

## Fawry Releases FY2022 Results

Fawry records revenues surpassing EGP 2.2 billion, an impressive 37.5% y-o-y increase on the back of its rapidly expanding Banking Services segment and sustained growth across the Company's entire offering.

### FY2022 Highlights

#### Revenues

**EGP 2,279 MN**

▲ 37.5% y-o-y

#### Gross Profit

**EGP 1,361 MN**

▲ 46.0% y-o-y / 59.7% margin

#### Throughput Value

**EGP 205,329 MN**

▲ 56.9% y-o-y

#### Adjusted EBITDA<sup>2</sup>

**EGP 698.5 MN**

▲ 43.9% y-o-y / 30.6% margin

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

**EGP 316.9 MN**

▲ 70.0% y-o-y / 13.9% margin

#### Number of Transactions

**1,315 MN**

▲ 13.6% y-o-y

**7 March 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 year ended 31 December 2022. The Company recorded revenues of EGP 2,279.3 million, an increase of 37.5% year-on-year (y-o-y) from the EGP 1,658.2 million booked during FY2021. Adjusted net profit for the year amounted to EGP 316.9 million, increasing 70.0% y-o-y to yield a net profit margin (NPM) of 13.4%. Meanwhile, Fawry's statutory net profit booked EGP 240.1, a 35.5% y-o-y increase compared to the previous year. On a three-month basis, the Company's top-line came in at EGP 651.3 million for 4Q2022, increasing up by 39.4% y-o-y. Adjusted net profit for the quarter rose by a significant 240.2% y-o-y, reaching EGP 137.1 million and yielding a net profit margin of 21.0%. Statutory net profit booked EGP 116.0 million during 4Q2022, up 317.4% y-o-y.

### Summary Profit & Loss Statement – Fourth Quarter

(EGP 000s)	4Q2021	3Q2022	4Q2022	y-o-y Change %	q-o-q Change %
<b>Total Revenues</b>	<b>467,323</b>	<b>613,718</b>	<b>651,325</b>	<b>39.4%</b>	<b>6.1%</b>
Alternative Digital Payments (ADP)	261,621	293,428	285,150	9.0%	-2.8%
Banking Services	134,222	201,704	236,223	76.0%	17.1%
Acceptance	51,793	89,402	106,632	105.9%	19.3%
Agent Banking	82,430	112,302	129,591	57.2%	15.4%
Microfinance	39,912	66,776	78,771	97.4%	18.0%
Supply Chain Solutions	26,044	34,167	39,928	53.3%	16.9%
Others	5,525	17,643	11,253	103.7%	-36.2%
<b>Gross Profit</b>	<b>259,249</b>	<b>365,984*</b>	<b>408,346</b>	<b>57.5%</b>	<b>11.6%</b>
Gross Profit Margin	55.5%	59.6%	62.7%	7.2 pts	3.1 pts
<b>EBITDA<sup>1</sup></b>	<b>132,429</b>	<b>187,021</b>	<b>236,635</b>	<b>78.7%</b>	<b>26.5%</b>
EBITDA Margin	28.3%	30.5%	36.3%	8.0 pts	5.9 pts
<b>Net Profit Before NCI</b>	<b>48,383</b>	<b>95,085</b>	<b>134,124</b>	<b>177.2%</b>	<b>41.1%</b>
<b>Net Profit After NCI</b>	<b>27,788</b>	<b>71,766</b>	<b>115,988</b>	<b>317.4%</b>	<b>61.6%</b>
Net Profit Margin	5.9%	11.7%	17.8%	11.9 pts	6.1 pts
<b>Adjusted Net Profit After NCI<sup>2</sup></b>	<b>40,298</b>	<b>95,797</b>	<b>137,092</b>	<b>240.2%</b>	<b>43.1%</b>
Adjusted Net Profit Margin	8.6%	15.6%	21.0%	12.4 pts	5.4 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 15.0 million, EGP 31.0 million and 27.2 million in EAS net profit of 4Q2021, 3Q2022 and 4Q 2022, respectively.

