

## Fawry Releases 9M2023 Results

Fawry achieves a record-breaking top line of EGP 2.3 billion in 9M2023 with a rapid expansion of 206% in adjusted bottom line to EGP 550.0 million, driven by continuous broadening in its service offering and cost control measures.

### 9M2023 Highlights

#### Revenues

**EGP 2,317 MN**

▲ 42.3% y-o-y

#### Gross Profit

**EGP 1,449 MN**

▲ 52.1% y-o-y / 62.5% margin

#### Throughput Value

**EGP 243,107MN**

▲ 69.7% y-o-y

#### Adjusted EBITDA<sup>1</sup>

**EGP 911.6 MN**

▲ 97.4% y-o-y / 39.3% margin

#### Adjusted Net Profit<sup>2</sup>

**EGP 550.0 MN**

▲ 205.9% y-o-y / 23.7% margin

#### Number of Transactions

**1,170.8 MN**

▲ 21.2% y-o-y

**15 November 2023** – (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 2023. The Company booked revenues of EGP 2,317.3 million in 9M2023, up by 42.3% year-on-year (y-o-y). Adjusted net profit came in at EGP 550.0 million for 9M2023, up by 205.9% y-o-y with an associated net profit margin (NPM) of 23.7%. Statutory net profit recorded at EGP 486.5 million, expanding 292.2% y-o-y. On a quarterly basis, the Company recorded total revenues of EGP 873.2 million in 3Q2023, an increase of 42.3% y-o-y, with the adjusted bottom-line booking EGP 222.1 million, an increase of 131.9% y-o-y with a NPM of 25.4%. Statutory net profit came in at EGP 203.5 million for 3Q2023, growing 183.5% y-o-y.

### Summary Profit & Loss Statement – Third Quarter

(EGP 000s)	3Q2022	2Q2023	3Q2023	y-o-y Change %	q-o-q Change %
<b>Total Revenues</b>	<b>613,718</b>	<b>768,473</b>	<b>873,155</b>	<b>42.3 %</b>	<b>13.6%</b>
Alternative Digital Payments (ADP)	293,428	304,886	349,406	19.1%	14.6%
Banking Services	201,704	294,027	329,264	63.2%	12.0%
Acceptance	89,402	140,238	164,782	84.3%	17.5%
Agent Banking	112,302	153,790	164,482	46.5%	7.0%
Microfinance	66,776	85,851	92,662	38.8%	7.9%
Supply Chain Solutions	34,167	51,578	65,438	91.5%	26.9%
Others	17,643	32,131	36,385	106.2%	13.2%
<b>Gross Profit</b>	<b>365,983</b>	<b>473,608</b>	<b>556,701</b>	<b>52.1%</b>	<b>17.5%</b>
Gross Profit Margin	59.6%	61.6%	63.8%	4.1 pts	2.1 pts
<b>EBITDA<sup>1</sup></b>	<b>188,047</b>	<b>305,424</b>	<b>366,201</b>	<b>94.7%</b>	<b>19.9%</b>
EBITDA Margin	30.6%	39.7%	41.9%	11.3 pts	2.2 pts
<b>Net Profit Before NCI</b>	<b>94,890</b>	<b>182,791</b>	<b>231,363</b>	<b>143.8%</b>	<b>26.6%</b>
<b>Net Profit After NCI</b>	<b>71,766</b>	<b>159,774</b>	<b>203,484</b>	<b>183.5%</b>	<b>27.4%</b>
Net Profit Margin	11.7%	20.8%	23.3%	11.6 pts	2.5 pts
<b>Adjusted Net Profit After NCI<sup>2</sup></b>	<b>95,797</b>	<b>181,063</b>	<b>222,143</b>	<b>131.9%</b>	<b>22.7%</b>
Adjusted Net Profit Margin	15.6%	23.6%	25.4%	9.8 pts	1.9 pts

<sup>1</sup> 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.

<sup>2</sup> 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 31.0 million, EGP 27.5 million and 24.1 million in EAS net profit of 3Q2022, 2Q2023 and 3Q2023, respectively.

