



9M 2021 Earnings Call

November 17, 2021



Disclaimer

The information contained in this document is proprietary and confidential to Fawry For Banking Technology And Electronic Payment S.A.E (“Fawry”). You must only use such information for the purposes of discussions with Fawry and you must hold such information in strict confidence and not reproduce it or disclose it to any person, except as may be required by law.

You must not place any reliance for any purpose whatsoever on the information contained in this document. No representation or warranty, express or implied, is given by or on behalf of Fawry or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by Fawry or any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith. The information contained in this document has been obtained from sources prepared by other parties and such information may not have been independently verified. The supply of this document does not imply that the information within it is correct now or at any time subsequent to the date of this document.

This document may contain forward-looking statements which, by their nature, involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by these statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described within this document. In particular, actual results may be adversely affected by future developments affecting inflation, interest rates, taxation, social instability or other economic, political or diplomatic or other matters. Forward-looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will continue.

Agenda

- **3Q21 financial results**
- **9M21 Operating & financial results**
- **Digital growth**
- **IPN**
- **Q&A**

3Q21

Financial Results

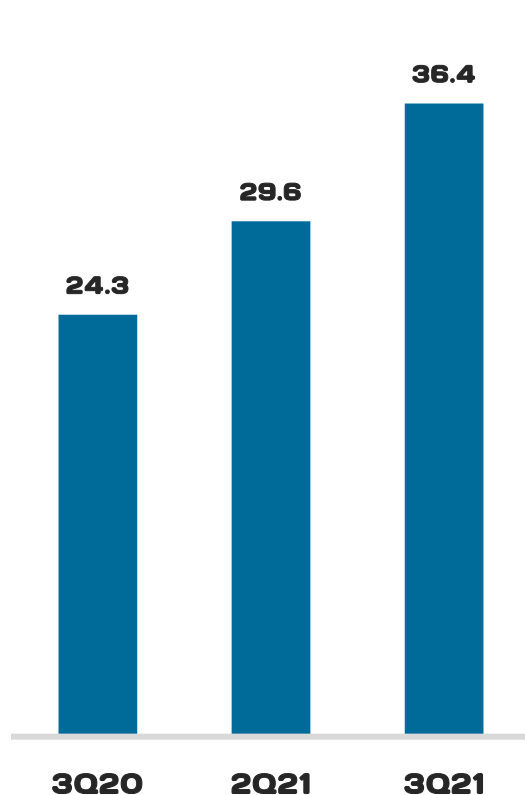
Highlights

Fawry continues to deliver strong top line growth in 3Q21 both YoY & QoQ

Throughput
(EGP Bn)

+50%
YoY

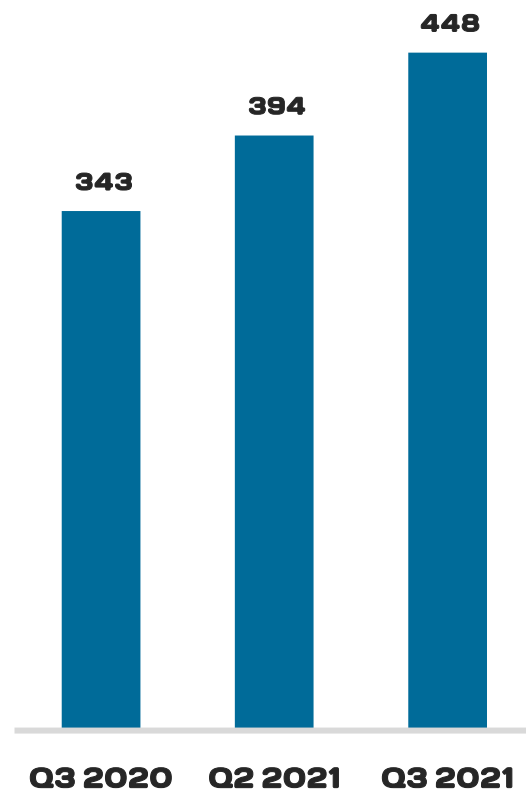
+23%
QoQ



Revenue
(EGP Mn)

+31%
YoY

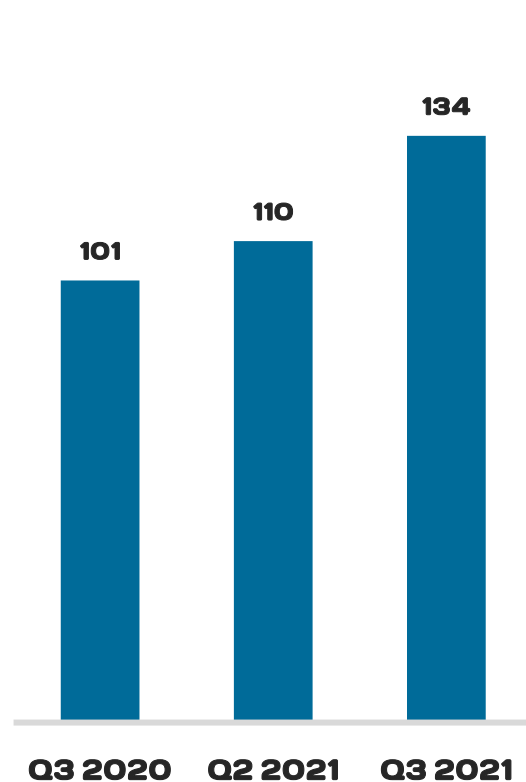
+14%
QoQ



EBITDA
(EGP Mn)

+33%
YoY

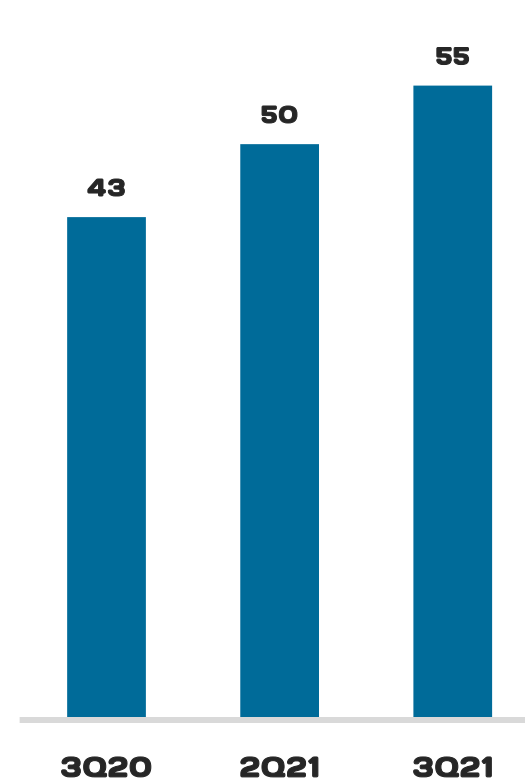
+22%
QoQ



Adj Net Profit
(EGP Mn)

