

e-finance Investment Group Reports FY2021 Results

Revenue growth for the year was driven by a broad-based expansion across the Group's platform, spurring rapid bottom-line growth despite continued operational expansion

FY2021 Highlights

Consolidated Revenues

EGP 1,963.3 million (▲ 59% y-o-y)

Gross Profit*

EGP 922.9 million (▲ 55% y-o-y)

EBTIDA

EGP 749.3 million (▲ 57% y-o-y)

Net Profit

EGP 519.7 million (▲ 47% y-o-y)

*Gross Profit is calculated before deducting depreciation and amortization.

9 March 2022 – (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 year ended 31 December 2021. Driven by broad-based growth across the e-finance platform, the Group's top line surged by 59.3% y-o-y to record EGP 1,963.3 million for FY2021, with the primary growth contributions coming from the Group's flagship subsidiary, e-finance Digital Operations, as well as eCards. Rapid top-line growth was reflected in enhanced profitability for the year, with e-finance booking a net profit of EGP 519.7 million for FY2021, up by 46.9% y-o-y against the bottom line of EGP 353.9 million reported one year previously.

Summary Income Statement

(EGP mn)	4Q2021	4Q2020	Change	FY2021	FY2020	Change
Total Consolidated Revenues	663.7	415.8	59.6%	1,963.3	1,232.3	59.3%
e-finance Digital Operations	424.6	405.8	4.6%	1,550.8	1,264.4	22.6%
eCards	224.6	32.4	592.7%	375.8	91.7	309.9%
Khales	11.6	7.1	63.4%	65.5	25.1	160.6%
enable	13.7	2.2	531.8%	53.8	31.8	69.1%
eAswaaq	11.4	-	-	23.3	-	-
Eliminations	(22.0)	(31.7)	-	(105.9)	(180.7)	-
Cost of Sales	(353.0)	(238.6)	47.9%	(1,040.5)	(636.8)	63.4%*
Gross Profit	310.7	177.2	75.4%	922.9	595.6	55.0%
<i>Gross Profit Margin</i>	<i>46.8%</i>	<i>42.6%</i>	<i>4.2pts</i>	<i>47.0%</i>	<i>48.3%</i>	<i>-1.3pt*</i>
EBITDA	227.8	118.9	91.6%	749.3	476.2	57.3%
<i>EBITDA Margin</i>	<i>34.3%</i>	<i>28.6%</i>	<i>5.7pts</i>	<i>38.2%</i>	<i>38.6%</i>	<i>-0.5pts*</i>
Normalized EBITDA**	242.2	118.9	103.7%	763.7	476.2	60.4%
<i>EBITDA Margin</i>	<i>36.5%</i>	<i>28.6%</i>	<i>7.9pts</i>	<i>38.9%</i>	<i>38.6%</i>	<i>0.3pts</i>
Net Profit	139.3	75.8	83.8%	519.7	353.9	46.9%
<i>Net Profit Margin</i>	<i>21.0%</i>	<i>18.2%</i>	<i>2.8pts</i>	<i>26.5%</i>	<i>28.7%</i>	<i>-2.2pts*</i>
Normalized Net Profit**	153.8	75.8	102.8%	534.2	353.9	50.9%
<i>Adjusted Net Profit Margin</i>	<i>23.2%</i>	<i>18.2%</i>	<i>4.9pts</i>	<i>27.2%</i>	<i>28.7%</i>	<i>-1.5pts</i>

*The change in margins and increase in cost of revenues reflects revenue contribution from supplying low margin hardware mainly related to the railway project, as well as human capital costs. **Normalized figures adjust profitability for nonrecurring IPO-related expenses of EGP 14.4 million incurred during the period as per Egyptian accounting standards.

Chairman's Message

e-finance has enjoyed a highly successful year. The Group's financial and operational performance for FY2021 has justified and deepened our confidence in e-finance's unique value proposition, leaving us with an ideal platform from which to pursue future expansion early in our life as a publicly listed company. Revenues for FY2021 came in at EGP 1,963.3 million, up by 59% y-o-y as we drove strong top-line expansions at each of our lines of business. Broad-based revenue growth was driven both by legacy businesses and lines of business that have been newly introduced as part of our comprehensive restructuring of the Group's operations.

