

## e-finance for Digital and Financial Investments reports 9M21 results

The Group delivered strong double-digit growth at its top- and bottom-line in 9M21 driven by solid performances across all e-finance's subsidiaries during the period

### Consolidated Revenues

EGP 1,299.6 million (▲ 59% y-o-y)

### Gross Profit\*

EGP 640.9 million (▲ 45% y-o-y)

### EBTIDA

EGP 526.0 million (▲ 47% y-o-y)

### Net Profit

EGP 374.8 million (▲ 35% y-o-y)

\*Gross Profit is calculated before deducting depreciation and amortization.

**14 November 2021 – (Cairo)** e-finance for Digital and Financial Investments S.A.E. (“e-finance Investment Group”, “e-finance”, or the “Company”, EFIH.CA on the Egyptian Exchange), Egypt’s first fintech platform and one of its leading developers of digital payments infrastructures, announced today its standalone and consolidated results for the period ended 30 September 2021. The Group’s revenues increased by a strong 59% y-o-y to EGP 1,299.6 million in 9M21, primarily driven by a solid performance from e-finance Digital operations during the period and was further supported by positive results across the Company’s other subsidiaries. e-finance’s revenue performance trickled down to its bottom-line where the Group booked a net profit increase of 35% y-o-y to EGP 374.8 million in 9M21. The 9M21 achieved a net profit more than the net profit achieved in 12M20.

## Summary Income Statement

(EGP mn)	9M 2020	9M 2021	Change
<b>Total Consolidated Revenues</b>	<b>816.6</b>	<b>1,299.6</b>	<b>59%</b>
e-finance Digital Operations	858.7	1,126.2	31%
e-cards	59.3	151.2	155%
Khales	15.9	53.9	240%
e-nable	0.0	40.1	-
e-aswaaq	0.0	12.0	-
e-finance Investment Group	0.0	3.0	-
Eliminations	-117.2	-86.8	-26%
<b>Cost of Sales</b>	<b>375.1</b>	<b>658.7</b>	<b>76%*</b>
<b>Gross Profit</b>	<b>441.4</b>	<b>640.9</b>	<b>45%</b>
<i>Gross Profit Margin</i>	54%	49%	-5pts*
<b>EBITDA</b>	<b>358.9</b>	<b>526.0</b>	<b>47%</b>
<i>EBITDA Margin</i>	44%	40%	-4pts*
<b>Net Profit</b>	<b>277.3</b>	<b>374.8</b>	<b>35%</b>
<i>Net Profit Margin</i>	34%	29%	-5pts*

\*The change in margins and increase in cost of revenues is mainly attributed to investments in infrastructure and human capital in the newly established subsidiaries during the last year and whose returns will appear positively next year.

## Chairman's Message

Since e-finance was founded in 2005, the Company has made significant headways in unlocking and growing the nation's digital capacities, with our services extending to network infrastructure, operational management, and fully integrated end-to-end digital solutions. Through a diverse network of strategic partnerships with leading tech companies, vendors, telecommunications centers, and public offices, coupled with e-finance's unparalleled knowledge of the Egyptian digital space, the company has been able to establish a suite of digital services that form the backbone of the government's financial network. After going through a comprehensive restructuring between 2019 and 2020, e-finance stands today as a full-fledged holding company with a comprehensive portfolio of subsidiaries that cover the full spectrum of digital payment services, allowing parties to connect and transact across the breadth of G2G, G2B, G2C, B2B, B2C, and B2B2C markets.

In October 2021, we successfully listed on the EGX and marked a new chapter in our growth story as a publicly listed company. I am proud to say that our IPO was the largest public listing transaction in recent Egyptian history. The strong demand for e-finance's shares saw our institutional offering 6.8 times oversubscribed and our retail offering 61.4 times oversubscribed, testament to investor confidence in our growth potential and our ability to generate long-term sustainable value. I would also like to take this opportunity to thank our lead managers, advisors, and legal counsel for their outstanding and diligent work over the course of the listing process.

