

## Fawry Releases 2020 Results

Fawry delivers strong top-line growth of 39.6% y-o-y to EGP 1,234.6 million in FY2020 with enhanced margins, while continuing to push forward multiple strategic initiatives.

### FY2020 Highlights

#### Revenues

**EGP 1,234.6 MN**

▲ 39.6% y-o-y

#### Gross Profit

**EGP 667.9 MN**

▲ 45.6% y-o-y / 54.1% margin

#### Throughput Value

**EGP 81.0 BN**

▲ 51.8% y-o-y

#### EBITDA

**EGP 389.7 MN**

▲ 59.5% y-o-y / 31.6% margin

#### Net Profit

**EGP 186.2 MN**

▲ 81.0% y-o-y / 15.1% margin

#### Number of Transactions

**+1,104 MN**

▲ 27.2% y-o-y

**30 March 2021** – (Cairo, Egypt) Fawry (the “Company”, FWRY.CA on the Egyptian Exchange), Egypt’s leading e-payments solutions provider, announced today its consolidated results for the financial year ended 31 December 2020. The Company recorded revenues of EGP 1,234.6 million in 2020, up 39.6% year-on-year, and booked a net profit of EGP 186.2 million, up by 81.0% year-on-year with a net profit margin of 15.1%.

### Financial Highlights

- Fawry booked **total revenues** of EGP 1,234.6 million in FY2020, **an increase of 39.6% year-on-year** against the EGP 884.1 million booked one year previously. Top-line growth was driven by **strong operational performance across Fawry’s business segments**.
- The Company continued to **successfully diversify its revenue base** during 2020, with the top-line contribution from **Banking Services** nearly doubling year-on-year and the **Microfinance** segment’s contribution climbing at a rapid rate.
- EBITDA** reached EGP 389.7 million in 2020, up by 59.5% year-on-year on the back of successful diversification efforts and their beneficial effects on operating costs, combined with efficient management of channel fees, the largest component of Fawry’s cost base.
- Net profit** booked EGP 186.2 million for 2020, an increase of 81.0% year-on-year.

### Operational Developments

- Fawry registered **record throughput** figures, with strong growth in the **POS network** and a large increase in the number of **acceptance-enabled merchants**.
- Mobile wallet** transactions delivered stand-out growth for 2020, with a year-on-year doubling of transaction throughput.
- Fawry and its banking partners collaborated to **license 67,000 additional merchants** to accept electronic payments during the period under an initiative by the Central Bank of Egypt (CBE).

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- Fawry secured loans amounting to EGP 310 million from its financial partners with an eye to financing the Company's microfinance business.
- The Company has **developed a credit-scoring algorithm**, a major milestone in efforts to expand digital lending activities. Fawry also introduced **payment by handheld machines** for FMCG representatives during the period, bolstering its portfolio of Supply Chain Solutions.

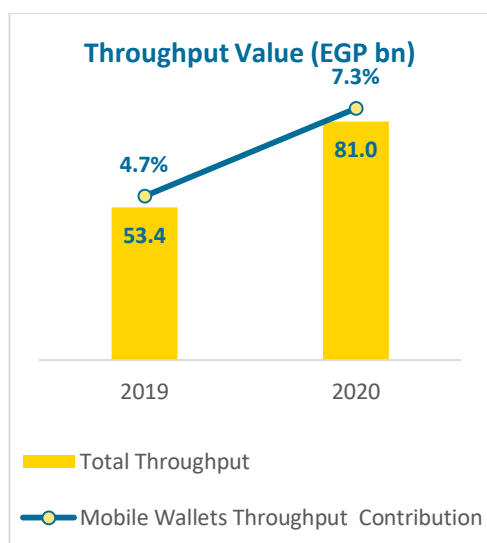
## Chief Executive's Review

Fawry recorded a number of important milestones in 2020. The Company continued to prove the strength of its unique value proposition, which is built on the principles of innovation and customer engagement. Despite the challenges posed by the COVID-19 pandemic to the Egyptian and global economies during the year, Fawry enjoyed top-line growth approaching 40% year-on-year in 2020, demonstrating the growing centrality of the Fawry platform to the way commerce is done in Egypt. We also made important progress in diversifying our revenue streams. Fawry's supply chain solutions, banking services, and microfinance segments all grew at a rapid rate during the year, with the latter two significantly increasing their contribution to consolidated revenues. Management is confident that the Company is well-positioned to meet its strategic objective of creating Egypt's first integrated digital ecosystem. Our focus on diversification and technology supported impressive gains in profitability during the year, with EBITDA and net profit both posting significant growth. Fawry recorded strong margin expansion across all levels of the income statement for 2020.

