



Earning Release

Second Quarter, 2019

Financial KPIs (EGP, million)	June, 19	June, 18
Revenues	373.3	273.7
Gross Profit	177.7	124.9
Operating Profit	40.2	22.9
EBITDA	90.0	63.0
Net Profit after NCI	23.7	25.5
Normalized Profit after NCI	41.3	31.0

Operational KPIs	June, 19	June, 18
Monthly Active Users on Fawry Network (million)	23.0	18.6
Contracted Banks	33	25
Number of POSs	110.400	87.800

	June, 19	June, 18
No. of Transaction (million)	386	276
Throughput (EGP, billion)	22.4	14.8

Major Events

We are very proud to announce that we have completed one of the most successful IPOs in Egypt. The offering was 36% of the outstanding shares of which 21% were offered to cornerstone investors, 10% offered for institutional investors, and 5% offered to retail investors.

In line with revenue diversification strategy, Fawry established a new company by the name of “Fawry FMCG” which is mandated with facilitating the merchants’ purchasing from their suppliers. Fawry owns 51% of the Fawry FMCG.

Word from the CEO

In the second quarter of 2019, we accelerated the Company’s growth while advancing our strategy of building a complete digital ecosystem connecting corporates, merchants, and consumers. Our omni channel platform enables consumers whether banked or unbanked to enjoy a better customer experience while fulfilling their daily needs and corporates to efficiently reach out to their clients.

We have as well delivered more solutions to SMEs connecting them to their suppliers, enabling them to have access to financial services as well as supporting them accept electronic payments and digitally engage with their customers.

Our YoY revenue growth in Banking Services of 167%, Supply Chain Solutions of 55%, and Alternative Digital Payments of 30% demonstrates high growth across all lines of business as well as delivering on our revenue diversification strategy.

We are continuing to deliver on our target KPIs and strategic objectives. Total revenues during the first half of 2019 increased to EGP 373.3 million compared to EGP 273.7 million achieving growth rate of 36.4%.

Gross profit increased from EGP 124.9 million to EGP 177.7 and gross margin showed a 2% improvement reaching 48% compared to 46%.

Operating profit increased from EGP 22.9 million to EGP 39.8 million and operating margin also improved to a record 11%, compared to 8% last year, demonstrating sound operational leverage supported by platform maturity and business diversification.

Our net profit after non-controlling interest declined from EGP 25.5 million to EGP 23.7 million affected by EGP 3.6 million related to the IPO, EGP 3.6 million of non operating currency losses due to the appreciate of the Egyptian pound, and our share of losses in startup businesses of EGP 8.7 million.

Finally, we are still demonstrating our market leadership by market share and by being the first to provide the market with new solutions.

Chief Executive Officer

Eng. Ashraf Sabry

Long Term Investments

Fawry Plus is Fawry’s next step into providing financial and banking services facilitation. With more than 65 branches across Egypt; Fawry Plus acts as a banking agent and one-stop-shop that provides different financial services and payment options to customers.

Fawry Microfinance In line with the Egyptian government’s plan for financial inclusion, Fawry provides a wide array of Microfinance products for merchants, and retailers, especially those who have no access to financial institutions, helping them launch or run their small enterprises.

Fawry Insurance Brokerage is a licensed insurance brokerage aiming to be the leader in Insurance Tech in Egypt, also plans to lead the micro insurance wave in Egypt and reach millions of Egyptians who lack proper insurance coverage, through Fawry network of more than 110.000 retailer and payment network reaching millions in the informal sector becomes possible efficient and effective, In addition to providing full insurance programs for SME and individuals.

