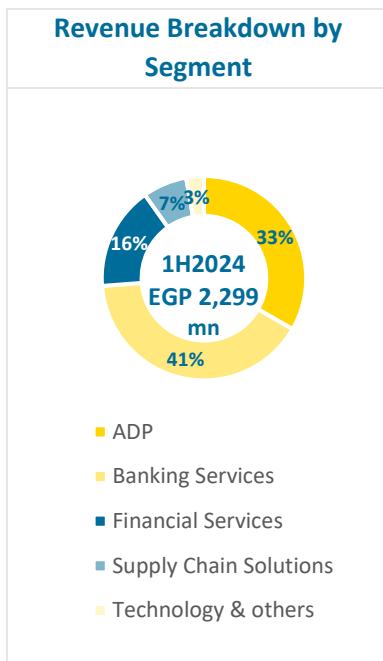
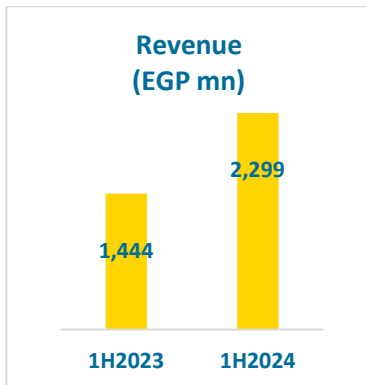
## Operational Developments

Operational KPIs	1H2023	1H2024	Change %
Active Network Customers (mn)	50.7	52.5	3.6%
Total POS Terminals ('000)	324.4	371.9	14.6%
Acceptance Enabled POSs ('000)	269.5	333.8	23.9%
Banks Active and Contracted	36	36	n/a
myFawry App Total Downloads ('000)	10,481	14,456	37.9%
Services Provided	2,819	3,432	21.7%
Transactions (mn)	749	925	23.5%
Mobile Wallet Transactions (mn)	68	102	50.4%
Mobile Wallet Processed Value (EGP mn)	80,505.7	171,270.8	112.7%
<b>Total Throughput Value (EGP mn)</b>	<b>147,700.2</b>	<b>244,843.6</b>	<b>65.8%</b>

Fawry's total throughput value reached EGP 244.8 billion in 1H2024, up by a significant 65.8% from the EGP 147.7 billion booked in 1H2023.

- Fawry's completed transactions during the first half of 2024 reached 925 million **transactions**, up by 23.5% y-o-y from the 749 million handled in the same half in the previous year.
- Fawry saw a 14.6% y-o-y growth in its retail network, reaching 372 thousand **POS terminals** in 1H2024, up from the 324 thousand in 1H2023. This expansion underscores the success of the Company's efforts to provide POS technology to its partners.
- Acceptance-enabled POSs** throughout the Company's network stood at 333.8 thousand in 1H2024, up by 23.9% y-o-y from the 269.5 thousand in 1H2023. Acceptance-enabled POS terminals allow merchants and small businesses to embrace a wider range of payment methods, including but not limited to debit and credit cards.
- Fawry processed a total of 102 million **mobile wallet** transactions during 1H2024, up by an impressive 50.4% y-o-y from the 68 million transactions recorded in 1H2023. In value terms, the total mobile wallet processed value increased 112.7% y-o-y to reach EGP 171.3 billion compared to the EGP 80.5 billion booked in 1H2023.<sup>1</sup>
- Cumulative downloads of Fawry's consumer-facing **myfawry mobile application** rose by 37.9% y-o-y to 14.5 million as of 1H2024 compared to the 10.5 million downloads during as of 1H2023. The myFawry app continues to serve as a unified hub for bill payments, promotions, and diverse services. With the incorporation of Prepaid card, BNPL and Money Market Fund services last year, Fawry has been progressing towards becoming a comprehensive Neobank, enhancing the app's offerings, by

<sup>1</sup> These figures reflect total processed value and transactions from bank and operators' wallets processed on the Fawry Network and not included in the company's total throughput.

