

Fawry Releases FY2021 Results

Fawry posts record-breaking growth for FY2021 as revenue diversification bears fruit in rapid Banking Services expansion and major Microfinance milestones.

FY2021 Highlights

Revenues

EGP 1.66 BN

▲ 34.3% y-o-y

Gross Profit

EGP 932 MN

▲ 39.6% y-o-y / 56.2% margin

Throughput Value

EGP 131 BN

▲ 61.5% y-o-y

EBITDA

EGP 494 MN

▲ 29.5% y-o-y / 29.8% margin

Adjusted Net Profit

EGP 186 MN

▲ 13.2% y-o-y / 11.2% margin

Number of Transactions

1.16 BN

▲ 4.6% y-o-y

20 April 2022 – (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 2021. The Company booked revenues of EGP 1,658 million in FY2021, up 34.3% year-on-year (y-o-y), driving an expansion of both the gross profit and EBITDA margins. Adjusted net profit booked EGP 186 million, up by 13.2% y-o-y and yielding a net profit margin of 11.2%, while statutory net profit came in at EGP 177 million.

Summary Profit & Loss Statement

(EGP 000s)	4Q 2020	4Q 2021	Change %	FY2020	FY2021	Change %
Total Revenues	341,842	467,323	37%	1,234,563	1,658,157	34%
Alternative Digital Payments (ADP)	246,400	261,621	6%	901,700	985,300	9%
Banking Services	49,300	134,222	172%	174,600	411,015	135%
Acceptance	13,709	51,793	278%	47,272	167,194	254%
Agent Banking	35,591	82,430	132%	127,329	243,821	92%
Microfinance	23,900	39,912	67%	72,300	136,935	89%
Supply Chain Solutions	19,800	26,044	32%	69,100	98,354	42%
Others	2,442	5,525	126%	16,863	26,553	58%
Gross Profit	180,076	259,252	44%	667,897	932,263	40%
Gross Profit Margin	52.7%	55.5%		54.1%	56.2%	
EBITDA¹	127,521	129,982	2%	381,706	494,103	29%
EBITDA Margin	37.3%	27.8%		30.9%	29.8%	
Net Profit Before NCI	78,346	48,383	-38%	223,564	242,122	8%
Net Profit After NCI	67,004	27,788	-59%	186,234	177,178	-5%
Net Profit Margin	19.6%	5.9%		15.1%	10.7%	
Adjusted Net Profit After NCI²	50,753	40,298	-21%	164,605	186,379	13%
Adjusted Net Profit Margin	14.8%	8.6%		13.3%	11.2%	

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

² Adjusted Net Profit - The Company presents its Adjusted Net Profit as its EAS Net Profit excluding nonrecurring items and a noncash ESOP expense included in EAS net profit.

Financial & Operational Highlights

- Fawry continued to successfully and profitably diversify sources of revenue, with all non-ADP segments generating higher y-o-y top-line contributions and the Banking Services segment leading overall revenue growth.
- Financial services continued to grow strongly, with Microfinance revenues more than doubling over the year and disbursements exceeding EGP 1 billion since inception. The Company continues to strategically expand in financial services and aims to roll out a BNPL offering by the second half of FY2022.
- Gross profit and EBITDA continued to climb rapidly despite aggressive spending on marketing and human resources to fuel growth, with top-line growth filtering effectively to Fawry's core profitability.

Chief Executive's Review

FY2021 was Fawry's strongest year yet. We made tangible progress on all our strategic objectives, delivered impressive financial and operational results, and introduced more services than ever before in our thirteen-year history. With each passing year, Fawry's key position as a leader of Egypt's digital transformation becomes even clearer. The Company continues to explore several opportunities for leveraging our market's strong fundamentals to create value for both consumers and enterprises.

Our performance in FY2021 kept up the momentum we built over the previous year, when Fawry overcame the market disruptions posed by the COVID-19 pandemic to deliver solid financial and operational growth. Revenues climbed by 34.3% y-o-y in FY2021 to record EGP 1.66 billion, spurring growth of 29.5% y-o-y in EBITDA and 13.2% in adjusted net profit, which excludes nonrecurring items and noncash ESOP expenses.