Notably, the Group's flagship subsidiary, e-finance Digital Operations, saw revenue from its new cloud hosting services line grow to EGP 265.3 million in FY2021 from EGP 173.0 million one year previously as we find innovative new ways to meet our mandate of furthering digital transformation in the Egyptian economy. The subsidiary also saw its transaction-based revenue climb by 25.0% y-o-y to contribute 43.1% of e-finance Digital Operations' overall top-line, marking further progress on our strategy to diversify revenue sources in a manner that substantially supplements income from the build-and-operate platform.

Elsewhere, a ramp-up of eCards' new card management and smart solutions businesses drove a rapid expansion at the subsidiary, giving it a growth contribution equal to that of e-finance Digital Operations for the period. Meanwhile, eAswaaq has finalized the development of cutting-edge new platforms that will expand the Group's footprint in dynamic sectors including agriculture and e-commerce, while Khales continues to grow rapidly and profitably expand its list of strategic billing partners. enable has also performed strongly in its first year with standalone financials, leveraging its expanded operational capacity to drive revenue growth of 69.2% y-o-y compared to divisional performance one year previously.

Despite the ramp-up of operations at newly launched subsidiaries and an ongoing expansion in headcount, e-finance saw its net profit climb by 46.9% y-o-y to register EGP 519.7 million for the year, with the net profit margin at a solid 26.5%. Additionally, the successful ramp-up of operations at newly launched subsidiaries yielded a marked increase in profitability quarter-on-quarter, with gross profit, EBITDA, and net profit climbing at 77.5%, 54.6%, and 37.2%, respectively. The Group has demonstrated that it is more than capable of repaying the confidence displayed by both Egyptian and global investors during our landmark initial public offering in October 2021.

To ensure that the Group can provide ever greater value to its shareholders moving forward, we plan to further accelerate investment in technology in the months and years ahead, helping us to stay ahead of the market and to achieve our mandate as comprehensively as possible. Our strong liquidity position, with cash & cash equivalents of approximately EGP 2,877 million at year-end 2021, puts us in an ideal position to realize the objectives of our investment plan, which has been consolidated for all business lines and which we believe will create long-term sustainable value for the Company's shareholders.

e-finance's investment plan has been calibrated to give the Group a key seat at the table for the developments that will transform Egypt's financial sector, as innovations incubated in international markets begin to have an impact closer to home. Another objective of our investment plan is to consolidate barriers to entry across our areas of operation, providing the Group with the flexibility to make sound, long-term investments in developing our platform.

Besides following through on our investment plan, a key priority for e-finance moving forward will be to create profitable synergies between our existing lines of business, leveraging the technology infrastructure that is shared across our subsidiaries to engage in profitable cross-selling. Several of our platforms, including those engaged in e-commerce,

aggregation, and smart solutions can be combined with offerings elsewhere in the e-finance family to drive lucrative synergies under the Group umbrella.

Moving forward, we aim to expand our client base beyond government agencies and banks to grow the Group's exposure to retailers and corporates, as certain e-finance subsidiaries have already been doing. We further aim to increase our share of wallet from digital banks, and one avenue we will pursue in this regard is to invest additional resources in our unique cloud infrastructure and in services that drive business to our cloud.

Our cloud infrastructure also represents a solid platform which can be used to establish e-finance's presence in Egypt's financial sector and provide an innovative suite of financial services. The Group is exploring multiple possible configurations for this endeavor. An area of major interest to the Group is nonbank financial services, a market which has experienced rapid growth over recent years, and where our existing end-to-end digital platforms would complement the more traditional processes that currently predominate. The Group's technology infrastructure could allow e-finance to provide corporate and individual customers with a unique value proposition characterized by a frictionless experience. A further advantage we will seek to press in this area is the Group's access to a nationwide client base of approximately 23 million.

