

## Growth continues to accelerate on thriving demand

Operational KPIs	H1 - 2019	H1 - 2020	Y-o-Y %
Number of Active Customers on the Network (Millions )	23	29	23.9%
Number of POSs Terminals ('000)	118.7	166.5	40.3%
Number of Certified POSs ('000)	63.8	94.5	48.1%
Number of Active Banks in the Network	31.0	34.0	9.7%
Number of Acceptance Enabled Merchants ('000)	33.0	49.2	49.3%
Number of Services Provided	676.0	879.0	30.0%
Number of Transactions (millions)	395.1	529.9	34.1%
<b>Total Value of Throughput (millions)</b>	<b>23,317</b>	<b>34,432</b>	<b>47.7%</b>

Financial KPIs (EGP million)	H1 - 2019	H1 - 2020	Y-o-Y %
Total Revenues	373.3	549.3	47.1%
Gross Profit	177.8	296.7	66.9%
Operating Profit	43.7	92.6	112.1%
EBITDA	92.1	155.5	68.9%
Net Profit Before NCI	36.5	86.0	135.7%
Net Profit After NCI	26.5	70.5	165.5%
<b>Normalized Net Profit After NCI</b>	<b>33.0</b>	<b>70.2</b>	<b>112.6%</b>

## Major Events

### Fawry – CBE Acceptance Initiative

Fawry have signed agreements with National Bank of Egypt and Bank Misr to rollout 60,000 POS to accept Cards and QR Code payments within the framework of the CBE Acceptance initiative.

### Means of Financing Fawry Growth Initiatives

Fawry Management presented to the Board of Directors a number of business expansion initiatives capitalizing on the current favorable market conditions that help accelerating the achievement of company strategy to grow mobile services, omni-channel acceptance and supply chain integrated digital solutions.

The management proposed that such initiatives are financed by way of a capital increase of up to EGP400 million, to be conducted in the form of a par value rights issue. The contemplated capital increase will be subject to obtaining all relevant shareholders and regulatory approvals and will depend on the prevailing market conditions at the time these approvals are obtained.

Furthermore, the Company's senior management, representatives of institutional pre-IPO shareholders as well as the representatives of IPO cornerstone investors, have expressed their intention to subscribe to their pro rata share of the proposed capital increase in the event that the necessary shareholder and regulatory approvals are obtained.

Accordingly, the Board of Directors recommended that the management prepares a comprehensive report on the proposed growth initiatives and the means of financing them and presents them to the Board of Directors, in preparation for the presentation to the General Assembly in accordance with the applicable rules and regulations.

## CEO Word

It is always a pleasure to announce to our shareholders that we are delivering on our strategic initiatives and financial targets.

Fawry achieved on key objectives, namely strong growth, revenue diversification, and margins improvement. Y-o-Y revenues grew by 47.1% from EGP 373.3 million to EGP 549.3 million; Banking Services revenue grew by 3 times from EGP 23.5 million to EGP 71.7 million reaching 13 % of total revenues and Microfinance revenues reached EGP29.3 million from EGP 1.7 million ; accounting for 5.3 % of the total revenue, reinforcing our diversification strategy. Finally, our operating profit grew from EGP 43.7 million to EGP 92.6 million, reflecting operational efficiencies.

It is also worth mentioning that we are still witnessing favorable market conditions where digital transformation and electronic payments are becoming priorities for the Government, the Central Bank and the Businesses. As well as increased adoption by consumers to digital services.

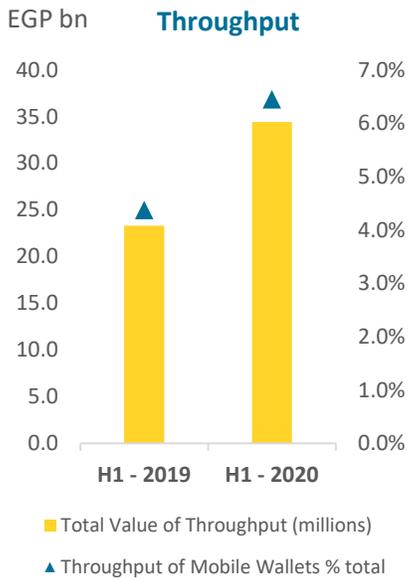
Fawry's agreement with National Bank of Egypt and Bank Misr to rollout 60,000 POS within the framework of the CBE acceptance initiative , the growth in the number of services being offered on the platform to reach more than 800 services , the growth in the volume of mobile wallets throughput to 2.2 billion representing 6.4 % of total throughput up from 4.4% the same period last year and finally tripling myfawry throughput in the period from Feb to July this year demonstrates the positive impact of the above market conditions on Fawry's business.