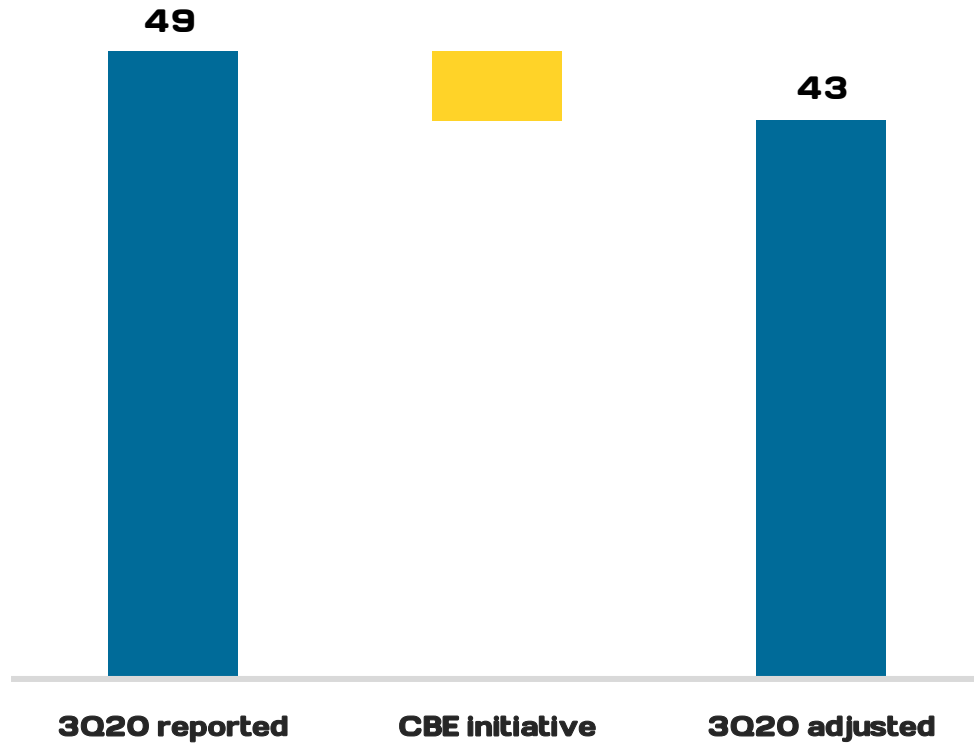
+26%
YoY

+10%
QoQ

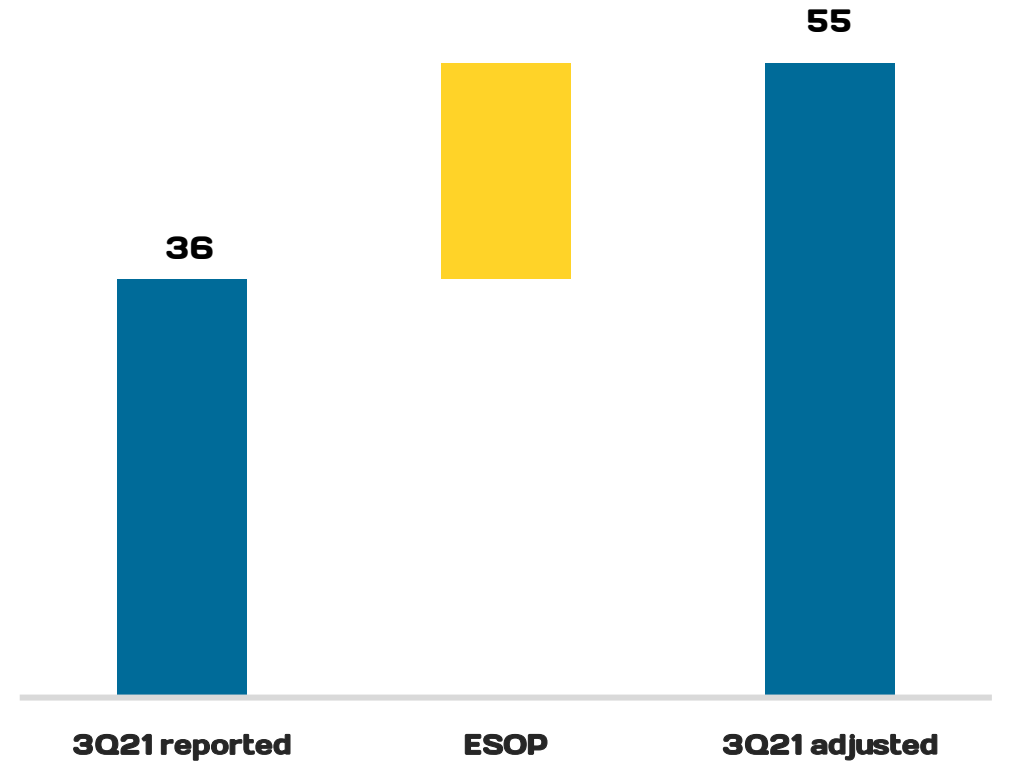


Normalized 3Q21 earnings expand to show strong YoY performance + 26%

Adjusted net profit 3Q20
(EGP Mn)



Adjusted net profit 3Q21
(EGP Mn)



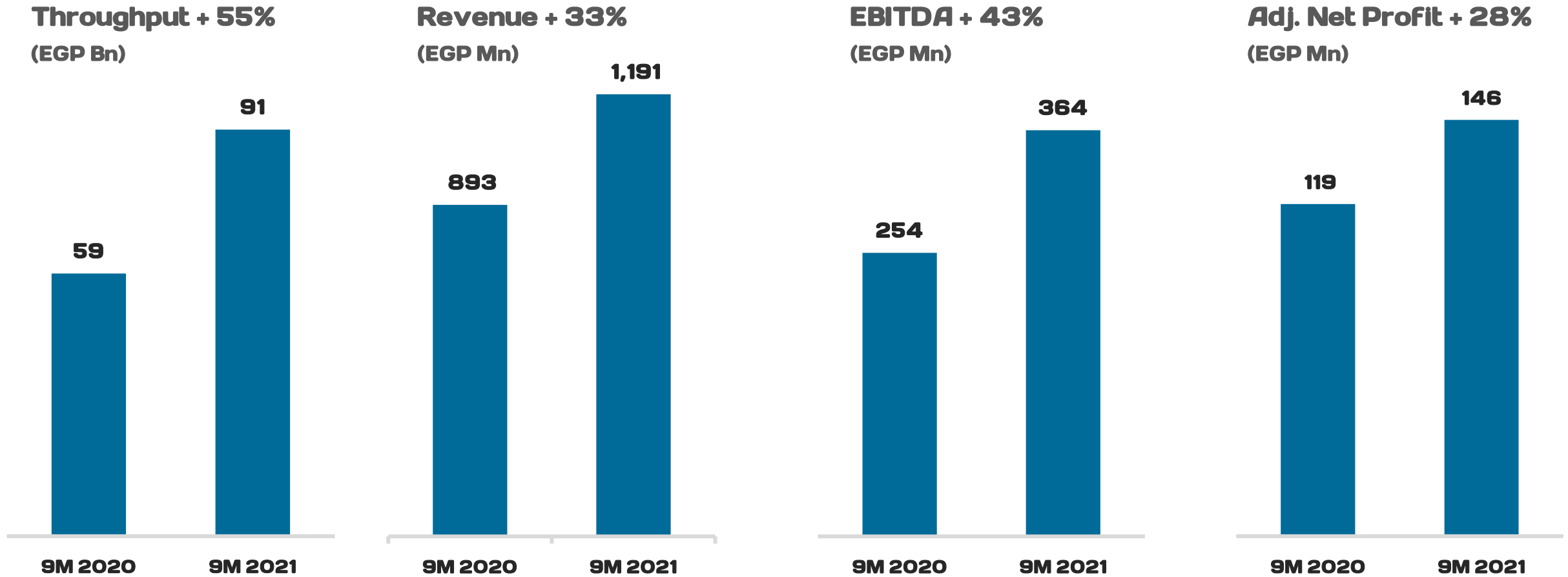
9M21

Operating & Financial

Results

Highlights

9M21 delivering solid growth across all financial metrics



Leveraging our expanding network 859 mn transactions processed

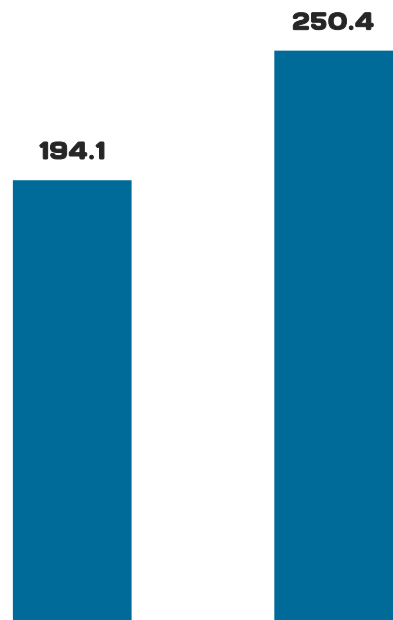
Active customers + 21%
(EGP Mn)



9M 2020

9M 2021

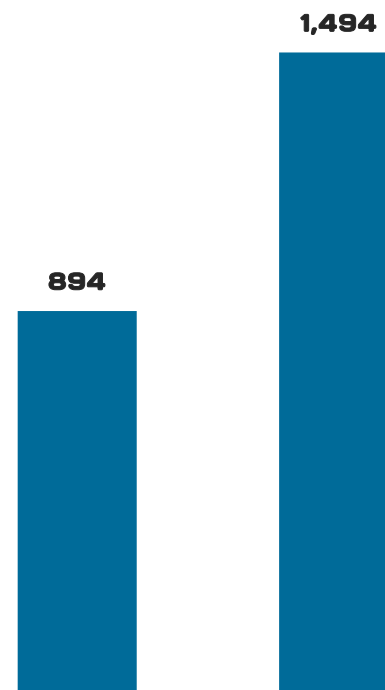
Total POS + 29%
(EGP '000)



