

Fawry Releases 1H 2021 Results

Banking Services lead continued success in diversification of revenue sources and support double-digit growth in top line and profitability.

1H 2021 Highlights

Revenues

EGP 742.6 MN

▲ 35.2% y-o-y

Gross Profit

EGP 415.2 MN

▲ 39.9% y-o-y / 55.9% margin

Throughput Value

EGP 54.5 BN

▲ 58.2% y-o-y

EBITDA

EGP 229.7 MN

▲ 50.2% y-o-y / 30.9% margin

Net Profit

EGP 113.3 MN

▲ 60.8% y-o-y / 15.3% margin

Number of Transactions

563.8 MN

▲ 6.4% y-o-y

16 August 2021 – (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 six-month period ended 30 June 2021. The Company booked revenues of EGP 742.6 million in 1H 2021, up 35.2% year-on-year (y-o-y), and reported a net profit of EGP 113.3 million, up by 60.8% y-o-y to yield a net profit margin of 15.3%. On a quarterly basis, Fawry recorded revenues EGP 393.6 million in 2Q 2021, an increase of 35.1% y-o-y, with the bottom-line booking EGP 37.2 million, a decline of 6.0% y-o-y representing a net profit margin of 9.4%.

Financial & Operational Highlights

- Fawry enjoyed rapid growth at each of its business segments during 1H 2021, with particularly strong performance at the **Banking Services** and **Microfinance** segments driving performance and testifying to successful top-line diversification.
- The Company successfully completed a **rights offering** of 800 million shares valued at EGP 400 million during 2Q 2021. The rights issue was 100% covered by Fawry’s existing shareholders, strongly indicating investors’ continued confidence in Fawry’s value proposition as the Company continues to develop and diversify its platform.
- Proceeds from the issue will be directed partially to funding Fawry’s investment strategy. The second quarter saw Fawry acquire a minority stake in **elmenus**, a food discovery platform. This comes as part of Fawry’s efforts to establish strategic partnerships with high-potential tech companies, with an eye to generating profitable synergies and furthering the Company’s objective of developing Egypt’s growing digital ecosystem.

Summary Income Statement

(EGP 000s)	2Q 2020	2Q 2021	Change %	1H 2020	1H 2021	Change %
Total Revenues	291,269	393,569	35.1%	549,266	742,560	35.2%
Alternative Digital Payments (ADP)	213,700	242,775	13.6%	412,600	465,422	12.8%
Banking Services	43,900	87,166	98.6%	71,700	158,469	121.0%
Acceptance	10,003	34,758	247.5%	17,133	62,730	266.1%
Agent banking	33,897	52,407	54.6%	54,567	95,739	75.5%
Microfinance	13,800	33,564	143.2%	29,600	61,419	107.5%
Supply Chain Solutions	16,400	23,770	44.9%	29,100	44,058	51.4%
Others	3,469	6,293	81.4%	6,266	13,194	110.5%
Gross Profit	160,440	221,039	37.8%	296,715	415,180	39.9%
EBITDA	83,802	110,267	31.6%	152,923	229,743	50.2%
Net Profit Before NCI	47,927	51,353	7.1%	85,974	137,150	59.5%
Net Profit After NCI	39,536	37,155	-6.0%	70,463	113,301	60.8%

Chief Executive's Review

Halfway through 2021, Fawry's growth strategy is yielding strong results as we utilize several means for unlocking maximum value from our network. We have seen strong growth across each of our digital channels and business segments, indicating the Company's ability to generate value from every corner of its ecosystem while steering the digital transformation in all spheres of the Egyptian economy. Fawry continues to successfully drive the development and diversification of our platform, with strong performance at our payments business now complemented by rapid growth at our Banking Services and Supply Chain Solutions segments, and our financial services operation beginning to take off. The value of throughput on the Fawry network climbed by 58.2% y-o-y to post EGP 54.5 billion, reflecting the ever-expanding scope of Fawry's business activities and our ability to drive value for stakeholders across a range of underpenetrated markets.

