

Fawry Releases 1Q2024 Results

Fawry achieves significant growth in both top-line and bottom-line in 1Q2024, increasing by 60.9% and 149.1%, respectively, driven by strategic business growth and effective cost control measures.

1Q2024 Highlights

Revenues

EGP 1,087.2 MN

▲ 60.9% y-o-y

Gross Profit

EGP 715.6 MN

▲ 70.9% y-o-y / 65.8% margin

Throughput Value

EGP 116,220 MN

▲ 69.4% y-o-y

EBITDA¹

EGP 506.6 MN

▲ 111.1% y-o-y / 46.6% margin

Net Profit

EGP 307.1 MN

▲ 149.1% y-o-y / 28.2% margin

Number of Transactions

441.6 MN

▲ 24.0% y-o-y

14 May 2024 – (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 quarter ended 31 March 2024. The Company booked revenues of EGP 1,087.2 million in 1Q2024, up by 60.9% year-on-year (y-o-y). Strong top-line performance was driven by the expansion and diversification of the Company’s business offerings, which alongside effective cost control measures resulted in robust profitability margins. Net profit for the quarter stood at EGP 307.1 million, up by an impressive 149.1% y-o-y yielding an associated net profit margin (NPM) of 28.2%.

Summary Profit & Loss Statement – First Quarter

(EGP 000s)	1Q2023	4Q2023	1Q2024	Y-o-Y Change	Q-o-Q Change
Total Revenues	675,697	954,691	1,087,190	60.9%	13.9%
Alternative Digital Payments (ADP)	277,560	336,448	354,837	27.8%	5.5%
Banking Services	249,852	384,453	456,941	80.2%	18.9%
Acceptance	115,677	188,537	227,432	96.5%	20.6%
Agent Banking	134,175	195,916	229,508	66.4%	17.1%
Financial Services	82,262	142,301	174,188	101.3%	22.4%
Supply Chain Solutions	44,621	64,912	75,639	70.4%	16.5%
Technology & Others	21,403	26,577	25,586	91.3%	-3.7%
Gross Profit	418,787	612,727	715,620	70.9%	16.8%
Gross Profit Margin	62.0%	64.2%	65.8%	3.8 pts	1.6 pts
EBITDA¹	239,936	406,669	506,615	111.1%	24.6%
EBITDA Margin	35.5%	42.6%	46.6%	11.1 pts	4.0 pts
Net Profit Before NCI	142,058	259,757	333,719	134.9%	28.5%
Net Profit After NCI	123,282	228,797	307,090	149.1%	34.2%
Net Profit Margin	18.2%	24.0%	28.2%	10.0 pts	4.3 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 Financial services Revenue – Include Microfinance, Consumer finance, Insurance, Prepaid Card and Money market fund revenues. All except for Microfinance have been reallocated from Others.

Financial & Operational Highlights

- Fawry's top-line increased by 60.9% y-o-y, marking its highest y-o-y growth rate since 2015, to EGP 1,087.2 million in 1Q2024, propelled by robust performance across the company's business lines.
- ADP experienced a substantial y-o-y growth of 27.8%, marking the highest increase since the 2Q 2020, primarily driven by continuous addition of new billers, expansion of Point of Sale (POS) services, increased engagement with customers and merchants to enhance existing POS activity, and the rise in average ticket sizes, driven by price increases in select industries. Despite this growth, ADP's contribution decreased to 32.6% in 1Q 2024 compared to the 41.1% booked in 1Q2023, as other revenue streams continued to grow.
- Fawry's commitment to diversifying revenue streams was evident this year as its business lines experienced impressive expansion. Banking services saw revenues increase by 80.2% year-on-year, while financial services surged by 101.3% y-o-y. Supply chain solutions experienced a notable y-o-y increase of 70.4%, and the technology and other sectors surged by 91.3% y-o-y.
- EBITDA increased by 111.1% y-o-y in 1Q2024 to EGP 506.6 million, reflecting the Company's success in growing its revenue streams while capitalizing on service synergy, and improving operational cost efficiency.
- Fawry's bottom-line increased by an impressive 149.1% y-o-y to EGP 307.1 million in 1Q2024, reflecting revenue growth and EBITDA margin enhancement.
- Throughput value maintained its upward momentum, up 69.4% y-o-y to EGP 116.2 billion in the first quarter of 2024, supported by the Company's ability to broaden its portfolio to address a diverse user base in Egypt.