9M 2020

9M 2021

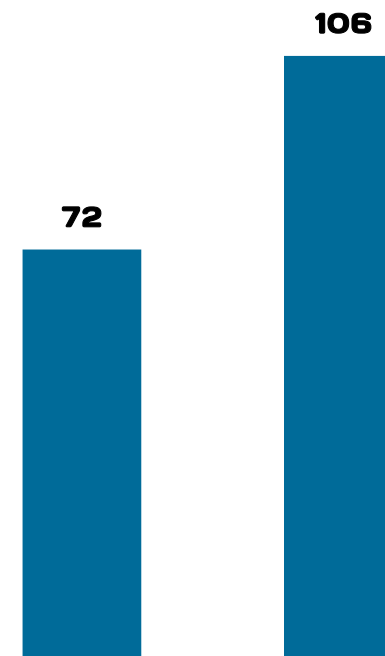
Number of Services + 67%



9M 2020

9M 2021

Avg transaction Value + 49% (EGP)



9M 2020

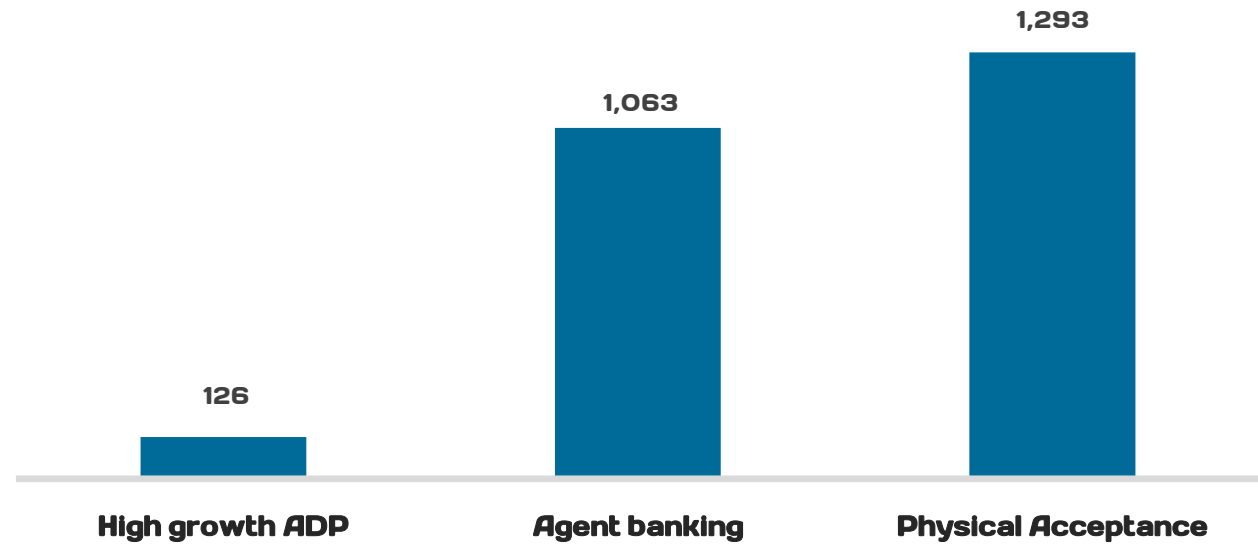
9M 2021

Growth in TPV driven by higher value transactions

Total transactions up 5%

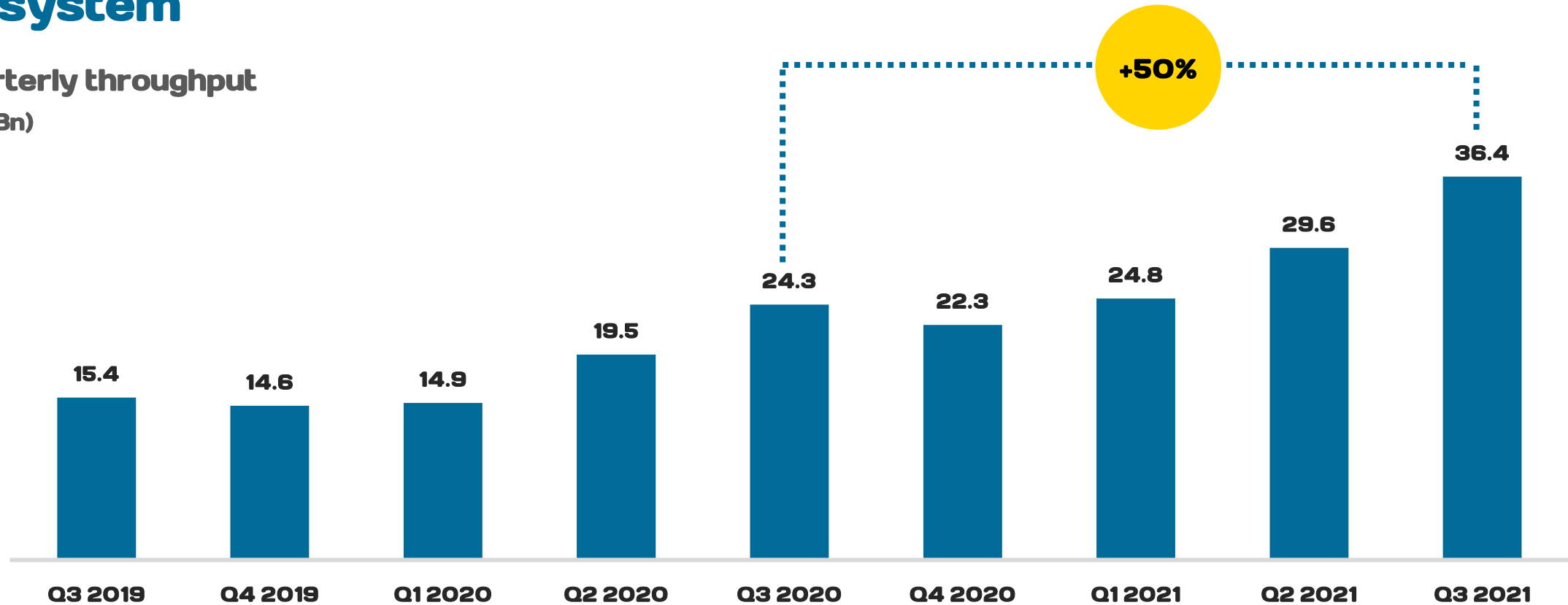


70% of transaction growth driven by transactions with high average transaction values driving TPV up 55% (EGP /transaction avg)



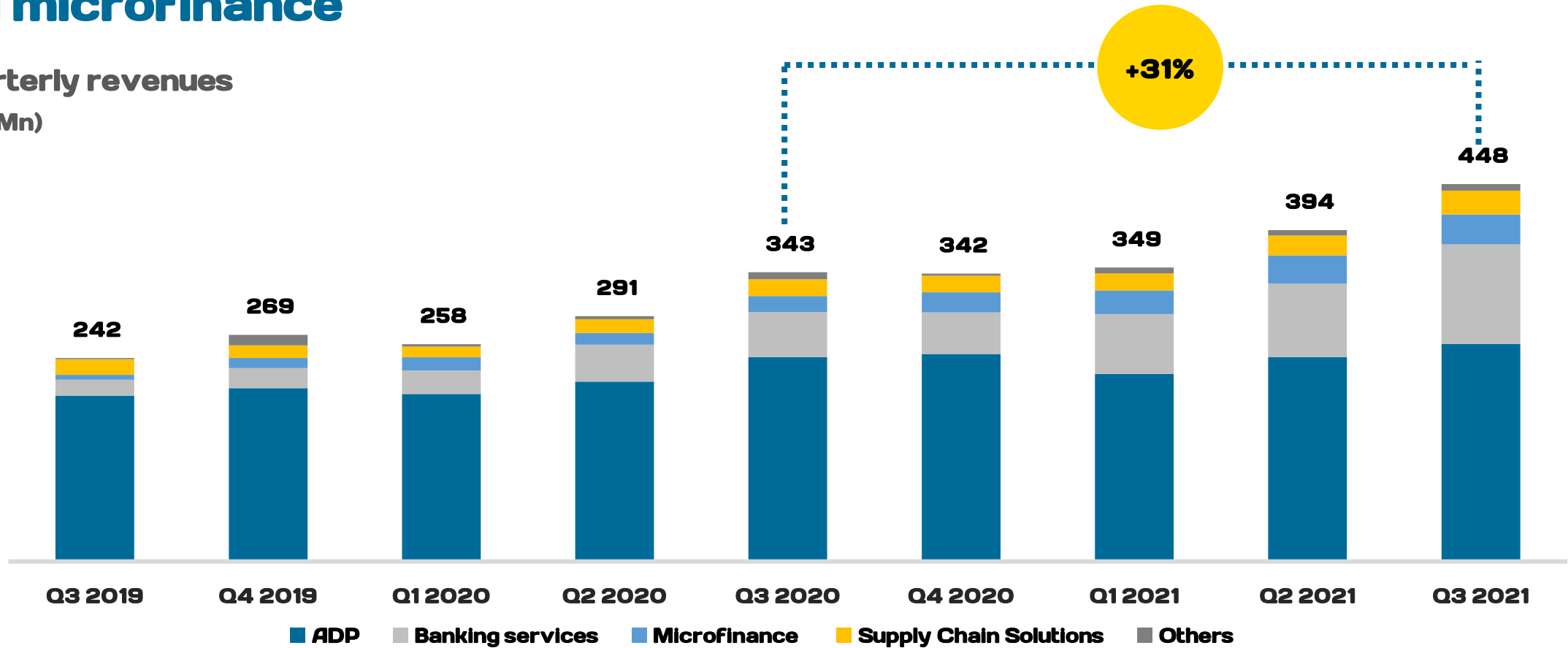
Accelerated growth on throughput as we continue to expand our ecosystem