The above have encouraged the management to present to the board opportunities for accelerating the achievement of our strategy to grow mobile services, omni channel acceptance and Integrated Supply Chain digital solutions by means of additional financing through a capital increase and the Board of Directors recommended that the management prepares a comprehensive report on the proposed growth initiatives and the means of financing them and presents them to the Board of Directors, in preparation for the presentation to the General Assembly in accordance with the applicable rules and regulations.

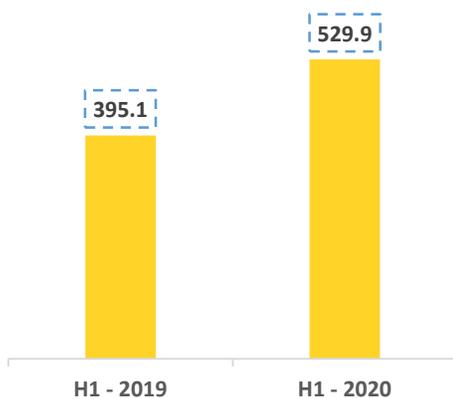
Finally it is important to reassure shareholders that our positions regarding the impact of COVID19 on the business remains unchanged and early indications of Q3 remains positive.

Since the circumstances are changing by the day and we based our expectations outlined above on the available information that can change with time, we will continue keeping our investors updated with the impacts of any changes on the business performance

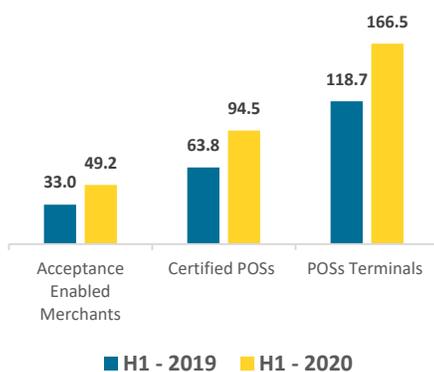
**Eng.Ashraf Sabry**



### Number of Transactions (mn)



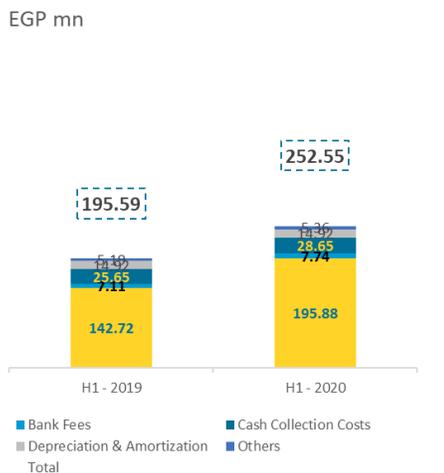
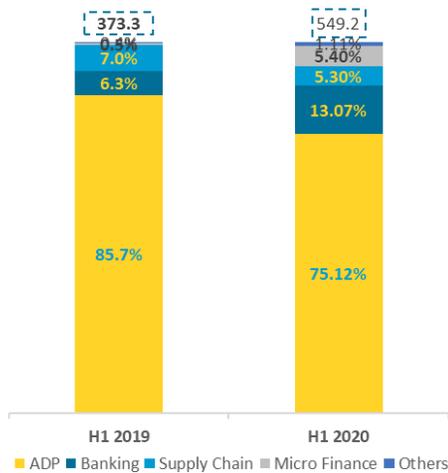
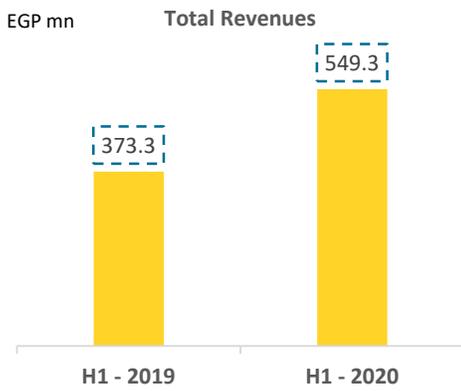
('000) Units



## Operational Overview

Up, Up and Away, Fawry achieves another record as Throughput increased to EGP34.4 bn in H1-20 vs. EGP 23.3 bn over the same period last year, growing at 47.7 % Y-o-Y