We continued to successfully and profitably diversify our sources of revenue during FY2021. Hundreds of new service categories were piloted during the year. At year-end FY2021, the Company's Banking Services segment had contributed 24.8% of the overall top line, up from 14.1% for FY2020, contributing to the bulk of revenue growth during the year, driven mainly by Fawry's booming Acceptance business. On that front, Fawry saw its Acceptance throughput more than quadruple to EGP 13.1 billion during the year. Growth was driven both by climbing volumes at our online payment gateway and by the continued expansion of our acceptance-enabled merchant network, which Fawry FMCG will soon allow to pre-order inventories, streamlining the fulfillment process.

Fawry aims to promote and stimulate the use of digital payment channels by making such channels as accessible as possible, be it by widening our nationwide POS network, expanding the presence of our FawryPlus branches, or growing the audience for our consumer-facing MyFawry app, which boasted nearly five million cumulative downloads in FY2021 against 1.7 million at the end of FY2020. We also anticipate the impending release of our MyFawry consumer card. With Egypt's Instant Payment Network now online, it is an ideal time for us to bring to market an integrated card offering with a unique P2P use case.

Another major milestone has been achieved at Fawry's Microfinance segment, which in FY2021 exceeded EGP 1 billion in total disbursements since the segment's inception in 2018. Impressively, most of the growth in Fawry Microfinance's portfolio was achieved over the course of 2021, despite the lingering effects of the COVID-19 pandemic on the Egyptian and global economies, including supply chain disruptions and heightened inflation.

Additionally, we are proud to observe that Fawry Microfinance's lending activities have materially aided the national objectives of achieving financial inclusion and promoting the digitization of financial services. Access to affordable financial services allows small- and medium-sized businesses, which employ the majority of Egypt's labor force, to expand and invest, creating jobs and powering inclusive economic growth.

FY2021 Earnings Release

20 April 2022

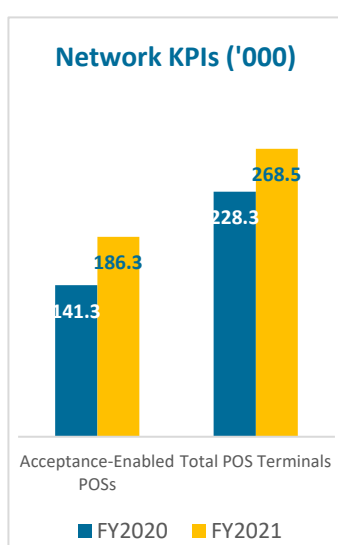
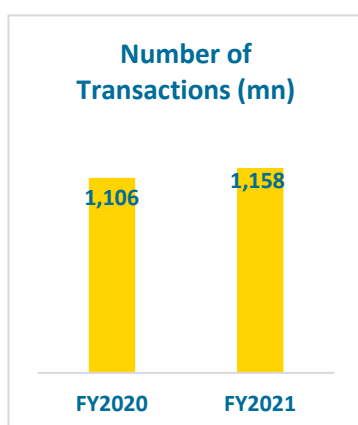
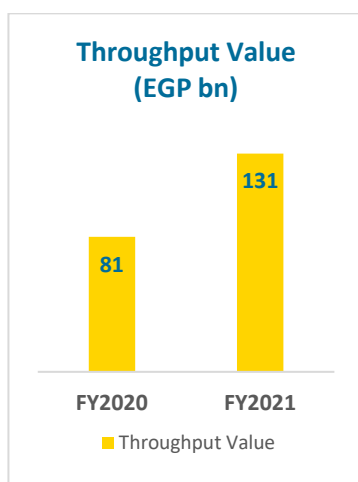
We hope to replicate our success in microfinance with a full-fledged BNPL offering that leverages Fawry's position as a household name to provide the Company with exposure to a fast-growing segment of Egypt's financial services market and deepen our brand equity among new consumer profiles

Meanwhile, the year saw Fawry acquire minority stakes in elmenus, one of Egypt's foremost food delivery platforms, and Brimore, a social commerce platform. Investment is a key plank of Fawry's growth strategy, and the Company will leverage its role as a strategic investor in elmenus and Brimore to engage, support, and encourage growth at each of the companies and in Egypt's wider digital ecosystem. We expect our investments to have direct and positive impacts on the size of our customer base and the breadth of our merchant network, enhancing the value provided to Fawry's stakeholders by expanding our digital ecosystem and establishing bridgeheads in booming sectors such as e-commerce and F&B. On this front, we are pleased to have co-launched Roderz, Egypt's newest digital mobility platform for last mile delivery. This marks the first investment venture where we will be involved in building operations from the ground up and take a direct role in operations, quality control, and sales.