Quarterly throughput
(EGP Bn)



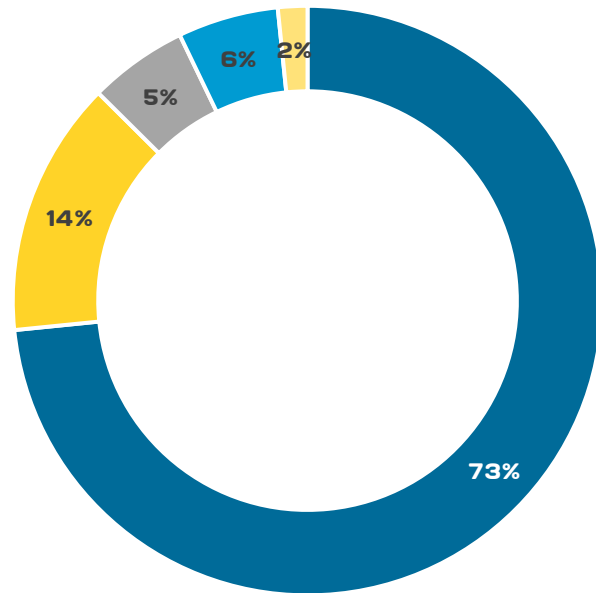
Revenues growth driven by massive demand for banking services and microfinance

Quarterly revenues
(EGP Mn)

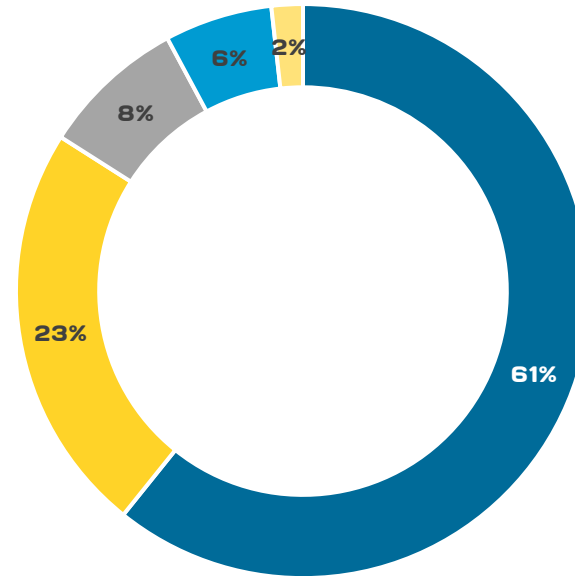


As we continue to deliver on our diversification strategy

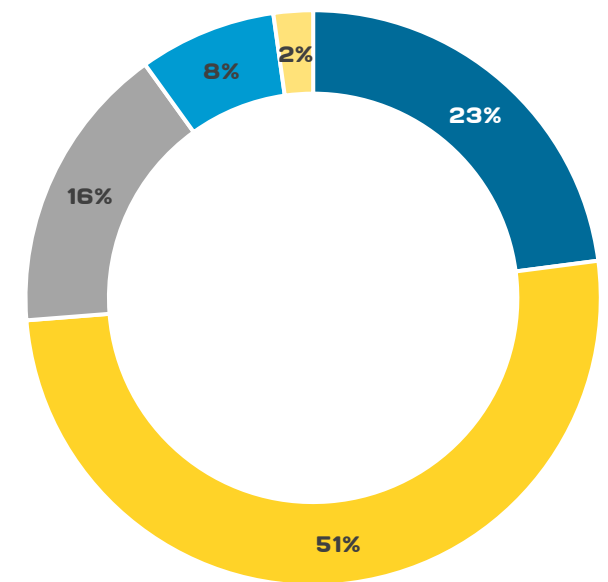
9M20 Revenues Mix



9M21 Revenues Mix



% contribution to growth



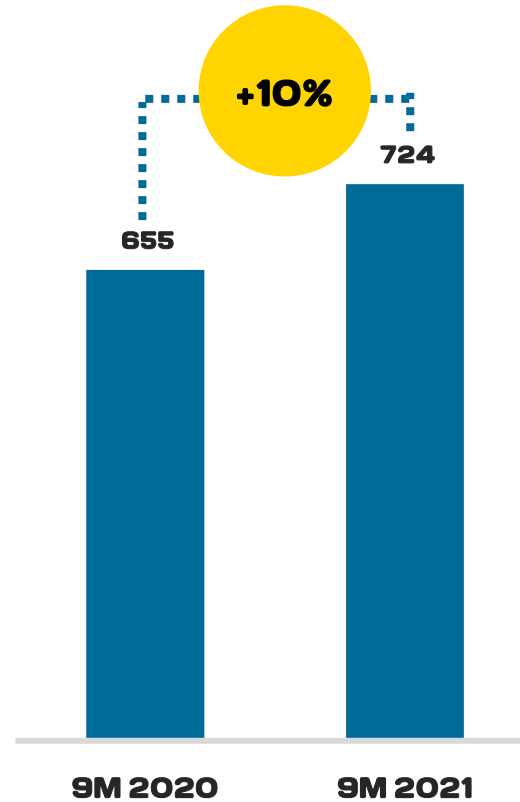
■ ADP ■ Banking services ■ Microfinance ■ Supply Chain Solutions ■ Others

ADP delivers healthy growth driven by focus sectors utility & other bills

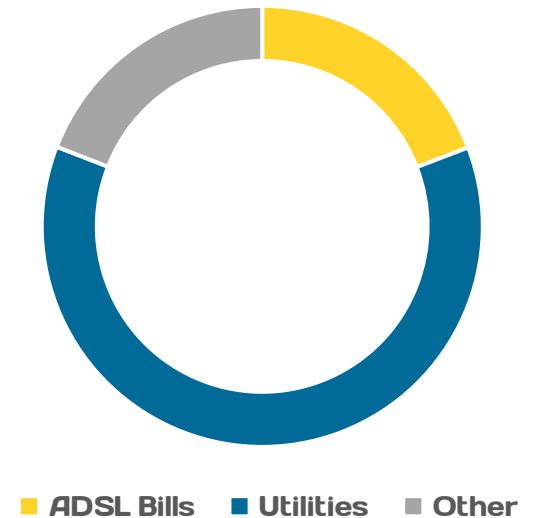
ADP Throughput
(Value)



ADP revenue
(EGP Mn)