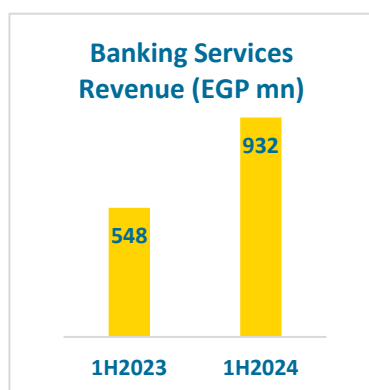
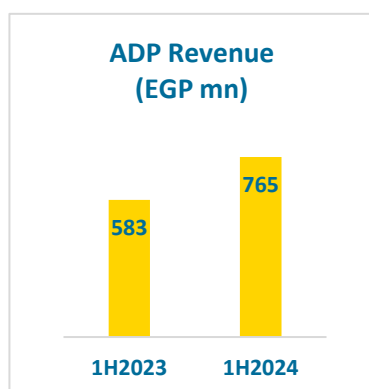
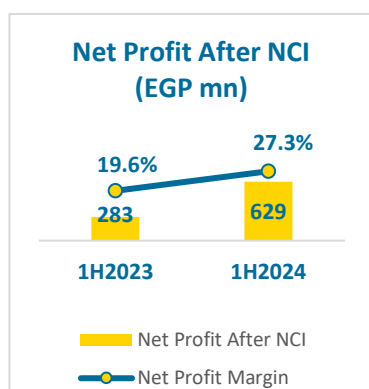
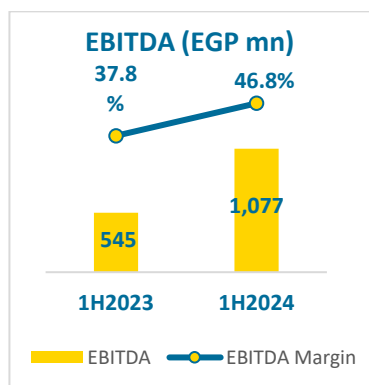


providing users with an extensive array of financial. This expansion aims to diversify its offerings and cater to the evolving demands of Egyptian consumers.

- **myfawry's annualized throughput** stood at EGP 13.2 billion in 1H2024, a notable y-o-y increase of 150.0% from the EGP 5.3 billion reached in 1H2023. The growth in annualized throughput reflects the accelerated adoption of digital payment methods among Egyptian consumers. This surge is driven by increased internet and smartphone usage, as well as enhanced financial inclusion nationwide.
- Fawry maintains its dedication to expanding its portfolio to cater to the varied needs of its user base in Egypt, encompassing Small and Medium Enterprises (SMEs). This diversification encompasses offerings such as Yellowcard, employee insurance packages, and HR solutions, broadening its lending capabilities beyond the microfinance scope.

## Consolidated Financial Performance

- **Fawry** reported **total revenues** of EGP 2,299.4 million in 1H2024, a significant increase of 59.2% from the EGP 1,444.2 million recorded during 1H2023. This growth is primarily attributed to the expansion of all key business segments, particularly the Banking Services segment, as well as the Financial Services and Supply Chain Solutions, underscoring the Company's success in broadening its revenue streams. On a quarterly basis, Fawry recorded total revenue growth of 57.7% year-on-year, reaching EGP 1,212.2 million in 2Q2024.
- The **Banking Services** segment, Fawry's primary revenue contributor, witnessed significant growth, with revenues up by 70.2% y-o-y in 1H2024 to reach EGP 932mn. Simultaneously, the growth served as the primary driver of top-line growth, contributing to 45.0% of the total revenue growth for 1H2024. While for **Alternative Digital Payments (ADP)**, the segment delivered growth of 31.3% y-o-y in 1H2024, and contributing 33.3% of Fawry's total top-line in 1H2024.
- During the first half of 2024, Fawry reported **gross profit** of EGP 1,517.2 million, up by 70.0% compared to the EGP 892.4 million recorded in the corresponding half last year, resulting in a gross profit margin (GPM) of 66.0% vs. 61.8% in 1H2023. The improved profitability margins stem from accelerated revenue growth and extensive expansion across high margin segments, delivering on the company's revenue diversification strategy, coupled with effective revenue management and cost synergies among Fawry's business lines. As for 2Q2024, **gross profit** came at EGP 801.5 million up by 69.2% y-o-y and resulting into a gross profit margin of 66.1% for the period compared to 61.6% recorded in 2Q2023.
- **EBITDA** for the half stood at EGP 1,076.8 million, up by an impressive 97.4% from the EGP 545.4 million recorded during 1H2023. Fawry booked an



EBITDA margin of 46.8% during the half, up by 9.1 percentage points y-o-y, highlighting the resulting benefits from the Company’s strategic cost control measures and enhanced operational efficiency. Similarly on Quarterly basis EBITDA margin reached 47.0%, with EBITDA growing by 86.7% on a y-o-y basis to reach EGP 570.2 million.

- **Net profit after NCI** recorded EGP 628.8 million in 1H2024, a 122.1% y-o-y increase from the EGP 283.1 million reported in the previous year. Fawry’s NPM stood at 27.3% in 1H24, showing a 7.7 percentage point improvement from the 19.6% booked the previous year. While for 2Q2024, net income doubled reaching EGP 321.7 million from EGP 159.8 million recorded in 2Q2023, this led to a net income margin expansion by 5.7 percentage points y-o-y for the quarter to reach 26.5%.