In another landmark for Fawry, in FY2021 the Company kicked off its partnership with alsoug, one of Sudan's most exciting prospects and a Sudanese leader in tech innovation. This is our first-ever investment outside of Egypt, delivering on Fawry's strategy of venturing into underserved international markets by leveraging our technology and teaming up with strong local players. This investment will allow us to strategically expand our footprint into Africa and transfer the experience we've gained in the dynamic Egyptian market to neighboring Sudan, an economy with major potential across several sectors and with a significant pool of entrepreneurial talent.

A year of great progress and many achievements, FY2021 leaves us more confident than ever in Fawry's ability to transform business and commerce in Egypt for the better. As we add to our talented group of professionals and identify the leaders who will help drive Fawry's growth for years to come, we look forward to bringing yet more exciting new products and services to Egyptian businesses and consumers and to consolidating our position as the partner of choice for those seeking to make a digital transformation.

Eng. Ashraf Sabry
Chief Executive Officer



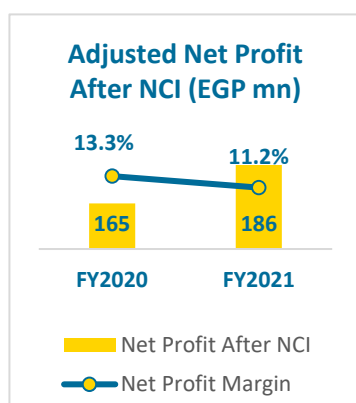
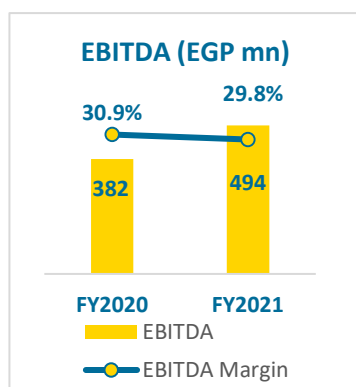
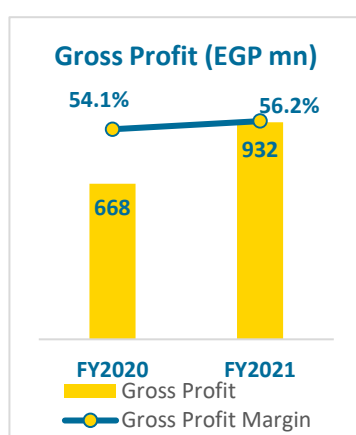
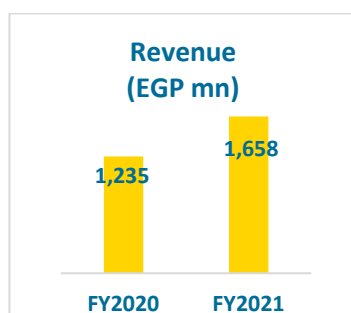
Operational Developments

Operational KPIs	FY2020	FY2021	Change %
Active Network Customers (mn)	29.0	40.5	39.7%
Total POS Terminals ('000)	228.3	268.5	17.6%
Acceptance Enabled POSs ('000)	141.3	186.3	31.9%
Banks Active and Contracted	33	36	9.1%
myFawry App Total Downloads ('000)	1,768.7	4,968.7	180.9%
Services Provided	1,186	1,634	37.8%
Transactions (mn)	1,106.1	1,157.5	4.6%
Mobile Wallet Transactions (mn)	38.1	52.4	37.3%
Mobile Wallet Processed Value (EGP mn)	20,455.0	39,872.1	94.9%
Total Throughput Value (EGP mn)	81,037.0	130,850.2	61.5%

Fawry handled a total throughput of EGP 130.9 billion for FY2021, up by 61.5% y-o-y versus EGP 81.0 billion one year previously, maintaining the Company's growth momentum.