Combined with this growth in throughput, the success of our ongoing diversification initiatives drove solid financial performance for the six-month period. Total revenues were up by 35.2% y-o-y to book EGP 742.5 million in 1H 2021, while gross profit rose by 39.9% y-o-y to reach EGP 415.2 million, yielding a 1.9-percentage-point climb in Fawry's gross profit margin. Fawry's EBITDA grew by 50.2% y-o-y for 1H 2021, recording EGP 229.7 million and a 3.1-point increase in the EBITDA margin to 30.9% despite increased outlays on talent acquisition and marketing as Fawry seeks to further accelerate business growth. The Company booked a bottom line of EGP 113.3 million for the period, up by 60.8% y-o-y and yielding a net profit margin of 15.3% versus the 12.8% recorded in 1H 2020.

Fawry's Banking Services segment was a standout performer in 1H 2021. Revenues from the segment more than doubled y-o-y to represent 21.3% of the consolidated top line against 13.1% one year previously. Banking Services was the single largest contributor to Fawry's top-line expansion during the period, with strong growth at the segment reflecting the fact that Egypt's banking services market remains highly underpenetrated despite its large and growing size. Fawry offers financial institutions easy access to a large customer base, leveraging our unparalleled retail network and our nationwide web of FawryPlus outlets to drive performance at agent banking businesses.

On the ground, we're pursuing multiple opportunities to create even greater value through our Banking Services offering. Fawry kicked off its partnership with Nasser Bank and the Ministry of Social Solidarity during 2Q 2021. The partnership will see Fawry develop a solution which allows pension recipients to claim their payments online, directly from nodes in Fawry's nationwide retail network, or from their nearest FawryPlus branch. We have also successfully cooperated with the National Bank of Egypt, the country's largest financial institution, in rolling out version 2.0 of the Bank's mobile wallet.

Meanwhile, Fawry's footprint in the broader financial services space is growing by the day. Revenues from our Microfinance segment more than doubled during 1H 2021, with outstanding loans recording EGP 340 million at the close of the period. Fawry had extended financing to approximately 17.5 thousand clients by 30 June 2021, and we're now processing nearly 1.5 thousand online applications per day. Growth at the Microfinance segment is expected to accelerate following our increase of credit limits to EGP 200 thousand and as we expand our operations into the lucrative Upper Egypt region. Moving forward, Fawry aims to further enhance its offering in the financial services space by continuously rolling out innovative solutions, including an expanded lending offering, investment products, and solutions which leverage the growing demand for peer-to-peer transactions.

Surveying our legacy payments operation, we see continued strength. Fawry's Payments segment benefited from solid growth across all our digital payments channels, with myFawry, e-commerce, and physical acceptance operations all recording strong increases in volume for 1H 2021. Alternative Digital Payments saw double-digit top-line growth during the six-month period, and the segment is expected to benefit further as Fawry expands the range

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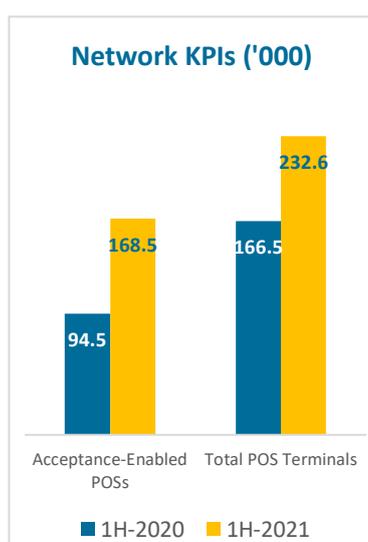
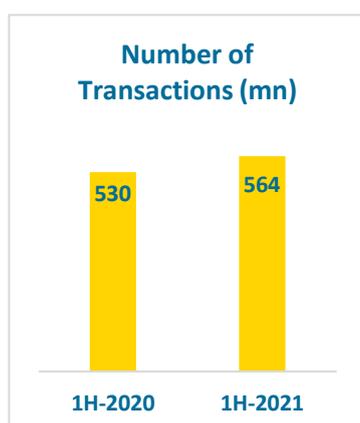
of business and institutional partners it works with to digitize commerce in Egypt. Most recently, at our FMCG business, we have expanded the list of customers that use our handheld device to accept electronic payments to include Nestle Water, Bel, and Arma.