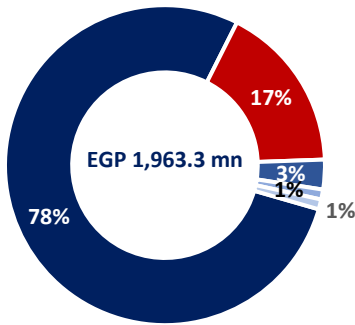
e-finance's focus in financial services will be to establish greater proximity to the end-client than exists with our current businesses, whether such clients are corporates or individual accounts. As such, the Group remains on the lookout for opportunities that will strengthen and enhance our position as the Egyptian leader in fintech, with possible avenues ranging from participation in venture capital funds to full-fledged mergers and acquisitions. e-finance is seeking to play a greater role in Egypt's thriving fintech startup scene, using our resources and infrastructure to incubate and promote dynamic new companies that interact synergistically with the Group's existing offerings. Over the long term, e-finance aims to gain healthy exposure to each link of the full fintech value chain.

Meanwhile, e-finance aims to fully leverage Egypt's impressive economic growth and is expanding aggressively into dynamic sectors that have received growing attention, including agriculture, tourism, transportation, and more. We have already made headway in each of these spheres through our various subsidiaries, and we are also excited to fulfill the mandate we've been given to help roll out universal health insurance across all of Egypt's governorates.

These are exciting times for e-finance Investment Group. We have before us a range of opportunities and challenges which will call for creativity, prudence, and diligence. Heading into our first full fiscal year as a publicly listed company, we have begun to institute a new operational culture that befits our status as an entity with broad national and international exposure and which is entrusted with a mandate to create value for a broad array of stakeholders. With the Group continuing to expand and establish its presence across a range of new economic sectors, e-finance is aiming to expand beyond Egypt and into our near abroad, with a particular focus on Africa. As e-finance continues to grow and evolve in line with changing markets and the dynamic technological landscape, we are confident that the Group's dedicated and talented teams will have what it takes to ensure that we can successfully fulfill our mandates for years to come.

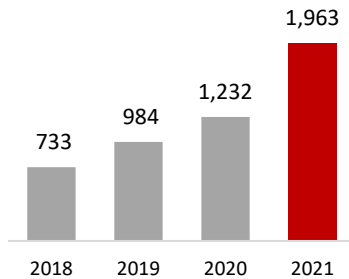
Ibrahim Sarhan
Chairman of the Board

EFIG Revenue Breakdown (FY2021)

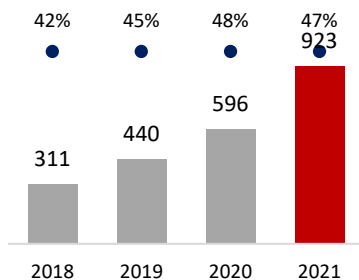


- e-finance Digital Operations
- eCards
- Khales
- eNable
- eAswaaq

Consolidated Revenue (EGP mn)



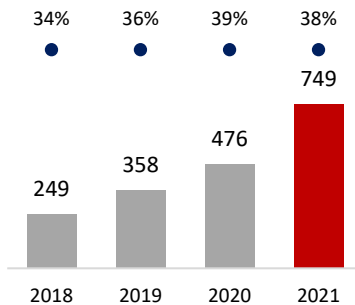
Gross Profit and Margin (EGP mn | %)