Looking ahead to 2021, the Company will continue to pursue several avenues for profitable growth. Broadening the range of services offered through the Fawry platform is a key component of our plans for the year ahead. Fawry will work to expand the range of supply chain solutions provided to merchants and corporates, with an eye to growing the volume of electronic payments between merchants and suppliers. On this front, Fawry is working to facilitate electronic orders from merchants to their FMCG and other suppliers. Fawry is similarly aiming to accelerate the expansion at its acceptance and microfinance businesses and to further grow these segments' top-line contribution. Management aims to quadruple the volume of monthly transactions handled by Fawry's acceptance business by the end of 2021, and has secured the necessary financing to double the value of our microfinance business. Meanwhile, the Company is working to further develop the offerings at its consumer-facing app, myFawry. We aim to expand the app's offering from alternative digital payments to include financial services, in-store discounts, digital gift cards, and more, doubling monthly transaction volumes by year-end 2021. Moreover the Company is evaluating a range of investment opportunities that would generate profitable synergies and further our objective of developing the digital ecosystem in Egypt.

Fawry's strong performance in the face of global disruptions during 2020 deepens our confidence that the Company has the capabilities and talent required to continue transforming the way business is done in Egypt. Using a data-driven approach, we will remain proactive in addressing evolving market trends through exciting new products and will continue to lead Egypt's digital revolution.

**Eng. Ashraf Sabry**  
Chief Executive Officer

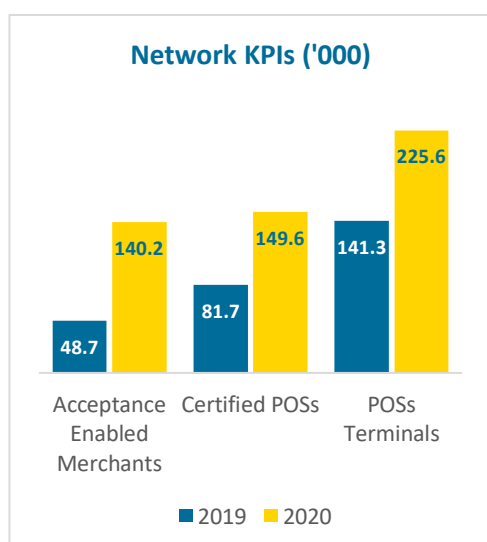
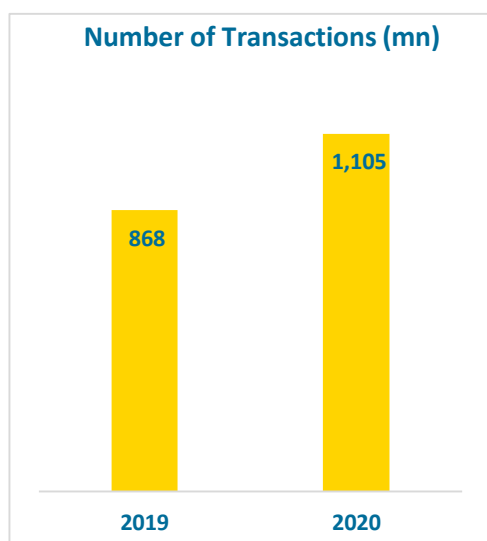


## Operational Developments

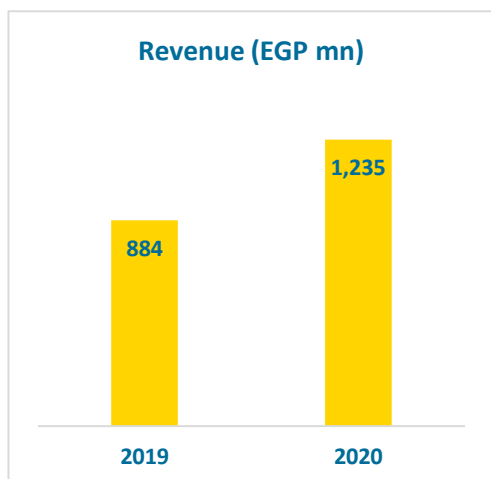
Operational KPIs	2019	2020	Change %
Active Network Customers (mn)	25	29.3	17.2%
POS Terminals ('000)	141.3	225.6	59.7%
Certified POSs ('000)	81.7	149.6	83.0%
Active Banks in the Network	33	38	15.2%
Acceptance Enabled Merchants ('000)	48.7	140.2	188.0%
Services Provided	914.0	1,186.0	29.8%
Transactions (mn)	868.2	1,104.7	27.2%
<b>Throughput Value (EGP mn)</b>	<b>53,400</b>	<b>81,037</b>	<b>51.8%</b>

Fawry delivered another record throughput figure in 2020, with throughput value climbing by 51.8% year-on-year to EGP 81.0 billion against EGP 53.4 billion one year previously.