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Summary Profit & Loss Statement – Year to Date

(EGP 000s)	9M2022	9M2023	Change %
<b>Total Revenues</b>	<b>1,628,010</b>	<b>2,317,325</b>	<b>42.3%</b>
Alternative Digital Payments (ADP)	799,805	932,044	16.5%
Banking Services	524,371	876,931	67.2%
Acceptance	214,421	420,767	96.2%
Agent Banking	309,950	456,164	47.2%
Microfinance	172,262	260,775	51.4%
Supply Chain Solutions	88,584	161,397	82.2%
Others	42,987	86,178	100.5%
<b>Gross Profit</b>	<b>952,882</b>	<b>1,449,095</b>	<b>52.1%</b>
Gross Profit Margin	58.5%	62.5%	4.0 pts
<b>EBITDA<sup>1</sup></b>	<b>461,884</b>	<b>911,561</b>	<b>97.4%</b>
EBITDA Margin	28.4%	39.3%	11.0 pts
<b>Net Profit Before NCI</b>	<b>192,931</b>	<b>556,212</b>	<b>188.3%</b>
<b>Net Profit After NCI</b>	<b>124,067</b>	<b>486,541</b>	<b>292.2%</b>
Net Profit Margin	7.6%	21.0%	13.4 pts
<b>Adjusted Net Profit After NCI<sup>3</sup></b>	<b>179,777</b>	<b>550,024</b>	<b>205.9%</b>
Adjusted Net Profit Margin	11.0%	23.7%	12.7 pts

<sup>1</sup> 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.

<sup>2</sup> 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 71.9 million and EGP 81.9 million included in EAS net profit of 9M2022 and 9M2023, respectively.

Financial & Operational Highlights

- Banking Services served as the primary driver of top-line growth during 9M2023, generating 51% of the Company's consolidated revenue growth for the period, with revenues of both the Acceptance and Agent Banking segments increasing by 96.2% and 47.2%, respectively, cementing its position as a major driver of Fawry's diversification efforts.
- EBITDA increased by 97.4% year-on-year in 9M2023, highlighting Fawry's success in growing its revenue streams while benefiting from the resulting service synergy and operational cost efficiency.
- The adjusted bottom line reached an all-time high of EGP 550.0 million during the nine-month period ended 30 September 2023, representing a three-fold increase compared to the figure recorded in the same period last year.
- Mobile wallet transaction value surged, increasing by 117.5% y-o-y in the nine-month period of 2023, reaching EGP 130.3 billion.
- Fawry is actively diversifying its service offerings to address the changing financial requirements of Egypt's SMEs. This includes introducing innovative solutions such as the yellowcard, HR solutions, money market fund, and SME loans, underscoring the company's commitment to adapt and expand in response to market demands.

## **Chief Executive's Review**

With immense pride, I present to you Fawry's exceptional financial and operational achievements for the nine-month period ended 30 September 2023. Over these nine months, our unwavering commitment to expanding our loyal customer base, broadening our service offerings, and diversifying our revenue streams has allowed us to explore previously untapped segments in the Egyptian market. Our success is reflected in the numbers, as our record-breaking revenues maintain a consistent upward trajectory, showing a remarkable year-on-year increase of 42.3% to EGP 2,317 million in 9M2023.

Our four primary business segments have maintained their growth trajectory. The Banking Services division leads the way, contributing an impressive 51.1% to total revenue growth. The dynamic performance in microfinance and the supply chain segments, with 51.4% and 82.2% year-on-year growth, respectively, further exemplifies our success in diversifying revenue streams and catering to the diverse needs of segments across the nation. In parallel, we continue to deliver growth in our legacy business segment, Alternative Digital Payments, which grew by a solid 16.5% year-on-year in 9M2023.

In response to the prevailing inflationary environment, we have adeptly managed the challenges through diligent cost control measures and the synergistic development of our business. These efforts have yielded substantial results, exemplified by a remarkable 52.1% y-o-y increase in our gross profit, along with a 4-percentage-point improvement in gross profit margin, underscoring our effective synergistic approach. Fawry has also achieved a robust EBITDA of EGP 911.6 million, marking a 97.4% y-o-y increase, primarily attributed to operational leverage and cost controls, resulting in an 11.0 percentage-point boost in EBITDA margin. Our adjusted bottom line has shown even more impressive growth, with a remarkable 205.9% year-on-year increase in the nine-month period, reaching EGP 550.0 million, in contrast to EGP 179.8 million for the same period in the previous year.

