



Earning Release

Fourth Quarter, 2019

Operational KPIs	FY 2019	FY 2018	% Change
Number of Active Customers on the Network (millions)	25	20	25.0%
Number of POSs Terminals ('000)	141	105	35.0%
Number of Certified POSs ('000)	81	53	52.1%
Number of Contracted Banks	33	27	22.2%
Number of Acceptance Enabled Merchants ('000)	49	13	266.1%
Number of Transactions (millions)	868	600.1	44.6%
Total Value of Throughput (millions)	53,400	34,162	56.3%

Financial KPIs - EGP Million	FY 2019	FY 2018	% Change
Total Revenues	884.1	609.7	45.01%
Gross Profit	458.9	279.9	63.93%
Operating Profit	145.4	49.9	191.38%
EBITDA	244.3	153.5	59.15%
Net Profit Before NCI	130.4	69.2	88.35%
Net Profit After NCI	102.9	56.6	81.72%
Normalized Net Profit After NCI	113.2	66.8	69.47%

Major Events

Cairo Governorate Protocol

A cooperation protocol and payment collection agreement were signed between Cairo Governorate and Fawry, within the framework of the Governorate towards the implementation of financial inclusion. This protocol is based on electronic payment systems, with the aim of facilitating citizens lives and improving all services provided to them through Fawry's network of more than 140,000 certified outlets all over Egypt.

Fawry - Banque Misr Agreement

In the context of the continuous cooperation between Fawry and the banking sector, Fawry signed an agreement with Banque Misr to provide a new digital service to the bank's youth customers, providing them with access to the advantages of the loyalty program.

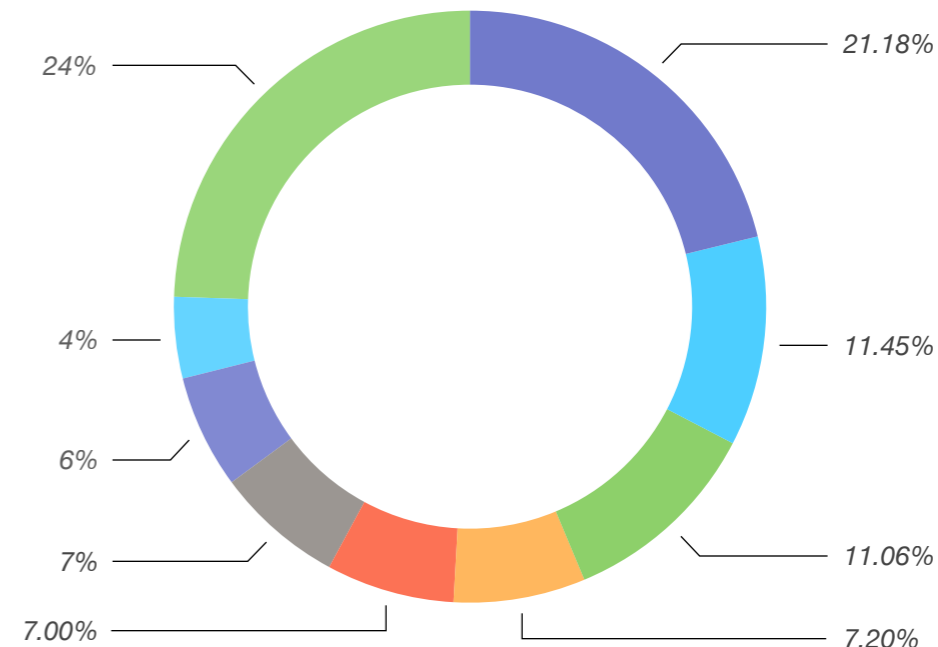
The loyalty program gives Banque Misr customers vouchers from a list of distinct brands of restaurants and stores. In addition to that, it allows the customers to obtain discounts when using the bank cards to make purchases. It also provides them with mobile balances from the four mobile operators.

Ownership Restructuring

Fawry has completed the restructuring of its ownership and shareholding structure, whereby all shareholders are currently direct shareholders in the company's capital structure. The corresponding chart shows the main shareholders and the percentage of their share in the company's capital after the restructuring.