## Segments Overview

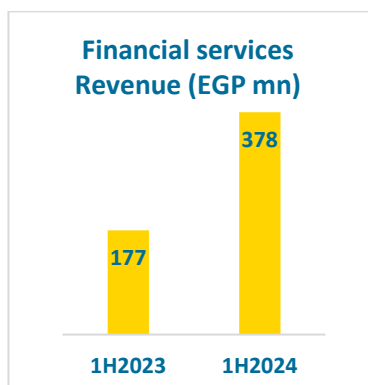
### Alternative Digital Payments

- Fawry's **Alternative Digital Payments (ADP)** segment recorded revenues of EGP 765.1 million in 1H2024, up by 31.3% y-o-y from the EGP 582.6 million in 1H2023. While for 2Q2024, ADP revenue grew by 34.6% y-o-y to reach EGP 410.3 million.
- The growth witnessed in 1H2024 and 2Q2024 marks ADP's highest year-on-year growth rate since 2Q2020. This surge is attributed to Fawry's continuous addition of new billers, expansion of Point of Sale (POS) services, increased engagement with customers and merchants to enhance existing POS activity, and the rise in average ticket sizes, driven by price increases in select industries.
- ADP is no longer the largest contributor to Fawry’s top line, with the shift underscoring the growth of other segments and further emphasizing the ongoing successful evolution of the business towards an ecosystem model that integrates a diverse range of value-added services beyond ADP. The segment's growth accounted for 21.3% of the y-o-y increase in Fawry's overall top-line for 1H2024.

### Banking Services

- **Banking Services** booked revenues of EGP 932.1 million in 1H2024, a notable increase of 70.2% y-o-y from the EGP 547.7 million booked in 1H2023. This growth was fueled by expansions in both the Agent Banking and Acceptance segments. Banking services throughput value increased by 82.2% y-o-y amounting to EGP 139.1 billion in 1H2024. 2Q2024 revenue figures came at EGP 475.2 million up by 61.6% y-o-y, while throughput went up by 75.3% y-o-y.
  - The **Agent Banking** business reported revenues of EGP 455.6 million in 1H2024, up by a significant 56.2% y-o-y. The Agent Banking





business recorded a throughput value of EGP EGP 78.8 billion during the half, an increase of 65.4% y-o-y.

- Fawry's **Acceptance** business booked revenues of EGP 476.5 million in 1H2024, up by 86.1% y-o-y from the EGP 256.0 million booked during 1H2023. In parallel, Acceptance throughout doubled to EGP 60.3 billion in 1H2024 from the EGP 30.0 billion booked in the same period of the previous year. The increase of the quantity of acceptance-enabled POS terminals contributed to the growth of the business, yet equally as important was the surge in acceptance throughput per POS and online transactions.