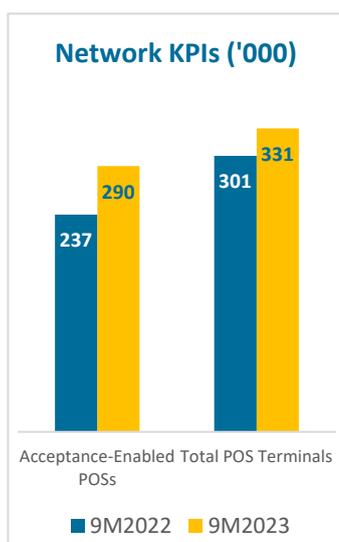
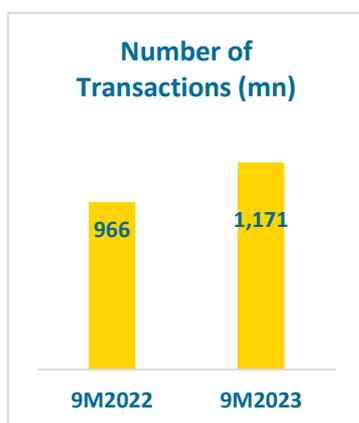
We are already witnessing tangible outcomes from our strategic initiatives, particularly in the realms of financial inclusion and the adoption of digital wallets. Over the course of nine months, we have observed 109.3 million transactions totaling EGP 130.3 billion, demonstrating our unwavering commitment to expanding our presence and addressing the diverse financial needs of individuals and businesses across Egypt.

Going forward, we remain committed to our service expansion and diversification strategy as we seek to cater to all facets of the financial services market. Fawry is in the process to attain the Small and Medium Enterprise (SME) financing license into its portfolio through its subsidiary, Fawry SME and Microfinance. This action aligns seamlessly with our ongoing efforts to serve SMEs in Egypt with state-of-the-art technology, offering versatile and flexible solutions for all their financial needs. Moreover, it resonates with the government's focus on empowering the SME sector, a significant contributor to the country's economy. This synergy is now exemplified by our innovative solutions such as the yellow card, the market money fund, HR solutions, employee insurance packages, and many more.

As we approach the final weeks of 2023, I am confident that we will close a record-breaking year in terms of top-line performance and profitability margins, all underpinned by our unwavering commitment to meet the evolving demands of our everchanging market, and further solidifying our position as Egypt's premier provider of digital financial solutions. With this steadfast dedication, we are ideally positioned to generate further sustainable value for our valued customers, stakeholders, and investors for years to come.

**Eng. Ashraf Sabry**

Chief Executive Officer



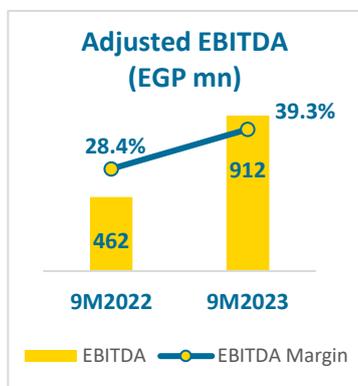
## Operational Developments

Operational KPIs	9M2022	9M2023	Change %
Active Network Customers (mn)	49.4	51.2	3.6%
Total POS Terminals ('000)	301.1	330.9	9.9%
Acceptance Enabled POSs ('000)	237.1	290.1	22.3%
Banks Active and Contracted	36	36	n/a
myFawry App Total Downloads ('000)	7,175.2	11,256.6	56.9%
Services Provided	2,049	2,986	45.7%
Transactions (mn)	965.8	1,170.8	21.2%
Mobile Wallet Transactions (mn)	60.1	109.3	81.8%
Mobile Wallet Processed Value (EGP mn)	59,898.0	130,286.3	117.5%
<b>Total Throughput Value (EGP mn)</b>	<b>143,291.7</b>	<b>243,107</b>	<b>69.7%</b>

Fawry handled a total throughput of EGP 243.1 billion during 9M2023, up by 69.7% y-o-y compared to one year prior.