Shareholders Structure

- LINK HOLDCO B V
- BLACK SPARROW LONG TERM INVESTMENTS LTD
- EGYPTIAN AMERICAN ENTERPRISE FUND
- ACTIS EGYPT PAYMENTS MAURITIUS LIMITED
- National Bank of Egypt
- Banque Misr
- RESPONSABILITY PARTICIPATIONS AG
- INTERNATIONAL FINANCE CORPORATION
- Others



Authorized Capital - EGP	Issued and Paid Up Capital - EGP	Outstanding Shares	Par Value / Share - EGP
500,000,000	353,652,060	707,304,120	0.50



CEO Word

In 2019 Fawry achieved on key objectives, namely strong growth, revenue diversification and margins improvement. Y-o-Y revenues grew by 45% from EGP 609.6 million to EGP 884.1 million, Banking Services revenue grew by 2.8 folds from EGP 24 million to EGP 67 million reaching 7.5% of total revenues and Microfinance revenues reached EGP19 million in its first year of operation, reinforcing our diversification strategy. Finally, our operating profit grew from EGP 49.9 million to EGP 145.4 million reflecting operational efficiencies.

The earning release includes more details on the fit of the achieved financial metrics and the company's strategy towards growth, diversification and operating efficiencies.

I want to share with our valued investors the impact of COVID 19 on Fawry as far as we can expect within the current circumstances and available information.

Business continuity is on the top of our priorities given the expected pressures on the economy and working conditions; we have taken all the necessary measures to insure our ability to continue providing services during the coming 9 months till the end of 2020.

Below are outlines of the main metrics that will enable us to continue providing our services for the coming 9 months:-

- Our Cash reserves on the balance sheet together and approved financial facilities will enable us to support our operations even in very pessimistic scenarios.
- Our POS stock and in transit will help us continue expanding our merchant network
- Based on our 2020 plans we do not need any expansion of the current capacity of the existing infrastructure.
- We have already implemented our working from home policy and the existing infrastructure and secured access rights will enable us to support the business while working from home.

Year to date, our **Financial Performance** is in line with our business plan. However, the impact of the crisis on our financial performance is governed by:

A) **The Processed Volume on Fawry Network**

- a) We expect Impact on the processed volume due to the economic pressures on businesses and consumers, which will affect the businesses we are serving and the spending patterns of consumers.

B) **The Need for Fawry Services and our ability to provide those services**

- a) Among our services are basic services that will be needed by the majority of Egyptians even in crisis times including telecom airtime, internet services, prepaid electricity cards and other services.
- b) Services offered through the majority of our retail channels - grocery stores and pharmacies - will continue its operation during the coming period even if the government implemented a total lockdown.
- c) We are expecting growth in our services offered through banking channels as the Central Bank of Egypt has issued new regulations that will ease up and encourage payments through electronic channels including mobile wallets; our current infrastructure is serving almost all banks in Egypt.
- d) We are expecting impact on productivity due to working from home and time constraints on some of our retail channels.

On the positive side as well, we believe that the crisis will have positive impact on digital payments, which will continue afterwards. This change in consumer behavior is in line with our growth and diversification strategy.

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



Key Operational Indicators

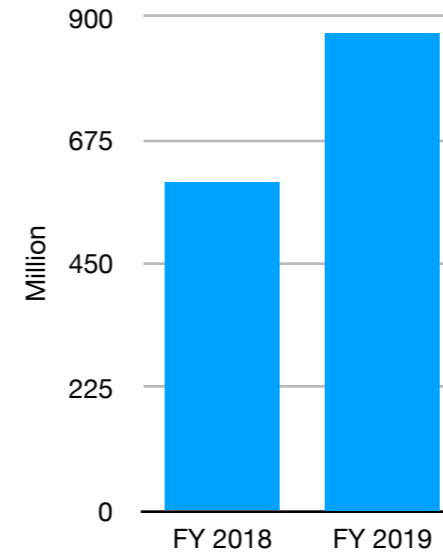
Total Throughput & Number of Transactions

Total number of transactions registered 868 million on 2019 compared with 600.1 million over 2018 achieving growth rate of 44.6%.