Looking ahead, Fawry expects to launch a new Instant Payment Network during the final quarter of 2021, enabling electronic retail payments to be processed in real time, 24 hours a day, 365 days a year, with funds made available immediately for use by the recipient. The system will enable peer-to-peer transactions to be completed securely and instantaneously, driving traffic at our consumer-facing myFawry app. On the merchant side, the system will allow Fawry to better meet the requirement for faster and more reliable money transfer systems that keep up with customers' demands, regardless of where and how purchases are made, driving further growth at our agent banking business. Fawry's agent banking business also stands to benefit significantly from the Central Bank of Egypt's approval of rules for the interoperability of cash deposit and withdrawal services across service providers. The new regulations will promote easy and convenient electronic payment and collection services for consumers, bolstering financial inclusion.

We at Fawry believe that digitizing how business is done in Egypt facilitates the expansion of opportunities to small businesses and hard-to-reach populations, accelerating economic growth and creating a better future for all. To this end, we've prepared a calibrated investment strategy that reflects our strategic objectives of expanding Fawry's digital ecosystem and establishing footholds in promising new business sectors, while underlining our faith in the power of technological solutions to improve outcomes for consumers and businesses. Fawry is now actively studying investment opportunities that will engender synergies with the Company's own lines of business, with applications extending from our digital payment platforms to our growing suite of value-added digital services. The sectors under consideration include social commerce, logistics, and digital insurance.

To help realize our objectives moving forward, we've onboarded some exciting new talent over the past few months. Fawry has welcomed a highly experienced new Chief Investment and Investor Relations Officer, an addition which reiterates our commitment to full and transparent engagement with our shareholders. We also continue to strengthen our C-suite, executive management, and sales organization. While this is expected to have some bearing on our operating costs in the short run, we expect to quickly reap the rewards of these investments through accelerated growth. On the operations side, we've added accomplished executives at each of our loyalty, operations, presales, consumer finance, and FMCG departments. The new additions bring track records of excellence from a broad range of leading Egyptian businesses in sectors as diverse as telecoms, FMCGs, and financial services. As we enter on a new chapter of the Fawry story, these additions promise to help successfully guide the development of our digital platform, while broadening and deepening our footprints in the financial services, FMCG, and loyalty spaces, allowing Fawry to create value for an ever-wider range of stakeholders.

Eng. Ashraf Sabry – Chief Executive Officer



Operational Developments

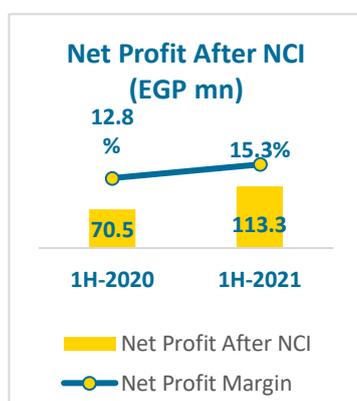
Operational KPIs	1H 2020	1H 2021	Change %
Active Network Customers (mn)	28.5	34.0	19.3%
Total POS Terminals ('000)	166.5	232.6	39.7%
Acceptance Enabled POSs ('000)	94.5	168.5	78.4%
Active Banks in the Network	34	36	5.9%
myFawry App Cumulative Downloads ('000)	799.9	3,506.1	338.3%
Services Provided	879	1,323	50.5%
Transactions (mn)	529.9	563.8	6.4%
Mobile Wallet Transactions (mn)	12.2	19.2	58.1%
Mobile Wallet Processed Value (EGP mn)	2,220.7	5,579.1	151.2%
Throughput Value (EGP mn)	34,432.0	54,486.0	58.2%

Fawry recorded total throughput of EGP 54.5 billion for 1H 2021, up by 58.2% y-o-y against EGP 34.4 billion for the same period of the previous year, maintaining a consistent trend of rapid growth.

- Fawry handled a total of 563.8 million **transactions** during the first six months of 2021, an increase of 6.4% y-o-y from the 529.9 million recorded for 1H 2020.
- Fawry's retail network was equipped with approximately 232.6 thousand **POS terminals** in 1H 2021, up by approximately 40.0% y-o-y from 166.5 thousand one year previously as the Company continued to drive strong growth in its merchant network and to equip partners with POS technology.
- Acceptance-enabled POSs** in the Company's network recorded 168.5 thousand in 1H 2021, up by 78.4% y-o-y from the 94.5 thousand registered in the same period of the previous year. Acceptance-enabled POS terminals can enable merchants and small businesses to accept an expanded range of payment methods, including payment by debit or credit card.
- Fawry handled a total of 19.2 million **mobile wallet transactions** during 1H 2021, an increase of 58.1% y-o-y from the 12.2 million transactions registered in 1H 2020. **Total mobile wallet processed value** reached EGP 5.6 billion for the six-month period, up by 151.2% y-o-y from EGP 2.2 billion in 1H 2020.
- As of 30 June 2021, Fawry had registered 3.5 million downloads of its consumer-facing **myFawry** mobile application, up by 338.3% y-o-y from nearly 800 thousand downloads at the close of 1H 2020. myFawry offers consumers a unified interface for bill payments and other services.
- myFawry annualized throughput** recorded EGP 1.64 billion based on figures from June 2021, up from EGP 771.8 million based on throughput for June 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.