\* 3Q2022 GP figure has been restated due to a reallocation of depreciation from G&A to Cogs.

## Summary Profit & Loss Statement – Year to Date

(EGP 000s)	FY2021	FY2022	Change %
<b>Total Revenues</b>	<b>1,658,157</b>	<b>2,279,335</b>	<b>37.5%</b>
Alternative Digital Payments (ADP)	985,300	1,084,955	10.1%
Banking Services	411,015	760,594	85.1%
Acceptance	167,194	321,053	92.0%
Agent Banking	243,821	439,541	80.3%
Microfinance	136,935	251,033	83.3%
Supply Chain Solutions	98,354	128,512	30.7%
Others	26,553	54,241	104.3%
<b>Gross Profit</b>	<b>932,263</b>	<b>1,361,228</b>	<b>46.0%</b>
Gross Profit Margin	56.2%	59.7%	3.5 pts
<b>EBITDA<sup>1</sup></b>	<b>506,967</b>	<b>698,479</b>	<b>37.8%</b>
EBITDA Margin	30.6%	30.6%	0.1 pts
<b>Adjusted EBITDA<sup>2</sup></b>	<b>485,267</b>	<b>698,479</b>	<b>43.9%</b>
Adjusted EBITDA Margin	29.3%	30.6%	1.4 pts
<b>Net Profit Before NCI</b>	<b>242,122</b>	<b>327,055</b>	<b>35.1%</b>
<b>Net Profit After NCI</b>	<b>177,178</b>	<b>240,054</b>	<b>35.5%</b>
Net Profit Margin	10.7%	10.5%	-0.1 pts
<b>Adjusted Net Profit After NCI<sup>3</sup></b>	<b>186,379</b>	<b>316,869</b>	<b>70.0%</b>
Adjusted Net Profit Margin	11.2%	13.9%	2.7 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 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.

<sup>3</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 change from investment in associate to investment in subsidiaries gain of EGP 22.8 million in 1Q21 and a noncash ESOP expense of EGP 52.4 million and EGP 99.1 million included in EAS net profit of FY2021 and FY2022, respectively.

## Financial & Operational Highlights

- Top-line growth for the year was primarily driven by the significant expansion in Fawry's Banking Services, which contributed over 56% of the Company's revenue growth for FY2022.
- The Agent Banking business grew 80.3% y-o-y and contributed 31.5% of Fawry's revenue growth, a direct result of the Company's effective diversification efforts.
- Throughput value for the year increased 56.9%, reaching over EGP 205 billion as the Company continues to penetrate untapped segments around Egypt.

## Chief Executive's Review

With the close of the year, 2022 has been remarkable in Fawry's history as the Company expands on its growth pattern and maintains its resolve to pioneer Egypt's digital transformation. Throughout the year, the Company saw a revenue growth rate of 37.5% as each segment of the business posted impressive results and contributed to overall expansion. Most notably, Fawry's Banking Services segment increased 85.1% from 2021 and was the primary driver of revenue growth for the year. Not only does the expansion of this segment represent an expanded top-line for the Company, but it also serves as a reflection of management's commitment to diversify revenue streams and provide a wider service offering for Fawry's growing customer base.

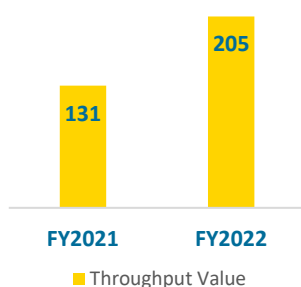
Strong top-line growth for the period was coupled with effective cost optimization measures, which boosted profitability, trickling down to Fawry's bottom-line. EBITDA during FY2022 reached EGP 698.5 million, marking a 37.8% y-o-y expansion from the previous year and showcasing the successful cost control measures which management closely monitors throughout the year. Profitability was safeguarded, translating into a strong bottom-line expansion of 70.0% on an adjusted basis to reach EGP 316.9 million.