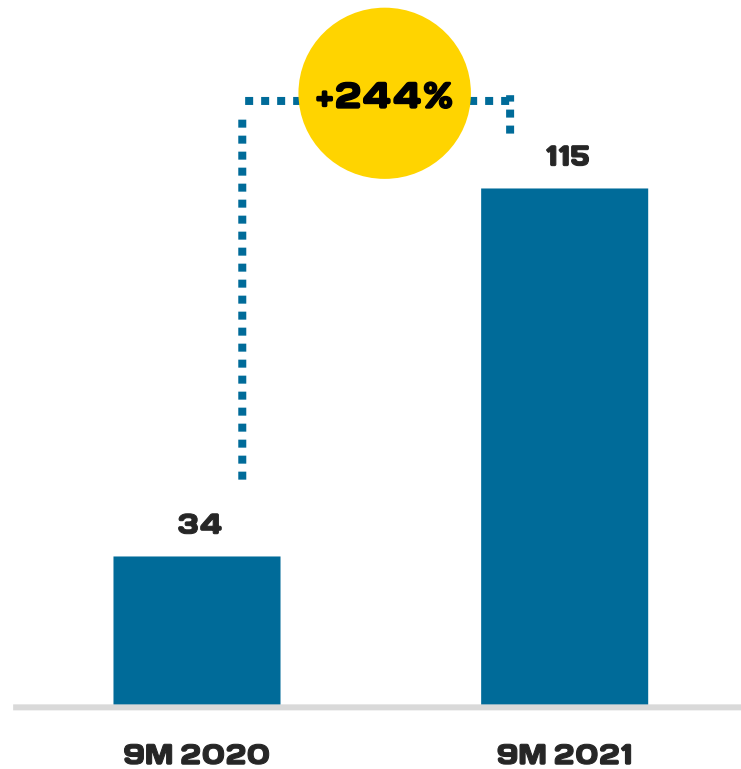


Contribution to ADP
TPV growth by bill type

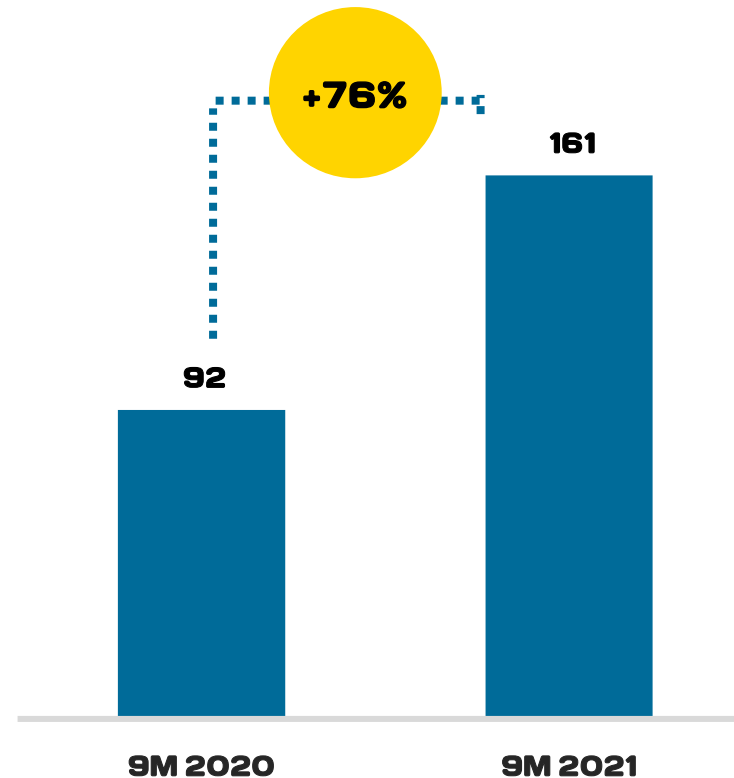


Accelerated growth of Agent Banking and Acceptance drive Banking Services as the biggest contributor to revenue growth

Acceptance revenue
(EGP Mn)



Agent Banking revenue
(EGP Mn)

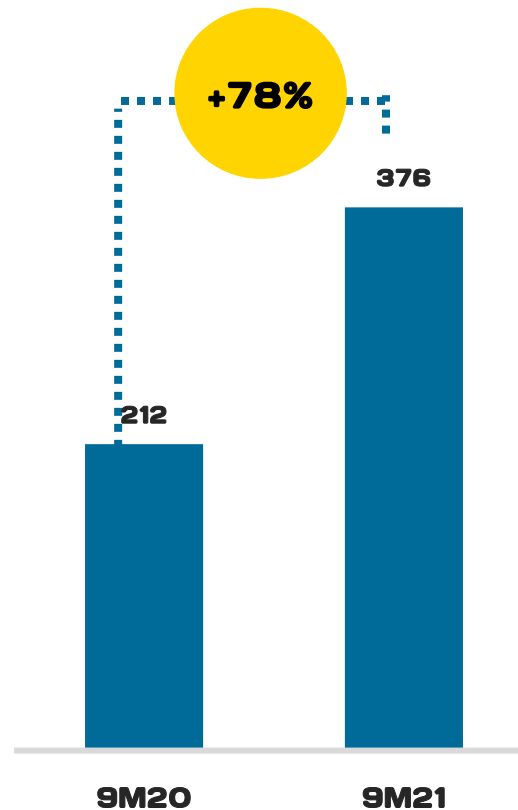


Microfinance revenues double as Fawry expands its presence in this underserved market leveraging merchant network

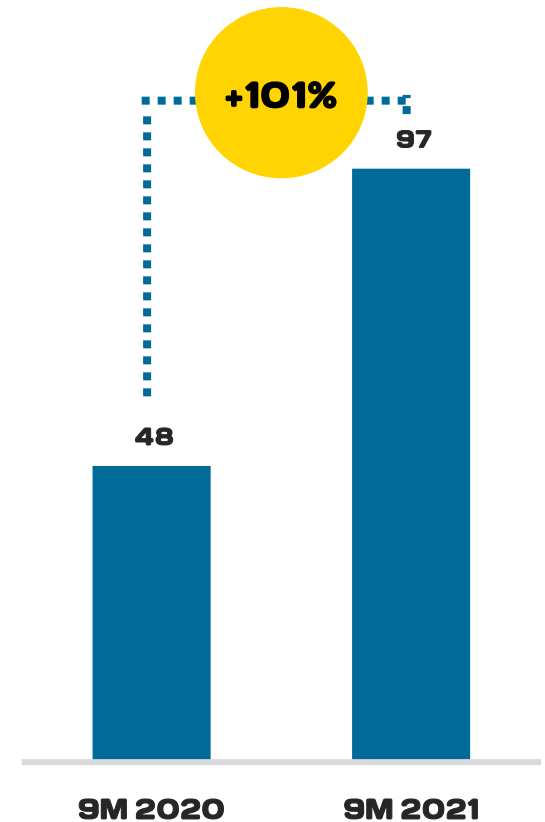
Highlights

- 19.7k clients
- 2.3k online applications processed monthly
- Extending credit limits up to EGP 200k
- Launched CRM system in Digital Finance Department
- Launched Digital Call-Centre solution

Loan portfolio
(EGP Mn)

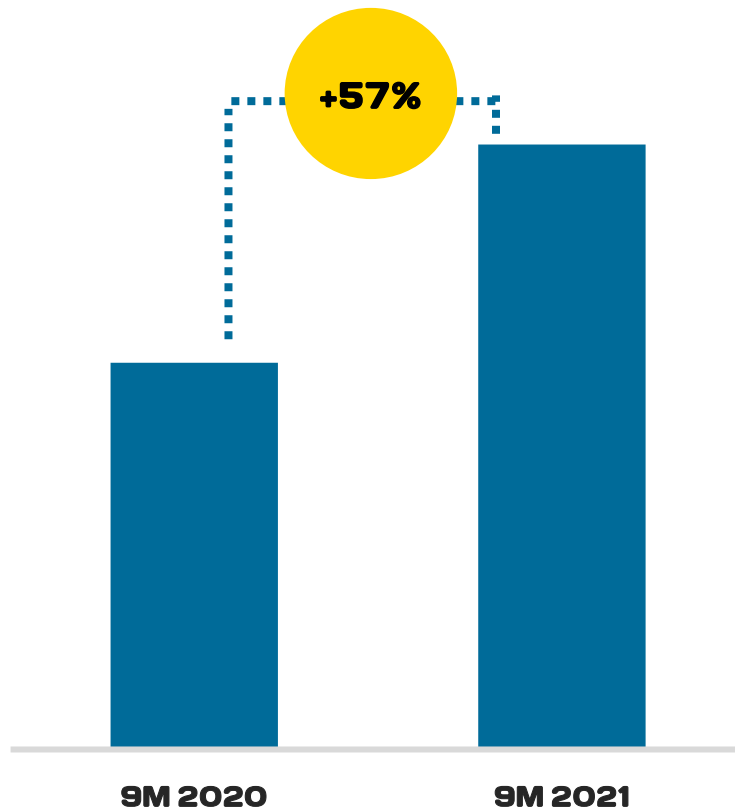


Microfinance revenue
(EGP Mn)