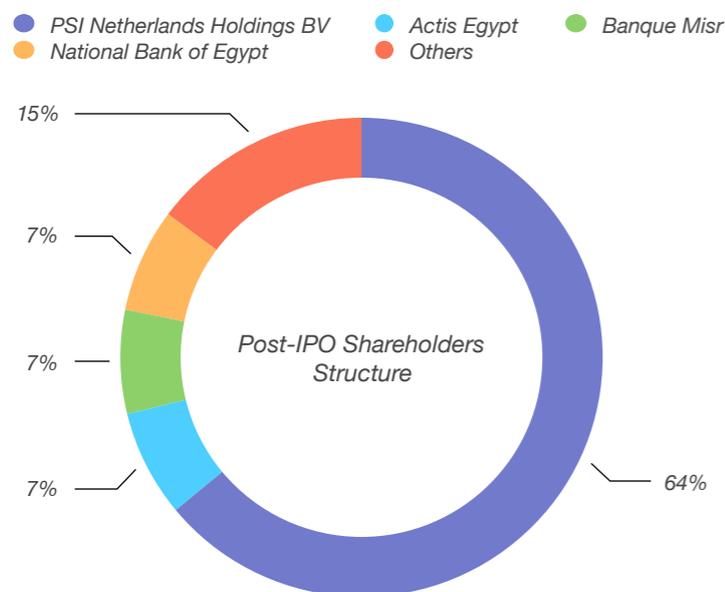
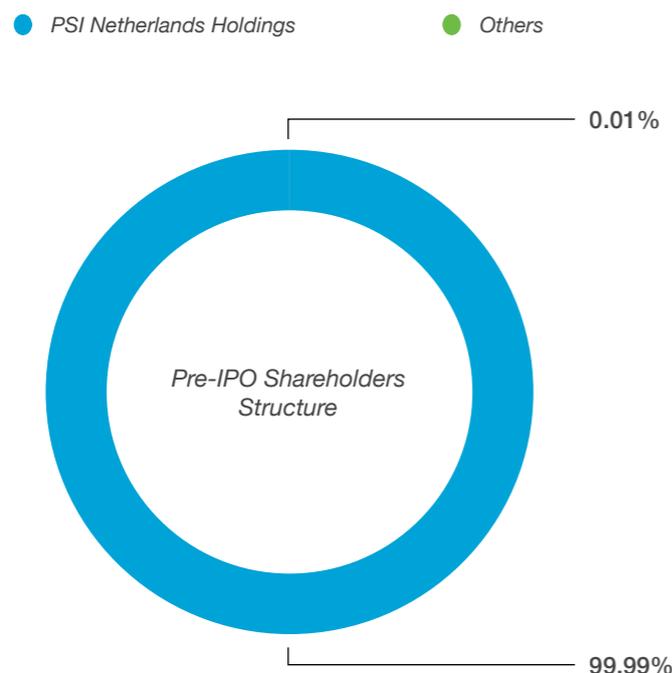
Fawry FMCG is a consumer goods companies payment solutions and has provided an electronic platform services aimed at creating a non-cash society “Digital” for merchants and consumer goods companies.

Waffarha is the first Egyptian platform to provide discounts and offers in many services with different categories and discount ranges, the company established 6 years ago to service both B2B and B2C.

Tazcara is all-in-one booking platform for bus travel. The customer can use the platform to find different bus operators across a variety of prices.

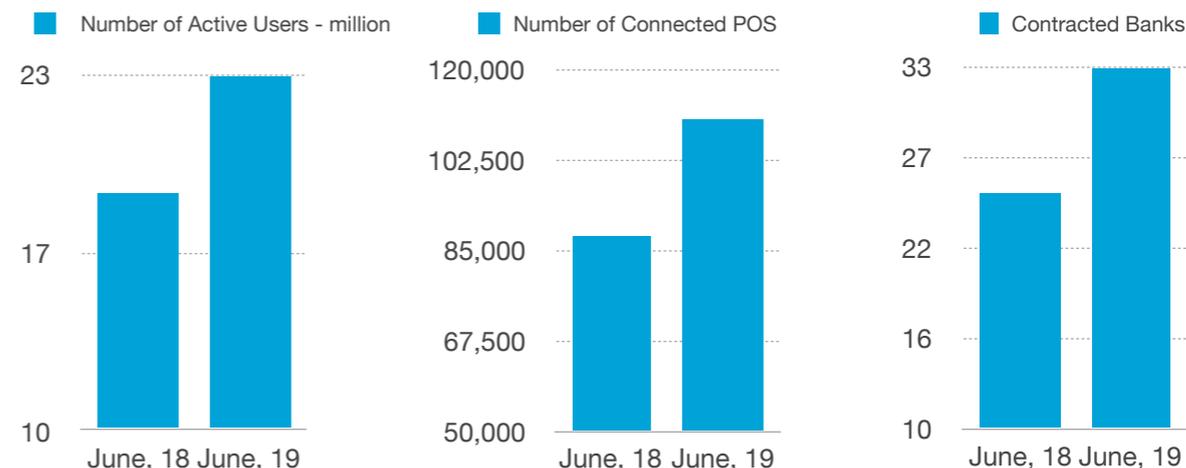
Bosta is a courier company based in Cairo provides an array of services including next day delivery, exchange shipments, customer returns and cash collections, Their coverage extends across all of Egypt.