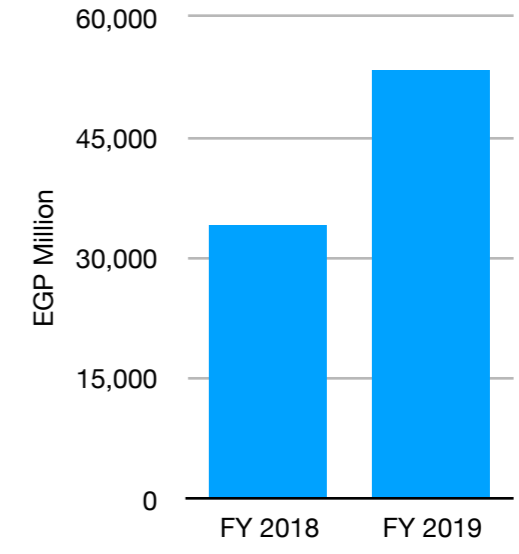
Total throughput increased from EGP 34.2 billion to EGP 53.4 billion reporting growth rate of 56.3%. Interestingly, the growth rate in throughput consistently outpaced growth in the number of transactions, and hence consistently higher average value/transaction.

The average number of transactions per day jumped to 2.4 - 2.5 million during 2019. This is happening as a result of the continuous increase in the number of customers served by Fawry network and the expanding portfolio of service offerings.

Number of Transactions



Total Value of Throughput



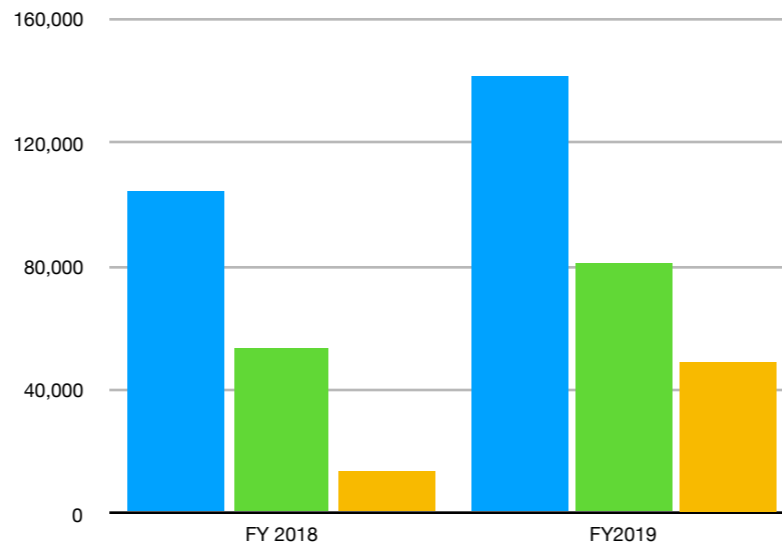
POSS Terminals & Acceptance Enabled Merchants

Fawry is investing heavily in expanding the merchant network and spending more on POS technology. POS terminals increased from 104.3K in 2018 to nearly 141.3K during 2019 achieving growth rate of 35% Y-o-Y.

Fawry increased certified POSs terminals from 53.3K in 2018 to 81K in 2019 registering growth rate of 52% Y-o-Y. This move is to enable merchants and small businesses to accept different methods of payments.

As a result, the number of acceptance enabled merchants increased from 13.3K to 48.7K over the course of 2019 achieving growth rate of 266% Y-o-Y.

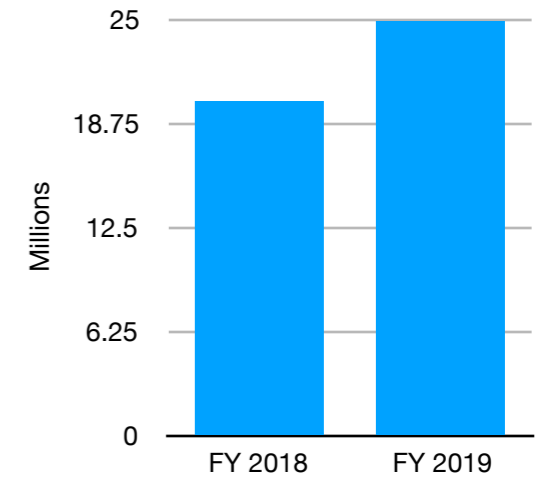
Number of POS Points, Acceptance Enabled Merchants, Number of Certified POSs



Number of Active Users

Fawry is constantly adding more services to its offerings (900+) and many service providers are connected to the network, which contributed to the increase of monthly active users transacting on Fawry network from 20 million on 2018 to 25 million on 2019, recording Y-o-Y growth rate of 25%.

