

Fawry Releases 9M2022 Results

Fawry's top line for 9M2022 broke the EGP 1.6 billion mark, driven mainly by a near-doubling of revenues from the Banking Services segment, leading strong growth across the Company's ecosystem.

9M2022 Highlights

Revenues

EGP 1,628 MN

▲ 36.7% y-o-y

Gross Profit

EGP 962.9 MN

▲ 43.1% y-o-y / 59.1% margin

Throughput Value

EGP 143,292 MN

▲ 57.6% y-o-y

Adjusted EBITDA²

EGP 461.8 MN

▲ 30.6% y-o-y / 28.4% margin

Adjusted Net Profit²

EGP 179.8 MN

▲ 24.9% y-o-y / 11.0% margin

Number of Transactions

965.8 MN

▲ 12.5% y-o-y

15 November 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 nine-month period ended 30 September 2022. The Company booked revenues of EGP 1,628.0 million in 9M2022, up by 36.7% year-on-year (y-o-y). Adjusted net profit came in at EGP 179.8 million for 9M2022, up by 24.9% y-o-y to yield a net profit margin (NPM) of 11.0%, while statutory net profit booked EGP 124.1 million. On a quarterly basis, Fawry recorded revenue of EGP 613.7 million in 3Q2022, an increase of 36.9% y-o-y, with the adjusted bottom-line booking EGP 95.8 million, an increase of 75.0% y-o-y representing a NPM of 15.6%. Statutory net profit recorded EGP 71.8 million for 3Q2022, up by 98.9% y-o-y.

Summary Profit & Loss Statement – Third Quarter

(EGP 000s)	3Q2021	2Q2022	3Q2022	y-o-y Change %	q-o-q Change %
Total Revenues	448,273	531,295	613,718	36.9%	15.5%
Alternative Digital Payments (ADP)	258,257	261,177	293,428	13.6%	12.3%
Banking Services	118,323	169,010	201,704	70.5%	19.3%
Acceptance	52,671	66,857	89,402	69.7%	33.7%
Agent Banking	65,652	102,153	112,302	71.1%	9.9%
Microfinance	35,604	58,113	66,776	87.6%	14.9%
Supply Chain Solutions	28,252	29,743	34,167	20.9%	14.9%
Others	7,836	13,251	17,643	125.2%	33.1%
Gross Profit	257,831	308,218	375,986	45.8%	22.0%
Gross Profit Margin	57.5%	58.0%	61.3%	3.8 pts	3.3 pts
EBITDA¹	138,295	139,177	187,021	35.2%	34.4%
EBITDA Margin	30.9%	26.2%	30.5%	-0.4 pts	4.3 pts
Net Profit Before NCI	56,589	50,203	95,085	68.0%	89.4%
Net Profit After NCI	36,089	24,145	71,766	98.9%	197.2%
Net Profit Margin	8.1%	4.5%	11.7%	3.6 pts	7.1 pts
Adjusted Net Profit After NCI²	54,728	41,010	95,797	75.0%	133.6%
Adjusted Net Profit Margin	12.2%	7.7%	15.6%	3.4 pts	7.9 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 Net Profit - The Company presents its Adjusted Net Profit as its EAS Net Profit excluding after tax impact of nonrecurring items such as a noncash ESOP expense of EGP 24.1 million, EGP 21.8 million and 31.0 million in EAS net profit of 3Q2021, 2Q2022 and 3Q 2022, respectively.