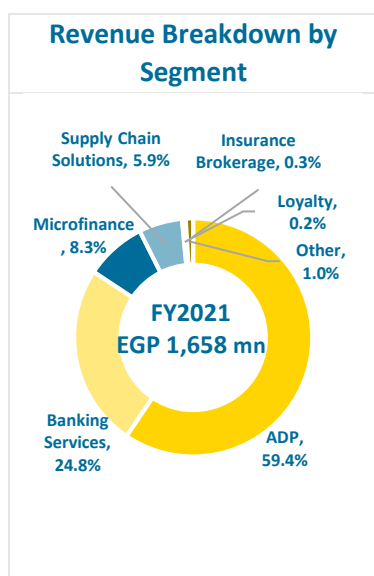
- Fawry handled a total of 1,158 million **transactions** during FY2021, up by 4.6% y-o-y from the 1,106 million registered for FY2020.
- The Company's retail network was equipped with 268.5 thousand **POS terminals** in FY2021, an increase of 17.6% y-o-y from 228.3 thousand in FY2020, reflecting strong growth in Fawry's merchant network and its successful efforts to equip partners with POS technology.
- Acceptance-enabled POSs** in the Company's network reached 186.3 thousand in FY2021, an increase of 31.9% y-o-y from the 141.3 thousand recorded one year previously. Acceptance-enabled POS terminals allow merchants and small businesses to accept an expanded range of payment methods, including by debit or credit card.
- Fawry hosted 52.4 million **mobile wallet transactions** during FY2021, up by 37.3% y-o-y from 38.1 million transactions for FY2020. **Total mobile wallet processed value** recorded EGP 39.9 billion for the year, an increase of 94.9% y-o-y.¹
- As of 31 December 2021, Fawry had recorded 4.97 million downloads of its consumer-facing **myFawry** mobile application, up by 180.9% y-o-y from 1.77 million downloads as at 31 December 2020. myFawry offers consumers a unified interface for bill payments and other services.
- myFawry's annualized throughput** reached EGP 2.2 billion based on figures from December 2021, up from EGP 1.2 billion based on throughput for December 2020. The large increase in uptake reflects an accelerating shift towards digital payment methods among Egyptian consumers, a trend which has been intensified by rising internet and smartphone penetration rates.

¹ These figures reflect total processed value and transactions from bank and operators' wallets processed on the Fawry Network.



Consolidated Financial Performance

- Fawry booked **total revenues** of EGP 1,658 million in FY2021, an increase of 34.3% y-o-y against the EGP 1,235 million recorded for FY2020. The largest contribution to top-line growth in FY2021 came from the Banking Services segment, where revenues more than doubled y-o-y. Revenues from the Alternative Digital Payments (ADP) rose at a healthy rate during the year, while revenues from Supply Chain Solutions expanded at double-digit rates and Microfinance saw its top line nearly double.
- Banking Services** made a contribution of 24.8% to Fawry's consolidated top line in FY2021, up strongly from 14.1% one year previously. Microfinance contributed 8.3% of total revenues for the period against 5.6% in FY2020. Fawry continued to implement successful diversification of revenue streams during FY2021. Fawry's **ADP** segment saw its revenue contribution fall to 59.4% in FY2021 from 73.0% in FY2020, with concurrent growth in the revenue contribution from all other segments.
- Gross profit** recorded EGP 932 million in FY2021, up by 39.6% y-o-y against the EGP 668 million booked for FY2020. The Company recorded a gross profit margin of 56.2% in FY2021, up from 54.1% one year previously. This expansion in gross profit comes as Fawry's top line continues to grow rapidly, and further reflects the Company's close control over channel fees during FY2021.
- Fawry registered an **EBITDA** of EGP 494 million in FY2021, an increase of 29.5% y-o-y against the EGP 382 million recorded one year previously. Fawry's EBITDA margin booked 29.8% for FY2021, down slightly from 30.9% for FY2020. The rapid expansion in EBITDA for FY2021 was supported by Fawry's successful diversification of its revenue base and the resultant synergies and cost efficiencies. Strong EBITDA-level performance also came despite an increase in marketing and talent acquisition expenses as Fawry continued to diversify its platform to maximize business growth during the period. As Fawry continues to grow its talent pool and strengthen the executive team, the Company expects to see a material impact on its operating costs for the short run. However, it should be noted these investments will enable Fawry to accelerate delivery on the Company's aggressive growth and diversification strategy.
- Net Profit After NCI** came in at EGP 177 million for FY2021, down by 4.8% y-o-y from the EGP 186 million booked for FY2020, with the net profit margin (NPM) registering 10.7% against 15.1% one year previously.
- Excluding nonrecurring items and the impact of Fawry's non-cash ESOP program, **adjusted net profit after NCI**, came in at EGP 186 million for FY2021, up by 13.2% y-o-y from the EGP 165 million booked for FY2020, with the net profit margin (NPM) registering 11.2% against 13.3% one year previously.