Chief Executive's Review

I am pleased to report that Fawry has kicked off the year to a strong start, delivering continued operational and financial growth in 1Q 2024 along with significant progress on our long-term value creation strategy. Despite facing a challenging macroeconomic environment – characterized by soaring inflation and supply chain disruptions – we were successful in mitigating the impact while simultaneously achieving considerable expansion. This was made possible through rigorous cost control measures and a synergetic approach to business development. Overall, Fawry's top-line recorded a solid 60.9% y-o-y increase in 1Q 2024, while profitability remained robust with an impressive EBITDA margin of 46.6% (+11.1pts), and bottom-line growth by a substantial 149.1% with an associated margin enhancement of 10.0 percentage points to 28.2%.

On a segment basis, the Banking Services was the primary driver of our top-line expansion, delivering a notable 80.2% year-on-year growth and highlighting our commitment to diversifying revenue streams. At our financial services sector, Fawry is reaping the rewards of its expansion into neobanking, with the nascent venture driving a substantial 101.3% y-o-y increase in the financial services revenue. Similarly, the supply chain solutions division saw a significant revenue increase of 70.4%, showcasing our transformation into an ecosystem offering a wide array of value-added services beyond our core offerings. Lastly, our Alternative Digital Payments segment demonstrated solid growth of 27.8% year-on-year, underscoring its pivotal role as the foundation of our interconnected ecosystem, while also maturing alongside other expanding business lines.

Operationally, Fawry has delivered exceptional performance, notably with mobile wallet transactions soaring by an impressive 51.4% year-on-year, with total processed value through mobile wallets increasing almost twofold to EGP 78.2 billion. The myFawry app continues to serve as consolidated platform for bill payments, promotions, and various services, with annualized throughput up by an impressive 194.8% year-on-year to EGP 12.6 billion. This surge is propelled by the rising internet and smartphone penetration rates, as well as the nationwide improvement in financial inclusion and seamless integration of embedded financial services. Moreover, the full integration of Prepaid card,

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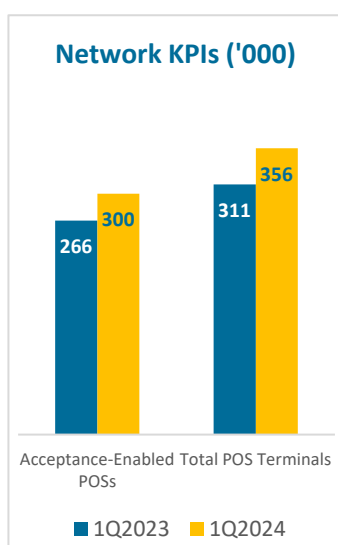
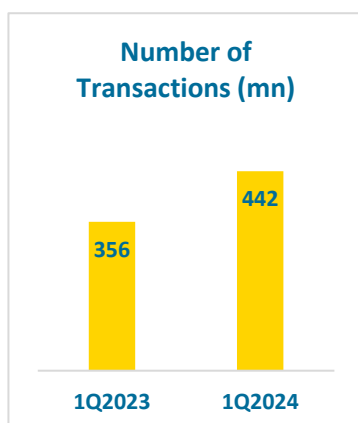
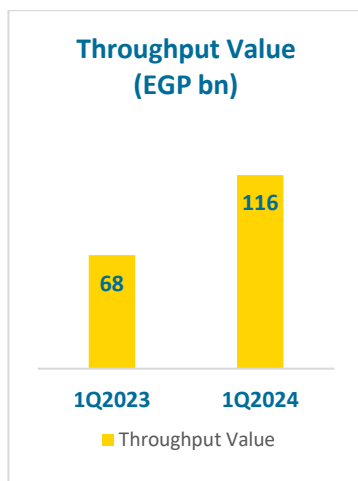
BNPL services, and Money Market Fund “Fawry Yawmy” through the myFawry App implemented last year has significantly contributed to gaining traction and solidifying our position as a comprehensive financial services platform. This strategic shift enables us to provide users with a diverse range of financial services, covering payments, consumer lending, savings, and investments.

