

Fawry Releases FY2023 Results

Fawry achieves a record-breaking top line exceeding EGP 3.2 billion in FY2023, while the bottom line experienced rapid expansion, growing by 198.0% y-o-y closing the year at EGP 715.3 million, driven by the continued development of the Company's diversified and synergistic business along with diligent cost control measures.

FY2023 Highlights

Revenues

EGP 3,272 MN

▲ 43.6% y-o-y

Gross Profit

EGP 2,062 MN

▲ 51.5% y-o-y / 63.0% margin

Throughput Value

EGP 348,068 MN

▲ 69.5% y-o-y

EBITDA¹

EGP 1,318.2 MN

▲ 88.7% y-o-y / 40.3% margin

Net Profit

EGP 715.3 MN

▲ 198.0% y-o-y / 21.9% margin

Number of Transactions

1,607.8 MN

▲ 22.3% y-o-y

5 March 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 year ended 31 December 2023. The Company’s top-line came in at EGP 3,272.0 million during FY2023, an increase of 43.6% year-on-year (y-o-y). Net profit for the year stood at EGP 715.3 million, up by 198.0% y-o-y to yield an associated net profit margin (NPM) of 21.9%. On a quarterly basis, Fawry reported total revenues of EGP 954.7 million in 4Q2023, a 46.6% increase y-o-y, with the bottom-line amounting to EGP 228.8 million, an 97.3% y-o-y increase, yielding a NPM of 24.0%.

Summary Profit & Loss Statement – Fourth Quarter

(EGP 000s)	4Q2022	3Q2023	4Q2023	y-o-y Change %	q-o-q Change %
Total Revenues	651,325	873,155	954,691	46.6 %	9.3%
Alternative Digital Payments (ADP)	285,150	349,406	336,448	18.0%	(3.7%)
Banking Services	236,223	329,264	384,453	62.7%	16.8%
Acceptance	106,632	164,782	188,537	76.8%	14.4%
Agent Banking	129,591	164,482	195,916	51.2%	19.1%
Financial services ²	84,477	106,828	142,301	68.4%	33.2%
Supply Chain Solutions	39,928	65,438	64,912	62.6%	(0.8%)
Technology & others	5,546	22,219	26,577	379.2%	19.6%
Gross Profit	408,346	556,701	612,727	50.1%	10.1%
Gross Profit Margin	62.7%	63.8%	64.2%	1.5 pts	0.4 pts
EBITDA¹	236,595	366,201	406,669	71.9%	11.1%
EBITDA Margin	36.3%	41.9%	42.6%	6.3 pts	0.7 pts
Net Profit Before NCI	134,124	231,363	259,757	93.7%	12.3%
Net Profit After NCI	115,988	203,484	228,797	97.3%	12.4%
Net Profit Margin	17.8%	23.3%	24.0%	6.2 pts	0.7 pts

¹ 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.

² Financial services Revenue – Include Microfinance, Consumer finance, Insurance, Prepaid Card and Money market fund revenues. All except for Microfinance have been reallocated from Others.

Summary Profit & Loss Statement – Year to Date

(EGP 000s)	FY2022	FY2023	Change %
Total Revenues	2,279,335	3,272,016	43.6%
Alternative Digital Payments (ADP)	1,084,955	1,268,491	16.9%
Banking Services	760,594	1,261,384	65.8%
Acceptance	321,053	609,304	89.8%
Agent Banking	439,541	652,080	48.4%
Financial services ²	265,959	426,407	60.3%
Supply Chain Solutions	128,512	226,309	76.1%
Technology & others	39,314	89,424	127.5%
Gross Profit	1,361,228	2,061,822	51.5%
Gross Profit Margin	59.7%	63.0%	3.3 pts
EBITDA¹	698,479	1,318,230	88.7%
EBITDA Margin	30.6%	40.3%	9.6 pts
Net Profit Before NCI	327,055	815,968	149.5%
Net Profit After NCI	240,054	715,338	198.0%
Net Profit Margin	10.5%	21.9%	11.3 pts

¹ 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.