In our first set of results as a publicly listed company, I am pleased to report that the Group delivered double-digit growth at its top and bottom-line in 9M21. The 59% y-o-y increase in revenues was driven by a strong performance by our core subsidiary, e-finance Digital Operations, which saw higher contribution from our cloud hosting services. We have also delivered strong results from our subsidiaries from e-cards and Khales, recording top-line increases of 155% and 240% y-o-y, respectively in 9M21 as both companies reap the rewards of our restructuring efforts and effectively pursue tailor-fit growth strategies. Finally, I am pleased to report that our newly established digital trading platform e-aswaaq Misr delivered its maiden contribution to top-line with EGP 12 million in revenues in its first few months of operation. These results reflect management's strategy to continuously build and enhance its digital offering and follow a period of investment in infrastructure, technology, corporate development and, most importantly, in our people who are driving force behind our success.

Going forward, the Group will utilize proceeds from the IPO to finance its strategic goals through continued investment in the entire digital payments value chain, new platforms, value added services, smart solutions, and new digital propositions. Our planned investments are aligned with our growth strategy, which will see us continue building tailored and scalable solutions, enabling third parties to connect and transact through digital platforms, providing best-in-class business service solutions, as well as supporting nation-wide innovation. e-finance will primarily focus on investments that empowers Egyptian citizens by introducing innovative digital solutions for everyday services, including new B2C markets such the thriving non-bank financial services (NBFS) sector. Moreover, we have already started penetrating new sectors to expand our services across transportation, tourism, and healthcare.

Across the transportation sector, we began the railway digitization project which entailed deploying e-gates and new ticketing systems across Egypt four highest-traffic railway stations of Cairo, Alexandria, Sidi Gaber and Giza. On the healthcare front, we coordinated with the Ministry of Communication and Information Technology to rollout smart cards to support Egypt's ambitious Universal Health Insurance (UHI) system. According to the government plan, the new UHI system will be gradually rolled out across governorates and aims to provide health insurance coverage to all Egyptians over the next decade. Together, these two industries provide a significant opportunity for e-finance to capitalize on its smart card technologies, while extracting cross-portfolio synergies. The strategic restructuring of our lines of business leaves e-finance optimally positioned to further expand its presence across its markets, and to make a strong start to the

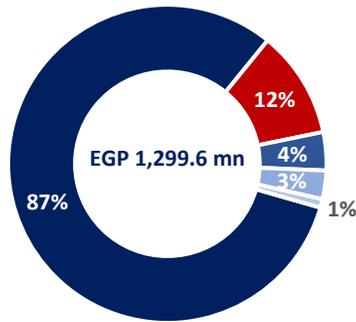
Group's life as a publicly listed company. Overall, I am confident that e-finance stands ready to capitalize on our market's larger appetite for digital services, powered by the structural shift in global market dynamics towards electronic payment and facilitated by a massive expansion in the volume of online commerce.

Finally, I would like to express my gratitude to our Board of Directors and our people for their continued dedication and hard work, without whom our success would not be possible. I look forward to continuing reporting to you here on our future successes in our journey to create sustainable long-term value for our clients, community, and shareholders.

**Ibrahim Sarhan**

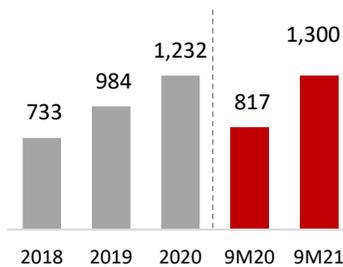
**Chairman of e-finance for Digital and Financial Investments**

**EFIH Revenue Breakdown  
(9M 2021)**

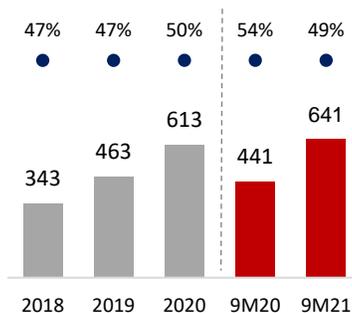


- e-finance Digital Operations
- e-cards
- Khaled
- e-nable
- e-aswaaq

**Consolidated Revenue  
(EGP mn)**



**Gross Profit and Margin  
(EGP mn | %)**



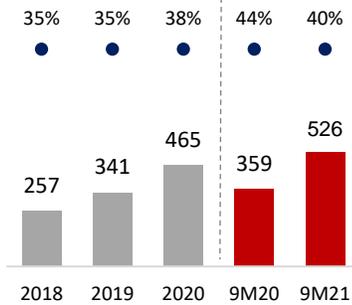
## Consolidated Financial Performance

- The Group's revenues grew by 59% y-o-y to EGP 1,299.6 million in 9M21, while on quarterly terms, revenues increased by 25% y-o-y to EGP 395.2 million in 3Q21. e-finance Digital Operations contributed the lion's share of e-finance's revenues in 9M21 at 87% and recorded EGP 1,126.2 million in revenues during the period. e-finance Digital Operations' revenues were mainly driven by a 146% y-o-y increase in cloud services revenue.