As we progress into 2024, our strategic focus remains sharply centered on innovation and the expansion of services to meet the diverse needs of our customer base. Concurrently, we have placed a strong emphasis on increasing our reach to Egypt's unbanked and underserved populations. To achieve this objective, we've consistently grown our network, extending our presence into more locations across the country, and refining our digital solutions to offer a wide array of financing options for the communities we serve.

On this note, I am proud to announce that in February 2024, we acquired the SME financing license through our subsidiary, Fawry SME and Microfinance. This strategic move aligns seamlessly with our commitment to delivering cutting-edge technology and adaptable solutions, addressing the financial needs of SMEs in Egypt and supporting the government's initiative to empower this vital sector. We successfully introduced Buy Now, Pay Later (BNPL) solutions for consumers utilizing the myFawry prepaid card. These achievements signify the first stage of our comprehensive strategy to spearhead the Embedded Finance era. Fawry also aims to introduce medical insurance for myFawry prepaid cardholders, provision of Payout and Payroll solutions customized for SMEs, and the launch of corporate cards crafted specifically for SMEs.

Our robust performance this quarter underscores our commitment to innovation and efforts to engage with a wider audience nationwide, positioning us for sustained growth and success. The strong start witnessed in this first quarter sets a promising tone for Fawry, and I am confident in the Company's ability to uphold its financial and operational excellence while further expanding its service portfolio. As we move forward in the year, Fawry remains committed to generating sustainable value and excellence across all facets of our operations and to fostering growth and development across the financial sector and wider economy.

Eng. Ashraf Sabry
Chief Executive Officer



Operational Developments

Operational KPIs	1Q2023	1Q2024	Change %
Active Network Customers (mn)	49.8	52.1	4.6%
Total POS Terminals ('000)	310.5	356.0	14.7%
Acceptance Enabled POSs ('000)	265.8	299.5	12.7%
Banks Active and Contracted	36	36	n/a
myFawry App Total Downloads ('000)	9,278	13,261	42.9%
Services Provided	2,685	3,351	24.8%
Transactions (mn)	356.0	441.6	24.0%
Mobile Wallet Transactions (mn)	32.0	48.4	51.4%
Mobile Wallet Processed Value (EGP mn)	37,453.9	78,175.6	108.7%
Total Throughput Value (EGP mn)	68,598.2	116,220.8	69.4%

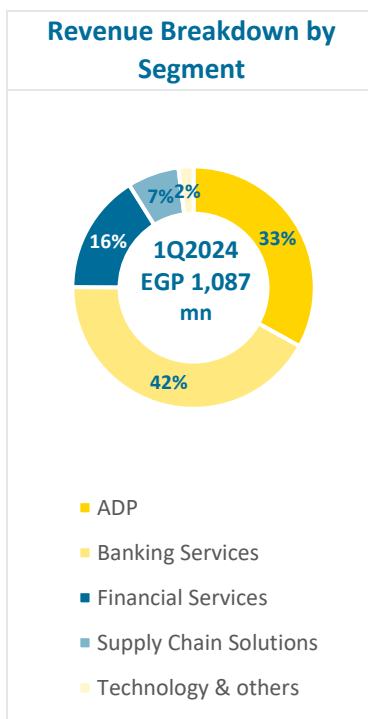
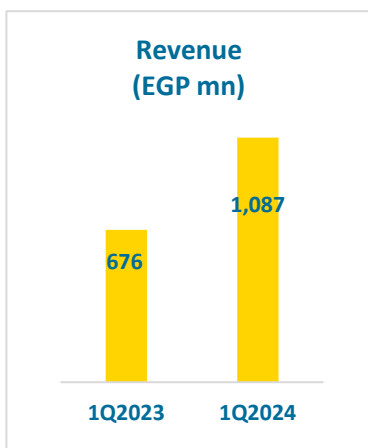
Fawry's total throughput value reached EGP 116.2 billion in 1Q2024, up by a significant 69.4% from the EGP 68.6 billion booked in 1Q2023.