While monitoring our costs is essential in ensuring long-term and bottom-line growth, it is also imperative to mention the primary reason behind our sustained revenue increase and market penetration levels across Egypt, namely the launch of new innovative services and an expanded offering that caters to our diverse community of customers. Our most recent launch of the Tamweelak Fawry mobile app in November of 2022 provides a digital platform for loan requests, tracking, and repayment anywhere around the country, eliminating the need for branch visits and queuing. A wide range of insurance options were also introduced and offered through Fawry Insurance Brokerage, providing medical coverage, asset insurance, and life insurance for small business owners. These products, coupled with many others across the Fawry ecosystem are sure to usher in a new era of a digital Egypt and provide instant services for entrepreneurs, and citizens wherever they may be. Looking back on 2022, I am proud at the milestones achieved across all our segments, and I am excited at the prospect of 2023 and the promise of increased financial inclusion with Fawry at the helm.

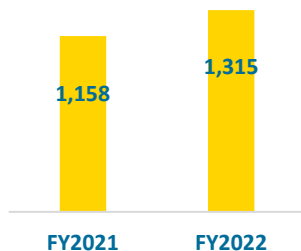
**Eng. Ashraf Sabry**

Chief Executive Officer

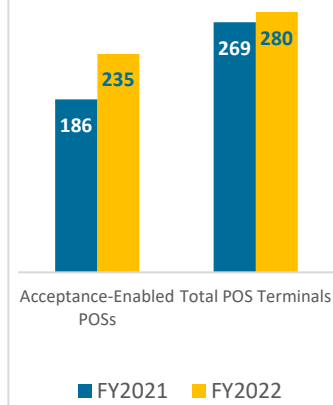
### Throughput Value (EGP bn)



### Number of Transactions (mn)



### Network KPIs ('000)



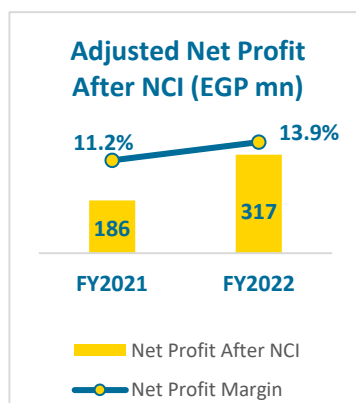
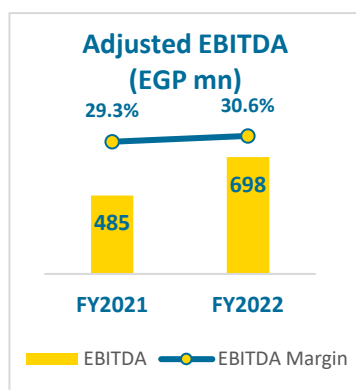
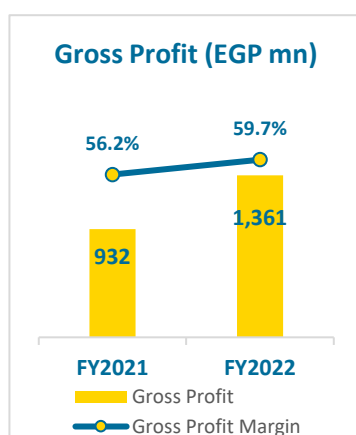
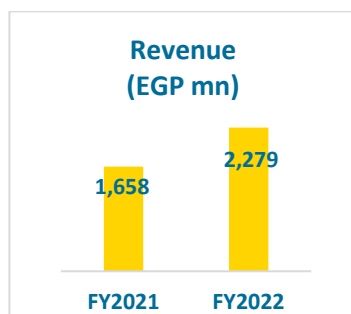
## Operational Developments