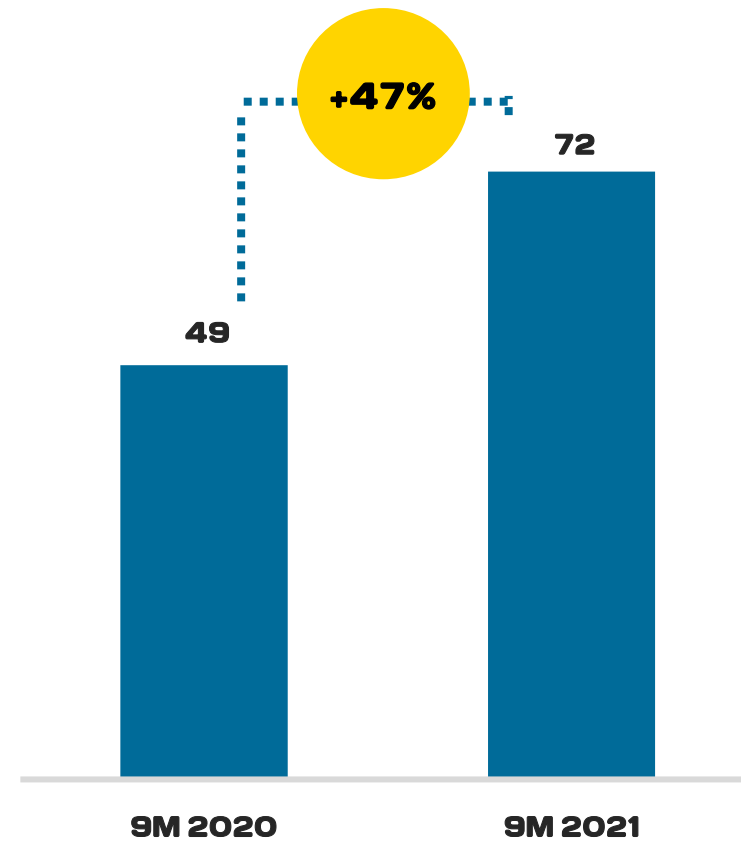


Strong growth in Supply Chain services

Supply chain TPV

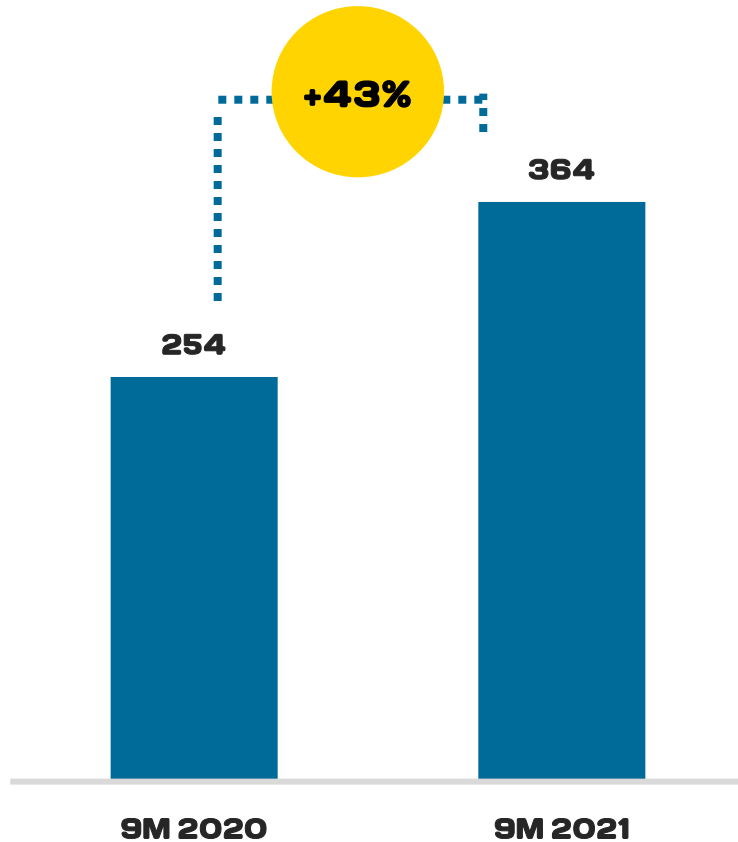


Supply chain revenue
(EGP Mn)

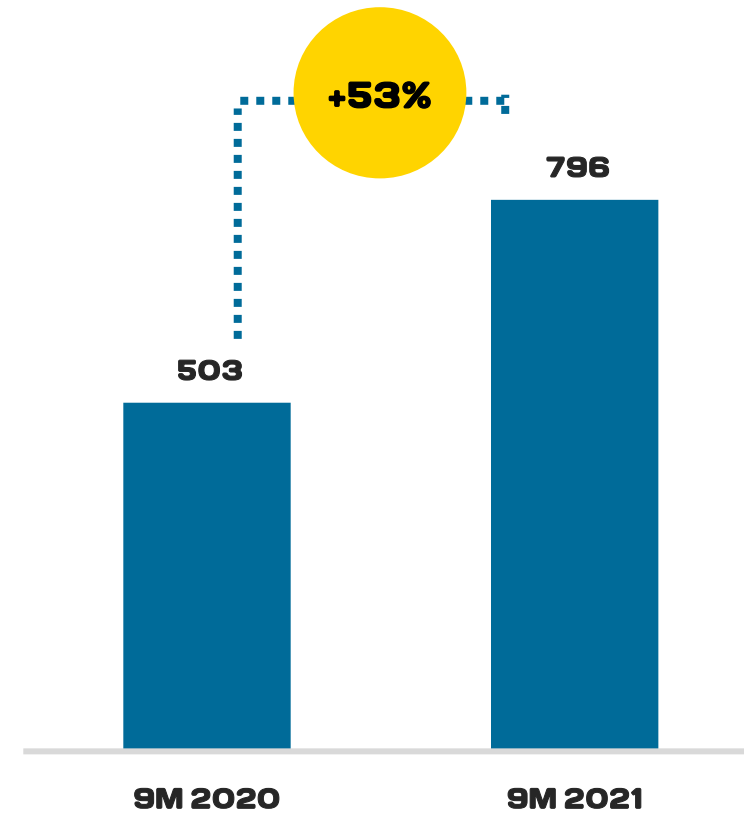


EBITDA expanding however despite investments in HR & marketing as we gear up for growth

EBITDA
(EGP Mn)



Net CF from operating activity (EGP Mn)