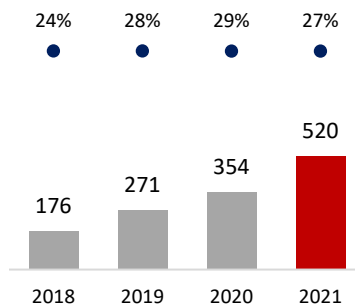
Consolidated Financial Performance

- e-finance recorded consolidated **revenues** of EGP 1,963.3 million for FY2021, up by 59.3% y-o-y. Revenue growth for the year was broad-based, with all Group subsidiaries reporting strong top-line increases. The lion's share of top-line growth in 2021 was contributed by e-finance for Digital Operations and eCards. On a quarterly basis, the Group booked revenues of EGP 663.7 million for 4Q21, an increase of 59.6% y-o-y.
- Revenues at the Group's flagship subsidiary, **e-finance for Digital Operations**, rose by 29.8% y-o-y in FY2021 to book EGP 1,529 million, contributing 48.1% of consolidated revenue growth for the year and representing 77.9% of the Group's gross top line. Top-line growth at the subsidiary was driven partly by a rapid expansion at its financial cloud services business, which grew by 53.3% y-o-y for FY2021. Financial cloud services generated 17.1% of the subsidiary's revenues in FY2021, up from 13.7% in FY2020. Meanwhile, financial cloud services represented 13.5% of the Group's consolidated revenues at year-end 2021. The subsidiary's transaction revenues grew 25% y-o-y EGP 669 million in primarily driven by a 48% y-o-y increase in variable fee revenue.
- **eCards** saw its revenues climb by 921% y-o-y in 2021, booking EGP 340.1 million against EGP 33.4 million one year previously. The subsidiary contributed 42.1% of consolidated revenue growth for the year and represented 17.4% of e-finance's consolidated top line in 2021. This marks a rapid and significant expansion in weight for eCards, which one year previously contributed 2.7% of the Group's consolidated revenues.
- Consolidated revenue growth was further boosted by performance at **Khales**, which completed its second full year as an independent entity in 2021 and booked annual revenues of EGP 59.9 million, an increase of 183.6% y-o-y.
- Consolidated **gross profit** rose by 55.0% y-o-y, recording EGP 922.9 million and yielding a gross profit margin (GPM) of 47.0% for 2021, stable against the GPM booked one year previously. Reflecting the Group's ongoing operational expansion and strong top-line growth, the year's rapid increase in gross profit and stability in the GPM come despite a 63.4% y-o-y climb in e-finance's **cost of revenue**. On a quarterly basis, gross profit was up by 77.5% quarter-on-quarter (q-o-q) from the EGP 185.6 million booked for 3Q21, indicating the successful ramp-up of operations at newly launched subsidiaries during the period.
- The increase in operational costs during the year was driven by the Group's operational expansion and extensive restructuring efforts. e-finance's restructuring efforts have been crucial to ramping up operations at newly spun-off subsidiaries, with four lines of business

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



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



established as separate entities: e-finance Digital Operations, eCards, Khales, and enable. A new venture, eAswaaq, was established during FY2021. Restructuring and rapid operational expansions brought about increased cost pressure as the Group significantly stepped-up recruitment during the year, which saw 179 new hires join e-finance across the Group’s various subsidiaries.

- **General and administrative (G&A) expenses** increased by 33.0% y-o-y to record EGP 204.7 million for FY2021, reflecting the Group’s restructuring efforts and the ramp-up of operations at new subsidiaries. **Selling and marketing (S&M) expenses** rose to EGP 42.9 million in FY2021 from EGP 17.9 million in FY2020, driven heightened expenditure on conventions and rising advertisement expenses as the Group continuously launched new service offerings across its platform during the year.
- Despite the increase in SG&A expenses, as a percentage of sales SG&A declined 1.3% to 12.6% in FY2021, allowing the Group to partially offset lower margin revenues related to the sale of hardware for the railway project. In turn, the Group’s EBITDA margin contracted by a slight 48 basis points compared to the 132 basis points contraction at the gross profit level.
- e-finance booked an **EBITDA** of EGP 749.3 million for FY2021, up by 57.3% y-o-y. The Group’s EBITDA margin was stable y-o-y, settling at 38.2% for the year. Rapid growth in e-finance’s core profitability and stability in the EBITDA margin come despite the cost pressures associated with the ramp-up of newly established subsidiaries, the Group’s broader operational expansion and the restructuring of operations.
- The Group recognized nonrecurring IPO-related expenses of EGP 14.4 million during FY2021, including EGX, FRA, legal, and consulting fees.
- **Normalized EBITDA**, which adjusts for nonrecurring expenses, booked EGP 763.7 million in FY2021, up by 60.4% y-o-y from the EBITDA of EGP 476.2 million booked in FY2020. The Group recorded a normalized EBITDA margin of 38.9% for FY2021 against the EBITDA margin of 38.6% recorded one year previously. On a quarterly basis, normalized EBITDA was up by 103.7% y-o-y to record EGP 242.2 million for 4Q21, with the margin climbing by 7.9 percentage points to settle at 36.5% for the quarter.
- The Group’s **net profit** climbed by 46.9% y-o-y to EGP 519.7 million, yielding a net profit margin (NPM) of 26.5% in FY2021 against the 28.7% booked one year previously. On a quarterly basis, e-finance’s bottom line more than doubled y-o-y, recording EGP 139.3 million in 4Q21 against EGP 75.8 million in 4Q20, yielding NPM of 21.0% in 4Q21 versus 18.2% in the same quarter of the previous year. Net profit was up by 37.2% q-