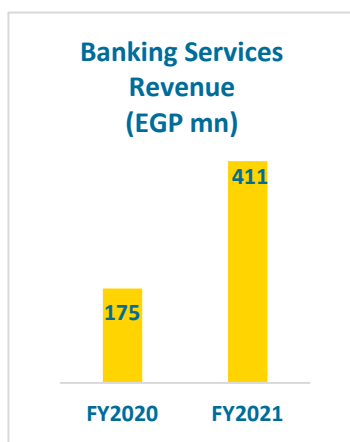
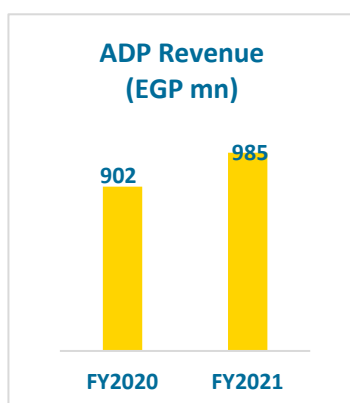
Segments Overview

Alternative Digital Payments

- Revenues from **Alternative Digital Payments (ADP)** expanded by 9.3% y-o-y to record EGP 985 million in FY2021 versus EGP 902 million in FY2020.
- Fawry's ADP segment contributed 59.4% of consolidated revenues in FY2021, a decrease from 73.0% in FY2020. Despite remaining Fawry's largest single business line, growth in the ADP segment represented just 19.7% of the y-o-y increase in Fawry's top-line during FY2021, demonstrating the successful evolution of the business towards an ecosystem model integrating a broad range of value-added services beyond ADP.

Banking Services

- Fawry provides a range of financial services under agency agreements with banks. **Banking Services** generated revenues of EGP 411 million during FY2021, an increase of 135% y-o-y from EGP 175 million one year previously. Growth during the year was driven both by the segment's acceptance business and by its agent banking business.
 - The acceptance business booked revenues of EGP 167 million for FY2021, up by 253.7% y-o-y and reflecting an increase of 309.8% y-o-y in throughput, which registered EGP 13.1 billion in FY2021 as Fawry's Merchant Aggregator Platform continued to enjoy strong uptake and the number of acceptance-enabled merchants in Fawry's retail network continued to rise during the period.
 - Strong results at the Banking Services segment were supported by rapid growth at Fawry's agent banking business, which booked revenues of EGP 242 million for FY2021, an increase of 91.5% y-o-y. Agent banking throughput expanded by 110.4% y-o-y to EGP 39.3 billion during the period.
- Revenue from Banking Services represented 24.8% of the Company's consolidated top line in FY2021, up significantly from 14.1% in FY2020. Similarly, the Banking Services segment was the single largest contributor to consolidated revenue growth during the period, generating 55.8% of the increase in Fawry's overall revenues during FY2021.

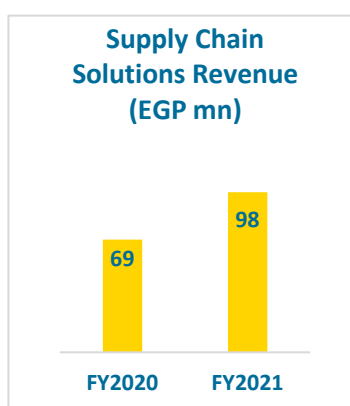
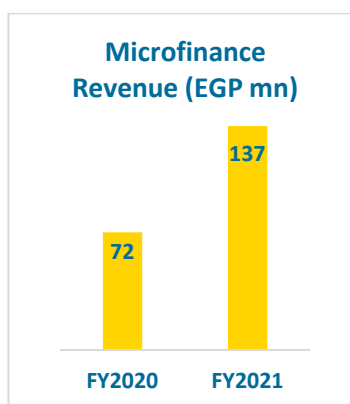


Microfinance

- Fawry disburses microfinance loans to retailers in its merchant network, extending credits directly through POS terminals and digitally earmarking them for supplier payments. The Company's **Microfinance** segment booked total revenues of EGP 137 million in FY2021, up by 89.4% y-o-y against the EGP 72 million booked for FY2020.
- Outstanding loans in Fawry's microfinance portfolio stood at EGP 436 million as at 31 December 2021. For FY2021, the Company made total microfinance disbursements of EGP 512 million.

