

1H2022 Earnings Release

14 August 2022

Fawry Releases 1H2022 Results

Fawry's top line for 1H2022 broke the EGP 1 billion mark, driven mainly by a doubling of revenues from Acceptance and Agent Banking segments, leading strong growth across the Company's ecosystem.

1H2022 Highlights

Revenues

EGP 1,014.3 MN

▲ 36.6% y-o-y

Gross Profit

EGP 586.9 MN

▲ 41.4% y-o-y / 57.9% margin

Throughput Value

EGP 88,024MN

▲ 61.6% y-o-y

Adjusted EBITDA²

EGP 273.8 MN

▲ 26.7% y-o-y / 27.0% margin

Adjusted Net Profit³

EGP 84.0 MN

▼ 5.8% y-o-y / 8.3% margin

Number of Transactions

614.9 MN

▲ 9.1% y-o-y

14 August 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 six-month period ended 30 June 2022. The Company booked revenues of EGP 1,104.3 million in 1H2022, up by 36.6% year-on-year (y-o-y). Adjusted net profit came in at EGP 84.0 million for 1H2022, down by 5.8% y-o-y to yield a net profit margin (NPM) of 8.3%, while statutory net profit booked EGP 52.3 million. On a quarterly basis, Fawry recorded revenue of EGP 531.3 million in 2Q2022, an increase of 35.0% y-o-y, with the adjusted bottom-line booking EGP 41.0 million, a decline of 13.7% y-o-y representing a NPM of 7.7%. Statutory net profit recorded EGP 24.2 million for 2Q2022.

Summary Profit & Loss Statement

(EGP 000s)	2Q2021	2Q2022	Change %	1H2021	1H2022	Change %
Total Revenues	393,569	531,295	35.0%	742,560	1,014,292	36.6%
Alternative Digital Payments (ADP)	242,775	261,177	7.6%	465,422	506,377	8.8%
Banking Services	87,166	169,010	93.9%	158,469	322,667	103.6%
Acceptance	34,758	66,857	92.3%	62,730	125,019	99.3%
Agent Banking	52,407	102,153	94.9%	95,739	197,648	106.4%
Microfinance	33,564	58,113	73.1%	61,419	105,486	71.7%
Supply Chain Solutions	23,770	29,743	25.1%	44,058	54,417	23.5%
Others	6,293	13,251	110.6%	13,193	25,345	92.1%
Gross Profit	221,039	308,218	39.4%	415,180	586,899	41.4%
Gross Profit Margin	56.2%	58.0%	2.1 pts	55.9%	57.9%	2.0 pts
EBITDA¹	114,512	139,494	21.8%	237,089	273,808	15.5%
EBITDA Margin	29.1%	26.3%	-2.8 pts	31.9%	27.0%	-4.9 pts
Adjusted EBITDA²	114,512	139,494	21.8%	216,089	273,808	26.7%
Adjusted EBITDA Margin	29.1%	26.3%	-2.8 pts	29.1%	27.0%	-2.1 pts
Net Profit Before NCI	51,353	50,203	-2.2%	137,150	98,041	-28.5%
Net Profit After NCI	37,155	24,145	-35.0%	113,301	52,301	-53.8%
Net Profit Margin	9.4%	4.5%	-4.9 pts	15.3%	5.2%	-10.1 pts
Adjusted Net Profit After NCI³	47,511	41,010	-13.7%	89,169	83,980	-5.8%
Adjusted Net Profit Margin	12.1%	7.7%	-4.4 pts	12.0%	8.3%	-3.7 pts

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 including provisions.

² Adjusted EBITDA - The Company presents its Adjusted EBITDA as its EBITDA excluding nonrecurring items such as a gain from devices related to a CBE initiative of EGP 21.7 million in 1Q21.

³ Adjusted Net Profit - The Company presents its Adjusted Net Profit as its EAS Net Profit excluding after tax impact of nonrecurring items such as change from investment in associate to investment in subsidiaries gain of EGP 22.8 million in 1Q21 and a noncash ESOP expense of EGP 13.4 million, EGP 19.1 million and EGP 21.7 million included in EAS net profit of 2Q21, 1Q22 and 2Q22, respectively.