Operational KPIs	FY2021	FY2022	Change %
Active Network Customers (mn)	40.5	49.4	22.0%
Total POS Terminals ('000)	268.5	280.1	4.3%
Acceptance Enabled POSs ('000)	186.3	235.0	26.2%
Banks Active and Contracted	36	36	n/a
myFawry App Total Downloads ('000)	4,986.7	8,142.6	63.9%
Services Provided	1,634	2,269	38.9%
Transactions (mn)	1,157.5	1,315.2	13.6%
Mobile Wallet Transactions (mn)	52.4	85.4	63.0%
Mobile Wallet Processed Value (EGP mn)	39,872.1	88,904.5	123.0%
<b>Total Throughput Value (EGP mn)</b>	<b>130,850.2</b>	<b>205,329.3</b>	<b>56.9%</b>

The Company maintained its growth momentum throughout FY2022, recording a total throughput value of EGP 205.3 billion, an increase of 56.9% y-o-y from the EGP 130.9 billion recorded one year previously.

- Fawry handled a total of 1,315.2 million **transactions** during FY2022, an increase of 13.6% y-o-y from the 1,157.5 million handled one year previously.
- The Company's total retail network stood at 280.1 thousand **POS terminals** in FY2022, an increase of 4.3% y-o-y from 268.5 thousand in FY2021, reflecting strong growth in Fawry's merchant network and its successful efforts to equip partners with POS technology.
- Acceptance-enabled POSs** throughout the Company's network stood at 235.0 thousand in FY2022, increasing by 26.2% y-o-y from the 186.3 thousand recorded in FY2021. Acceptance-enabled POS terminals enable merchants and small businesses to accept an increased range of payment methods, including debit or credit cards.
- Mobile wallet transactions hosted by Fawry for FY2022 amounted to 85.4 million, increasing 63.0% from 52.4 million one year earlier. In value terms, total mobile wallet processed value booked EGP 88.9 billion for the year, increasing a notable 123.0% y-o-y<sup>1</sup>.
- As of year-end 2022, total downloads of the Company's consumer-facing **myFawry** application had reached 8.1 million cumulative downloads, increasing from 5.0 million downloads as of December 31 2021 to record a 63.9% y-o-y increase. The myFawry app provides consumers with a unified, easy to use, interface for bill payments, offers & promotions, and wide range of extra services. With the launch of the myFawry prepaid card, the company aims to transform the myFawry app into a Neobank in 2023,

<sup>1</sup> These figures are not a subset of Fawry's total throughput, they reflect total processed value and transactions from bank and operators' wallets processed on the Fawry Network.



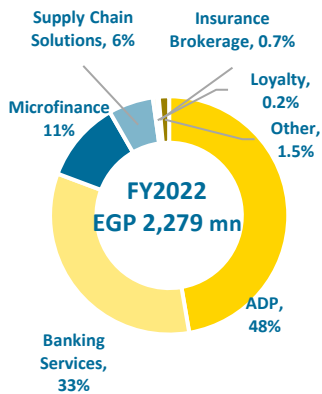
offering users a wide range of financial services such as payments, consumer lending, savings and investments.

- **myFawry's annualized throughput** rose to EGP 3.8 billion during the year, increasing 72.9% y-o-y in FY2021. The sustained growth trend of annualized throughput is a direct result of the accelerated adoption of digital payment methods seen across Egyptian consumers, a trend which has been further boosted by increased internet and smartphone penetration rates.