e-finance's performance during the period was also supported by 155% y-o-y increase in e-cards' revenue to EGP 151.2 million in 9M21. Additionally, Khaled's revenues grew over three-fold to EGP 53.9 million in 9M21 primarily due to a strong increase in revenues from utilities during the period. The opposite chart depicts the weights of pre-elimination revenues.

- Gross profit increased by 45% y-o-y to EGP 640.9 million and yielded a gross profit margin contraction of five percentage points in 9M21. This was primarily driven by a 92% y-o-y increase in infrastructure costs. Additionally, salaries and wages increased 44% y-o-y as the company onboarded new hires post e-finance's restructuring reflecting investment and ramp up costs of newly established subsidiaries. Said costs were incurred primarily during the third quarter of the year and reflect operational losses of newly established subsidiaries that incur higher ramp up costs, as well as increased depreciation expense following a period of investment.
- General and Administrative (G&A) expenses increased by 30% y-o-y to EGP 103.9 million in 9M21 following the Group's restructuring efforts and establishment of new subsidiaries.
- Selling and marketing (S&M) expenses increased from EGP 3.6 million to EGP 12.8 million in 9M21 driven by increases in spending on conventions and advertisements related to the launch of new services across the subsidiaries.

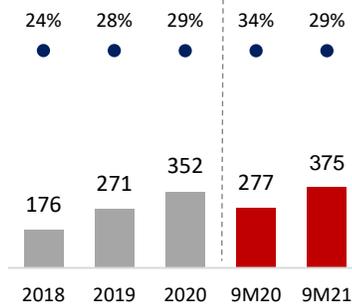
**EBITDA and Margin  
(EGP mn | %)**



- Despite the Group incurring ramp up costs related to new subsidiaries and projects as well as restructuring costs, e-finance’s EBITDA grew by 47% y-o-y to EGP 526.0 million in 9M21.
- The Group’s net profit increased by 35% y-o-y to EGP 374.8 million and yielded a net profit margin of 29% in 9M21 versus 34% in the same period last year. In quarterly terms, net profit declined by 20% y-o-y to EGP 97.5 million and yielded a net profit margin of 25% in 3Q21.

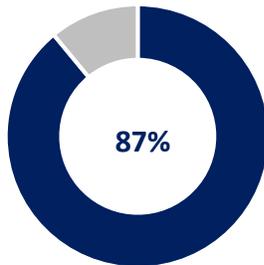
**Balance Sheet Highlights**

**Net Profit and Margin  
(EGP mn | %)**

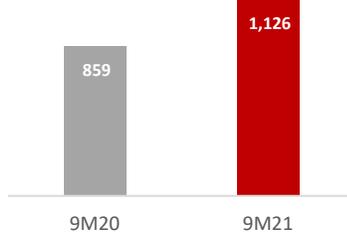


- Total assets stood at EGP 2,313.9 million as at 30 September 2021, compared to EGP 1,958.2 million as at 31 December 2020. The increase reflects CAPEX of c. EGP 50 million on new investments and a c. EGP 114 million increase in construction in progress as the Group invests in new capacities and technology.
- Total shareholder’s equity stood at EGP 1,437 million as at 30 September 2021, compared to EGP 1,264.2 million as at 31 December 2020.

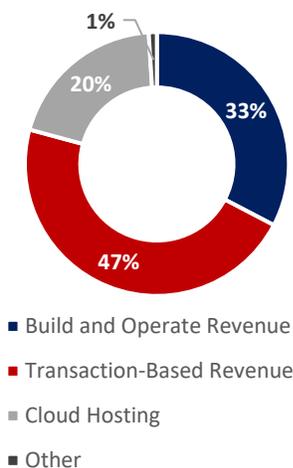
e-finance Digital Operations Contribution to Group Revenues in 9M21



e-finance Digital Operations Revenue (EGP mn)



e-finance Digital Operations Revenue Breakdown



## Portfolio Performance

### e-finance Digital Operations

e-finance Digital Operations is a digital payments solutions provider that boasts a robust tech infrastructure and a digital payments and collections networks that form the backbone of Egypt's financial network. The company offers simple and convenient end-to-end digital solutions that cover a wide range of areas, including customs, taxes, single window system, social insurance subscription collection, Takaful and Karama, fuel management system, pensions disbursements and more.