² Financial services Revenue – Include Microfinance, Consumer finance, Insurance, Prepaid Card and Money market fund revenues. All except for Microfinance have been reallocated from Others.

Financial & Operational Highlights

- Fawry's top-line reached an all-time high of EGP 3,272 million in FY2023, driven by a strong performance of Fawry's Banking Services, with Acceptance and Agent Banking segments growing by 89.8% and 48.4% y-o-y, respectively, contributing to 50% of revenue growth.
- EBITDA increased by 88.7% y-o-y in FY2023 to EGP 1,318 million, reflecting the Company's success in growing its revenue streams while capitalizing on service synergy, and improving operational cost efficiency.
- The Company booked a record-breaking bottom line at EGP 715.3 million in FY2023, up by 198.0% y-o-y.
- Mobile wallet processed value rose by an impressive 113.9% y-o-y, reaching EGP 190.2 billion in FY2023, primarily attributed to the Company's efforts in the fintech infrastructure in Egypt.
- myfawry's annualized throughput more than doubled in FY2023 to EGP 7.9 billion from the EGP 3.8 billion recorded in FY2022, reflecting a substantial 108.3% y-o-y surge. This reflects Fawry's commitment to diversify its portfolio and cater to a broad user base in Egypt.

Chief Executive's Review

With a challenging 2023 now behind us, I am delighted to announce that our team's steadfast commitment to expanding our loyal customer base, diversifying revenue streams, and enhancing service offerings, coupled with operational success and effective cost control measures, has not only turned challenges into opportunities but also resulted in a remarkable year of growth. This dedication played a pivotal role in maintaining our upward trajectory and driving Egypt's digital transformation, all the while empowering us to explore previously untapped segments in the Egyptian market.

The results speak volumes, with record-breaking revenues demonstrating a solid year-on-year increase of 43.6% to EGP 3,272 million for the year ended 31 December 2023. Across our four primary business segments, the Banking Services division led the way, up by 65.8% year-on-year, contributing an impressive 50.4% to total revenue growth. Meanwhile, our financial services and supply chain segments also showed dynamic performance with year-on-year growth of 60.3% and 76.1%, respectively, highlighting the ongoing successful evolution of the business towards an ecosystem model that integrates a diverse range of value-added services beyond our core business segment. Additionally, our legacy business segment, Alternative Digital Payments, experienced solid growth of 16.9% year-on-year during the full year, signifying its maturing status and emphasizes its pivotal role as the bedrock on which our interconnected ecosystem rests.

Amidst the challenges posed by the prevailing market conditions, including record inflation and supply chain disruptions, we successfully navigated through by implementing vigilant cost control measures and adopting a synergistic approach to business development. As such, the strong expansion in our top-line performance was complemented by effective cost optimization strategies, resulting in robust profitability with a gross profit of EGP 2,062 million, up an impressive 51.5% year-on-year increase and yielding a gross profit margin of 63.0%. Additionally, 2023 marked a notable upswing in our EBITDA, soaring by 88.7% to EGP 1,318 million, primarily attributed to our diligent cost control measures and adept operational leverage management, contributing to an impressive 9.6 percentage points boost in EBITDA margin over the year. Furthermore, it is noteworthy that these financial achievements surpass any previous year, with our bottom line exhibiting an exceptional year-on-year increase of 198.0%, closing the year at EGP 715.3 million.

The sustained growth in revenue and market penetration that we have achieved can be attributed to our strategic focus on innovation and expansion of services tailored to our diverse customer community. Within the Fawry ecosystem, our new products are set to revolutionize digital services in Egypt, offering instant solutions for both entrepreneurs and citizens. Notably, a pivotal stride in our strategic evolution has been the full implementation of Prepaid card, BNPL services and MMF through the myFawry App, propelling Fawry into a comprehensive financial services platform in 2023. This transition equips us to provide users with an extensive range of financial services, spanning payments, consumer lending, savings, and investments. Concurrently, our unwavering commitment to diversifying our portfolio is evident as we extend our services to Small and Medium Enterprises (SMEs). This expansion incorporates innovative solutions such as the yellowcard, employee insurance packages, and HR solutions, broadening our microfinance capabilities to evolve to a full financial services platform catering to SMEs.