Financial & Operational Highlights

- Banking Services remained the primary driver of top-line growth during 1H2022, with a doubling of revenues at both the Acceptance and Agent Banking segments.
- The Acceptance business generated more than 20% of consolidated revenue growth for the six-month period, cementing its place as a major driver of Fawry's diversification efforts.
- Fawry launched Fawry ATM, Egypt's first-ever cash-in cash-out network, during 2Q2022. The offering leverages Fawry's nationwide POS network to provide alternative deposit and withdrawal services, boosting financial inclusion efforts.

Chief Executive's Review

At the midpoint of an exciting year, Fawry continues to revolutionize all aspects of how commerce is done in Egypt. The Company is continuously rolling out new solutions and services designed to ease life for consumers and businesses. Our consumer-facing myFawry app continues to gain traction, with nearly 6.4 million cumulative downloads by the close of 1H2022. We remain on track to introduce a dynamic selection of new products this year, including the myFawry prepaid card, an array of app-based financial solutions, as well as a full-fledged BNPL platform, all in addition to the money market investment fund we launched early this year. Our microfinance platform continues to attract merchants and expand rapidly. Meanwhile, Fawry is also pioneering digital transformation in Egypt by supporting high-potential new players, as evidenced by our strategic investments in Brimore and elmenus and our co-launching of Roderz, Egypt's newest digital mobility platform. We have also taken the first steps to establish Fawry's presence beyond Egypt's borders, kicking off our partnership with Sudan's alsoug.

Progress on multiple fronts is reflecting positively on the Company's financial and operational performance. Fawry's revenues grew by a strong 36.6% y-o-y during the first six months of 2022, breaking the EGP 1 billion mark. Throughput values have grown even more rapidly, expanding by 61.6% y-o-y to reach EGP 88.0 billion for 1H2022. Each of Fawry's business lines grew at a strong pace during the period, with standout performances from the Banking Services and Microfinance segments. At our Banking Services segment, the Acceptance business posted revenues of EGP 125.0 million in 1H2022, an increase of 99.3% y-o-y. The Acceptance segment alone contributed 22.9% of Fawry's consolidated revenue growth for the period, cementing its place as a major driver of the Company's diversification efforts. We are constantly exploring ways to further enhance our Acceptance offering, and to this end Fawry Accept has launched an F&B-focused mobile app. This app boasts a user-friendly interface with unique features and offer access to the full range of payment methods, enabling restaurant customers to seamlessly reserve, order, pick up, dine-in, and pay through one platform.

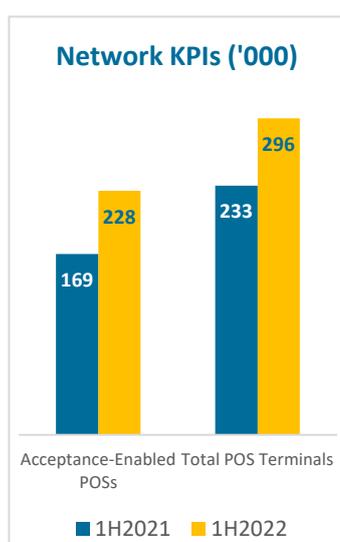
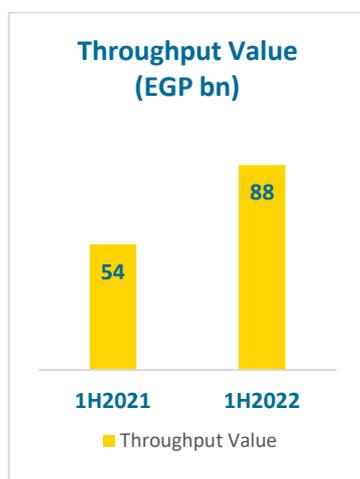
Our commitment to innovation doesn't stop at the Acceptance business. In 2Q2022 we partnered with Banque Misr and the Egypt Banks Company to launch the Fawry ATM. Egypt's first-ever cash-in cash-out service, the Fawry ATM offering allows bank customers and holders of debit and prepaid cards to deposit funds and to withdraw cash through POS machines. The offering leverages our network of nearly 228 thousand acceptance-enabled POS terminals across Egypt to relieve pressure on banks' ATM networks. Fawry ATM also furthers our objective of helping Egypt achieve financial inclusion by broadening access to everyday financial products and services. We are as committed as ever to building an economy that makes full use of digital tools to power inclusive growth and achieve sustainable outcomes.