Shareholders Structure



Authorized Capital - EGP	Issued and Paid Up Capital - EGP	Outstanding Shares	Par Value / Share - EGP
500,000,000	353,652,060	707,304,120	0.50

Key Operational Indicators



Number of Active Users using the Network

The growth in the network and the increase in the services being offered by the platform contributed to the growth of the monthly active users transacting with Fawry from 18.6 million on June 2018 to 23 million on June 2019.

Number of POSs Terminals

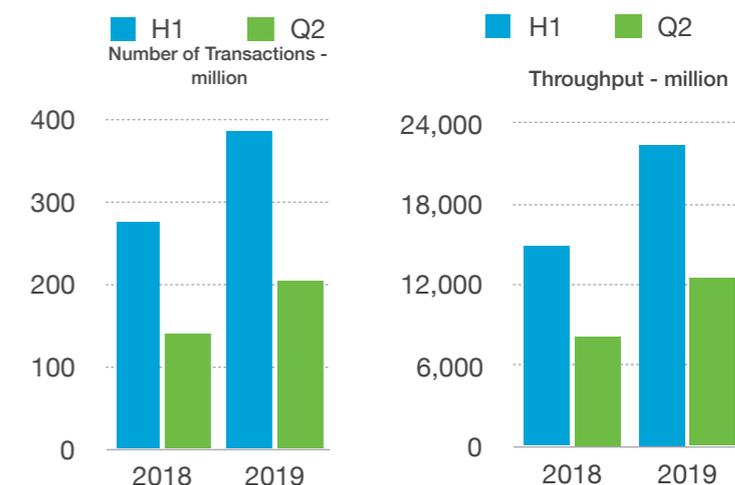
Fawry is investing heavily in expanding the merchant network and spending more on the technology of the POS terminals which increased to 110,400 by the end of H1, 2019 compared to 87,800 on June 2018.

It is worth mentioning that more than nearly 60,000 POSs are certified which means that they accept all types of cards thus facilitating acceptance to merchants and supporting their business.

Number of Contracted Banks

Fawry is the gateway for all the banks (governmental and non-governmental) that offer bill payment services. The number of banks contracted with Fawry increased to 33 banks compared to 25 banks on June 2018.

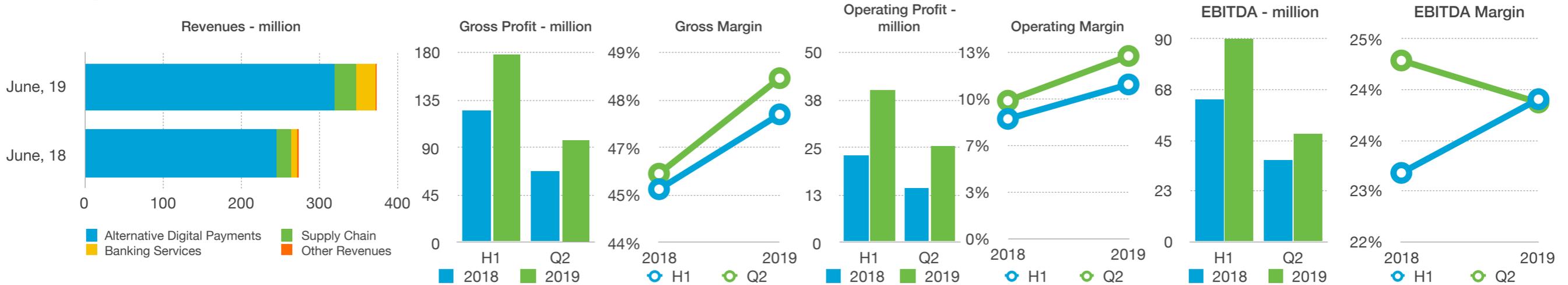
Throughput & Number of Transactions



Throughput or Total Payment Volume showed a significant growth during H1, 2019 as it increased from EGP 14.8 billion during H1, 2018 to EGP 22.4 billion during H1, 2019 achieving a growth rate of 52%.