- Fawry handled a total of 1,105 million **transactions** in FY2020, up by 27.2% year-on-year from 868 million in FY2019.
- The Company's retail network was equipped with upwards of 225 thousand **POS terminals** in FY2020, up by 59.7% year-on-year from 141 thousand in FY2019, reflecting Fawry's heavy investment in expanding the Company's merchant network and heightened outlays on POS technology.
- Bank-certified POS terminals** in Fawry's network registered 149.6 thousand in FY2020, an increase of 83% year-on-year from 81.7 thousand in FY2019. Certified POS terminals enable merchants and small businesses to accept an expanded range of payment methods, including payment by debit or credit card.
- Fawry enables underbanked merchants to accept credit card and mobile wallet payments through its Merchant Aggregator Platform. Increased uptake has seen the number of **acceptance-enabled merchants** in Fawry's network rise by a sharp 188% year-on-year to record 140 thousand for FY2020 versus 49 thousand one year previously.
- Mobile wallet transactions** have displayed particularly rapid growth in FY2020. Fawry handled a total of 28 million mobile wallet transactions during FY2020, up by 57% year-on-year from 18 million in FY2019. **Total mobile wallet throughput** recorded EGP 6 billion for the period, an increase of 145% year-on-year from EGP 2.5 billion one year previously. Mobile throughput represented 7.3% of Fawry's total throughput in FY2020, up from 4.7% in FY2019.

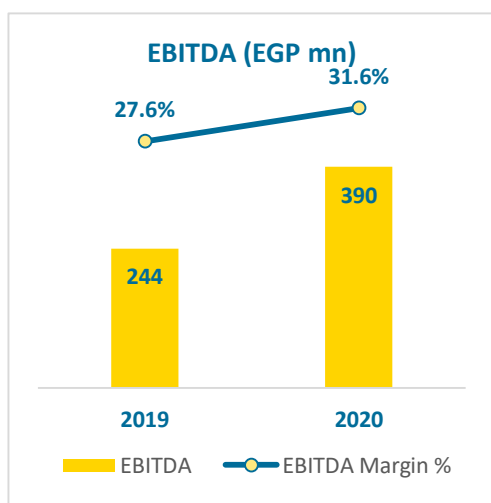
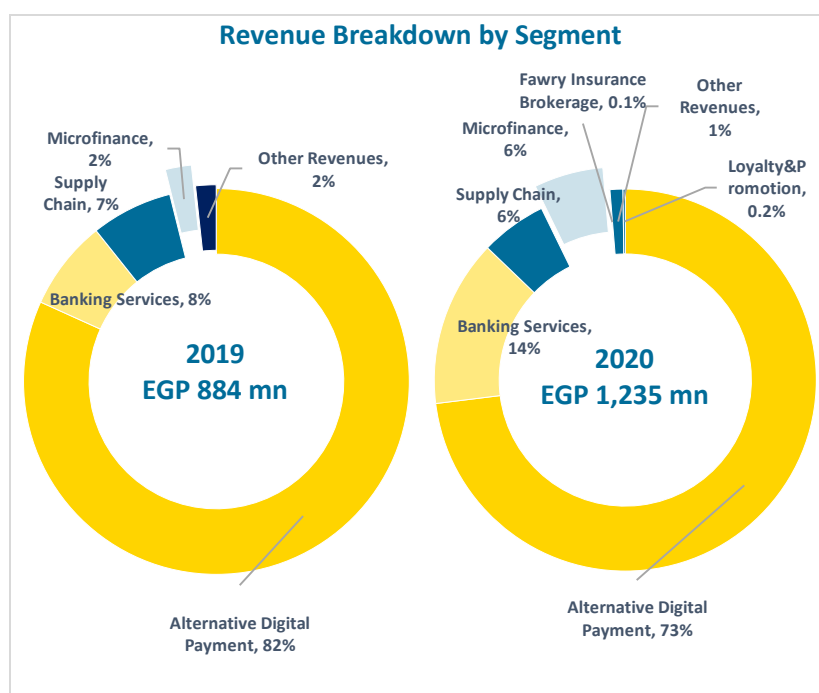
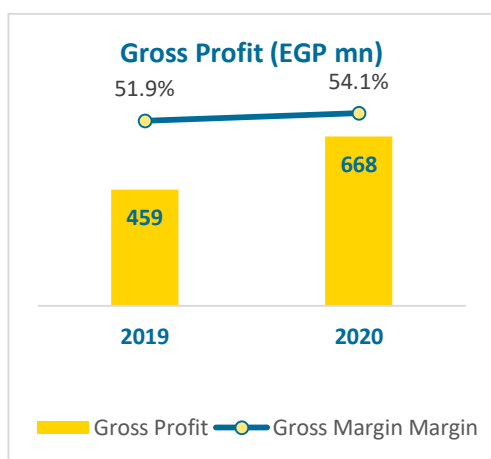


