

e-finance Investment Group Reports FY2023 Results

e-finance delivered another record high year in terms of revenue, net profit, and margin expansions across the board, as revenue expanded by 47% y-o-y to EGP 3.9 billion and adjusted net profit¹ reached an all-time high of EGP 1.5 billion an increase of 61% y-o-y with a margin expansion to 39.2%.

FY2023 Financial Highlights

Revenues	Gross Profit	EBITDA	Adjusted Net Profit ¹
EGP 3,898.6 million (▲47% y-o-y)	EGP 2,141.0 million (▲57% y-o-y)	EGP 1,836.6 million (▲65% y-o-y)	EGP 1,529.3 million (▲61% y-o-y)

4Q2023 Financial Highlights

Revenues	Gross Profit	EBITDA	Adjusted Net Profit ¹
EGP 1,133.8 million (▲61% y-o-y)	EGP 650.5 million (▲129% y-o-y)	EGP 522.7 million (▲155% y-o-y)	EGP 381.9 million (▲64% y-o-y)

29 February 2024 – (Cairo) e-finance for Digital and Financial Investments S.A.E. (“e-finance”, or the “Group”, EFIH.CA on the Egyptian Exchange), a leading technology-focused investment firm in Egypt, announced today its standalone and consolidated results for the year ended 31 December 2023. The Group’s consolidated revenues grew by 47.5% y-o-y to EGP 3,898.6 million, driven by solid results across its portfolio of subsidiaries. On the profitability front, the Group EBITDA rose by 64.5% y-o-y to EGP 1,836.6 million, yielding an EBITDA margin expansion of 4.9 percentage points to 47.1% in FY2023. At the bottom-line, e-finance’s net profit after NCI witnessed a substantial 56.4% y-o-y increase to EGP 1,257.7 million, with an associated y-o-y net profit margin expansion of 1.9 percentage points to 32.3% in FY2023. Adjusted net profit, which adds back non-cash ESOP expense on an after-tax basis, reached EGP 1,529.3 million in FY2023.

Summary Income Statement

(EGP mn)	4Q2023	4Q2022	Change	FY2023	FY2022	Change
Total Consolidated Revenues	1,133.8	706.2	60.6%	3,898.6	2,644.0	47.5%
e-finance Digital Operations	1,030.8	693.3	48.7%	3,527.6	2,420.1	45.8%
eCards	13.0	10.1	28.5%	226.7	226.2	0.2%
eKhales	31.9	17.3	84.1%	92.5	57.0	62.5%
enable	32.3	21.2	52.6%	120.1	85.9	39.8%
eAswaaq	139.9	47.4	195.5%	303.3	141.3	114.7%
Intercompany Eliminations	(114.1)	(83.1)	37.4%	(371.7)	(286.4)	29.8%
Cost of Sales	(483.3)	(422.2)	14.5%	(1,757.6)	(1,278.9)	37.4%
Gross Profit	650.5	284.0	129.1%	2,141.0	1,365.1	56.8%
Gross Profit Margin	57.4%	40.2%	17.2%	54.9%	51.6%	3.3%
SG&A	(178.6)	(107.9)	65.6%	(460.5)	(346.5)	32.9%
SG&A-to-sales (%)	15.7%	15.3%	0.5%	11.8%	13.1%	-1.3%
EBITDA	522.7	204.7	155.3%	1,836.6	1,116.2	64.5%
EBITDA Margin	46.1%	29.0%	17.1%	47.1%	42.2%	4.9%
Net Profit after NCI	110.3	121.5	-9.2%	1,257.7	803.9	56.4%
Net Profit Margin	9.7%	17.2%	-7.5%	32.3%	30.4%	1.9%
Adjusted Net Profit	381.9	232.7	64.1%	1,529.3	948.6	61.2%
Adjusted Net Profit Margin	33.7%	33.0%	0.7%	39.2%	35.9%	3.3%

¹ Adjusted net profit adds back non-cash ESOP expense on an after-tax basis

Chairman's Message

The Group's consistent strong performance underscores its ability to meet operational, financial, and strategic objectives amidst an ever-changing macroeconomic landscape. Despite market fluctuations in Egypt, due to heightened inflationary pressures and local currency devaluation, the Group successfully navigated through these obstacles with resilience and determination, culminating in a robust performance for FY2023.