- Fawry completed a total of 441.6 million **transactions** during the first quarter of 2024, up by 24.0% y-o-y from the 356.0 million handled in the same quarter in the previous year.
- Fawry saw a 14.7% y-o-y growth in its retail network, reaching 356 thousand **POS terminals** in 1Q2024, up from the 310.5 thousand in 1Q2023. This expansion underscores the success of the Company's efforts to provide POS technology to its partners.
- Acceptance-enabled POSs** throughout the Company's network stood at 299.5 thousand in 1Q2024, up by 12.7% y-o-y from the 265.8 thousand in 1Q2023. Acceptance-enabled POS terminals allow merchants and small businesses to embrace a wider range of payment methods, including but not limited to debit and credit cards.
- Fawry processed a total of 48.4 million **mobile wallet** transactions during 1Q2024, up by an impressive 51.4% y-o-y from the 32.0 million transactions recorded in 1Q2023. In value terms, the total mobile wallet processed value increased 108.7% y-o-y to reach EGP 78.2 billion compared to the EGP 37.4 billion booked in 1Q2023.¹
- Cumulative downloads of Fawry's consumer-facing **myfawry mobile application** rose by 42.9% y-o-y to 13.3 million as of 1Q2024 compared to the 9.3 million downloads during as of 1Q2023. The myFawry app continues to serve as a unified hub for bill payments, promotions, and diverse services. With the incorporation of Prepaid card, BNPL and Money Market Fund services last year, Fawry has been progressing towards becoming a comprehensive Neobank, enhancing the app's offerings, by providing users

¹ 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.

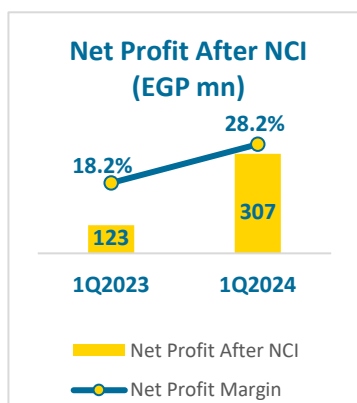
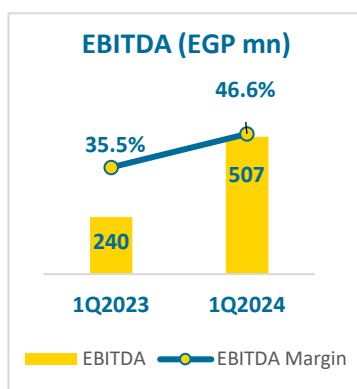
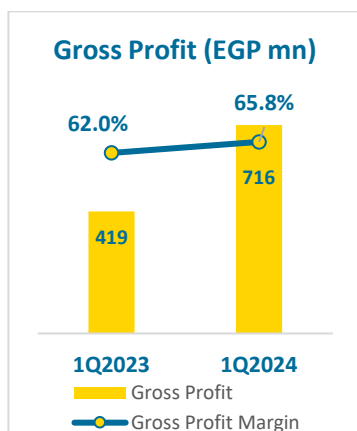
with an extensive array of financial services such as payments, consumer lending, savings, and investments. This expansion aims to diversify its offerings and cater to the evolving demands of Egyptian consumers.