Our strategic initiatives have manifested in a substantial increase in mobile wallet transactions, demonstrating a noteworthy 82.6% year-on-year growth over the past year. This surge resulted in a staggering 156.0 million transactions, amounting to EGP 190,153 million in processed value. The myFawry app has emerged as a pivotal element, serving as a consolidated platform for bill payments, promotions, and an array of services. With an impressive 12.2 million cumulative downloads, the app experienced a substantial 49.4% year-on-year increase, underlining its integral role in our success. Furthermore, the annualized throughput for myFawry more than doubled during FY2023,

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reaching EGP 7.9 billion, showcasing a remarkable 108.3% year-on-year increase, mirroring the rapid adoption of digital payment methods in Egypt, driven by increased internet and smartphone usage, as well as enhanced financial inclusion nationwide.

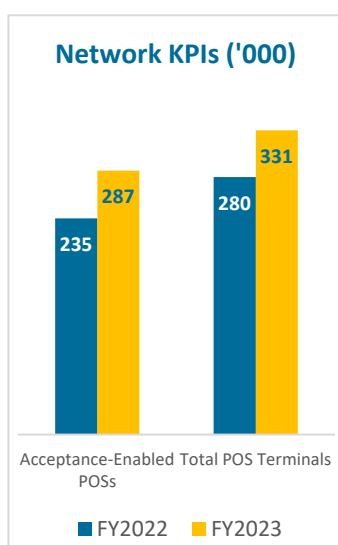
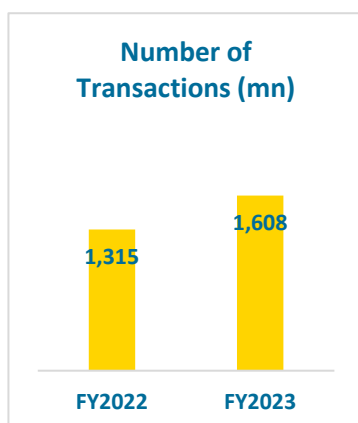
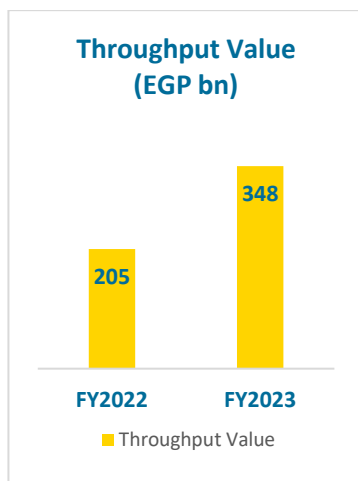
As we continue growing our business and diversifying our services portfolio, we remain resolute in our commitment to the highest security standards and safeguarding both our customers' data and their trust in our organization. Our proactive collaboration with Group-IB and strategic partnerships with global consultancy firms underscore this unwavering dedication, placing robust security practices and the implementation of the highest cybersecurity standards within the core of our business model.

Heading into 2024, I am filled with optimism for what lies ahead. Our dedication to innovation, coupled with persistent efforts to connect with a broader audience nationwide positions us for continued growth and success. A significant milestone in this trajectory occurred in February 2024, when we proudly secured the SME financing license through our subsidiary, Fawry SME and Microfinance. This strategic move seamlessly aligns with our ongoing commitment to deliver cutting-edge technology and flexible solutions, addressing the financial needs of SMEs in Egypt and aligning with the government's emphasis on empowering this crucial sector.