- Fawry handled a total of 1,170.8 million **transactions** for 9M2023, up by 21.2% y-o-y from the 965.8 million handled during 9M2022.
- The Company's retail network deployed reached 330.9 thousand **POS terminals** in 9M2023, up from 301.1 thousand in 9M2022, demonstrating Fawry's merchant network's robust expansion as it consistently provides partners with POS technology.
- **Acceptance-enabled POSs** in the Company's network stood at 290.1 thousand in 9M2023, an increase of 22.3% y-o-y from the 237.1 thousand recorded in the same period of the previous year. Acceptance-enabled POS terminals enable merchants and small businesses to accept an extended variety of payment methods, including but not limited to debit and credit cards.
- As of 30 September 2023, Fawry powered 109.3 million **mobile wallet transactions**, a y-o-y increase of 81.8% from 60.1 million transactions as of 30 September 2022. **Total mobile wallet processed value** recorded EGP 130,286 million for the nine-month period, an increase of 117.5% y-o-y.<sup>1</sup>
- Fawry had recorded a total of 11.3 million cumulative downloads of its consumer-facing **myfawry mobile application** by end of 9M2023, increasing 56.9% y-o-y from 7.2 million downloads as of 9M2022. myFawry provides consumers with a single platform for bill payments, promotions, and a range of various services. With the Prepaid card and BNPL services now fully operational, Fawry is solidifying its transition into a comprehensive Neobank in 2023.
- During 9M2023, **myfawry's annualized throughput** reached EGP 6.7 billion, up by 91.9% from EGP 3.5 billion based on throughput for 9M2022. The

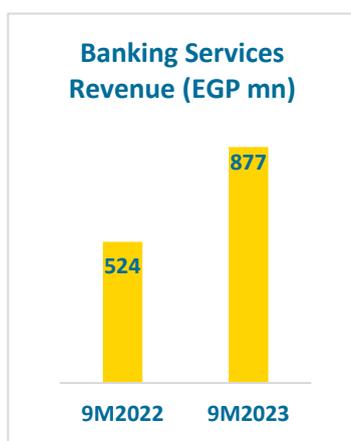
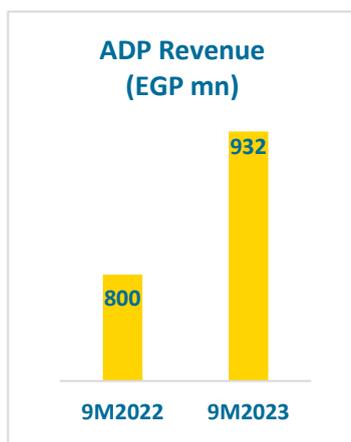
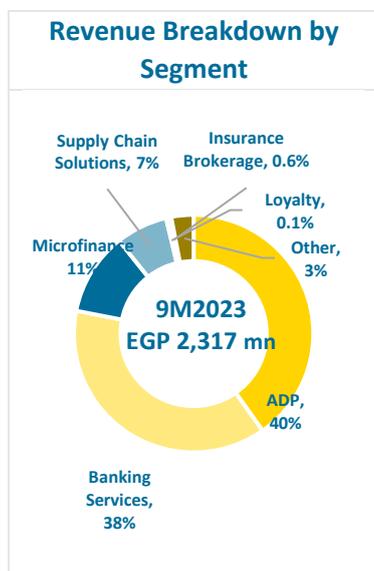
<sup>1</sup> These figures reflect total processed value and transactions from bank and operators' wallets processed on the Fawry Network and not included in the company's total throughput.



annualized throughput increases mirror the rapid acceptance of digital payment methods among Egyptian consumers, a trend that has been amplified by growing internet and smartphone penetration rates as well as increased financial inclusion across the country. Simultaneously, the company is continually diversifying its offerings to cater to a broad spectrum of users in Egypt, including SMEs, with services like Yellowcard, employee insurance packages, and HR solutions, further expanding its microfinance capabilities beyond the Neobank framework.