This growth in TPV is mainly a function of the number of transactions executed through the network. Number of transactions increased to 386 million during H1, 2019 compared to 276 million over the same period last year, recording a growth rate of nearly 40%.

Key Financial Indicators

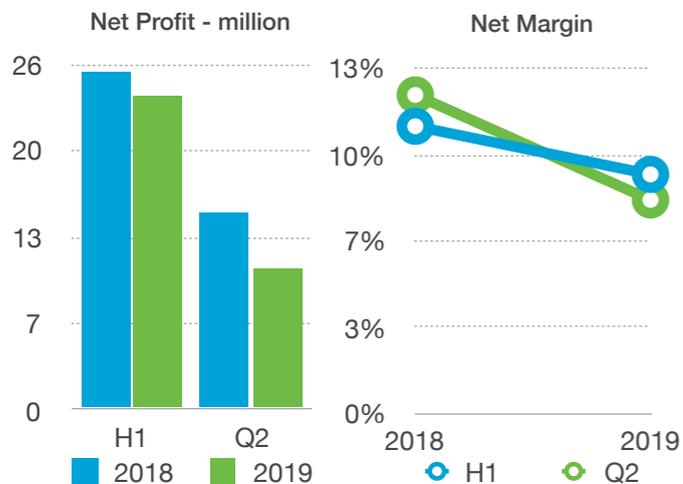


Total consolidated revenues on the first half of 2019 amounted to EGP 373.3 million compared to EGP 273.7 million over the same period last year achieving a growth rate of 36.4%. Alternative Digital Payment represents the lion share of total revenues. Its share stood at 85.7% during H1, 2019 down from 89.88% during the same period last year.

Gross profit increased to EGP 177.7 million compared to EGP 124.9 million over the same period last year. Gross margin on H1, 2019, showed an improvement of 200 basis points reaching 48% compared to 46% on H1, 2018.

Operating Profit on H1, 2019 amounted to EGP 40.2 million compared to EGP 22.9 million over the same period last year, achieving a growth rate of 74%. This has reflected positively on operating profit margin which increased from 8% during H1, 2018 to 11% during H1, 2019.

EBITDA increased to EGP 90 million during H1, 2019 compared with EGP 63 million on H1, 2018 achieving growth rate of 43% over the period. EBITDA margin showed a slight improvement of 1% reaching 24% on H1, 2019 compared to 23% last year. However, it showed a different picture in comparing quarterly results and this is mainly attributable to the decline of interest income as a percentage of EBITDA which is normal in a declining interest rate environment.



Net profit after non-controlling interest declined during H1, 2019 to EGP 23.7 million compared to EGP 25.5 million during H1, 2018. Non operational reasons were the reasons behind the results, including; IPO related costs of EGP 3.6 million, non-operating currency losses of EGP 3.6 million, and share of losses of investments in startups of EGP 8.7 million.

Normalized Net Profit after Non-Controlling Interest

It is worth mentioning that normalized net income after non-controlling interest after adjusting for the non-operational losses recorded EGP 41.3 million on H1, 2019 versus EGP 31 million on H1, 2018, thus achieving a growth rate of 33.2%.

Financial Statements - Key Notes

The increase in buildings is due to the decision taken by the board to repay the remaining lease payments in full to the leasing company and then purchase the building according to the contractual agreement between the two parties. Net total amount paid is EGP 23.8 million, while the value of the building is EGP 43.2 million.

Fawry invested heavily during the period to serve the expanding market and to acquire more merchants. Total investment during the period amounted to EGP 66 million.



About Fawry

Founded in 2008, Fawry is the largest e-payment platform in Egypt serving the banked and the unbanked population.

Fawry services include enabling Egyptians to pay their bills electronically, top up their mobiles, and provisions. Other digital services include e-tickets, cable TVs, and variety of other services.

Through its P2P model, Fawry is enabling corporates and SMEs to accept electronic payments including payments through websites, mobile phones, and POSs.

Through its network of 33 member banks, its mobile platform, and more than 110,000 agents, Fawry is processing an average of 2.5 million transactions daily serving an estimated base of 23 million customers monthly.

Fawry Investor Relations

Mohamed Mahmoud Abdel Mohsen

Head of Investor Relations

mohamed.abdelmohsen@fawry.com

+201002345078