Eng. Ashraf Sabry

Chief Executive Officer

1H2022 Earnings Release

14 August 2022



Operational Developments

Operational KPIs	1H2021	1H2022	Change %
Active Network Customers (mn)	34.0	45.0	32.4%
Total POS Terminals ('000)	232.6	295.5	27.0%
Acceptance Enabled POSs ('000)	168.5	228.0	35.3%
Banks Active and Contracted	36	36	n/a
myFawry App Total Downloads ('000)	3,506.1	6,371.3	81.7%
Services Provided	1,323	1,931	46.0%
Transactions (mn)	563.8	614.9	9.1%
Mobile Wallet Transactions (mn)	24.3	38.9	60.2%
Mobile Wallet Processed Value (EGP mn)	14,960.5	38,755.5	159.1%
Total Throughput Value (EGP mn)	54,486.0	88,024.4	61.6%

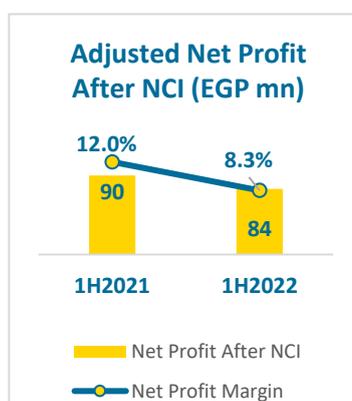
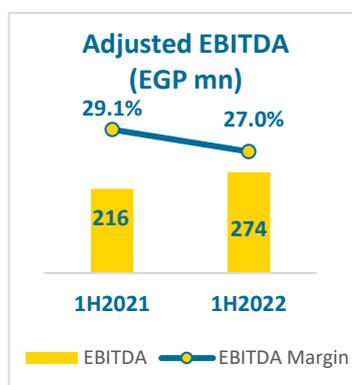
Fawry handled a total throughput of EGP 88.0 billion during 1H2022, up by 61.6% y-o-y versus EGP 54.5 billion one year previously, maintaining the Company's growth momentum.

- Fawry handled a total of 614.9 million **transactions** for 1H2022, up by 9.1% y-o-y from the 563.8 million handled during 1H2021.
- The Company's retail network deployed 295.5 thousand **POS terminals** in 1H2022, an increase of 27.0% y-o-y from 232.6 thousand in 1H2021, 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 228.0 thousand in 1H2022, an increase of 35.3% y-o-y from the 168.5 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 38.8 million **mobile wallet transactions** during 1H2022, up by 60.2% y-o-y from 24.3 million transactions for 1H2021. **Total mobile wallet processed value** recorded EGP 38.8 billion for the six-month period, an increase of 159.1% y-o-y.¹
- As of 30 June 2022, Fawry had recorded 6.4 million cumulative downloads of its consumer-facing **myFawry** mobile application, up by 81.7% y-o-y from 3.5 million downloads as at 30 June 2021. myFawry offers consumers a unified interface for bill payments and a range of other services.
- myFawry's annualized throughput** reached EGP 2.8 billion based on figures from June 2022, up by 71.4% from EGP 1.6 billion based on throughput for June 2021. 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.