This accomplishment serves as the first step in our comprehensive plan to spearhead the Embedded Finance era, with initiatives set to unfold throughout the year to include the introduction of medical insurance for consumers leveraging the myFawry prepaid card, the implementation of Buy Now, Pay Later (BNPL) solutions, the provision of Payout and Payroll solutions tailored for SMEs, the facilitation of SME lending through our recently acquired SME financing license, and the launch of corporate cards specifically designed to cater to the needs of SMEs. These strategic moves reflect our commitment to staying at the forefront of the financial landscape, delivering valuable solutions to our customers, and actively contributing to the broader digital empowerment of financial services.

Reflecting on the milestones of 2023, I am proud of our achievements and excited about the path we are paving in the dynamic realm of digital finance with Fawry at the forefront. Thanks to the milestones and the record-breaking performance in the past year, I am confident in the Company's ability to not only maintain but elevate both its financial and operational success. We are committed to consistently expanding and enhancing our services, enabling us to continuously deliver value to our stakeholders as we collectively move forward in realizing the vision of a more inclusive and digitally empowered financial landscape.

Eng. Ashraf Sabry
Chief Executive Officer



Operational Developments

Operational KPIs	FY2022	FY2023	Change %
Active Network Customers (mn)	49.4	51.7	4.7%
Total POS Terminals ('000)	280.1	331.4	18.3%
Acceptance Enabled POSs ('000)	235.0	287.2	22.2%
Banks Active and Contracted	36	36	n/a
myFawry App Total Downloads ('000)	8,142.6	12,165.6	49.4%
Services Provided	2,269	3,165	39.5%
Transactions (mn)	1,315.2	1,607.8	22.3%
Mobile Wallet Transactions (mn)	85.4	156.0	82.6%
Mobile Wallet Processed Value (EGP mn)	88,904.5	190,153.5	113.9%
Total Throughput Value (EGP mn)	205,329.3	348,067.7	69.5%

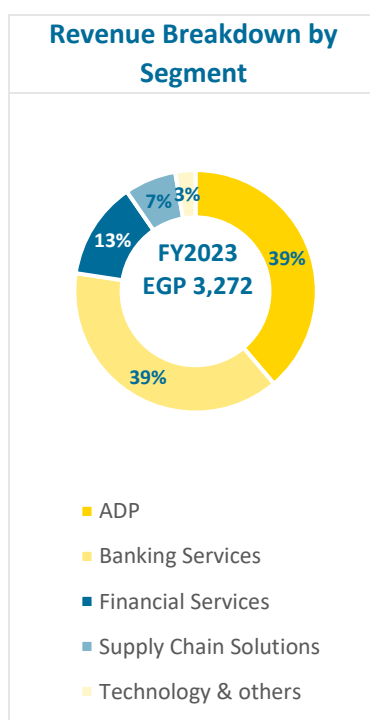
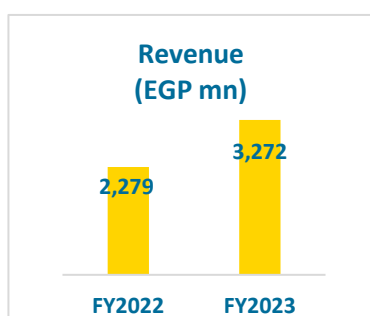
Fawry sustained its upward trajectory in FY2023, achieving a total throughput value of EGP 348.1 billion—a significant increase of 69.5% from the EGP 205.3 billion recorded in FY2022.

- Fawry handled a total of 1,607.8 million **transactions** during FY2023, marking an increase of 22.3% y-o-y from the 1,315.2 million handled one year prior.
- Fawry's total retail network stood at 331.4 thousand **POS terminals** in FY2023, up by 18.3% from 280.1 thousand in FY2022. This growth underscores Fawry's substantial expansion in its merchant network, coupled with successful initiatives aimed at equipping partners with POS technology.
- Acceptance-enabled POSs** throughout the Company's network stood at 287.2 thousand in FY2023, an increase of 22.2% y-o-y from the 235 thousand recorded in FY2022. Acceptance-enabled POS terminals empower merchants and small businesses to embrace a wider range of payment methods, including but not limited to debit and credit cards.
- Mobile wallet transactions powered by Fawry for FY2023 rose to 156.3 million, increasing by a significant 82.6% y-o-y from 85.4 million transactions booked in FY2022. In monetary figures, the **total mobile wallet processed value** came in at EGP 190.2 billion for the year, up by a notable 113.9% y-o-y.¹
- As of 31 December 2023, cumulative downloads of Fawry's consumer-facing **myfawry mobile application** rose to 12.2 million, reflecting a 49.4% y-o-y increase from the 8.1 million downloads as of December 2022. The myFawry app functions as a consolidated platform for bill payments, promotions, and various services. With the full implementation of Prepaid

¹ 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.