### Financial Services

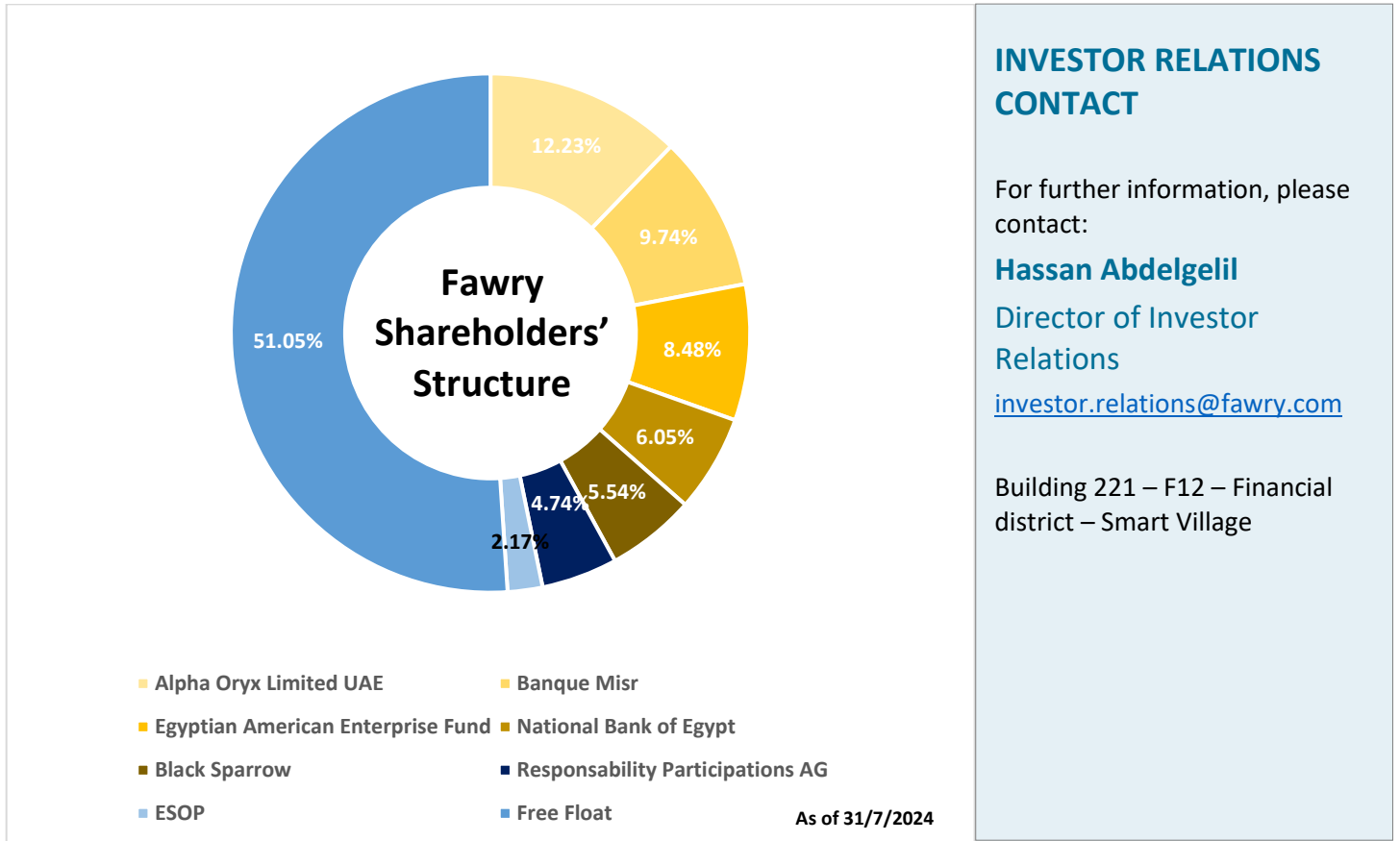
- Fawry has diversified its service offerings to encompass a range of financial services, including SME lending, microfinance, consumer finance (BNPL), insurance brokerage, and the myFawry prepaid card.
- The **Financial Services** segments top-line doubled in 1H2024 to EGP 377.7 million from the EGP 177.3 million booked in 1H2023, propelled by the Company's strategic expansion efforts, particularly in insurance brokerage, consumer finance, and the successful launch of the prepaid card.
- As part of its financial services, Fawry provides microfinance loans to retailers in its merchant network, directly extending credits through POS terminals and digitally allocating them for supplier payments. Fawry also started offering SME lending in 2024.
- Outstanding loans in **Fawry's MSME** portfolio exceeded EGP 1,366 million as of 30 June 2024, up by 70.5% from EGP 801 million recorded in the corresponding period in the previous year.
- **Insurance Brokerage** revenue rose to EGP 14.8 million in 1H2024, a 63.8% y-o-y increase.
- The **Consumer Finance (BNPL)** services continues its upward trajectory since its launch, with loan portfolio reaching EGP 380.2 million as of 30 June 2024.

### Supply Chain Solutions

- Fawry capitalizes on the substantial alignment between its retail network and the merchant base of FMCG, manufacturing and E-commerce companies, offering **Supply Chain Solutions** that digitize B2B transactions and payments between merchants, sales agents and suppliers. Fawry's Supply Chain Solutions segment booked revenues of EGP 160.1 million in 1H2024, up by 66.8% from the EP 96.0 million booked in 1H2023. On a quarterly basis, Supply Chain Solutions revenues increased to EGP 84.4 million in 2Q2024, up by 63.7% from EGP 51.6 million one year prior.



## About Fawry for Banking Technology and Electronic Payments



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Building 221 – F12 – Financial district – Smart Village

Founded in 2008, Fawry is the largest e-payment platform in Egypt serving the banked and unbanked population. Fawry's primary services include enabling electronic bill payments, mobile top-ups and provisions for millions of Egyptian users. Other digital services also include e-ticketing, cable TV, and variety of other services. Through its peer-to-peer model, Fawry is enabling corporates and SMEs to accept electronic payments through a number of platforms including websites, mobile phones, and POSs. With a network of 36 member banks, its mobile platform and more than 370 thousand agents, Fawry processes more than 5 million transactions per day, serving an estimated customer base of 52.5 million users monthly. Learn more at [www.fawry.com](http://www.fawry.com).

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