Number of Active Users

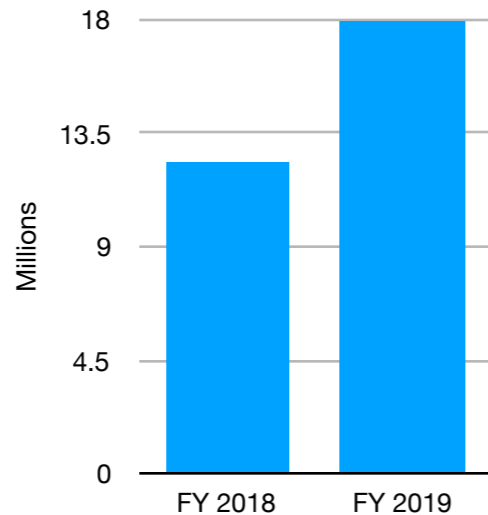


Mobile Wallets

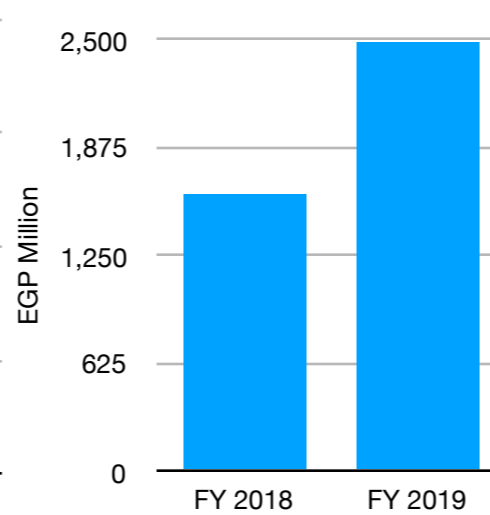
Fawry witnessed remarkable growth in mobile wallets transactions over the course of 2019. Number of transactions increased from 12.3 million during 2018 to 17.9 million during 2019 achieving growth rate of 46% over the year.

Total throughput increased from EGP 1.6 billion during 2018 to EGP 2.5 billion during 2019 achieving growth rate of 56% over the year.

Transactions on Mobile Wallets



Throughput of Mobile Wallets

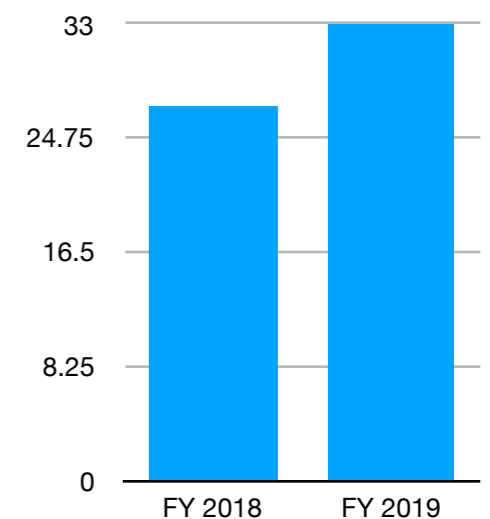


Number of Contracted Banks

Banks are strategic partners to Fawry and the company is strategically aligned with banks for the implementation of its strategy.

Fawry succeeded to increase the number of contacted banks in its network from 27 banks in 2018 to 33 banks in 2019.

Number of Active Banks in the Network





Key Financial Indicators

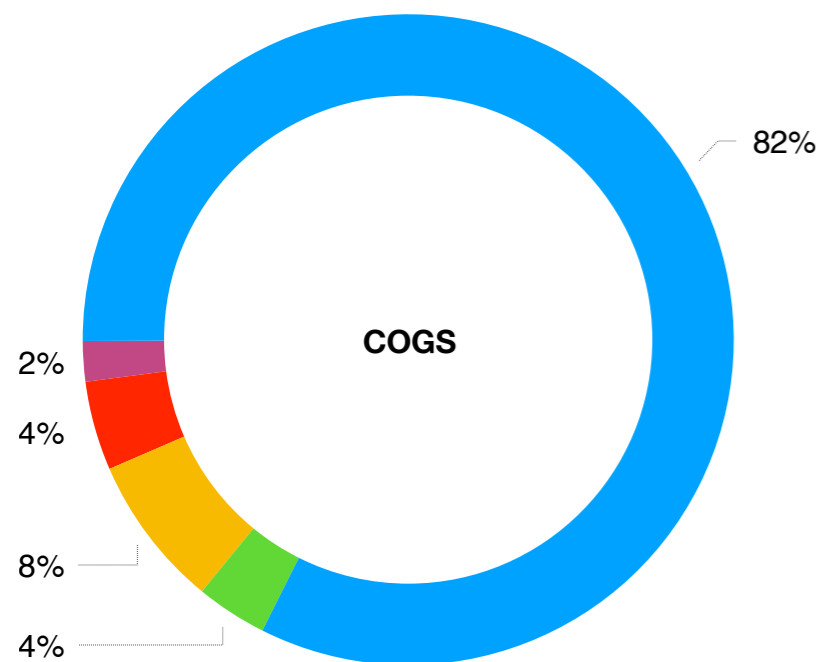
Total revenues increased from EGP 609.7 million during 2018 to EGP 884.1 million during 2019 achieving growth rate of 45%. Over the same period, ADP revenues increased from 539 million to EGP 723 million achieving growth of 34.14%. ADP still dominates the larger share of total revenues standing at 81.9% during 2019 down from 88.5% during 2018. Fawry however, is on the right track and is delivering on its diversification strategy year over year as evidenced by the declining share of ADP to Total revenues.