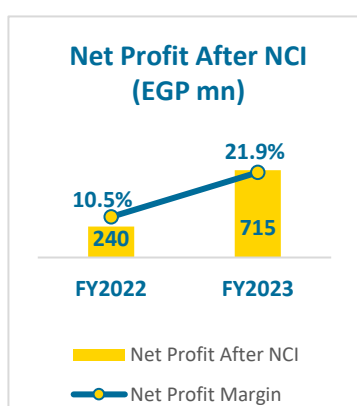
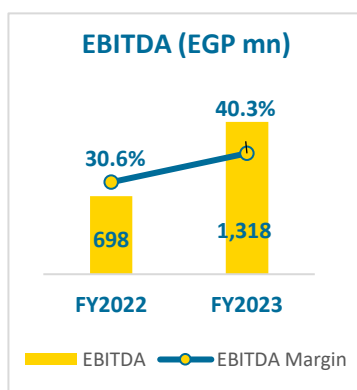
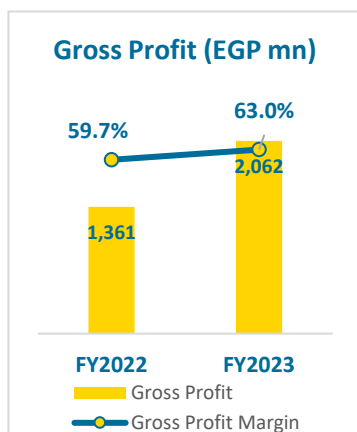
card and BNPL services, Fawry is solidifying its transition into a comprehensive Neobank in 2023, offering users a broad spectrum of financial services such as payments, consumer lending, savings, and investments.

- **myfawry's annualized throughput** more than doubled during FY2023 to EGP 7.9 billion from the EGP 3.8 billion booked in FY2022, marking a 108.3% y-o-y increase. The annualized throughput growth reflects the swift adoption of digital payment methods by Egyptian consumers, a trend magnified by rising internet and smartphone usage rates, coupled with enhanced financial inclusion nationwide and the integration of embedded financial services.
- Concurrently, the company remains committed to broadening its portfolio to address a diverse user base in Egypt, including Small and Medium Enterprises (SMEs). This expansion includes services like Yellowcard, employee insurance packages, and HR solutions, extending its lending capabilities beyond the microfinance framework.

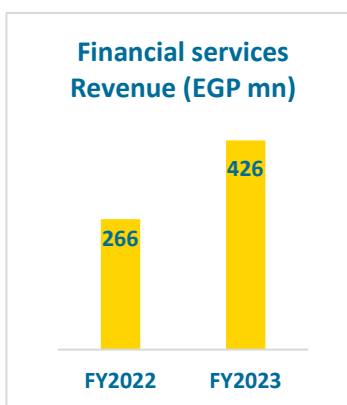
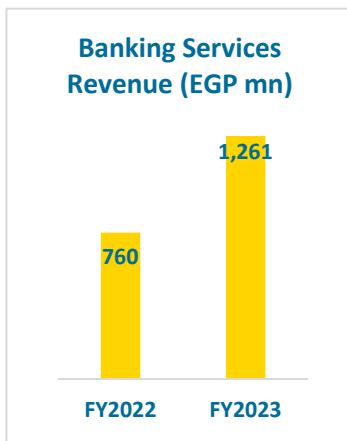
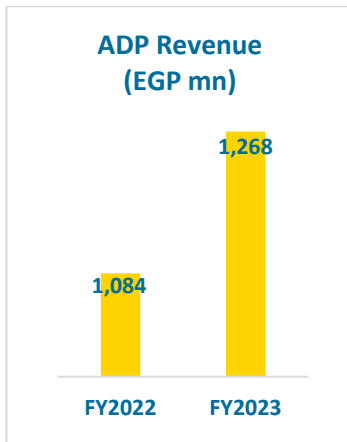