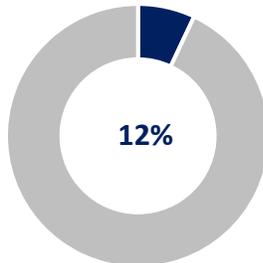
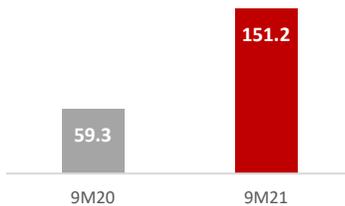
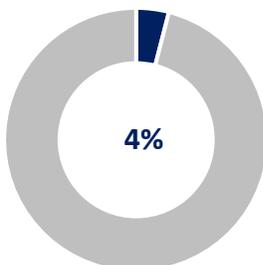
EGP million (unless otherwise stated)	9M20	9M21	Change %
<b>Total Revenues</b>	<b>858.7</b>	<b>1,126.2</b>	<b>31%</b>
<b>Build and Operate Revenue</b>	<b>350.9</b>	<b>371.6</b>	<b>6%</b>
<b>Cloud Hosting Revenue</b>	<b>89.7</b>	<b>220.3</b>	<b>146%</b>
<b>Transaction Based Revenue</b>	<b>393.4</b>	<b>528.3</b>	<b>34%</b>
Fixed Fee TRX Revenue	295.8	383.8	30%
Variable Fee TRX Revenue	97.6	144.4	48%
<b>Other revenue</b>	<b>24.7</b>	<b>6.0</b>	<b>-76%</b>
<b>Gross Profit</b>	<b>427.7</b>	<b>618.9</b>	<b>45%</b>
<b>Gross Profit Margin</b>	<b>50%</b>	<b>55%</b>	<b>+5pts</b>

#### Operational KPIs

Value of Government Transactions (EGP billion, Variable Fee TRX)	9M20	9M21	Change %
	370.3	548.7	48%

Revenues at e-finance Digital Operations grew 31% y-o-y to EGP 1,126.2 million in 9M21 primarily on the back of a 146% y-o-y increase in cloud services revenue. The company's cloud services revenue recorded a significant increase to EGP 220.3 million in 9M21 compared to EGP 89.7 million in 9M20, driven by new contracts for the core taxation, e-invoice projects, and e-receipt project, some of which began in the second half of 2020. In addition to recently launched digitalization of monuments sites. The company's revenue performance was also supported by a 34% y-o-y increase in transaction-based revenue to EGP 528.3 million, which was driven by a solid 48% y-o-y increase in variable fee transaction revenue.

e-finance Digital Operations recorded a gross profit of EGP 618.9 million in 9M21, up by a strong 45% y-o-y with a robust margin of 55%, up five percentage points versus 9M20. The company's improved profitability reflects the soundness of its investments, growing service offering and improved revenue mix.

**e-cards Contribution to Group Revenues in 9M21**

**e-cards Revenue (EGP mn)**

**Khales Contribution to Group Revenues in 9M21**

**Khales Revenue (EGP mn)**


On the operational front, the value of government transactions driven from variable fee transactions increased by a strong 48% y-o-y in 9M21.

### e-cards

*e-cards is one of the largest producer of cards in Egypt and has established itself as a pivotal player in the nation's growing digital payments sector, having issued over 60 million cards in the Egyptian market to date. The company's product and service offering are centered around card production, chip embedding and personalization, as well as Third-Party Provider (TPP) services for various financial institutions in the banking sector.*

EGP million (unless otherwise stated)	9M20	9M21	Change %
<b>Total Revenues</b>	<b>59.3</b>	<b>151.2</b>	<b>155%</b>
Card Production Revenues	59.3	93.7	58%
Card Management Service Revenues	-	25.8	-
Smart Solutions	-	31.7	-

e-cards' revenue grew by a solid 155% y-o-y to EGP 151.2 million in 9M21 driven by a 58% y-o-y increase in card production revenues, as well as new contributions from e-cards' new card management and smart solution services. Most notably, the company started the railway digitization project which entailed deploying e-gates and new ticketing systems across Egypt's four highest-traffic railway stations of Cairo, Alexandria, Sidi Gaber and Giza.

