

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

9 March 2022 – (Cairo) e-finance for Digital and Financial Investments S.A.E. (“e-finance Investment Group”, “e-finance”, or the “Company”, EFIGH.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. On a quarterly basis, the Group booked revenues of EGP 663.7 million for 4Q21, an increase of 59.6% y-o-y.

Summary Income Statement

(EGP mn)	FY2021	FY2020	Change
Total Consolidated Revenues	1,963.3	1,232.3	59.3%
Cost of Sales	1,040.5	636.8	63.4%*
Gross Profit	922.9	595.6	55.0%
<i>Gross Profit Margin</i>	<i>47.0%</i>	<i>48.3%</i>	<i>-1.3pt*</i>
EBITDA	749.3	476.2	57.3%
<i>EBITDA Margin</i>	<i>38.2%</i>	<i>38.6%</i>	<i>-0.5pts*</i>
Normalized EBITDA**	763.7	476.2	60.4%
<i>Normalized EBITDA Margin**</i>	<i>38.9%</i>	<i>38.6%</i>	<i>0.3pts*</i>
Net Profit	519.7	353.9	46.9%
<i>Net Profit Margin</i>	<i>26.5%</i>	<i>28.7%</i>	<i>-2.2pts*</i>
Normalized Net Profit**	534.2	353.9	50.9%
<i>Recurring Net Profit Margin</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 the railway project, as well as higher 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.

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. 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 overall 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.

eCards, the Group’s smart card production and management subsidiary, 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. Consolidated revenue growth was further boosted by performance at **Khales**, the Group’s payment service provider, 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 for 2021 and yielding a gross profit margin (GPM) of 47.0%, stable against the GPM booked one year previously. Reflecting the Group's rapid and extensive operational expansion and the consequent top-line strength, the year's rapid increase in gross profit and stability in the GPM came despite an increase of 63.4% y-o-y in e-finance's cost of revenue. Meanwhile, 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, 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.

Normalized net profit, which normalizes for nonrecurring IPO-related expenses of EGP 14.4 million in accordance with Egyptian accounting standards, 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.

Commenting of the Group's performance for the year, Chairman of e-finance Investment Group Ibrahim Sarhan said: "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."

"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 nearly 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.," **Sarhan continued.**

"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," **Sarhan concluded.**

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 Investment Group's full FY2021 earnings release along with the Group's consolidated and standalone financial statements are available at investors.efinanceinvestment.com.

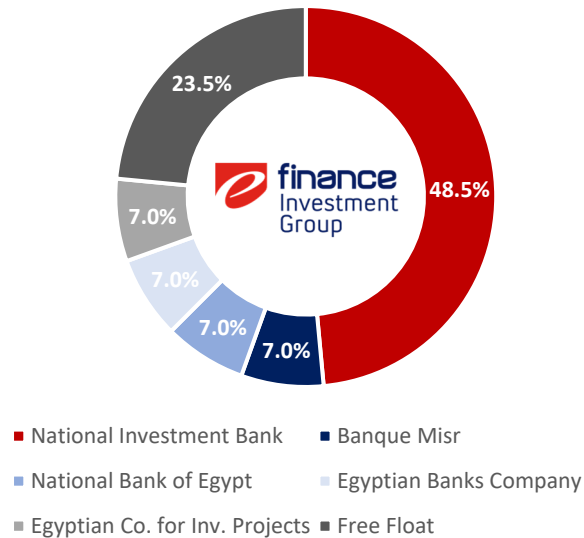
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About e-finance for Digital and Financial Investments

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

Shareholder Structure

(as at 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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