Consolidated Financial Performance

- **Fawry** reported **total revenues** of EGP 3,272.0 million in FY2023, marking a significant increase of 43.6% from the EGP 2,279.3 million recorded during FY2022. This growth was primarily driven by the expansion of all main business lines, notably the Banking Services segment, which experienced remarkable year-on-year growth of 65.8%. The Supply Chain Solutions segment and Financial services also exhibited significant growth rates of 76.1% and 60.3%, respectively, underscoring Fawry's success in diversifying its revenue streams. On a quarterly basis, Fawry achieved a top-line of EGP 954.7 million in 4Q23, reflecting a robust 46.6% y-o-y increase compared to the same period in the previous year.
- During FY2023, the **Banking Services** segment experienced remarkable growth, with revenues surging by 65.8% y-o-y. This impressive performance positioned it as the second-largest contributor to the Company's consolidated top-line during the period, comprising 38.6% of consolidated revenues in FY2023, up from 33.4% in the previous year. As a result, it emerged as the primary driver of top-line growth, contributing to 50.4% of the total revenue growth for the year.
- Fawry's core business segment, **Alternative Digital Payments (ADP)**, grew by 16.9% y-o-y, at a higher rate vs. guidance, maintaining its position as the primary contributor to total revenues throughout the period at 38.8% of consolidated revenues in FY2023. However, the segment's contribution to consolidated revenues has gradually decreased from 47.6% in the previous year, showcasing Fawry's strategic diversification efforts and expanded service offerings nationwide.



- Fawry's **Supply Chain** solutions recorded a notable growth rate of 76.1% in FY2023. These strong outcomes highlight the growing significance of this segment in Fawry's portfolio, contributing 6.9% to the consolidated top-line in FY2023, up from 5.6% in FY2022.
- As of the year-end in 2023, the **Financial Services** segment witnessed significant growth, posting an impressive 60.3% year-on-year increase, solidifying its position as a crucial component in the company's diverse range of offerings. The segment contributed 13.0% to the company's consolidated top-line for the year, emphasizing the company's successful efforts to diversify revenue streams.
- **Gross profit** for FY2023 rose to EGP 2,061.8 million, up by 51.5% y-o-y against the EGP 1,361.2 million recorded in FY2022. The Company achieved a gross profit margin of 63.0% in FY2023, reflecting a 3.3 percentage point increase y-o-y. The enhanced profitability margins result from accelerated revenue growth and overall expansion across the four main business segments, along with successful revenue and cost synergies between Fawry's businesses. On a quarterly basis, Fawry's gross profit for 4Q2023 amounted to EGP 612.7 million, marking a significant 50.1% year-on-year increase and yielding a gross profit margin of 64.2% for the quarter, up by 1.5 points y-o-y.
- **EBITDA** for the full year amounted to EGP 1,318.2 million, up by 88.7% from the EGP 698.5 million recorded during FY2022. Fawry booked an EBITDA margin of 40.3% during the full year, expanding by 9.6 percentage points y-o-y, highlighting the resulting benefits from the Company's strategic cost control measures and enhanced operational efficiency. On a quarterly basis, Fawry recorded an EBITDA of EGP 406.7 million, marking an increase of 71.9% y-o-y from the EGP 236.5 million booked in 4Q2022. The EBITDA margin in 4Q2023 rose to 42.6%, up by 6.3 percentage points compared to the 36.3% booked in 4Q2022.
- **Net profit after NCI** amounted to EGP 715.3 million in FY2023, a substantial 198.0% y-o-y increase from the EGP 240.0 million reported in the previous year. Fawry's NPM stood at 21.9% in FY2023, showing an 11.3 percentage point improvement from the 10.5% booked the previous year. In 4Q2023, net profit after NCI reached EGP 228.8 million, expanding by 97.3% y-o-y from the EGP 115.9 million booked in 4Q2022, with NPM at 24.0% versus 17.8% recorded in 4Q2022.