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Consolidated Financial Performance

- Fawry recorded **total revenues** of EGP 742.6 million in 1H 2021, up by 35.2% y-o-y from the EGP 549.3 million booked in 1H 2020. Fawry's Alternative Digital Payments (ADP), Supply Chains Solutions experienced double-digit growth during the 1H 2021, with Banking Services and Microfinance more than doubling their revenues, and revenues generated by other lines of business nearly doubling y-o-y. On a quarterly basis, Fawry recorded total revenues of EGP 393.6 million in 2Q 2021, up by 35.1% from the EGP 291.3 million registered one year previously.
- Banking Services saw its top-line contribution expand rapidly from 13.1% to 21.3% between 1H 2020 and 1H 2021, with the contribution from Microfinance increasing from 5.4% to 8.3% over the period. The Company continued to see successful **diversification** of revenue streams during 1H 2021. The top-line contribution from Fawry's ADP segment declined from 75.1% in 1H 2020 to 62.7% in 1H 2021, with attendant increases in revenue contribution from all remaining business segments
- Gross profit** registered EGP 415.2 million in 1H 2021, an increase of 39.9% y-o-y from the EGP 296.7 million recorded one year previously. The Company booked a gross profit margin of 55.9% in 1H 2021, up from 54.0% in 1H 2020. Enhanced gross profitability reflects double-digit top-line growth in addition to close control of merchant fees during the period. On a quarterly basis, Fawry recorded a gross profit of EGP 221.0 million for 2Q 2021, up by 37.8% y-o-y and yielding an increase of 1.1 percentage points in the GPM to 56.2% for the period.
- Fawry recorded an **EBITDA** of EGP 229.7 million in 1H 2021, up by 50.2% y-o-y from the EGP 152.9 million booked in 1H 2020. Fawry's EBITDA margin registered 30.9% in 1H 2021, up from 27.8% for the same period of the previous year. Rapid growth in EBITDA for 1H 2021 reflects the synergies and cost efficiencies fostered by the Company's successful diversification of its revenue base. Strong EBITDA-level performance also came despite an increase in marketing and talent acquisition expenses as Fawry continued to diversify its platform and drive diversification 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 impact on its operating costs in the short run, with these investments nevertheless enabling Fawry to accelerate the implementation of and deliver on its aggressive growth and diversification strategy. Fawry recorded an EBITDA of EGP 110.3 million for 2Q 2021, up by 31.6% y-o-y to yield an EBITDA margin of 28.0% against the 28.8% recorded for 2Q 2020.
- Net Profit After NCI** booked EGP 113.3 million for 1H 2021, up by 60.8% y-o-y from the EGP 70.5 million registered for 1H 2020, with the net profit margin rising to 15.3% from 12.8% over the period. On a quarterly basis, net profit after NCI came in at EGP 37.2 million for 2Q 2021, a decrease of 6.0%

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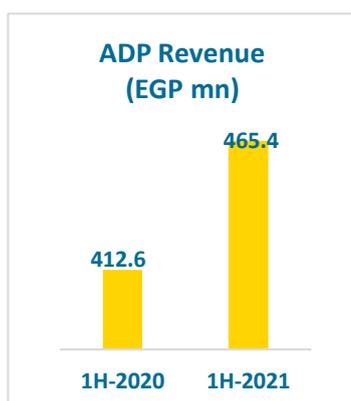


y-o-y. This bottom-line decrease reflects a net impact of EGP 10.4 million associated with the Company's ESOP program. A further nonrecurring impact amounting to EGP 2.8 million stemmed from the rights issuance completed by Fawry during 2Q 2021. Fawry's NPM booked 9.4% for the quarter, down from 13.6% for 2Q 2020.