Summary Profit & Loss Statement – Year to Date

(EGP 000s)	9M2021	9M2022	Change %
Total Revenues	1,190,834	1,628,010	36.7%
<i>Alternative Digital Payments (ADP)</i>	<i>723,679</i>	<i>799,805</i>	<i>10.5%</i>
<i>Banking Services</i>	<i>276,792</i>	<i>524,371</i>	<i>89.4%</i>
<i>Acceptance</i>	<i>115,401</i>	<i>214,421</i>	<i>85.8%</i>
<i>Agent Banking</i>	<i>161,391</i>	<i>309,950</i>	<i>92.0%</i>
<i>Microfinance</i>	<i>97,023</i>	<i>172,262</i>	<i>77.5%</i>
<i>Supply Chain Solutions</i>	<i>72,309</i>	<i>88,584</i>	<i>22.5%</i>
<i>Others</i>	<i>21,029</i>	<i>42,988</i>	<i>104.4%</i>
Gross Profit	673,011	962,886	43.1%
<i>Gross Profit Margin</i>	<i>56.5%</i>	<i>59.1%</i>	<i>2.6 pts</i>
EBITDA¹	375,383	461,844	23.0%
<i>EBITDA Margin</i>	<i>31.5%</i>	<i>28.4%</i>	<i>-3.1 pts</i>
Adjusted EBITDA²	353,683	461,844	30.6%
<i>Adjusted EBITDA Margin</i>	<i>29.7%</i>	<i>28.4%</i>	<i>-1.3 pts</i>
Net Profit Before NCI	193,727	192,931	-0.4%
Net Profit After NCI	149,390	124,067	-17.0%
<i>Net Profit Margin</i>	<i>12.5%</i>	<i>7.6%</i>	<i>-4.9 pts</i>
Adjusted Net Profit After NCI³	143,973	179,777	24.9%
<i>Adjusted Net Profit Margin</i>	<i>12.1%</i>	<i>11.0%</i>	<i>-1.1 pts</i>

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 37.4 million and EGP 71.88 million included in EAS net profit of 9M2021 and 9M2Q22, respectively.

Financial & Operational Highlights

- Banking Services remained the primary driver of top-line growth during 9M2022, with an almost doubling of revenues at both the Acceptance and Agent Banking segments.
- The Acceptance segment generated more than 22% of consolidated revenue growth for the nine-month period, cementing its place as a major driver of Fawry's diversification efforts.
- Fawry Microfinance launched the Tamweelak Fawry mobile application, a first-of-its-kind digital tool designed to widen access to sustainable finance for small- and medium-sized businesses.

Chief Executive's Review

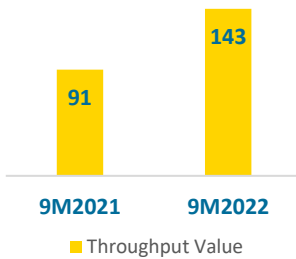
As we conclude yet another quarter of 2022, Fawry has continued to deliver on its financial and operational targets while introducing a constant flow of innovative solutions to consumers and businesses. Revenues grew by a solid 36.7% y-o-y in 9M2022, maintaining the trend throughout the year. Growth was driven by a top-line expansion at nearly all of Fawry's business segments, with a particularly impressive performance coming at our Banking Services segment, which expanded by 89.4% y-o-y to book EGP 524.4 million in 9M2022. Strong top-line growth was translated efficiently into increased operating profit, EBITDA, and net profit. Notably, our EBITDA margin for 3Q2022 surpassed the 30% threshold, reflecting in our success in implementing operational efficiencies and cost optimization measures. As Fawry grows its business rapidly across the board, we have not lost sight of the need to provide our shareholders with sustainable value: our bottom-line doubled y-o-y in 3Q2022, while adjusted net profit for the quarter reached EGP 95.8 million.

The first nine months of 2022 brought several operational milestones. The myFawry app gathered even more momentum, with its annualized throughput expanding by 78.8% y-o-y to reach EGP 3.5 billion for the period. The app logged 7.2 million downloads for 9M2022 versus 4.3 million in the same period of 2021. Throughput at our Acceptance segment also recorded impressive growth in 9M2022, doubling y-o-y. Meanwhile, our ADP segment declined as a proportion of Fawry's overall top line, even as it grew at double digits during 3Q2022. This reflects the success of our diversification strategy and our efforts to provide communities with increasingly customized offerings powered by innovative technologies.

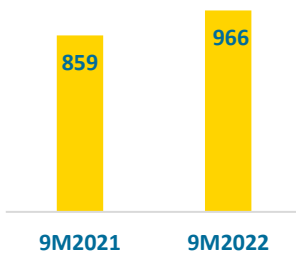
We remain committed to serving our communities through technology. This was highlighted recently with Fawry Microfinance's launch of the Tamweelak Fawry mobile app. The app's features promise to organize and ease the process of loan financing for existing micro and small businesses, which have traditionally enjoyed only restricted access to financing. By utilizing an intuitive user interface and seamless processes, the Tamweelak Fawry app eliminates the need for branch visits and physical payments, and instead offers optimal payment and instalment schedules, transparent terms, and customized loans to suit all small business owners. Tamweelak Fawry is just one of several innovations that Fawry is introducing in its quest to drive financial inclusion and pioneer Egypt's digital transformation.