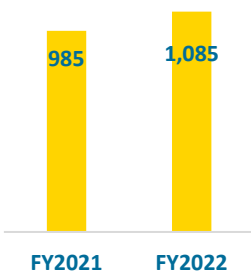
## Consolidated Financial Performance

- **Total revenue** during FY2022 recorded EGP 2,279.3 million, an increase of 37.5% y-o-y from the EGP 1,658.2 million booked in FY2021. The Company's **Banking Services** segment remained the primary driver of top-line growth for the year, expanding 85.1% y-o-y to reach a top-line of EGP 760.6 million. Additionally, **Alternative Digital Payments (ADP)** maintained its rising trend, while Fawry's **Microfinance** and **Supply Chain Solutions** segments grew by 83.3% and 30.7% y-o-y, respectively. On a three-month basis, Fawry recorded a top-line of EGP 651.3 million in 4Q2022, a 39.4% y-o-y increase from the EGP 467.3 booked during the same period of the previous year.
- The Banking Services segment contributed 33.4% to Fawry's consolidated top-line during FY2022, a notable increase from 24.8% one year previously. Microfinance accounted for 11.0% of the Company's revenues, an increase from 8.3% during FY2021. The growth in contributions from the two segments was largely due to Fawry's successful implementation of its strategy to diversify revenue streams. The Company's legacy ADP segment declined as a percentage of overall revenues to reach 47.6% in FY2022 versus 59.4% in FY2021.
- **Gross profit** for the full year rose to EGP 1,361.2million, up 46.0% y-o-y compared to EGP 932.3 million during FY2021. The Company recorded a gross profit margin (GPM) of 59.7%, increasing 3.5 percentage points y-o-y. Sustainably improving margins reflect the simultaneous expansion of Fawry's top-line and cost-optimization measures as the Company continually monitors channel fees. On a quarterly basis, the Company booked a gross profit of EGP 408.3 million, increasing 57.5% y-o-y and yielding a GPM of 62.7%.
- Fawry's **EBITDA** for the full year came in at EGP 698.5 million. Excluding nonrecurring gains of EGP 21.7 million on POS sales related to a CBE initiative in FY 2021, the Company's EBITDA recorded a growth rate of 43.9%. Including these gains, EBITDA expanded by 37.8% y-o-y. Fawry booked an EBITDA margin of 30.6% during the full year, expanding 1.4 percentage points on an adjusted basis. On a three-month basis, EBITDA amounted to EGP 236.6 million in 4Q2022, increasing 78.7% y-o-y from EGP 132.4 million in Q42021, and yielding a margin of 36.3%
- **Adjusted net profit after NCI**, which excludes nonrecurring items and the impact of Fawry's non-cash ESOP program, booked EGP 316.9 million during

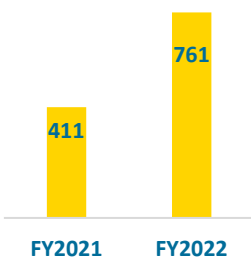
### Revenue Breakdown by Segment



### ADP Revenue (EGP mn)



### Banking Services Revenue (EGP mn)



FY2022, an increase of 70.0% y-o-y from EGP 186.4 million recorded in the previous year, and yielding a margin of 13.9% versus 11.2% in FY2021. On a quarterly basis, adjusted net profit after NCI came in at EGP 137.1 million, up from EGP 40.3 million in 4Q2021, and recording a NPM of 21.0%.

- **Statutory net profit after NCI** for the full year reached EGP 240.1 million, a 35.5% y-o-y increase from FY2021 and recorded a NPM of 10.5% against 10.7% one year previously. Statutory net profit after NCI came in at EGP 116.0 million for 4Q2022, increasing 317.4% y-o-y, with NPM booking 17.8% compared to 5.9% in 4Q2021.

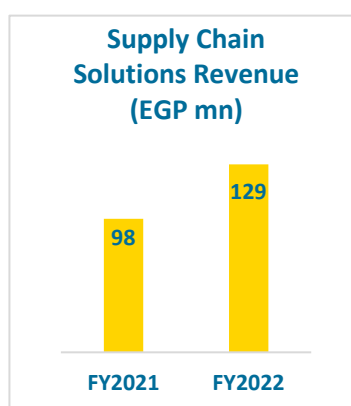
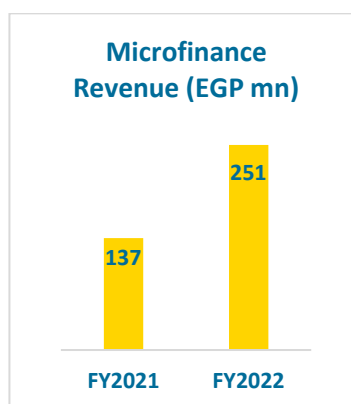
## Segments Overview