- As a consequence of increasing the Number of Services Provided from 676 services during H1-19 to 879 services during H1-20 representing growth of 30% Y-o-Y, The total number of transactions registered 529.9 mn in H1-20 compared with 395.1 mn in H1-19, achieving growth of 34.1% Y-o-Y.
- Benefiting from the underpenetrated market, Fawry is investing heavily in expanding the merchant network and spending more on POS technology. POS terminals increased from 118.7K in H1-19 to almost 166.5 K in H1-20, achieving growth of 40.3% Y-o-Y.
- To empower merchants and small businesses to accept different methods of payments, Fawry increased certified POS terminals from 63.8 K in H1-19 to 94.5 K in H1-20, recording growth of 48.1% Y-o-Y.
- Fawry Aggregation Platform allows underbanked merchants to accept credit cards. As a result, the number of acceptances enabled merchants increased from 33K to 49.2K, up 49.3% Y-o-Y.
- Fawry showed outstanding growth in mobile wallet transactions during the first half of 2020. Total throughput soared to EGP 2.22 bn from EGP 1.01 bn in H1-19, recording growth rate of 118.0% Y-o-Y, The number of transactions increased from 8.0 mn in H1-19 to 12.2 mn in H1-20, attaining growth of 51.2% Y-o-Y. Mobile throughout is representing 6.4% of the total throughput vs.4.4 % last year.



## Financial Overview

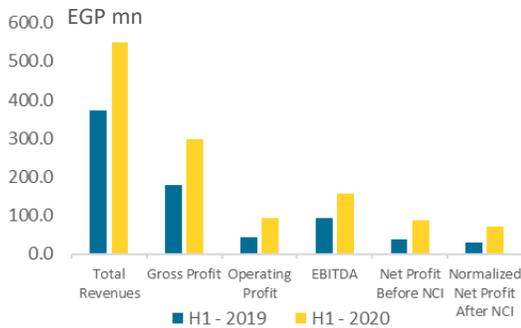
Total revenues registered EGP 549.2 mn vs. EGP 373.3 mn achieving a growth of 47.1%.

Fawry is on the right track to deliver on its diversification strategy year over year, Which resulted in higher net profit margin.

- Alternative Digital Payments (ADP) revenues grew from EGP 320 mn to EGP 412.6 mn achieving growth of 29% Y-o-Y. Although ADP still dominates the larger share of total revenues. Yet its contribution to total revenue declined from 85.7 % to 75.12% Y-o-Y.
- Banking Services revenue grew 205% Y-o-Y, achieving EGP 71.7 mn in H1-20 vs. EGP 23.5 mn over the same period last year. It represents 13.07 % of the total revenue, thanks to the rapid growth in merchant acceptance.
- Exceeding our expectation, Microfinance segment posted total revenues of EGP 29.6 mn vs. EGP 1.7mn; standing at 5.4 % of the total revenue.
- Supply Chain accounted for 5.3 % of total revenues during H1-20; its revenues amounted to 29.1 mn in H1-20

Cash Collection Costs declined as a percentage of total cost to be 11.3% from 13.1 % over the same period last year.

- Total COGS increased from 142.7 mn on H1-19 to EGP 195.8 mn on H1-20. As yet, Merchant & Channel Fees held the lion's share of total COGS standing at nearly 77.6%.



### Fawry performance remains sparkling, Showing Healthy Profitability margins

- Fawry has maintained a relatively stable gross profit margin by continuously monitoring and managing its channel fees (its largest cost base). In H1-20, GPM reached 54 % Compared with 48% last year, Owing to the viability of the diversification strategy and its impact on operating costs.
- Although monetary policy is easing, Which resulted in a decline in the overnight lending rate from 16.75 % in H1-19 to reach 12.25 % in H1- 20 negatively impacting Fawry interest income, Yet EBITDA grew to EGP 155.5 mn from EGP 92.0 mn, leading to EBITDA Margin 24.7% thanks to management efficiency.
- Fawry reaped the benefit of its diversification strategy, which resulted in higher gross Profit Margin. A notable contribution rate from micro-lending drove this high Margin, Normalized Net Profit After NCI increased to EGP 70.1 mn vs. EGP 33.0 mn the previous year. NPM after NCI Stood at 12.8 % Compared to 8.8 %

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**About Fawry**

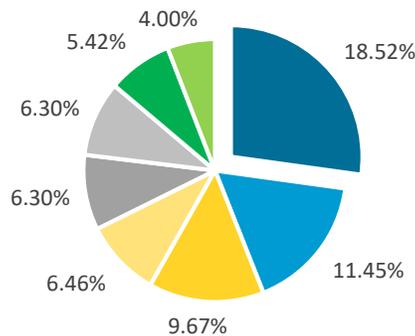
Founded in 2008, Fawry is the largest e-payment platform in Egypt serving the banked and the unbanked population.

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 34 member banks, its mobile platform, and more than 166,500 agents, Fawry is processing an average of of 2.9 million transactions daily serving an estimated base of 29 million customers monthly.

**Fawry Shareholders' structure**



- LINK HOLDCO B V
- BLACK SPARROW LONG TERM INVESTMENTS LTD
- EGYPTIAN AMERICAN ENTERPRISE FUND
- KASARANI PRISM LIMITED
- National Bank of Egypt
- Banque Misr
- RESPONSABILITY PARTICIPATIONS AG
- IFC