Making investments for growth & diversification

Positioning to customers

56 EGP Mn

Marketing spend to drive growth on direct to consumer strategy

+54%

Technology

280 EGP Mn

Technology spend & investments in our network

2x

Doubled our sales force headcount expanding our merchant reach

Strengthening & diversifying management

+94%

HR expenses as we attract talent to scale up our organization

ESOP

Introduced to align all management tiers to shareholders interest

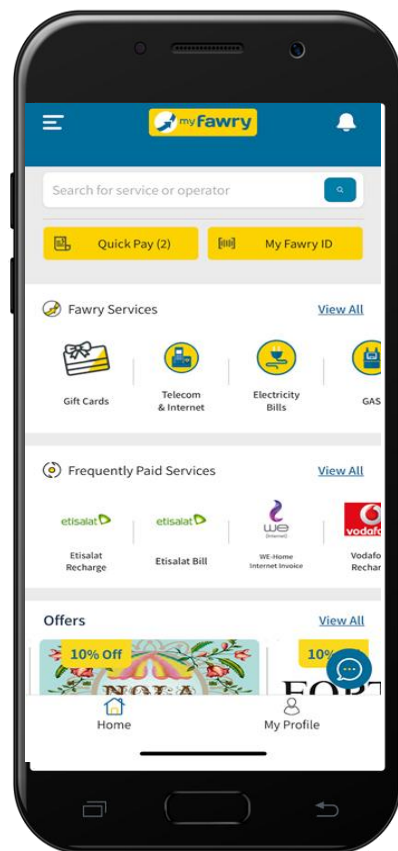
Digital growth

Strong momentum for our direct to consumer app MyFawry

3Q21 Developments

Launched
Market place for
Offers & rewards

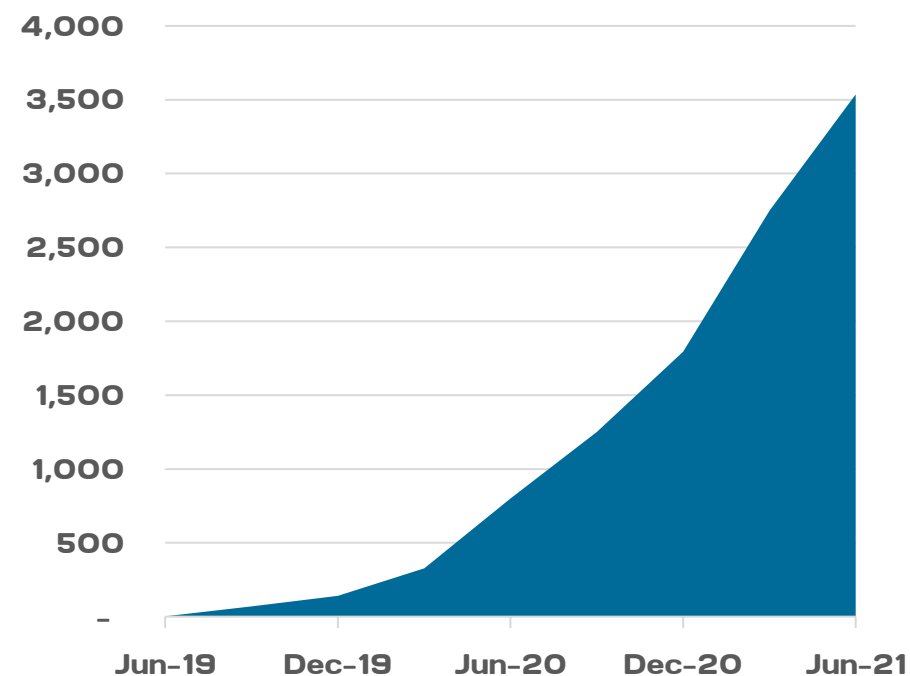
CBE approves
MyFawry card



1.9 EGP Bn
Annualized
throughput
Up 2X

4.3 Mn
Downloads since
June 2019
Up 3.5X y-o-y

MyFawry Cumulative downloads ('000)



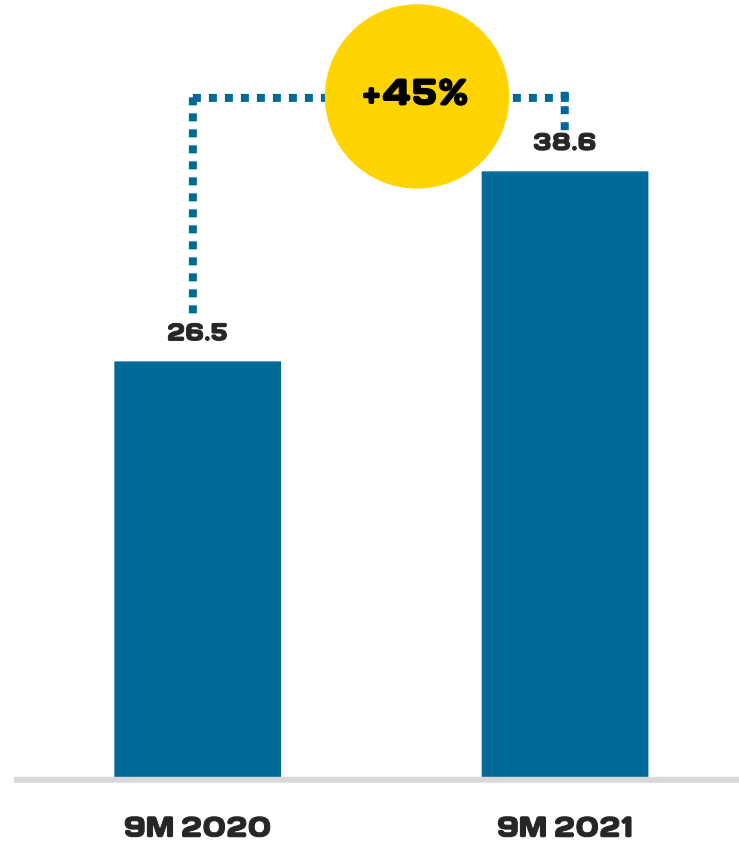
MyFawry card received CBE approval

Use Cases

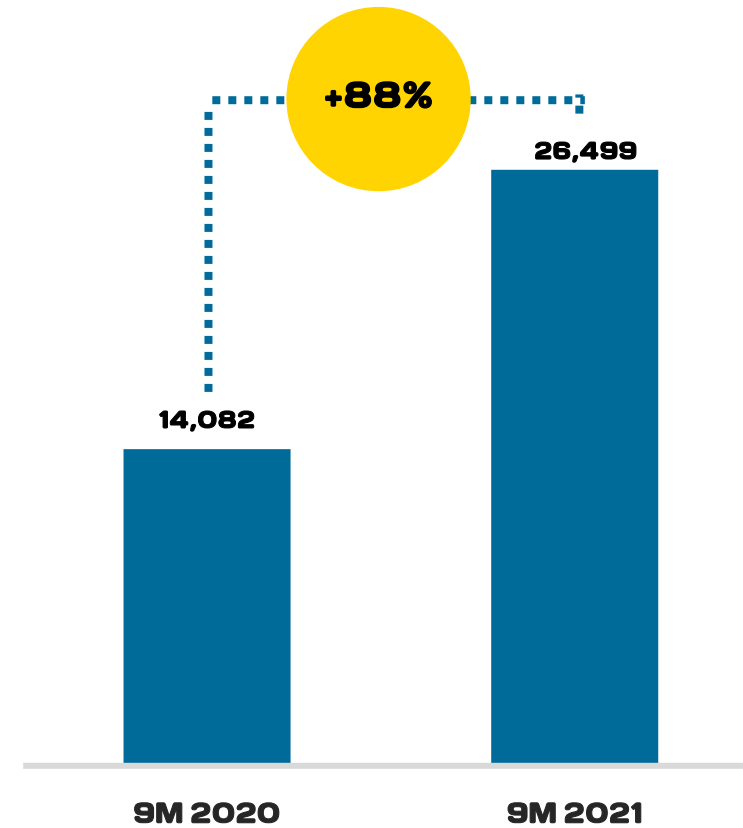


Strong uptick in Mobile Wallets activity¹ on the network

Mobile Wallet Transactions
(Volume Mn)

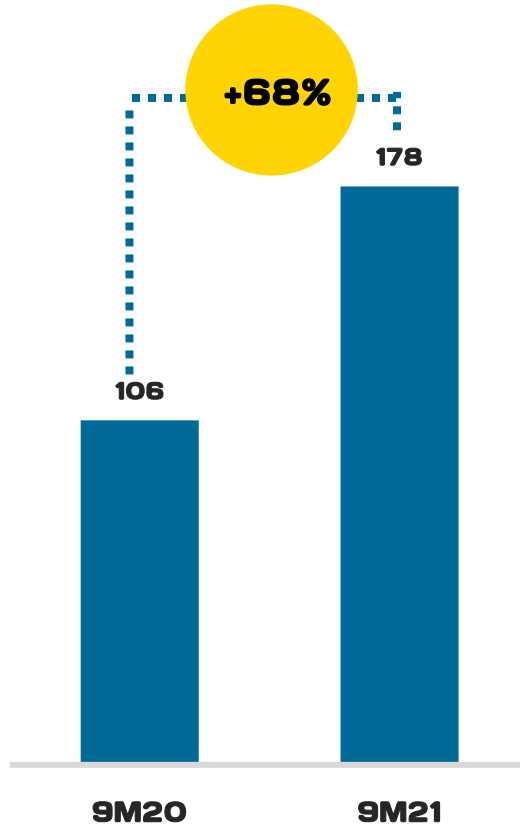


Mobile Wallet Processed Value
(EGP Mn)



Enabling the future of payments through our *Acceptance* business

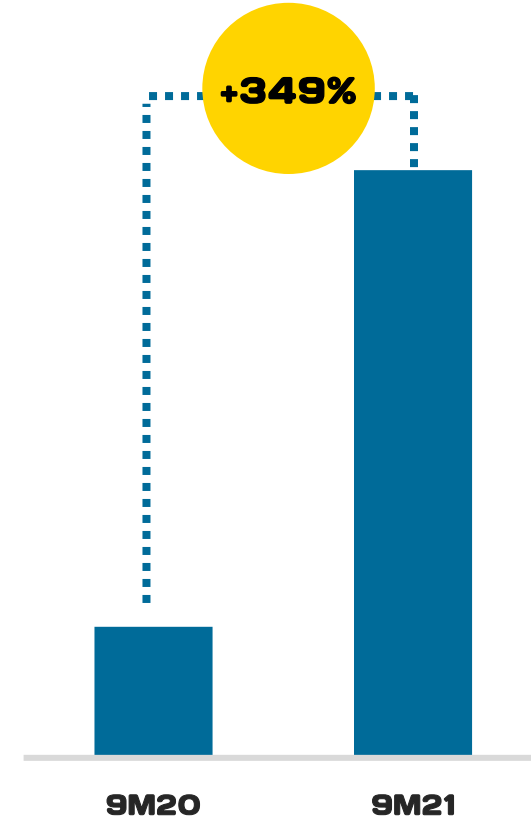
Acceptance enabled POS
(‘000)



**Revenue from instore
Acceptance**



**Revenue from online
acceptance**



Instant Payment Network

What does this mean for Fawry

CBE announced Framework for Instant Payment Network

But what is IPN?