### Khales

*Khales provides a B2B2C digital payments platform that enables customers to execute retail transactions seamlessly across a comprehensive network of POS terminals. Through its wide network of POS partners, and inter-operable digital wallet platforms, Khales has successfully established itself as the leading bill aggregator in Egypt and acts as the primary bill hub for a variety of retail payments, including education, utilities, as well as other services.*

EGP million (unless otherwise stated)	9M20	9M21	Change %
<b>Total Revenues</b>	<b>15.9</b>	<b>53.9</b>	<b>240%</b>

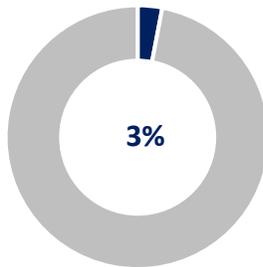
Operational KPIs	9M20	9M21	Change %
POS Terminal Network (# in 000's)	220	330	45%
Transactions Processed (# in millions)	2,073	3,856	86%

Revenues at Khales grew over three-fold to EGP 53.9 million in 9M21 due to a strong increase in revenues from utilities and sale of POSs.

### e-nable

*e-nable is a leading Business Processing Outsourcing (BPO) service provider, offering a suite of integrated telecommunications and contact center solutions, from HR and IT outsourcing to a full contact center, across local and international markets.*

**e-nable Contribution to Group Revenues in 9M21**

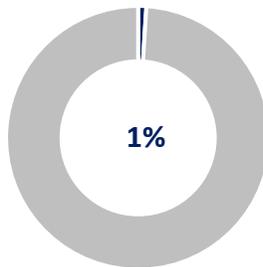


EGP million (unless otherwise stated)	9M20	9M21	Change %
<b>Total Revenues</b>	<b>19.1</b>	<b>40.1</b>	<b>110%</b>
<b>Operational KPIs</b>			
Customers Served (#)	35	51	46%

e-nable was established in 2021 to absorb e-finance’s spun off call center business, with FY2021 being the company’s first fiscal year with standalone financial statements. Thus, revenue comparison reflects results of the newly established entity against divisional performance in the previous year. Revenue booked EGP 40.1 million in 9M21, up 110% y-o-y compared to its divisional contribution to e-finance in the same period last year.

Growth was driven by increased capacity following a period of investment served a total of 51 clients compared to 35 in the 9M20.

**Contribution to Group Revenues in 9M21**



### e-aswaaq Misr

*e-aswaaq is e-finance’s latest venture in the e-commerce space. e-aswaaq aims to establish, manage, and operate platforms that provide enterprise marketplace management, micro-lending services, and a wide array of end-to-end services that connect buyers and sellers across the agriculture, commercial, industrial, and tourism sectors.*

e-aswaaq Misr recorded revenues of EGP 12 million in 9M21, driven primarily by the company’s role in the Mobadra initiative which aims to stimulate consumption, which was led by e-finance Digital Operations. Additionally, revenue was generated by the company’s role in formalizing the Village Savings & Loan Associations (VSLA) platform.

e-aswaaq has finalized developing Agri Misr platform and aswaaq Misr platform in 3Q21 and expected to launch both platform in 4Q21.

## About e-finance for Digital and Financial Investments

e-finance Investment Group is a homegrown developer of digital payments infrastructures that was established in 2005 to develop the Egyptian Government's financial network. Over the course of nearly two decades, the Group has penetrated all corners of Egypt's digital market and transformed itself into a fully-fledged consolidated entity with a comprehensive portfolio of subsidiaries, covering the full spectrum of digital payment services. With a dynamic business model and a flexible organizational structure, e-finance is able to strategically focus on multiple target markets through its subsidiaries and maximize its ability to unlock value in the digital payments space. The Group operates a unique one-stop-shop model covering the entire e-payments value chain through several specialized subsidiaries, allowing the Group to diversify its operations and cover further links in the digital value chain. Learn more at [efinanceinvestment.com](https://efinanceinvestment.com)

### SHARE INFORMATION

EFIH.CA on the EGX

Number of Shares	1,600,000,000
Par Value / Share (EGP)	0.5
Paid-in Capital	EGP 800,000,000

### INVESTOR RELATIONS CONTACTS

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