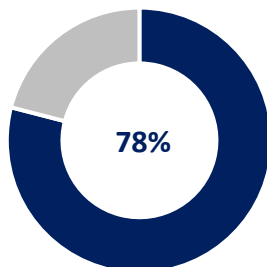
o-q for 4Q21, reflecting the successful ramp-up at newly introduced subsidiaries.

- **Normalized net profit** booked EGP 534.2 million in FY2021, up by 50.9% y-o-y from the net profit of EGP 353.9 million booked in FY2020. The Group recorded a normalized NPM of 27.2% for FY2021. On a quarterly basis, normalized net profit was up by 102.8% y-o-y to record EGP 153.8 million for 4Q21, with the margin climbing by 4.9 percentage points to settle at 23.2% for the quarter.

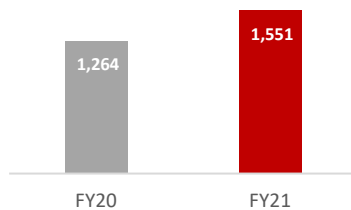
Balance Sheet Highlights

- e-finance recorded **total assets** of EGP 5,043.9 million as at 31 December 2021, up from the EGP 1,958.2 million booked at year-end 2020. The increase in the Group's asset footing reflects CAPEX investment of approximately EGP 138.1 million completed during the year, in line with e-finance's operational expansion.
- The Group's **net cash position** stood at EGP 2,754 million at year-end 2021, up from EGP 560.2 million as at 31 December 2020 and reflecting a net cash to EBITDA ratio of 3.6x (0.4x when excluding IPO proceeds) versus 1.2x in FY2020. Strong liquidity allows e-finance to phase its investment efforts in concordance with prevailing market conditions and to rely on internal resources to fund expansions. Total shareholder's **equity** stood at EGP 3,943.5 million as at 31 December 2021, up from EGP 1,264.2 million at the close of 2020.
- e-finance's cash conversion cycle was 61 days in FY2021 versus 46 days in the previous year, with the increase driven by higher receivables days on hand related to: i) e-gates supply contract for railway stations; ii) new card production contracts and; iii) a new hardware supply contract.
- The Board of Directors proposes a dividend distribution for FY2021 of EGP 0.10 per share, equivalent to EGP 177.7 million, up 45% y-o-y and implying a yield of 0.55% based on the closing price as of 8 March 2021.

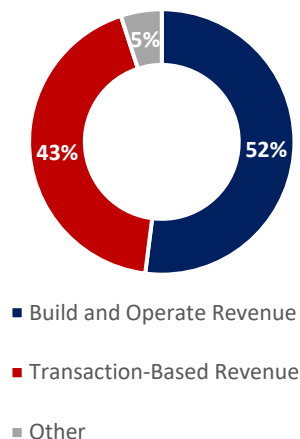
e-finance Digital Operations
Contribution to Group
Revenues in FY2021



e-finance Digital
Operations Revenue
(EGP mn)