Eng. Ashraf Sabry
Chief Executive Officer

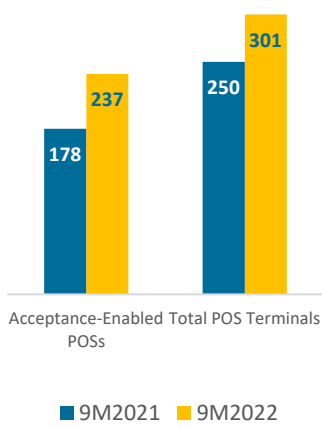
Throughput Value (EGP bn)



Number of Transactions (mn)



Network KPIs ('000)



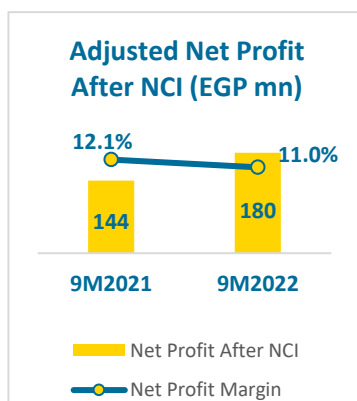
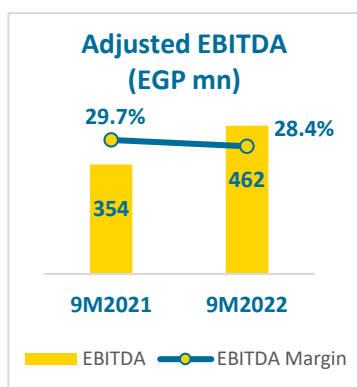
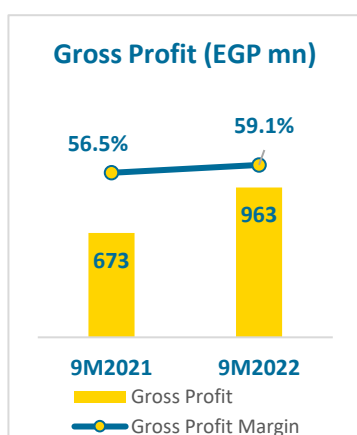
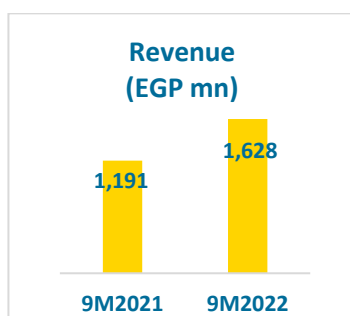
Operational Developments

Operational KPIs	9M2021	9M2022	Change %
Active Network Customers (mn)	35.0	49.4	41.1%
Total POS Terminals ('000)	250.4	301.1	20.3%
Acceptance Enabled POSs ('000)	178.1	237.1	33.1%
Banks Active and Contracted	36	36	n/a
myFawry App Total Downloads ('000)	4,304.9	7,175.2	66.7%
Services Provided	1,494	2,049	37.1%
Transactions (mn)	858.8	965.8	12.5%
Mobile Wallet Transactions (mn)	38.6	60.1	55.9%
Mobile Wallet Processed Value (EGP mn)	26,498.7	59,898.0	126.0%
Total Throughput Value (EGP mn)	90,908.8	143,291.7	57.6%

Fawry handled a total throughput of EGP 143.3 billion during 9M2022, up by 57.6% y-o-y versus EGP 90.9 billion one year previously, maintaining the Company's growth momentum.

- Fawry handled a total of 965.8 million **transactions** for 9M2022, up by 12.5% y-o-y from the 858.8 million handled during 9M2021.
- The Company's retail network deployed 301.1 thousand **POS terminals** in 9M2022, an increase of 20.3% y-o-y from 250.4 thousand in 9M2021, 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 237.1 thousand in 9M2022, an increase of 33.1% y-o-y from the 178.1 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 60.1 million **mobile wallet transactions** during 9M2022, up by 55.9% y-o-y from 38.6 million transactions for 9M2021. **Total mobile wallet processed value** recorded EGP 59.9 billion for the nine-month period, an increase of 126.0% y-o-y.¹
- As of 30 September 2022, Fawry had recorded 7.2 million cumulative downloads of its consumer-facing **myFawry** mobile application, up by 66.7% y-o-y from 4.3 million downloads as at 30 September 2021. myFawry offers consumers a unified interface for bill payments, offers & promotions, and a range of other services.
- myFawry's annualized throughput** reached EGP 3.5 billion based on figures from September 2022, up by 78.8% from EGP 1.9 billion based on throughput for September 2021. The large increase in uptake reflects an accelerating shift towards digital payment methods among Egyptian

¹ These figures reflect total processed value and transactions from bank and operators' wallets processed on the Fawry Network.