Supply Chain accounted for 6.8% of total revenues during the 2019 which is slightly above its level of 6.6% during 2018. Supply Chain revenues increased from EGP 40 million during 2018 to EGP 60 million during 2019, recording Y-o-Y growth rate of 48%.

Banking Services accounted for 7.5% of total revenues up from 4% during 2018. It increased from EGP 24 million on 2018 to EGP 67 million on 2019 reporting Y-o-Y growth rate of 179%. Significant part of the growth in Banking Services is attributed to the rapid growth in merchant acceptance.

Revenues from Microfinance reported EGP 19.2 million during 2019 during its first year of operations. Microfinance revenues accounted for 2.2% of total revenues on 2019 and we expect this trend to continue over the coming few years.

- Merchants and Channel Fees
- Bank Fees
- Cash Collection Costs
- Depreciation & Amortization
- Others



Total COGS increased from EGP 329.7 million on 2018 to EGP 425.3 million on 2019 registering growth rate of 29% over the year. Still, Merchants and Channel Fees account for the lion's share of total costs standing at 82.5% slightly above its share last year of 81.3%. Second in row comes Cash Collection and management costs which accounts for 7.6% of total costs slightly above its level of 7.1% during last year.

Profitability Analysis

Gross Profit increased from EGP 279.9 million on 2018 to EGP 458.9 million on 2019 achieving growth rate of 63.9% that surpassed the growth rate of total revenues on an annual basis. This is proving the viability of the diversification strategy and its impact on operating costs.

Operating leverage was at work during 2019 and its impact is strongly apparent on operating profits that increased from EGP 49.9 million on 2018 to EGP 145.4 million on 2019 achieving growth rate of 191.1%.

EBITDA increased Y-o-Y by 59.2% from EGP 153.5 on 2018 to EGP 244.3 million on 2019. This is despite the significant declines in interest rates over the course of 2019.

Net Profit before NCI increased from EGP 69.2 million on 2018 to EGP 130.4 on 2019 achieving growth rate of 88.4% Y-o-Y. Net profit after NCI on the other hand increased from EGP 56.6 million on 2018 to EGP 102.9 million on 2019 achieving growth rate of 81.7%.