1H2022 Earnings Release

14 August 2022

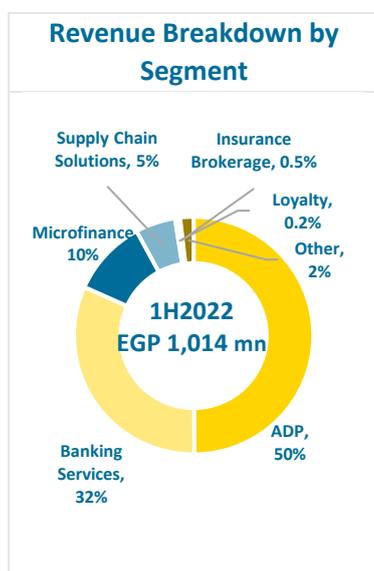


Consolidated Financial Performance

- Fawry booked **total revenues** of EGP 1,014.3 million in 1H2022, up by 36.6% y-o-y from the EGP 742.6 million recorded for 1H2021. The largest contribution to top-line growth in 1H2022 came from the **Banking Services** segment, where revenues more than doubled y-o-y. **Alternative Digital Payments (ADP)** continued to expand at a healthy rate during the period, while **Microfinance** revenues grew by 71.7% y-o-y and **Supply Chain Solutions** also posted a double-digit growth rate. On a quarterly basis, Fawry recorded total revenues of EGP 531.3 million in 2Q2022, up by 35.0% from the EGP 396.6 million registered one year previously.
- Banking Services contributed 31.8% of Fawry's consolidated revenues for 1H2022, up significantly from 21.3% in 1H2021. Microfinance contributed 10.4% of the top line for 1H2022 versus 8.3% in 1H2021. Fawry continued to implement successful diversification of revenue streams during 1H2022. Fawry's legacy ADP segment saw its revenue contribution decline to 49.9% in 1H2022 from 62.7% one year previously, with concurrent growth in the revenue contribution from most other segments.
- Gross profit** booked EGP 586.9 million in 1H2022, up by 41.4% y-o-y against the EGP 415.2 million booked for 1H2021. The Company recorded a gross profit margin of 57.9% in 1H2022, up from 55.9% in 1H2021. This expansion in gross profit comes as Fawry's top line continues to grow rapidly and reflects the Company's close control over channel fees. On a quarterly basis, Fawry recorded a gross profit of EGP 308.2 million for 2Q2022, up by 39.4% y-o-y and yielding an increase of 1.8 percentage points in the GPM to 58.0% for the quarter.
- Fawry registered an **EBITDA** of EGP 273.8 million in 1H2022. Excluding nonrecurring gains of EGP 21.7 on POS sales related to a CBE initiative, Fawry's EBITDA for the period posts growth of 26.7% y-o-y. Including these gains, the EBITDA growth rate registers 15.5% y-o-y for the period. Fawry's EBITDA margin booked 27.0% for 1H2022, down on an adjusted basis from 29.1% one year previously. Double-digit growth in EBITDA for 1H2022 reflects Fawry's successful diversification of its revenue base and the resultant synergies and cost efficiencies, coming despite an increase in marketing and talent acquisition expenses. Fawry recorded an EBITDA of EGP 139.5 million for 2Q2022, up by 21.8% y-o-y to yield an EBITDA margin of 26.3% against the 29.1% recorded for 2Q2021.
- Adjusted net profit after NCI**, which excludes nonrecurring items and the impact of Fawry's non-cash ESOP program, came in at EGP 84.0 million for 1H2022, down by 5.8% y-o-y from the EGP 89.2 million booked for 1H2021, with the net profit margin (NPM) registering 8.3% against 12.0% one year previously. On a quarterly basis, Fawry's adjusted net profit after NCI recorded EGP 41.0 million for 2Q2022, down by 13.7% y-o-y and yielding a NPM of 7.7% versus 12.1% in 2Q2021.

1H2022 Earnings Release

14 August 2022

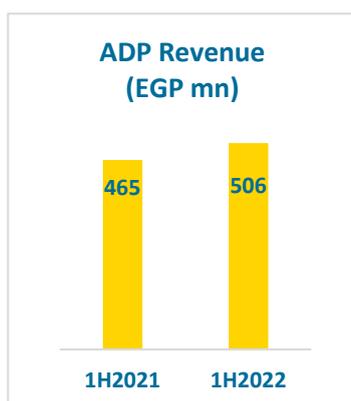


- **Statutory net profit after NCI** recorded EGP 52.3 million for 1H2022, down by 53.8% y-o-y from the EGP 113.3 million booked for 1H2021, with the NPM recording 5.2% against 15.3% one year previously. Fawry booked net profit after NCI of EGP 24.1 million for 2Q2022, down by 35.0% y-o-y and yielding a NPM of 4.5% against the 9.4% posted one year previously.