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- The Company counted c.20.7 thousand microfinance clients by the close of FY2021. Fawry processed approximately 2.3 thousand microfinance applications per month during Q4 2021, with an average of 1.6 thousand processed online.
- The Company's Digital Financing team has launched a state-of-the-art suite of CRM and call-center solutions. These services are expected to boost customer acquisition and retention as the Microfinance segment continues to expand rapidly.
- Microfinance revenues represented 8.3% of Fawry's consolidated top line in FY2021, up from the contribution of 5.9% recorded in FY2021. Generating 15.3% of overall revenue growth for the period, Microfinance was the third-largest contributor to top-line growth during FY2021 following the Banking Services and ADP segments.

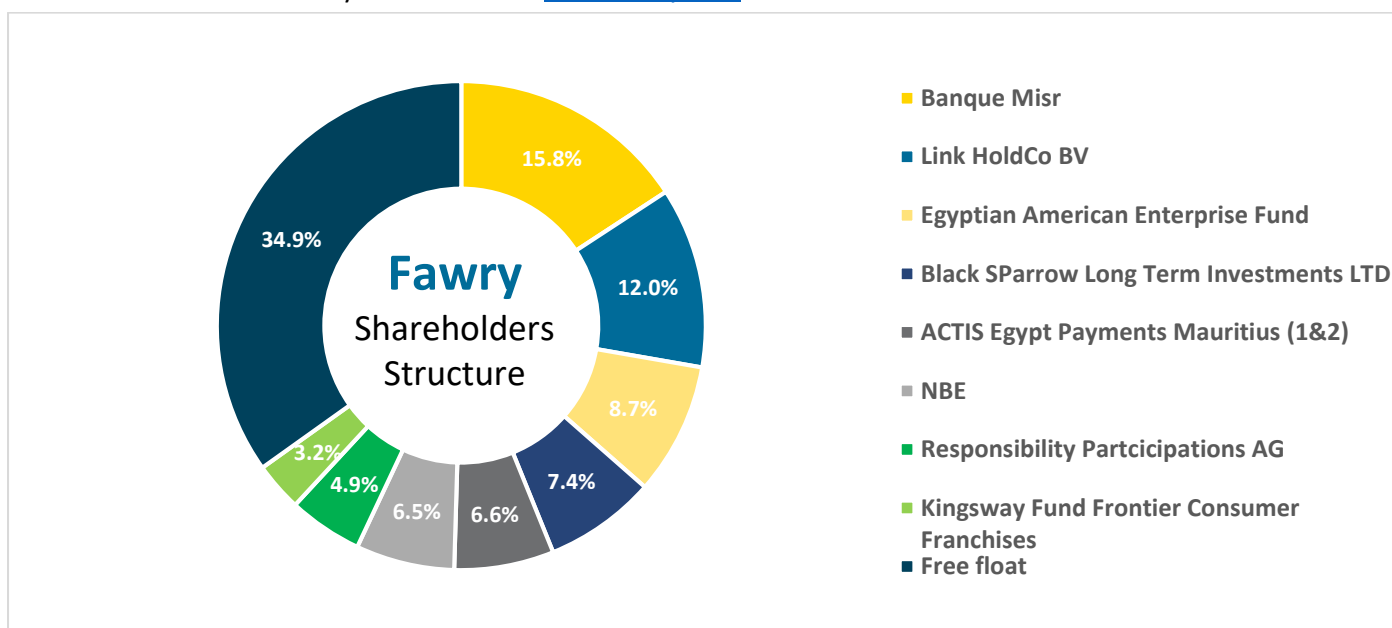
Supply Chain Solutions

- Fawry leverages the significant overlap between its retail network and FMCG companies' merchant base to provide **Supply Chain Solutions**, digitizing B2B transactions and payments from merchants to suppliers. Revenues from Fawry's Supply Chain Solutions segment recorded EGP 98 million in FY2021, up by 42.3% y-o-y from EGP 69 million in FY2020. Supply Chain Solutions accounted for 5.9% of total revenues during FY2021, up from 5.6% one year previously, generating 6.9% of consolidated revenue growth for the period.

– Ends –

About Fawry for Banking and Payment Technology Services

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 nearly 270 thousand agents, Fawry processes an average of 3 million transactions per day, serving an estimated customer base of 40.5 million users monthly. Learn more at www.fawry.com.



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