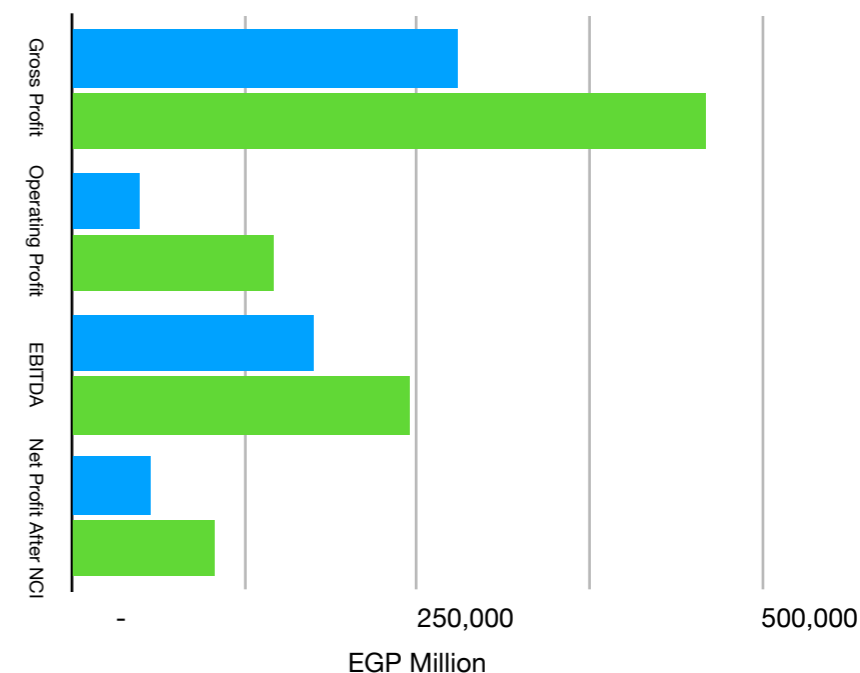
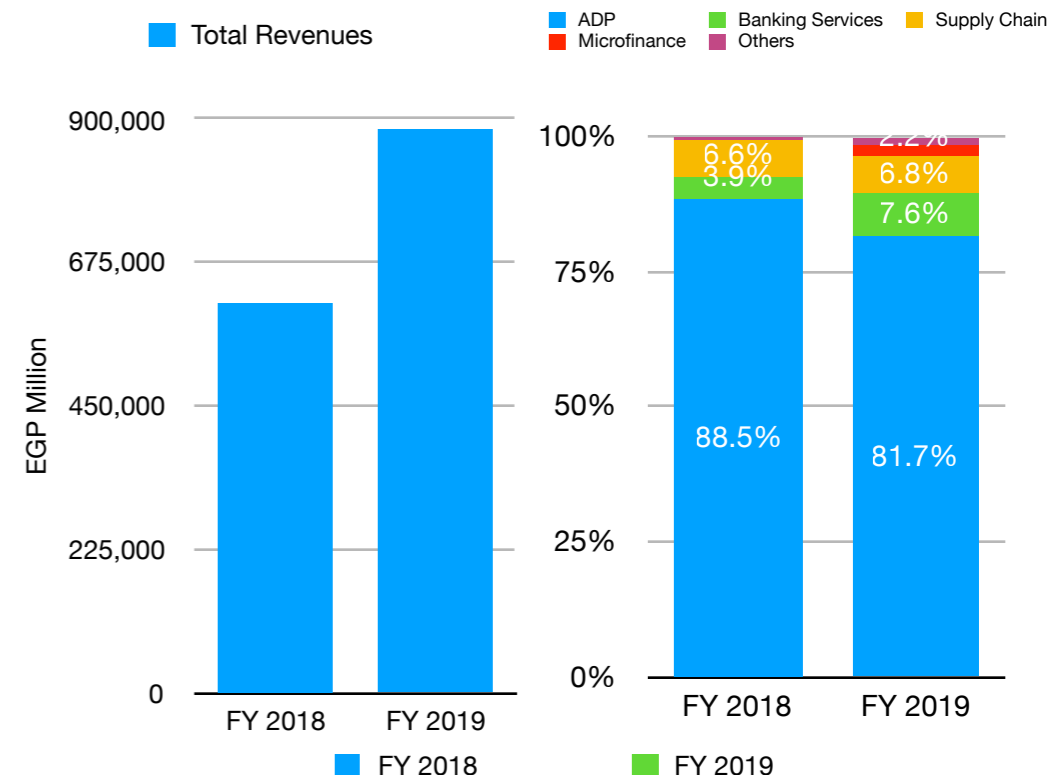
Margin Analysis

Gross Margin jumped to 51.9% on 2019 compared to 45.9% during 2018 on the back of declining costs and payback from the diversification strategy.

Same thing goes with even more impressive performance of the operating margin that increased to 16.4% on 2019 compared with only 8.2% during 2018. This illustrates the efficiency of the platform and how its reflected on the cost/transaction.

Despite shorter cash cycles and falling interest rates, Fawry succeeded to improve EBITDA margin at 27.6% above its level of 25.2% during 2018.

Net Profit margin after NCI improved on 2019 as it stood at 11.6% compared with 9.3% on 2018 despite the non-operating expenses including (IPO expenses, non-realized FX expenses, and Microfinance setup consultancy fees).





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 33 member banks, its mobile platform, and more than 140,000 agents, Fawry is processing an average of 2.5 million transactions daily serving an estimated base of 25 million customers monthly.

Fawry Investor Relations

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