Segments Overview

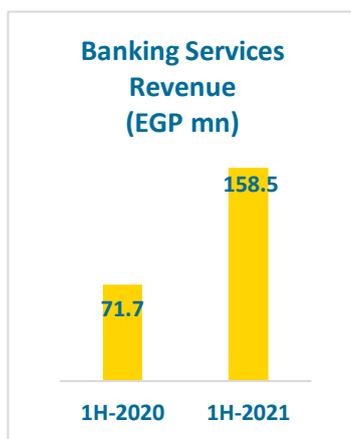
Alternative Digital Payments

- Revenues from **Alternative Digital Payments (ADP)**, Fawry's largest business segment, rose by 12.8% y-o-y to book EGP 465.4 million in 1H 2021 against EGP 412.6 million in 1H 2020. On a quarterly basis, the ADP segment generated revenues of EGP 242.8 million for 2Q 2021, up by 13.6% y-o-y from the EGP 213.7 million booked one year previously.
- Fawry's ADP segment contributed 62.7% of consolidated revenues in 1H 2021, down from 75.1% in 1H 2020. Despite it remaining Fawry's largest single business line, growth in the ADP segment represented 27.3% of the y-o-y increase in Fawry's top-line during 1H 2021, reflecting the successful evolution of Fawry's business towards an ecosystem model which integrates a broad range of value-added services beyond alternative digital payments.



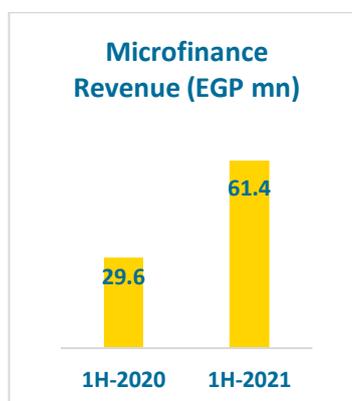
Banking Services

- Fawry provides a range of financial services under agency agreements with banks. **Banking Services** generated revenues of EGP 158.5 million during 1H 2021, up by 121.0% y-o-y from the EGP 71.7 million booked in 1H 2020. On a quarterly basis, the Banking Services segment booked revenues of EGP 87.2 million for 2Q 2021, up by 98.6% y-o-y from EGP 43.9 million in 2Q 2020.
 - Growth during the six-month period was driven by the segment's acceptance business and the rising number of acceptance-enabled merchants in Fawry's retail network. The acceptance business recorded revenues of EGP 62.7 million in 1H 2021, up by 266.1% y-o-y and reflecting an increase of 263.2% y-o-y in throughput, which registered EGP 4.8 billion in 1H 2021 as Fawry's Merchant Aggregator Platform continued to witness strong uptake.
 - Strong results at the Banking Services segment were further supported by rapid growth at Fawry's agent banking business, which recorded revenues of EGP 95.7 million for 1H 2021, an increase of 75.5% y-o-y, with throughput climbing 106.7% y-o-y to EGP 14.7 billion during the period.
- The Banking Services segment contributed 21.3% of the Company's consolidated top line in 1H 2021, up strongly from 13.1% in 1H 2020. Similarly, the Banking Services segment was the single largest contributor to



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consolidated revenue growth during the period, generating 44.9% of the increase in Fawry's overall revenues during 1H 2021.

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 61.4 million in 1H 2021, an increase of 107.5% y-o-y against the EGP 29.6 million booked for 1H 2020. On a quarterly basis, the Microfinance segment posted revenues of EGP 33.6 million, up by 143.2% y-o-y from the EGP 13.8 million booked one year previously.
- Outstanding loans in Fawry's microfinance portfolio stood at EGP 340 million as at 30 June 2021. The Company counted c.17.5k microfinance clients by the close of 1H 2021, with approximately 1.5k online applications processed per day during the period.
- 1H 2021 saw Fawry increase credit limits at its Microfinance segment to EGP 200k. Meanwhile, the Company's Digital Financing team has commenced operations in Upper Egypt, the country's most heavily populated region, and has had its capacity increased in order to meet the requirements of business growth. In 1H 2021 Fawry launched an internally developed loan origination system which will enhance decision-making efficiency while increasing the speed of loan disbursement.
- Microfinance revenues represented 8.3% of Fawry's consolidated top-line in 1H 2021, up from the contribution of 5.4% recorded in 1H 2020. Microfinance was the third-largest contributor to top-line growth during 1H 2021 following the Banking Services and ADP segments, representing 16.5% of the consolidated revenue increase for the period.