Segments Overview

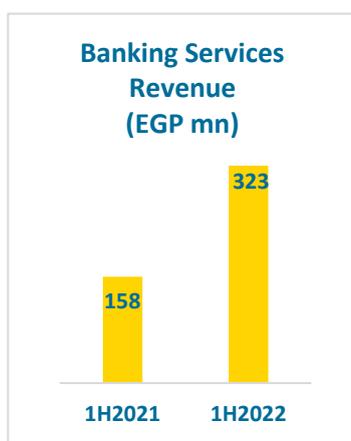
Alternative Digital Payments

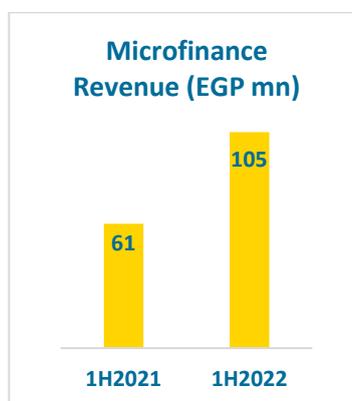
- Revenues from **Alternative Digital Payments (ADP)** rose by 8.8% y-o-y to record EGP 506.4 million in 1H2022 against EGP 465.4 million in 1H2021. On a quarterly basis, the ADP segment generated revenues of EGP 261.2 million for 2Q2022, up by 7.6% y-o-y from the EGP 242.8 million booked one year previously.
- Fawry's ADP segment contributed 49.9% of consolidated revenues in 1H2022, down from 62.7% in 1H2021 as the Company continued to diversify its revenue mix. Despite remaining Fawry's largest single business line, growth in the ADP segment represented just 15.1% of the y-o-y increase in Fawry's top-line during 1H2022, 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** booked revenues of EGP 322.7 million during 1H2022, up by 103.6% y-o-y from the EGP 158.5 million recorded one year previously. Growth during the period was driven by both the Agent Banking and Acceptance segments. Banking Services generated 31.8% of the Company's consolidated top line in 1H2022, up significantly from 21.3% in 1H2021. Additionally, the Banking Services segment was the single largest contributor to consolidated revenue growth during the period, generating 60.4% of the increase in Fawry's overall top line during 1H2022. On a quarterly basis, Banking Services generated revenues of EGP 169.0 million for 2Q2022, up by 93.9% y-o-y from EGP 87.2 million one year previously.
 - Fawry's Agent Banking business booked revenues of EGP 197.6 million for 1H2022, an increase of 106.4% y-o-y. Agent Banking throughput expanded by 125.6% y-o-y to EGP 33.1 billion during the six-month period, up from EGP 14.7 billion one year previously.
 - The Acceptance business recorded revenues of EGP 125.0 million for 1H2022, up by 99.3% y-o-y, with throughput rising by 130.0% y-o-y to EGP 11.1 billion in 1H2022 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.





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 recorded total revenues of EGP 105.5 million in 1H2022, an increase of 71.7% y-o-y against the EGP 61.4 million booked for 1H2021. On a quarterly basis, the Microfinance segment posted revenues of EGP 58.1 million, up by 73.1% y-o-y from the EGP 33.6 million booked one year previously.
- Outstanding loans in Fawry's microfinance portfolio stood at EGP 608.5 million as at 30 June 2022, up from EGP 340.0 million one year previously.
- The Company counted nearly 23.5 thousand microfinance clients by the close of 1H2022, up by 34.2% from 1H2021.
- Microfinance revenues represented 10.4% of Fawry's consolidated top line in 1H2022, up from the contribution of 8.3% recorded in 1H2021. Generating 16.2% of overall revenue growth for the period, Microfinance was the second-largest contributor to top-line growth during 1H2022 following the Banking Services segment.