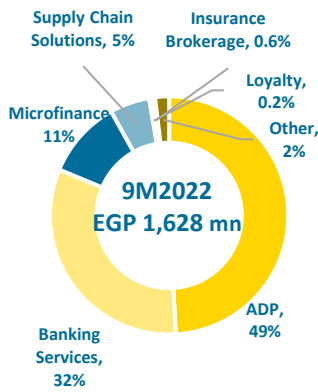


consumers, a trend which has been intensified by rising internet and smartphone penetration rates.

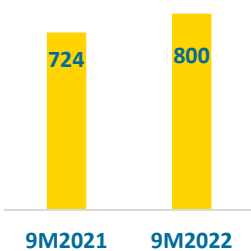
Consolidated Financial Performance

- Fawry booked **total revenues** of EGP 1,628.0 million in 9M2022, up by 36.7% y-o-y from the EGP 1,190.8 million recorded for 9M2021. The largest contribution to top-line growth in 9M2022 came from the **Banking Services** segment, where revenues grew by 89.4% y-o-y. **Alternative Digital Payments (ADP)** continued to expand at a healthy rate during the period, while **Microfinance** revenues grew by 77.5% y-o-y and **Supply Chain Solutions** also posted a double-digit growth rate. On a quarterly basis, Fawry recorded total revenues of EGP 613.7 million in 3Q2022, up by 36.9% from the EGP 448.3 million registered one year previously.
- Banking Services contributed 32.2% of Fawry's consolidated revenues for 9M2022, up significantly from 23.2% in 9M2021. Microfinance contributed 10.6% of the top line for 9M2022 versus 8.1% in 9M2021. Fawry continued to implement successful diversification of revenue streams during 9M2022. Fawry's legacy ADP segment saw its revenue contribution decline to 49.1% in 9M2022 from 60.8% one year previously, with concurrent growth in the revenue contribution from most other segments.
- Gross profit** booked EGP 962.9 million in 9M2022, up by 43.1% y-o-y against the EGP 673.0 million booked for 9M2021. The Company recorded a gross profit margin of 59.1% in 9M2022, up from 56.5% in 9M2021. 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 376.0 million for 3Q2022, up by 45.8% y-o-y and yielding an increase of 3.7 percentage points in the GPM to 61.3% for the quarter.
- Fawry registered an **EBITDA** of EGP 461.8 million in 9M2022. Excluding nonrecurring gains of EGP 21.7 million on POS sales related to a CBE initiative in 9M 2021, Fawry's EBITDA for the period posts growth of 30.6% y-o-y. Including these gains, the EBITDA growth rate registers 23.0% y-o-y for the period. Fawry's EBITDA margin booked 28.4% for 9M2022, down on an adjusted basis from 29.7% one year previously. Double-digit growth in EBITDA for 9M2022 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 187.0 million for 3Q2022, up by 35.2% y-o-y to yield an EBITDA margin of 30.5% against the 30.9% recorded for 3Q2021.
- Adjusted net profit after NCI**, which excludes nonrecurring items and the impact of Fawry's non-cash ESOP program, came in at EGP 179.8 million for 9M2022, up by 24.9% y-o-y from the EGP 144.0 million booked for 9M2021, with the net profit margin (NPM) registering 11.0% against 12.1% one year previously. On a quarterly basis, Fawry's adjusted net profit after NCI

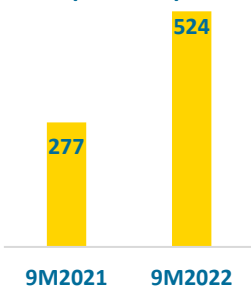
Revenue Breakdown by Segment



ADP Revenue (EGP mn)



Banking Services Revenue (EGP mn)



recorded EGP 95.8 million for 3Q2022, up by 75.0% y-o-y and yielded a NPM of 15.6% versus 12.2% in 3Q2021.