### Alternative Digital Payments

- Fawry's **Alternative Digital Payments (ADP)** segment recorded a top-line expansion of 10.1% y-o-y, reaching EGP 1,085.0 million for the year. On a three-month basis, the segment recorded a 9.0% y-o-y increase, with revenues recording EGP 285.2 million in 4Q2022.
- The ADP segment accounted for 47.6% of Fawry's consolidated revenues in FY2022 as the Company's diversification efforts continued to take effect. Despite the ADP segment being the Company's largest single business line, its growth only contributed 16.0% of Fawry's consolidated top-line growth, as the Company continued to evolve into an encompassing ecosystem model offering a broad range of services spanning more than ADP.

### Banking Services

- Fawry provides a range of financial services under agency agreements with banks. **Banking Services** recorded revenues of EGP 760.6 million during FY2022, increasing a notable 85.1% y-o-y from EGP 411.0 million one year previously. Growth in the segment was driven by increases in revenues from both the Agent Banking and Acceptance segments. Fawry's Banking Services accounted for 33.4% of Fawry's consolidated revenues, increasing significantly from 24.8% in FY2021. Furthermore, the Banking Services segment was the single largest driver of consolidated top-line growth for the year, contributing 56.3% of overall revenue growth for the year. On a quarterly basis, Banking Services recorded revenue of EGP 236.2 million in 4Q2022, increasing 76.0% y-o-y from EGP 134.2 million one year previously.
  - The **Agent Banking** business recorded revenue of EGP 439.5 million for FY2022, increasing 80.3% y-o-y. Fawry's Agent Banking recorded a top-line of EGP 129.6 million in Q42022, up from EGP 82.4 million in 4Q2021 to book a year-on-year increase of 57.2%. Agent Banking throughput for the year amounted to EGP 70.8 billion, up from 39.3 billion in FY2021 to book an impressive 80.1% y-o-y growth.
  - The **Acceptance** business booked revenues of EGP 321.1 million for FY2021, doubling the EGP 167.2 million recorded in the previous



year. Acceptance throughput also rose by 126.9% y-o-y to EGP 29.6 billion on the back of consistently increasing uptake in Fawry's Merchant Aggregator Platform, reflecting the steady climb in the number of acceptance-enabled merchants in Fawry's retail network throughout the year.