In FY2023, the Group achieved a notable 47.5% year-on-year increase in its top-line revenue, reaching EGP 3.9 billion, propelled by robust expansion across all its subsidiaries. Particularly noteworthy was the outstanding performance of e-finance Digital Operations, which saw a significant uptick in revenue derived from its lucrative and fast-growing cloud hosting services segment. This was complemented by the steady growth in revenues from our build and operate business segment and transactions' revenue, with a stellar 69.6% year-on-year increase in variable fee revenue, fueled by the ongoing expansion of digital payment solutions adoption across vital sectors.

In terms of profitability, the Group booked a record-high net profit of EGP 1.3 billion, up by 56.4% year-on-year with an associated net profit margin of 32.3% for the year. This achievement is a testament to the Group's strength and ability to derive remarkable returns from its higher margin revenue streams. It also reflects management's diligent and successful role in applying a multidisciplinary strategy to mitigate and reduce the impacts of Egypt's unfavorable FX environment.

On the operational front, we have successfully positioned e-finance as a pivotal digital transformation enabler for financial services in support of Egypt's financial inclusion agenda. In 2023, we were committed to bolstering information security within digital banking amidst a backdrop of increasing cyber threats plaguing the region. Recognizing the paramount importance of trust and reliability in digital banking landscape, we employed cutting-edge technologies, multi-factor authentication protocols, and continuously monitored systems to mitigate risks and ensure the confidentiality of users.

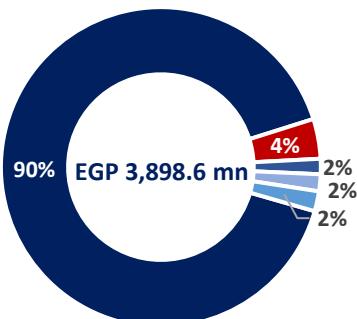
With regards to our investments, I'm delighted to report that our ventures in the tourism sector are yielding outstanding returns. Our solutions, which include e-ticketing gates and payment systems at gift shops, are now across 70 touristic sites in Egypt. We aim to further grow our presence in this sector by increasing the number of touristic sites served by our digital ticketing solution to 100 by the end of 2024 and introducing new digital products with substantial value-added potential. Tourism figures have reached an all-time high with approximately 15 million tourists during the year, a number expected to double in the next two years presenting itself as a vital component of Egypt's economic growth strategy. Moreover, our associate company e-Tax has surpassed expectations and closed the year with a three-fold year-on-year increase in its net profit. Leveraging its e-receipt, payroll, and core tax systems, e-Tax simplified the government's tax processes and unlocked operational efficiencies across Egypt's Tax Authority (ETA) and the Real Estate Tax Authority (RTA).

Our investment in the agricultural sector, is leading digitalization within the sector. The company's overarching goal is to control the distribution of subsidized fertilizers using the Farmers' Card relying on accurate data on land holdings and crop cultivation. e-finance collects seasonally for the ministry, enabling the elimination of corrupt practices that used to occur such as the hoarding and overpricing of subsidized fertilizers. In 2023, fertilizer distribution and loan origination grew by an impressive 500% year-on-year and is expected to grow further in the coming period. The platform asserts our dedication to implementing digital solutions that enhance the government efficiency to propel Egypt's digital transformation forward.

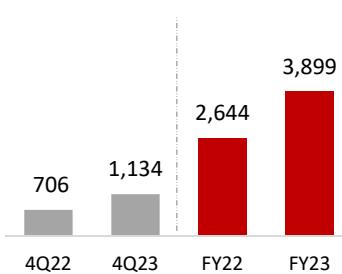
We remain steadfast in our commitment to assisting private and public sector entities in their digital transformation endeavors. With strategic decisions, our extensive network of partnerships, and innovative solutions, we are well-positioned to capture opportunities and drive growth. I am confident that e-finance will not only maintain its robust performance but also create increased value for the Group and its shareholders in the coming year.