- **Statutory net profit after NCI** recorded EGP 124.1 million for 9M2022, down by 17.0% y-o-y from the EGP 149.4 million booked for 9M2021, with the NPM recording 7.6% against 12.5% one year previously. Fawry booked net profit after NCI of EGP 71.8 million for 3Q2022, up by 98.9% y-o-y and yielded a NPM of 11.7% against the 8.1% posted one year previously.

Segments Overview

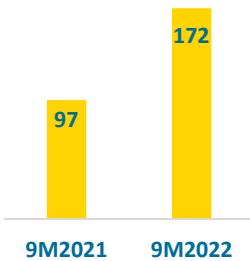
Alternative Digital Payments

- Revenues from **Alternative Digital Payments (ADP)** rose by 10.5% y-o-y to record EGP 799.8 million in 9M2022 against EGP 723.7 million in 9M2021. On a quarterly basis, the ADP segment generated revenues of EGP 293.4 million for 3Q2022, up by 13.6% y-o-y from the EGP 258.3 million booked one year previously.
- Fawry's ADP segment contributed 49.1% of consolidated revenues in 9M2022, down from 60.8% in 9M2021 as the Company continued to diversify its revenue mix. Despite remaining Fawry's largest single business line, growth in the ADP segment represented just 17.4% of the y-o-y increase in Fawry's top-line during 9M2022, demonstrating the successful evolution of the business towards an ecosystem model integrating a broad range of value-added services beyond ADP.

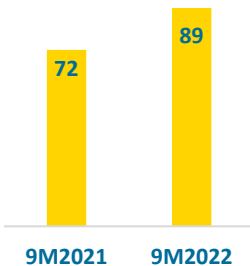
Banking Services

- Fawry provides a range of financial services under agency agreements with banks. **Banking Services** booked revenues of EGP 524.4 million during 9M2022, up by 89.4% y-o-y from the EGP 276.8 million recorded one year previously. Growth during the period was driven by both the Agent Banking and Acceptance segments. Banking Services generated 32.2% of the Company's consolidated top line in 9M2022, up significantly from 23.2% in 9M2021. Additionally, the Banking Services segment was the single largest contributor to consolidated revenue growth during the period, generating 56.6% of the increase in Fawry's overall top line during 9M2022. On a quarterly basis, Banking Services generated revenues of EGP 201.7 million for 3Q2022, up by 70.5% y-o-y from EGP 118.3 million one year previously.
 - Fawry's Agent Banking business booked revenues of EGP 310.0 million for 9M2022, an increase of 92.0% y-o-y. Agent Banking throughput expanded by 100.7% y-o-y to EGP 51.3 billion during the nine-month period, up from EGP 25.6 billion one year previously.
 - The Acceptance business recorded revenues of EGP 214.4 million for 9M2022, up by 85.8% y-o-y, with throughput rising by 125.3% y-o-y to EGP 18.8 billion in 9M2022 as Fawry's Merchant Aggregator Platform continued to enjoy strong uptake and the number of

Microfinance Revenue (EGP mn)



Supply Chain Solutions Revenue (EGP mn)



acceptance-enabled merchants in Fawry's retail network continued to rise during the period.