### Microfinance

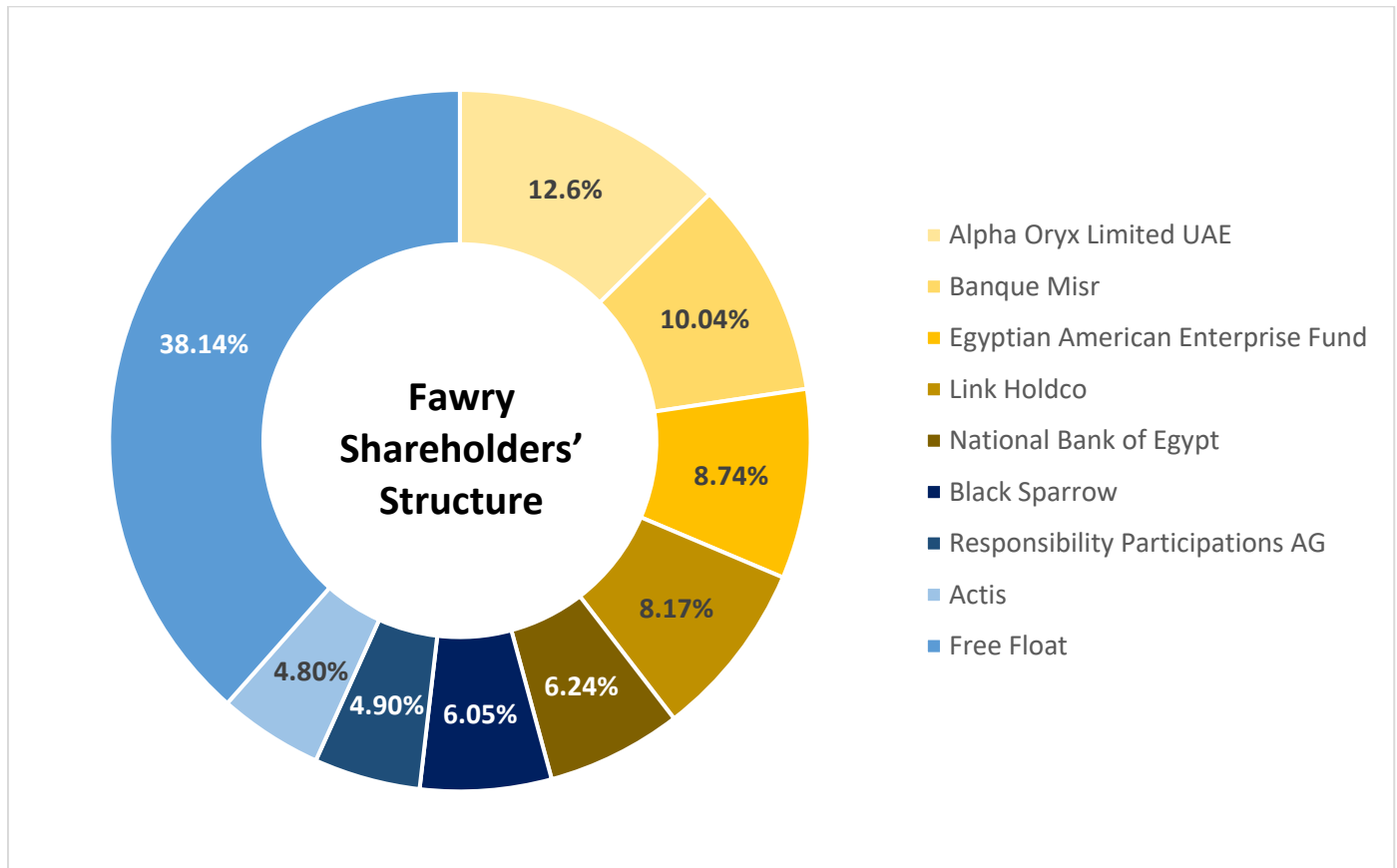
- As part of its microfinance offering, Fawry disburses microfinance loans to retailers in its merchant network, extending credits directly through POS terminals and digitally earmarking them for supplier payments. Fawry's **Microfinance** segment booked revenues of EGP 251.0 million for FY2022, up by 83.3% y-o-y from EGP 136.9 million in FY2021. With regard to quarterly performance, the Microfinance segment's revenues rose to EGP 78.8 million in 4Q2022, increasing 97.4% y-o-y from EGP 39.9 million in the same period of the previous year.
- Outstanding loans in Fawry's microfinance portfolio stood at EGP 731.3 million, net of provisions, up by 78.1% y-o-y.
- Microfinance revenues for FY2022 accounted for 11.0% of Fawry's consolidated top-line, up from 8.3% during FY 2021. Additionally, Microfinance was responsible for 18.4% of Fawry's top-line growth for the period, making the segment the third largest contributor to top-line growth for the year, following Agent Banking and Acceptance.

### 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. Fawry's Supply Chain Solutions segment brought in revenues of EGP 128.5 million in FY2022, increasing 30.7% y-o-y from EGP 98.4 million in the previous year. Supply Chain Solutions accounted for 5.6% of Fawry's consolidated revenues during the full year. On a three-month basis, Supply Chain Solutions reached revenues of EGP 39.9 million in 4Q2022, up from EGP 26.0 million in the same quarter of the previous year to record a growth rate of 53.3% y-o-y.

– Ends –

## 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 280 thousand agents, Fawry processes more than 3 million transactions per day, serving an estimated customer base of 49 million users monthly.

Learn more at [www.fawry.com](http://www.fawry.com).

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