- **myfawry's annualized throughput** stood at EGP 12.6 billion in 1Q2024, a notable y-o-y increase of 194.8% from the EGP 4.3 billion reached in 1Q2023. The growth in annualized throughput reflects the accelerated adoption of digital payment methods among Egyptian consumers. This surge is driven by increased internet and smartphone usage, as well as enhanced financial inclusion nationwide.
- Fawry maintains its dedication to expanding its portfolio to cater to the varied needs of its user base in Egypt, encompassing Small and Medium Enterprises (SMEs). This diversification encompasses offerings such as Yellowcard, employee insurance packages, and HR solutions, broadening its lending capabilities beyond the microfinance scope.



Consolidated Financial Performance

- **Fawry** reported **total revenues** of EGP 1,087.2 million in 1Q2024, a significant increase of 60.9% from the EGP 675.7 million recorded during 1Q2023. This growth is primarily attributed to the expansion of all key business segments, particularly the Banking Services segment, as well as the Financial Services and Supply Chain Solutions, in 1Q2024 underscoring the Company's success in broadening its revenue streams.
- The **Banking Services** segment witnessed significant growth, with revenues up by 80.2% y-o-y in 1Q2024. The growth in the segment positioned it as the primary revenue contributor to the Company in the first quarter of 2024 at 42.1%. Simultaneously, it served as the primary driver of top-line growth for the three-month period, contributing to 49.4% of the total revenue growth for 1Q2024.
- Fawry's core business segment, **Alternative Digital Payments (ADP)**, delivered growth of 27.8% y-o-y in 1Q2024, and contributing 32.6% of Fawry's total top-line in 1Q2024. ADP is no longer the largest contributor to Fawry's top line, with the shift underscoring the growth of other segments and further emphasizing the ongoing successful evolution of the business towards an ecosystem model that integrates a diverse range of value-added services beyond ADP. The segment's growth accounted for 18.7% of the y-o-y increase in Fawry's overall top-line for 1Q2024.
- Fawry's **Supply Chain** solutions delivered a noteworthy growth rate of 70.4% in the first quarter of 2024, contributing 7.0% to consolidated top-line in 1Q2024, and accounting for a 7.6% contribution to the top-line growth for the quarter.
- The **Financial Services** segment demonstrated an impressive y-o-y increase of 101.3% in 1Q2024, underscoring its crucial role within Fawry's diverse range of offerings. The segment contributed 16% to the Company's



consolidated top-line for the year, with its growth contributing to 21.3% of Fawry’s overall top-line growth.

- During the first quarter of 2023, Fawry reported **gross profit** of EGP 715.6 million, up by 70.9% compared to the EGP 418.8 million recorded in the corresponding quarter last year, resulting in a gross profit margin (GPM) of 65.8% vs. 62.0% in 1Q2023. The improved profitability margins stem from accelerated revenue growth and extensive expansion across the main business segments, coupled with effective revenue and cost synergies among Fawry’s business lines.
- **EBITDA** for the quarter stood at EGP 506.6 million, up by an impressive 111.1% from the EGP 239.9 million recorded during 1Q2023. Fawry booked an EBITDA margin of 46.6% during the quarter, up by 11 percentage points y-o-y, highlighting the resulting benefits from the Company’s strategic cost control measures and enhanced operational efficiency.
- **Net profit after NCI** recorded EGP 307.1 million in 1Q2024, a 149.1% y-o-y increase from the EGP 123.3 million reported in the previous year. Fawry’s NPM stood at 28.2% in 1Q24, showing a 10.0 percentage point improvement from the 18.2% booked the previous year.