## Financial Performance



Financial KPIs (EGP 000s)	2019	2020	Change%
Total Revenues	884,138	1,234,563	39.6%
Gross Profit	458,849	667,897	45.6%
Operating Profit	145,400	246,671	69.7%
EBITDA	244,401	389,706	59.5%
Net Profit Before NCI	130,388	223,564	71.5%
Net Profit After NCI	102,903	186,234	81.0%
<b>Normalized Net Profit After NCI<sup>1</sup></b>	<b>107,522</b>	<b>186,289</b>	<b>73.3%</b>

Fawry booked total revenues of EGP 1,235 million in FY2020, up by 39.6% year-on-year from EGP 884 million in FY2019.



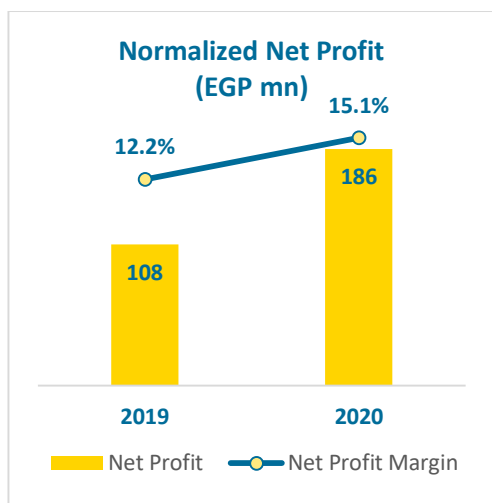
Fawry continued to successfully diversify its revenue streams during FY2020, with positive effects on the Company's bottom line:

- **Alternative Digital Payments (ADP)** revenues climbed by 24.8% year-on-year to register to EGP 901.7 million in FY2020 against EGP 722.6 million one year previously. Although Fawry's ADP segment continued to provide the largest share of the Company's overall top line, the segment's revenue

<sup>1</sup> Normalized net profit after NCI for FY2019 has been restated to reflect outlays on consulting services. The figure for FY2020 already accounts for such outlays and has not been adjusted.

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contribution fell to 73% in FY2020 from 82% in FY2019. Fawry’s business model continues to evolve from a focus on ADP towards an integrated ecosystem that fuses a broad range of value-added services.

- Fawry provides limited financial services under agency agreements with banks and MNO companies. Revenue from Fawry’s **Banking Services** segment climbed at a rapid 162.1% year-on-year, recording EGP 174.6 million in FY2020 against EGP 66.6 million one year previously. Growth in the segment was driven by the growing uptake at Fawry’s Merchant Aggregator Platform and the consequent rapid increase in the number of acceptance-enabled merchants in Fawry’s retail network. Banking Services represented 14.1% of the Company’s total revenues in FY2020, up from the share of 7.5% recorded in FY2019.
- The Company disburses microfinance loans to retailers in its merchant network, extending credits directly through POS terminals and digitally earmarking them for supplier payments. The **Microfinance** segment posted total revenues of EGP 72.3 million in FY2020 against EGP 19.3 million in FY2019, exceeding management expectations for the segment’s performance during the year and contributing 5.9% of the consolidated top line against 2.2% in FY2019.
- 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. Supply Chain Solutions accounted for 5.6% of total revenues during FY2020. Despite Covid-related market effects, revenue from the segment expanded by 14.6% year-on-year, booking EGP 69.1 million in FY2020 against 60.3 million one year previously.