e-finance Digital
Operations Revenue
Breakdown



Portfolio Performance

e-finance Digital Operations

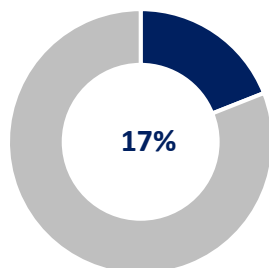
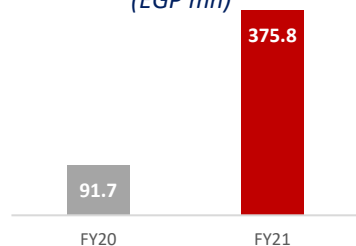
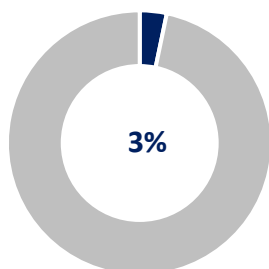
EGP million (unless otherwise stated)	FY2021	FY2020	Change %
Total Revenues	1,550.8	1,264.4	22.7%
Transaction Based Revenue¹	668.7	534.7	17.7%
Fixed Fee TRX Revenue	442.6	382.2	22.7%
Variable Fee TRX Revenue	226.1	152.5	25.0%
Build and Operate Revenue	548.5	465.9	17.7%
Cloud Hosting Revenue	265.3	173.0	53.3%
Other Revenue	68.4	90.8	-24.7%
Operational KPIs			
Government Transactions Processed (millions, Fixed Fee TRX)	345.6	446.6	-22.6%
Value of Government Transactions (EGP billion, Variable Fee TRX)	726.5	483.0	50.4%

e-finance for Digital Operations is e-finance Investment Group's flagship subsidiary. The subsidiary utilizes a fully integrated system of end-to-end payment infrastructure to develop and operate financial networks and to provide government, businesses, and consumers with a broad and innovative suite of digital products. The subsidiary executes e-finance's mandate as the Government of Egypt's exclusive digital partner, processing and settling payment and collection transactions on the Government's e-payments system.

The subsidiary 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. e-finance for Digital Operations has cemented the Group's position as a one-stop shop for digital transformation and constructed three distinct platforms covering the entirety of the digital payments value chain: a Build & Operate (B&O) platform, a Cloud Services platform, and a Transaction-Based platform.

Revenues at e-finance Digital Operations rose by 22.7% y-o-y to EGP 1,550.8 million in FY2021, with growth driven primarily by an increase of 25.0% y-o-y in transaction-based sales on the back of rapid growth in revenue from variable-fee transactions. Meanwhile, revenues at e-finance for Digital Operations were further driven by growth of 53.3% y-o-y in revenue from cloud hosting services. The subsidiary's cloud services business booked sales of EGP 265.3 million in FY2021, up strongly from EGP 173.0 million one year previously as the subsidiary secured new contracts. Cloud services revenue was further bolstered by the launch during 2021 of efforts to digitalize Egypt's archaeological monuments. On the operational front, total throughput value reached EGP 726.5 billion in FY2021, up by 50.4% y-o-y.

¹ This revenue is derived from any Government-related payments and collections made through the different payment channels offered by e-finance for Digital Operations.

eCards Contribution to Group Revenues in FY2021

eCards Revenue (EGP mn)

Khales Contribution to Group Revenues in FY2021

eCards

EGP million (unless otherwise stated)	FY2021	FY2020	Change %
Total Revenues	375.8	91.7	309.9%
Card Production Revenues	147.1	80.8	82.1%
Card Management Service Revenues	42.1	10.9	286.2%
Smart Solutions	186.5	-	-
Operational KPIs			
Card Production (mn)	14.0	8.3	68.7%

eCards is Egypt's leading producer of smart cards, with an expanding presence in Africa. The subsidiary builds, manages, and operates smart card solutions with a variety of applications for banking and non-financial institutions across the public and private sectors. eCards' offering is centered around card production services, chip embedding and personalization, as well as Third-Party Provider (TPP) services for various financial institutions. eCards has also invested in world-class data management, allowing the subsidiary to offer an array of multiapplication solutions, and making for three distinct sources of recurring revenue: card production, card management, and smart solutions.

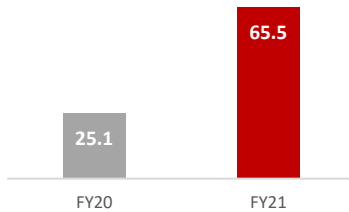
Revenue at eCards grew by 309.9% y-o-y to book EGP 375.8 million for FY2021. Strong top-line growth at the subsidiary was driven primarily by the ramp-up of operations at the subsidiary's new smart solutions business. The year saw eCards commence work on a contract to digitize Egypt's railway system, entailing the installation of e-gates and modern ticketing systems across four of the country's highest-traffic railway stations at Cairo, Alexandria, Sidi Gaber, and Giza. Growth was further driven by a ramp-up at eCards' card management operation and an increase of 82.1% y-o-y in card production revenues.