Segments Overview

Alternative Digital Payments

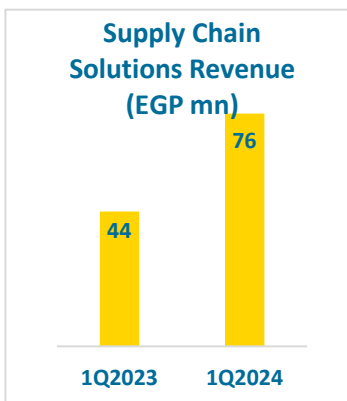
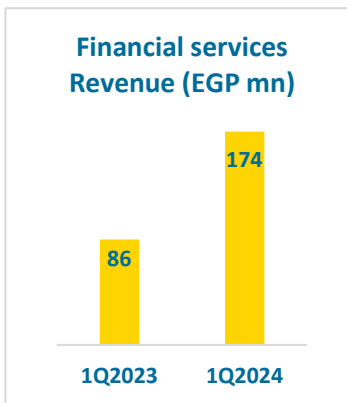
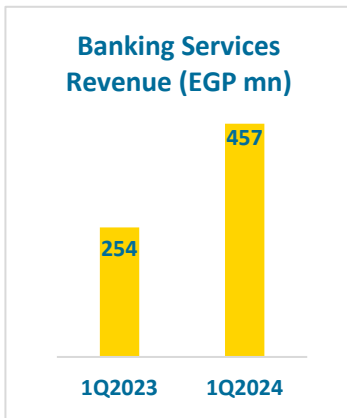
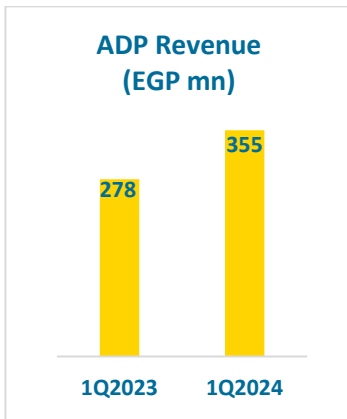
- Fawry's **Alternative Digital Payments (ADP)** segment recorded revenues of EGP 354.8 million in 1Q2024, up by 27.8% y-o-y from the EGP 227.7 million in 1Q2023.
- The growth witnessed in 1Q2024 marks ADP's highest year-on-year growth rate since 2Q2020. This surge is attributed to Fawry's continuous addition of new billers, expansion of Point of Sale (POS) services, increased engagement with customers and merchants to enhance existing POS activity, and the rise in average ticket sizes, driven by price increases in select industries.

Banking Services

- **Banking Services** booked revenues of EGP 456.9 million in 1Q2024, a notable increase of 80.2% y-o-y from the EGP 253.6 million booked in 1Q2023. This growth was fueled by expansions in both the Agent Banking and Acceptance segments. Banking services throughput value increased by 82.2% y-o-y amounting to EGP 65.3 billion in 1Q2024.
 - The **Agent Banking** business reported revenues of EGP 229.5 million in 1Q2024, up by a significant 66.4% y-o-y. The Agent Banking business recorded a throughput value of EGP 37.9 billion during the quarter, an increase of 68.3% y-o-y.
 - Fawry’s **Acceptance** business booked revenues of EGP 227.4 million in 1Q2024, nearly doubling the EGP 115.7 million booked during

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1Q2023. In parallel, Acceptance throughout more than doubled to EGP 27.5 billion in 1Q2024 from the EGP 13.3 billion booked in the same quarter of the previous year. The increase of the quantity of acceptance-enabled POS terminals contributed to the growth of the business, yet equally as important was the surge in acceptance throughput per POS and online transactions.