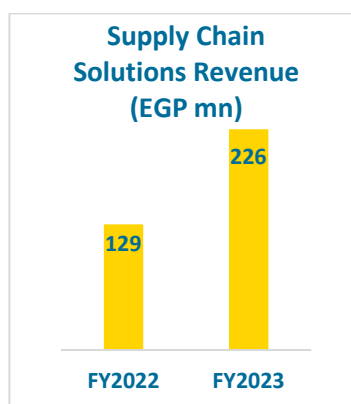
Segments Overview

Alternative Digital Payments

- Fawry's **Alternative Digital Payments (ADP)** achieved a top-line growth of 16.9% year-on-year, reaching EGP 1,268 million in FY23, compared to the EGP 1,084 million booked in the previous year. Despite remaining Fawry's largest single business line, it is worth noting that the difference between revenue contribution from ADP and the Banking Services segment is now only 0.2%, highlighting the growth of other segments and Fawry's successful expansion of its business lines beyond the core segment. On a quarterly basis, the ADP segment reported revenues of EGP 336 million in 4Q2023, indicating an 18.0% y-o-y increase from the EGP 285 million booked in the corresponding period in the previous year.
- The growth in ADP is fueled by Fawry's consistent addition of new billers, POS expansion, heightened activity on existing POS through customer and merchant engagement, and increased average ticket sizes in certain industries.
- The segment's growth accounted for 18.5% of the y-o-y increase in Fawry's overall top-line growth for the full year, further highlighting the ongoing successful evolution of the business towards an ecosystem model that integrates a diverse range of value-added services beyond ADP.

Banking Services

- Fawry offers a variety of financial services through agency agreements with 36 banks nationwide in its Banking Services segment. **Banking Services** revenues rose to EGP 1,261 million for the full year, up by 65.8% y-o-y from the EGP 760 million recorded in the previous year, propelled by both the Agent Banking and Acceptance segments. Banking services throughput value expanded by an impressive 82.2% y-o-y during FY2023. On a three-month basis, Banking Services generated revenues of EGP 384 million in 4Q2023, representing a 62.7% y-o-y increase.
 - The **Agent Banking** business recorded revenues of EGP 652 million in FY2023, an increase of 48.4% y-o-y, with throughput value expanding by 50.5% y-o-y to EGP 106.6 billion during the year.
 - Fawry's **Acceptance** business booked revenues of EGP 609 million in FY2023, nearly doubling the EGP 321 million booked in the previous year. Acceptance throughput for the year amounted to EGP 76.4 billion, a substantial 158% y-o-y growth from the EGP 29.6 billion booked in FY2022. The increase in the number of acceptance-enabled POS contributed to growth, but an equally significant role was the rise in acceptance throughput per POS and online transactions in driving the Acceptance business' overall growth.