Microfinance

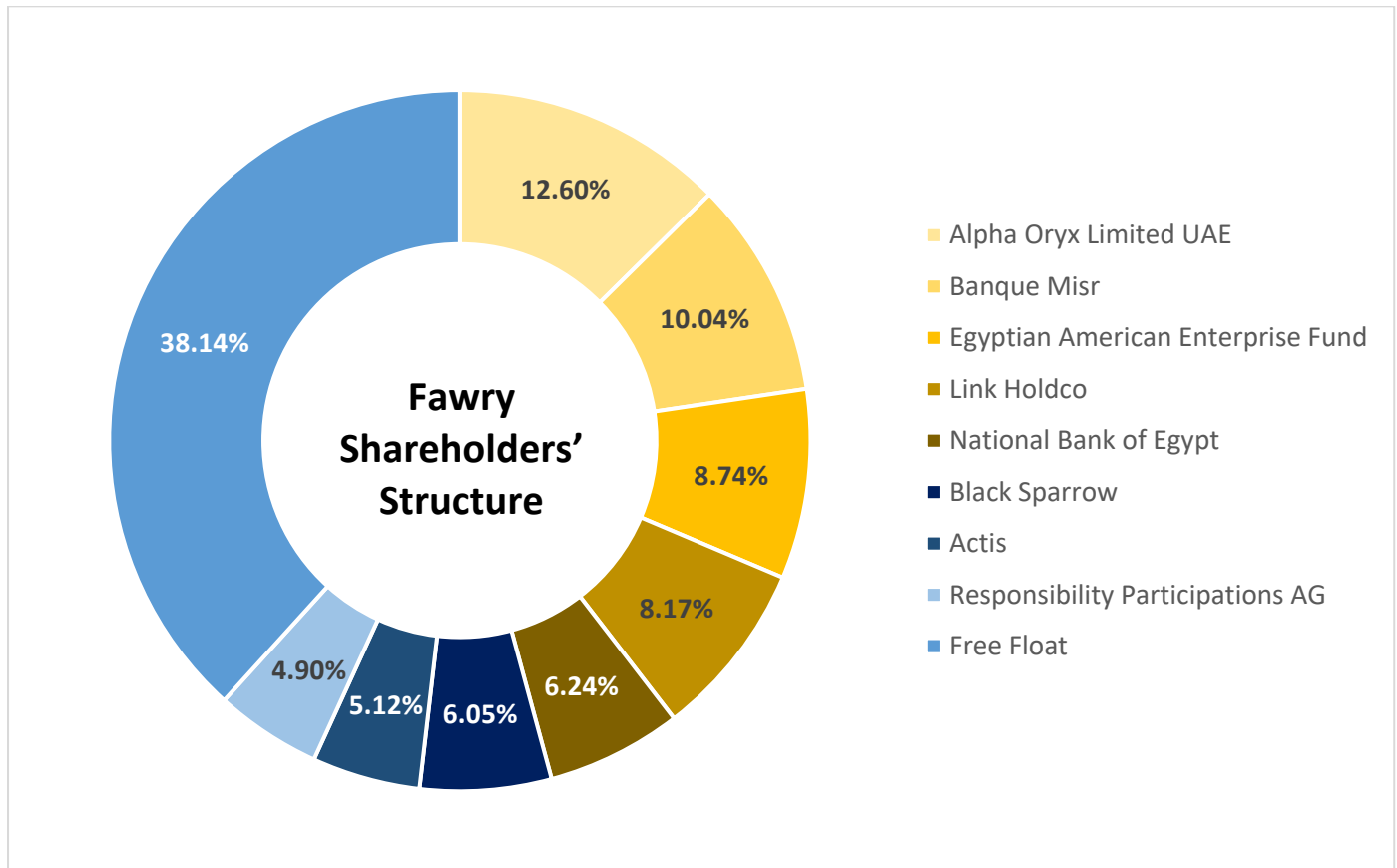
- Fawry disburses microfinance loans to retailers in its merchant network, extending credits directly through POS terminals and digitally earmarking them for supplier payments. The Company's **Microfinance** segment recorded total revenues of EGP 172.3 million in 9M2022, an increase of 77.5% y-o-y against the EGP 97.0 million booked for 9M2021. On a quarterly basis, the Microfinance segment posted revenues of EGP 66.8 million, up by 87.6% y-o-y from the EGP 35.6 million booked one year previously.
- Outstanding loans in Fawry's microfinance portfolio stood at EGP 694 million as at 30 September 2022, up from EGP 377 million one year previously.
- The Company counted nearly 27 thousand microfinance clients by the close of 9M2022, up by 37% y-o-y from 9M2021.
- Microfinance revenues represented 10.6% of Fawry's consolidated top line in 9M2022, up from the contribution of 8.1% recorded in 9M2021. Generating 17.2% of overall revenue growth for the period, Microfinance was the third-largest contributor to top-line growth during 9M2022 following the Banking Services and ADP segments.

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 88.6 million in 9M2022, up by 22.5% y-o-y from EGP 72.3 million in 9M2021. Supply Chain Solutions accounted for 5.4% of Fawry's total revenues during the nine-month period. On a quarterly basis, Supply Chain Solutions booked revenues of EGP 34.2 million during 3Q2022, an increase of 20.9% y-o-y from the EGP 28.3 million recorded in 3Q2021.

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About Fawry for Banking Technology and Electronic Payments



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 301 thousand agents, Fawry processes more than 3 million transactions per day, serving an estimated customer base of 45 million users monthly.

Learn more at www.fawry.com.

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