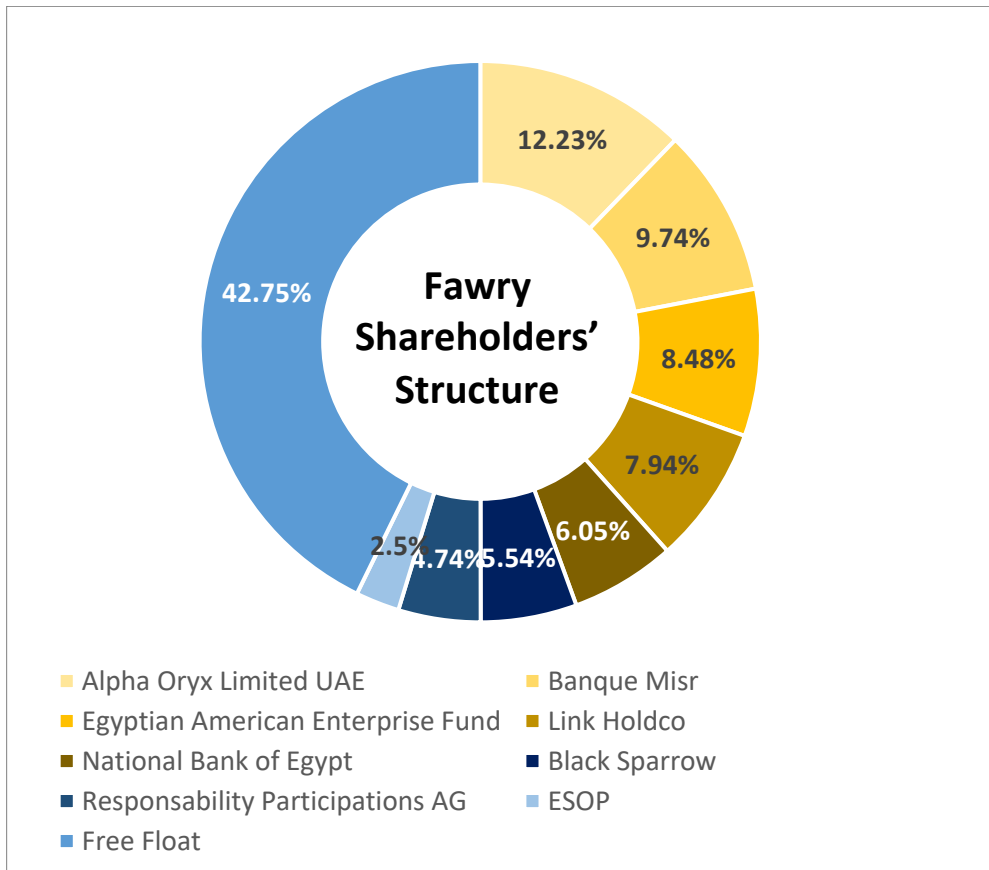
Financial Services

- Fawry has diversified its service offerings to encompass a range of financial services, including microfinance, consumer finance (BNPL), insurance brokerage, and the myFawry prepaid card.
- The **Financial Services** segments top-line doubled in 1Q2024 to EGP 174.2 million from the EGP 86.5 million booked in 1Q2023, propelled by the Company’s strategic expansion efforts, particularly in insurance brokerage, consumer finance, and the successful launch of the prepaid card.
- As part of its financial services, Fawry provides microfinance loans to retailers in its merchant network, directly extending credits through POS terminals and digitally allocating them for supplier payments.
- Outstanding loans in Fawry’s microfinance portfolio exceeded EGP 1,216 million as of 31 March 2024, up by 56.1% from EGP 779 million recorded in the corresponding period in the previous year.
- **Insurance Brokerage** revenue rose to EGP 6.9million in 1Q2024, a 61.8% y-o-y increase.
- The **Consumer Finance (BNPL)** services continues its upward trajectory since its launch, with loan portfolio reaching EGP 242.9 million as of 31 March 2024.

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. Fawry’s Supply Chain Solutions segment booked revenues of EGP 75.6 million in 1Q2024, up by 70.4% from the EP 44.4 million booked in 1Q2023.

About Fawry for Banking Technology and Electronic Payments



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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 356 thousand agents, Fawry processes more than 5 million transactions per day, serving an estimated customer base of 52.1 million users monthly. Learn more at www.fawry.com.