Financial Services

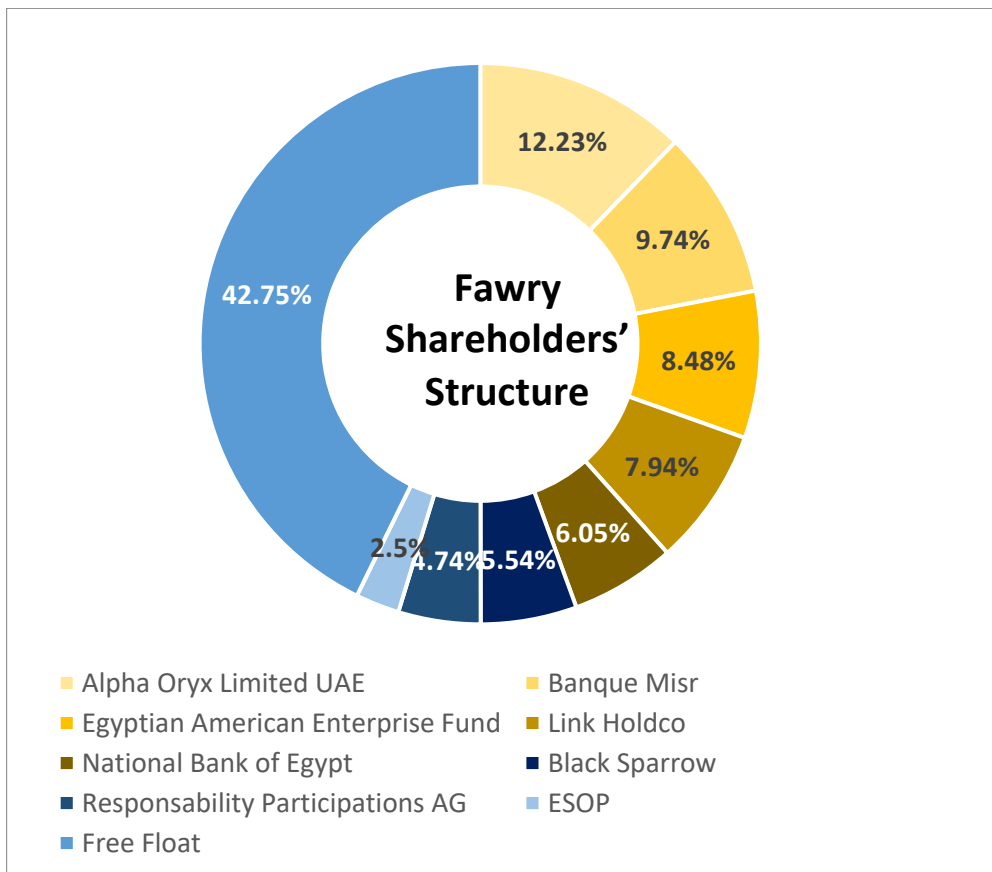
- Fawry has diversified its service offerings to encompass a range of financial services, including microfinance, consumer finance (BNPL), insurance brokerage, and the myFawry prepaid card.
- In FY2023, the **Financial Services** segment demonstrated impressive performance, recording revenues of EGP 426.4 million, marking a 60.3% y-o-y increase. This growth can be attributed to Fawry's effective strategic expansion, particularly in the domains of insurance brokerage, the newly launched consumer finance, as well as the successful introduction of the prepaid card.
- As part of its microfinance 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's **Microfinance** segment booked revenues of EGP 370.1 million in FY2023, up by 47.4% y-o-y from the EGP 251.0 million booked in FY2022. On a quarterly basis, the Microfinance segment's revenues rose to EGP 109.3 million in 4Q23, a 38.7% y-o-y increase from the EGP 78.7 million booked in the corresponding period of the previous year.
- Outstanding loans in Fawry's microfinance portfolio exceeded EGP 1,000 million as of 31 December 2023, up by 33% from EGP 777 million recorded in the previous year.
- **Insurance Brokerage** revenue rose to EGP 20.7 million in FY2023, up by 39% y-o-y.
- The newly launched **Consumer Finance (BNPL)** services was a huge success with loan portfolio reaching EGP 179.6 million as of 31 December 2023.

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 reported revenues of EGP 226.3 million during FY2023, up from the EGP 128.5 million booked in FY2022 to record a growth rate of 76.1% y-o-y. On a quarterly basis, the Supply Chain Solutions segment's revenues rose to EGP 64.9 million during 4Q2023, a 62.6% y-o-y increase from the EGP 39.9 million booked in 4Q2022.

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About Fawry for Banking Technology and Electronic Payments



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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 331 thousand agents, Fawry processes more than 5 million transactions per day, serving an estimated customer base of 51.7 million users monthly. Learn more at www.fawry.com.