**Fawry enjoys robust operating margins, maintains healthy bottom-line growth.**

- Fawry’s **gross profit** recorded EGP 667.9 million for FY2020, up by 45.6% year-on-year from EGP 458.8 million in FY2019 on the back of rapidly rising revenues and efficient management of channel fees, the largest component of Fawry’s cost base. The Company booked a gross profit margin of 54.1% in FY2020 against 51.9% one year previously.
- **EBITDA** grew by 59.5% year-on-year in FY2020, booking EGP 389.7 million against EGP 244.4 million one year previously, yielding a 3.9 percentage-point climb in the EBITDA margin to

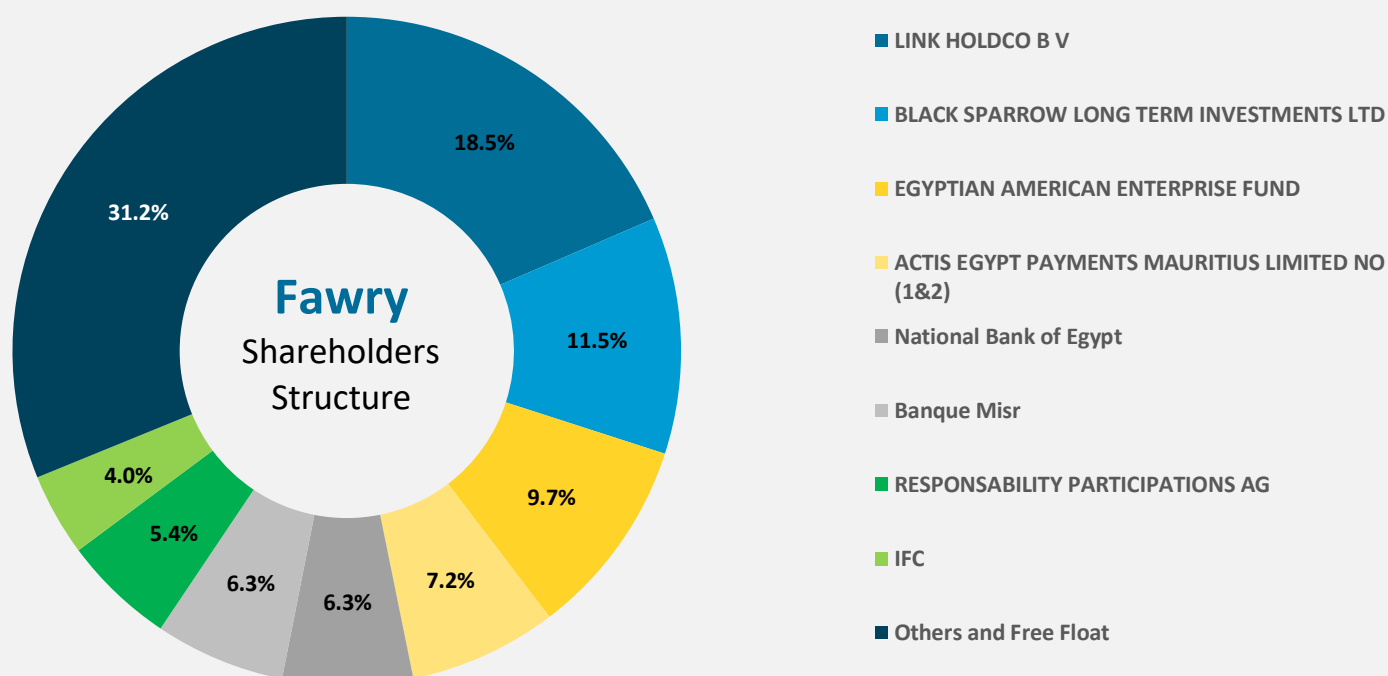
31.6% and demonstrating the viability of Fawry's diversification strategy and its positive impact on operating costs.

- **Normalized Net Profit After NCI** booked EGP 186.3 million for FY2020, up by 73.3% year-on-year from the EGP 107.5 million registered for FY2019, with the net profit margin rising to 15.1% from 12.2% over the same period.

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## About Fawry for Banking and Payment Technology Services

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 38 member banks, its mobile platform and more than 225,600 agents, Fawry processes an average of 3 million transactions per day, serving an estimated customer base of 29.3 million users monthly. Learn more at [www.fawry.com](http://www.fawry.com).



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