## Consolidated Financial Performance

- Fawry's **revenues** for the nine-month period ended on 30 September 2023 demonstrate impressive growth and shifting dynamics within its business segments. Fawry booked **total revenues** of EGP 2,317.3 million in 9M2023, up by 42.3% y-o-y from the EGP 1,628.0 million recorded for 9M2022. On a three-month basis, Fawry booked total revenue growth of 42.3% year-on-year, reaching EGP 873.2 million in 3Q2023 from the EGP 613.7 million booked one year prior, with the **Alternative Digital Payments (ADP)** and **Banking Services** segment contributing 40% and 38% of consolidated revenue during the quarter, respectively.
- During the 9M2023 period, the **Banking Services** segment experienced remarkable growth, with revenues surging by 67.2% y-o-y. This impressive performance positioned it as the second largest contributor to the Company's consolidated top-line during the period, accounting for 37.8% of consolidated revenues in 9M2023, up from 32.2% in the previous year. Consequently, it emerged as the primary driver of top-line growth, contributing to 51.1% of the total revenue growth.
- Fawry's core business segment, **Alternative Digital Payments (ADP)**, grew by 16.5% y-o-y, at a higher rate vs. guidance, maintaining its position as the top contributor to total revenues throughout the nine-month period, comprising 40.2% of consolidated revenues in 9M2023. However, this segment's contribution to consolidated revenues has seen a gradual decline from 49.1% in the same period of the previous year, reflecting Fawry's strategic diversification efforts and broadening service offerings to consumers nationwide.
- Fawry's **Supply Chain** solutions also demonstrated substantial growth, recording an almost two-fold increase of 82.2% y-o-y. These robust results underline the segment's growing significance in Fawry's portfolio, contributing 7.0% to the consolidated top-line in 9M2023 against the 5.4% contribution in 9M2022.
- The **Microfinance** segment continued its expansion during 9M2023, achieving a notable 51.4% y-o-y growth. While it represents a smaller portion of the overall revenue mix, contributing 11.3% to the consolidated



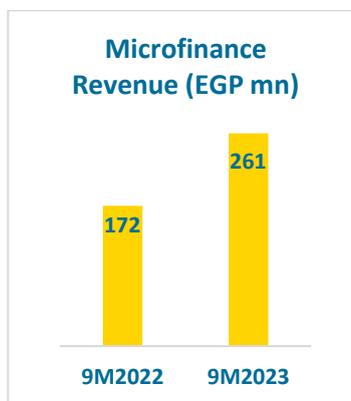
top-line in 9M2023, it stands as an integral component in the Company's diverse offerings.

- **Gross profit** stood at EGP 1.449.1 million in 9M2023, up by 52.1% y-o-y against the EGP 952.9 million booked for 9M2022, accompanied with a 4 percentage-point boost in the gross profit margin, reaching 62.5%. The expanded profitability margins are a factor of accelerated revenue growth and the successful synergies among the segments, as well as growth across the four main business segments. On a quarterly basis, Fawry recorded a gross profit of EGP 556.7 million for 3Q2023, up by 52.1% y-o-y and yielding an increase of 4.1 percentage points in the GPM to 63.8% for the quarter.
- The Company posted an **EBITDA** of EGP 911.6 million during 9M2023, up by 97.4% from the EGP 461.9 million recorded during 9M2022. The EBITDA margin in 9M2023 reached an impressive 39.3%, marking an 11.0 percentage-point increase from 9M2022, highlighting the resulting benefits from the Company's strategic cost control measures and enhanced operational efficiency. On a quarterly basis, Fawry's EBITDA amounted to EGP 366.2 million during 3Q2023, nearly doubling the EGP 188.0 million compared to the same period last year. The EBITDA margin in 3Q2023 increased to 41.9% compared to the 30.6% booked in 3Q2022.
- **Adjusted net profit after NCI**, which excludes the post tax impact of Fawry's non-cash ESOP program, recorded EGP 550.0 million in 9M2023, up by 205.9% y-o-y from the EGP 179.8 million recorded in the comparable period in the previous year. Adjusted net profit after NCI recorded an associated margin of 23.7% in 9M2023 compared to the 11.0% recorded in the same time last year. On a quarterly basis, adjusted net profit came in at EGP 222.1 million compared to EGP 95.8 million in 3Q2022, yielding a y-o-y increase of 131.9%. The Company's adjusted net profit margin in 3Q2023 increased to 25.4% from 15.6% in the same period in the previous year.
- **Statutory net profit after NCI** amounted to EGP 486.5 million in 9M2023, a 292.2% y-o-y increase against EGP 124.1 million in the previous year. Meanwhile, Fawry's NPM came in at 21.0% in 9M2023, up by 13.4 percentage points from the 7.6% booked in 9M2022. On a quarterly basis, statutory net profit after NCI booked EGP 203.5 million in 3Q2023 and yielded an NPM of 23.3%, resulting in a y-o-y expansion of 183.5%.