Khales

EGP million (unless otherwise stated)	FY2021	FY2020	Change %
Total Revenues	65.5	25.1	160.6%
Aggregation	36.2	23.0	57.1%
Other	29.3	2.1	-
Operational KPIs			
POS Terminal Network (000's)	326.0	249.0	30.9%
Transactions Aggregated (millions)	49.7	29.0	71.4%

Spun off as a separate entity in 2019, e-finance's Khales platform provides a central bill processing hub for retail partners through a nationwide network of POS machines. Khales provides a digital payment solution that eases the payment and collection process for consumers. Leveraging its position as an aggregator of aggregators, Khales provides merchants with a suite of value-added digital services, including white-label mobile app development, interoperable digital wallets, and an online payments portal.

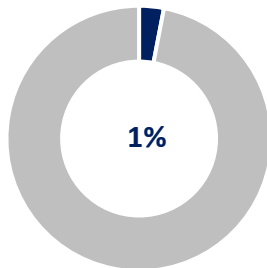
Khales Revenue
(EGP mn)



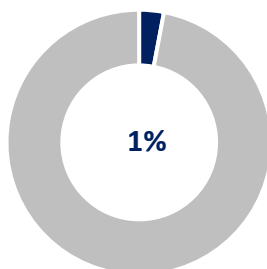
Khales booked revenues of EGP 65.5 million for FY2021, up by nearly threefold from the EGP 25.1 million recorded in FY2020. Rapid top-line growth at the subsidiary was driven by an increase in revenue from utilities, with Khales integrating nine electricity distribution companies nationwide by year-end 2021. It is worth noting that by year-end 2021, Khales was officially the largest payment service provider in the electricity segment, enjoying a market share of approximately 60%. Khales’ revenues were further bolstered by a rapid increase in POS sales during the year.

The subsidiary’s national POS network stood at 325 thousand at year-end 2021, up by 30.5% y-o-y. The Khales network expanded to 13 corporate partners in 2021 from 11 one year previously, with Khales aggregating 49.7 million transactions for 2021, up by 71.4% y-o-y.

enable Contribution to Group Revenues in FY2021



eAswaaq Contribution to Group Revenues in FY2021



enable

EGP million (unless otherwise stated)	FY2021	FY2020	Change %
Total Revenues	53.8	31.8	69.2%
Operational KPIs			
Customers Served (#)	52	40	30.0%
Number of Seats (#)	737	572	28.8%

Established in 2021 to absorb e-finance’s call center business, enable is a business process outsourcing (BPO) telecommunications service provider. The subsidiary focuses on supporting e-finance’s wide customer base within Egypt and beyond. enable is the preferred service provider for a broad range of Egyptian and international entities, offerings solutions which range from HR and IT process outsourcing to full contact center services.

FY2021 was enable’s first fiscal year with standalone financial statements, with the revenue comparison above reflecting results at the newly established entity against divisional performance in the previous year. Revenues at enable recorded EGP 53.8 million in FY2021, up by 69.2% y-o-y from divisional revenues of EGP 31.8 million booked one year previously. Growth was driven by increased capacity following a period of investment, with enable serving a total of 52 clients in 2021 compared to 40 in 2020.

eAswaaq

Established in 2020, eAswaaq is building Egypt’s flagship B2B & B2C marketplace. The subsidiary establishes, manages, and operates platforms that digitize traditional business processes through a wide array of end-to-end solutions connecting buyers and sellers, while providing value-added services including access to financial and logistical services. Offering a fully digital purchasing process, eAswaaq allows merchants to sell finished, intermediate, and raw material products to individual consumers and business customers in both single units and wholesale quantities

eAswaaq booked revenues of EGP 23.4 million in FY2021, driven primarily by the subsidiary's role in the Mobadra initiative, which aims to stimulate consumption of locally produced handicrafts and other goods through an integrated digital platform. Additional revenue was generated during the year through the subsidiary's role in formalizing the Village Savings & Loan Associations (VSLA) platform. Meanwhile, eAswaaq has finalized the development of its AgriMisr platform and Aswaaq Misr platforms. AgriMisr is Egypt's first agriculture-focused e-marketplace, allowing parties to sell produce, offering a competitive marketing edge, and facilitating purchases of agricultural goods and services, thus expanding local markets and creating opportunities for export.