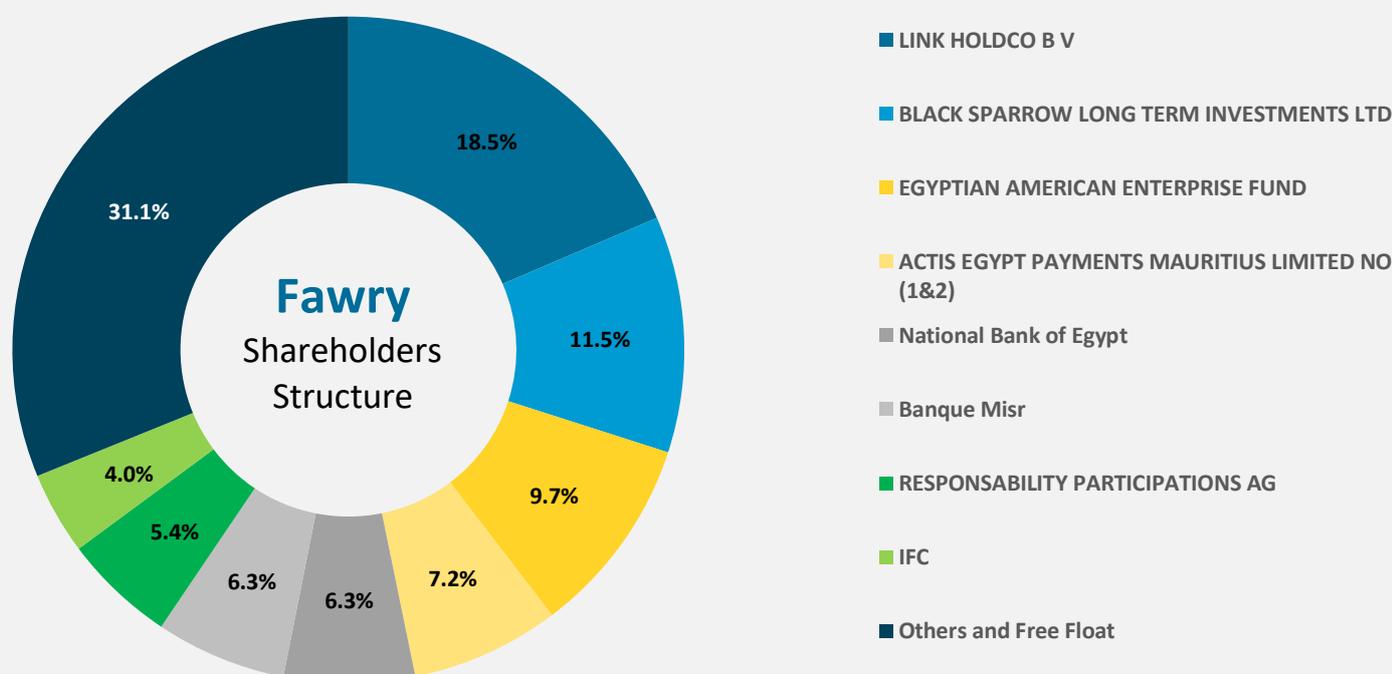
Supply Chain Solutions

- 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 posted EGP 44.1 million in 1H 2021, up by 51.4% y-o-y from EGP 29.1 million in 1H 2020. Growth at the segment is expected to accelerate pending the normalization of commercial conditions as the effects of the COVID-19 pandemic dissipate or are mitigated successfully. Supply Chain Solutions accounted for 5.9% of total revenues during 1H2021, up from 5.3% one year previously, and generated 7.7% of consolidated revenue growth for the period. Supply Chain Solutions booked revenues of EGP 23.8 million during 2Q 2021, an increase of 44.9% y-o-y from the EGP 16.4 million recorded in 2Q 2020.

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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 more than 232,600 agents, Fawry processes an average of 3 million transactions per day, serving an estimated customer base of 34.0 million users monthly. Learn more at www.fawry.com.



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