## Segments Overview

### Alternative Digital Payments

- Revenues from **Alternative Digital Payments (ADP)** booked EGP 932.0 million in 9M2023 against EGP 799.8 million in the comparable period of the previous year, up by 16.5% y-o-y. On a three-month basis, the ADP segment recorded revenues of 349.4 million in 3Q2023, up by 19.1% y-o-y from the EGP 293.4 million one year prior.



- Despite remaining Fawry's largest single business line, growth in the ADP segment stood at 19.2% of the y-o-y increase in Fawry's top-line growth during 9M2023, demonstrating the successful evolution of the business towards an ecosystem model integrating a broad range of value-added services beyond ADP.

### Banking Services

- Fawry offers a variety of financial services through agency agreements with 36 banks nationwide in its Banking Services segment. **Banking Services** booked revenues of 876.9 million during 9M2023, up by 67.2% y-o-y from the EGP 524.4 million booked in the corresponding period in the previous year. Growth during the period was driven by both the Agent Banking and Acceptance segments. On a quarterly basis, Banking Services recorded revenues of EGP 329.3 million in 3Q2023 against EGP 201.7 million for 3Q2022, up by 63.2% y-o-y.
  - Fawry's **Agent Banking** business recorded revenues of EGP 456.2 million for 9M2023 against EGP 309.9 million in the comparable period in the year prior, up by 47.2% y-o-y. Meanwhile, Agent Banking throughput expanded by 45.0% y-o-y to EGP 74.5 billion during the nine-month period, up from EGP 51.3 billion one year prior.
  - The **Acceptance** business booked revenues EGP 420.8 million for 9M2023, an increase of 96.2% y-o-y, with throughput expanding by 174.4% y-o-y to EGP 51.7 billion in 9M2023. While the number of acceptance enabled POS has increased, the rise in acceptance throughput per POS and online played a bigger part in the acceptance business' growth.

### Microfinance

- As part of its microfinance services, Fawry provides microfinance loans to retailers in its merchant network, directly extending credits through POS terminals and digitally allocating them for supplier payments. The **Microfinance** segment recorded revenues of EGP 260.8 million in 9M2023, up by 51.4% y-o-y from the comparable period in the year prior. On a quarterly basis, Microfinance reported revenues of EGP 92.7 million against EGP 66.8 million booked in the corresponding period of the previous year, an increase of 38.8% y-o-y.
- Outstanding loans in Fawry's microfinance portfolio stood at EGP 872.4 million as of 30 September 2023, up by 12.2% from EGP 777.2 million one year prior.

### Supply Chain Solutions

- Fawry capitalizes on the substantial alignment between its retail network and the merchant base of FMCG, manufacturing and E-commerce companies, offering **Supply Chain Solutions** that digitize B2B transactions and payments between merchants, sales agents and suppliers. Revenues