A network availing **INSTANT, secure** transactions across different source of funds like **Bank Accounts, Wallets and Cards** with **interoperability** around the clock **24/7**, while allowing fintechs and PSPs to add value to the ecosystem

Access to multiple source of funds

Multiple PSPs



Purchase



Collection Request
Payment Invoice



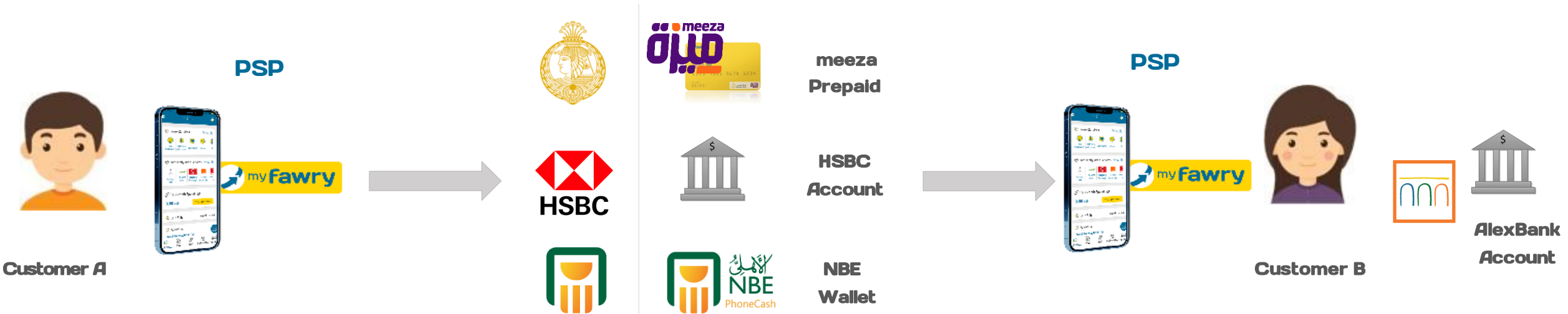
Scan QR
Code

Transfer to



P2P Instant peer to peer transfers

Customer source of funds

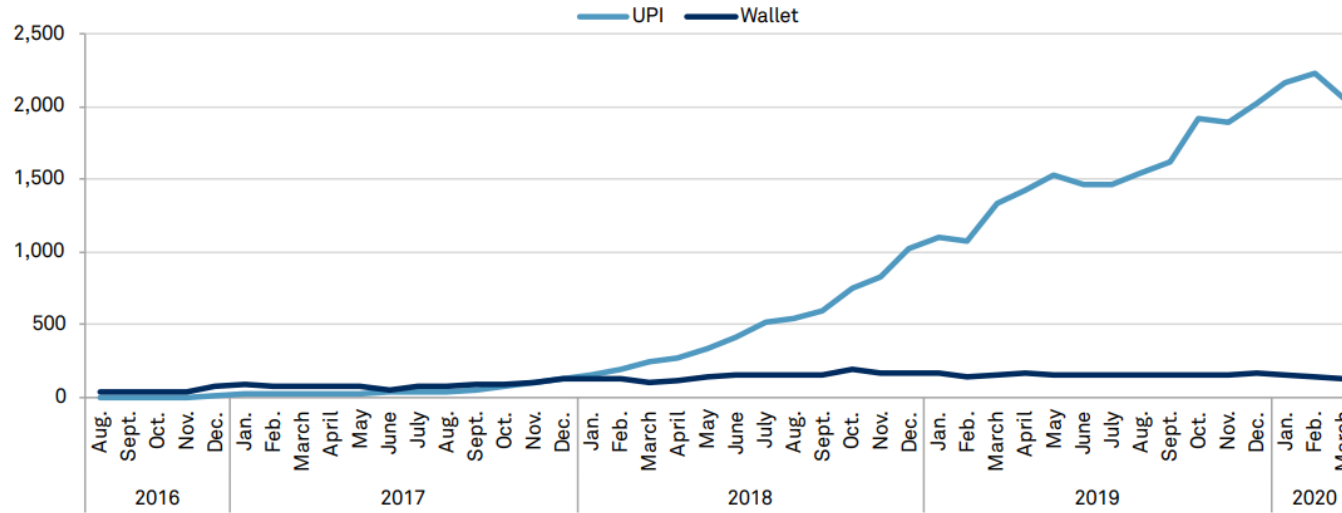


Customer A wants to transfer money to Customer B from his HSBC Account:

1. Customer A chooses his HSBC account as the source of fund through his PSP MyFawry App
2. Customer A enters Customer B Mobile number as the beneficiary
3. Customer B receives a notification on her PSP MyFawry App for receiving a fund from Customer A
4. Customer B will receive this fund INSTANTLY on her default account that she set on her PSP, which was her AlexBank bank account

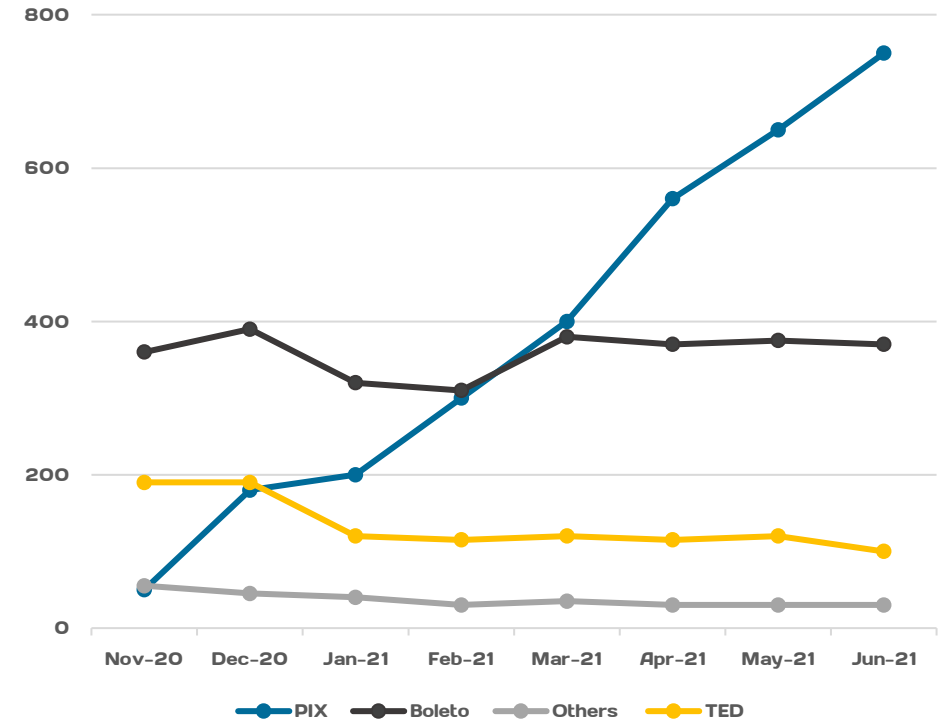
How has IPN disrupted payments in other markets?

India: UPI dominating mobile payments



Data compiled June 1, 2020.
 Mobile payments represent transactions processed through stored-value wallets and Unified Payments Interface, a real-time interbank payment network.
 Sources: S&P Global Market Intelligence; Reserve Bank of India; National Payments Corp. of India
 © 2020. S&P Global Market Intelligence. All rights reserved.

Brazil: Number of transactions (m): PIX vs other instruments



Source: Brazilian Central Bank, HSBC research

What does this mean For Fawry?

- 🔄 **Increases digital adoption as instant payments creates trust & convenience**
- 🔄 **More transactions on digital channels (P2P & purchases)**
- 🔄 **More cash in / cash out**
- 🔄 **Mores use cases on MyFawry app**
- 🔄 **Instant payment decreases costs/ working capital for merchants increasing adoption of acceptance**

Q&A