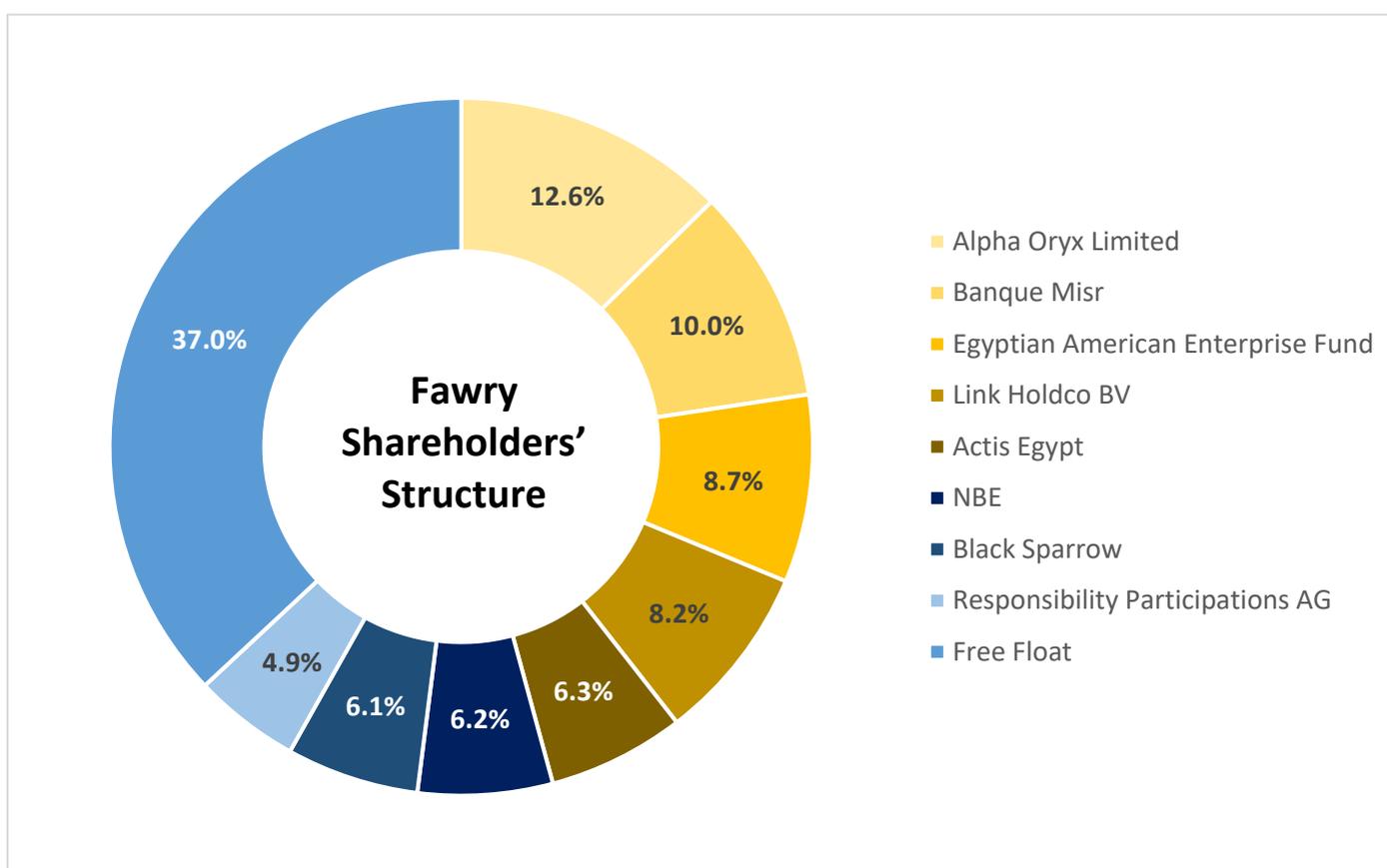
Supply Chain Solutions

- 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 54.4 million in 1H2022, up by 23.5% y-o-y from EGP 44.1 million in 1H2021. Supply Chain Solutions accounted for 5.4% of Fawry's total revenues during the six-month period. On a quarterly basis, Supply Chain Solutions booked revenues of EGP 29.7 million during 2Q2022, an increase of 25.1% y-o-y from the EGP 23.8 million recorded in 2Q2021.

– 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 290 thousand agents, Fawry processes an average of 3 million transactions per day, serving an estimated customer base of 42 million users monthly. Learn more at www.fawry.com.



Investor Relations Department

investor.relations@fawry.com