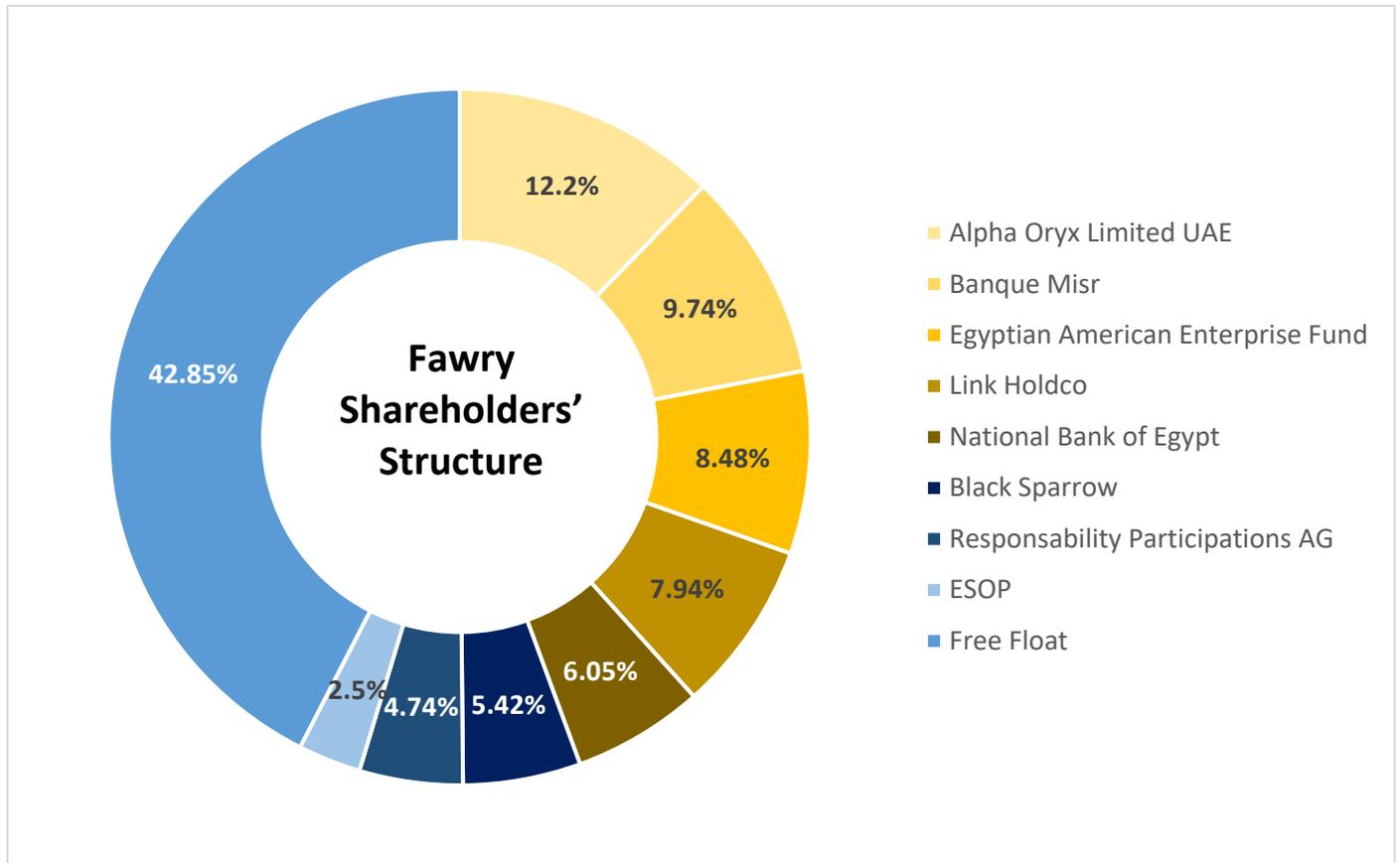
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from Fawry's Supply Chain Solutions segment booked EGP 161.4 million in 9M2023, a substantial increase of 82.2% y-o-y from EGP 88.6 million in 9M2022. On a quarterly basis, Supply Chain Solutions revenues stood at EGP 65.4 million during 3Q2023, a significant increase of 91.5% y-o-y from EGP 34.2 million recorded in 3Q2022.

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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 324 thousand agents, Fawry processes more than 4 million transactions per day, serving an estimated customer base of 50 million users monthly. Learn more at [www.fawry.com](http://www.fawry.com).

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