Sector Update

Egypt's financial and commercial spaces continue to undergo rapid and extensive digitization. As internet and smartphone penetration rates continue to climb, state entities and private players have both identified a major opportunity in driving digital transformation across a number of sectors, ranging from payments and e-commerce to healthcare, agriculture, and more. A major focus of digital transformation efforts has been to boost rates of financial inclusion among Egypt's highly underbanked population, an aim which promises both to enhance living standards by responsibly broadening access to financial products and services and to spur economic growth by institutionalizing Egypt's large informal sector.

The Central Bank of Egypt (CBE) has played a major role in pushing digital transformation across a number of economic sectors. Among its major initiatives have been efforts to replace and renew government payroll cards, pension cards, and farmer's cards, to support the wider adoption of POS systems for retail transactions, and the establishment of a startup incubator to raise Egypt's profile as a regional fintech hub, all with the aim of developing a cashless economy enabled by digital technologies. Meanwhile, regulations are being finalized to permit the establishment of digital banks that eschew brick-and-mortar branches, extend much-needed financing to SMEs, and provide greater access to unbanked individuals. Digital banks pose a major growth opportunity, particularly as digital banking tools gain greater prominence, a trend displayed by year-on-year growth of 27% in the number of mobile wallet accounts and growth of 160% in the value of transactions processed through mobile wallets, which recorded EGP 233 billion in 2021.

Other state initiatives are speeding the transition to a digital economy. The Ministry of Finance (MoF) has piloted an e-receipt system, which will allow the Egyptian Tax Authority to monitor all commercial transactions in real time and contribute to the institutionalization of the informal economy, which is estimated to account for 50% of all economic activity in Egypt. Additionally, the MoF has rolled out an integrated e-invoicing system, which has drawn more than 2,700 company registrations and recorded over 55 million invoices, while aiding efforts to address tax evasion. These moves come following the establishment of a national e-payments system under the label Meeza. Since establishment in 2019, Meeza has issued over 4 million payment cards for use within the Egyptian network, including prepaid bank cards, payroll cards, and cards used to receive benefit and pension payments, significantly reducing transaction costs for consumers and incentivizing transitions to noncash business.

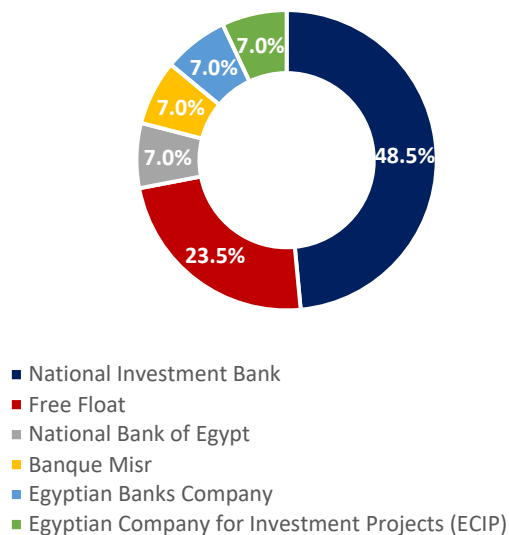
Elsewhere, e-commerce platforms continue to make rapid headway in the Egyptian market, maintaining the momentum gained following the onset of the COVID-19 pandemic. The value of Egyptian e-commerce transactions rose by 44% year-on-year in 2021, reaching EGP 80 billion. Growth in Egypt's e-commerce market continues to significantly outstrip average global growth and is expected to record a CAGR of 22% between 2021 and 2025. Transaction value is expected to continue growing over the long-term as Egypt's online penetration rate climbs from its current level of 34%.

-- Ends --

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 Government of Egypt’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.

Shareholder Structure as of 31 December 2021



SHARE INFORMATION

EFIH.CA on the EGX	
Number of Shares	1,777,777,778
Par Value / Share (EGP)	0.5
Paid-in Capital	EGP 888,888,889

INVESTOR RELATIONS CONTACTS

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