Ibrahim Sarhan

Chairman of the Board

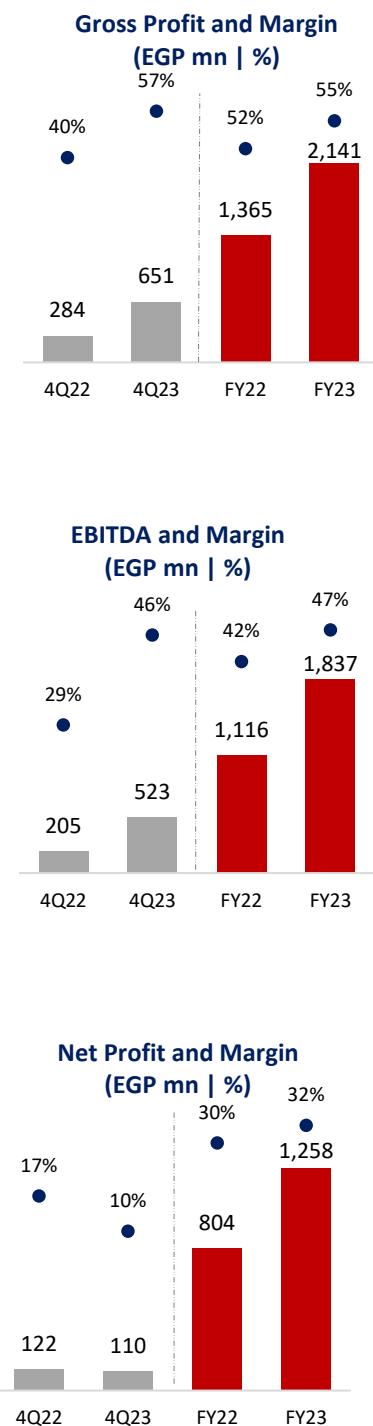
**Group Revenue Breakdown
(FY2023)**


- e-finance Digital Operations
- eCards
- eKhales
- enable
- eAswaaq

**Consolidated Revenue
(EGP mn)**


Consolidated Financial Performance

- e-finance's consolidated revenues grew by 47.5% y-o-y to EGP 3,898.6 million in FY2023 driven by broad-based expansion across the Group's subsidiaries. e-finance Digital Operations was the primary revenue growth driver, with solid increases in transaction revenue and cloud hosting revenue in FY2023. Revenue growth was further supported by strong contributions from eAswaaq, eKhales, and enable. On a quarterly basis, the Group's consolidated revenue expanded by 60.6% y-o-y, closing the quarter at EGP 1,133.8 million.
- **e-finance Digital Operations** accounted for the majority of the Group's revenues in FY2023 with a contribution of 90% at year-end. The subsidiary delivered a revenue increase of 48.0% y-o-y to EGP 3,519.0 million after inter-company eliminations in FY2023 on the back of solid results in its cloud hosting services, its transaction revenue, as well as its build & operate services. Cloud hosting revenue was up 64.6% y-o-y and stood at EGP 1,282.2 million in FY2023. Meanwhile, transaction revenue was up 59.0% y-o-y, reaching EGP 1,351.1 million, driven by a 69.6% y-o-y increase in variable fee revenues to EGP 840.4 million, as well as a 44.1% y-o-y rise in fixed fee revenues to EGP 510.7 million in FY2023. In parallel, the subsidiary's build & operate segment recorded a 14.2% y-o-y increase in revenue to EGP 829.4 million during the year.
- Revenue at **eCards** rose 30.3% y-o-y to EGP 155.0 million after inter-company eliminations in FY2023, driven by a significant 99.9% y-o-y increase in card management revenue to EGP 157.6 million.
- **eKhales** saw its post-elimination revenue grow by 53.5% to EGP 66.0 million in FY2023, driven by higher transaction volumes, and an increase in the ticket sizes of the processed transactions.
- **enable's** post-elimination revenue expanded by 45.5% y-o-y to EGP 64.0 million in FY2023, supported by higher full outsourcing revenue as a result of price increases.
- **eAswaaq's** recorded a 35.0% y-o-y increase in post-elimination revenue to EGP 81.0 million in FY2023, benefitting from higher tourism ticket sales and a larger number of active touristic sites, as well as an increase in loan origination revenue.
- Consolidated **gross profit** grew by 56.8% y-o-y to EGP 2,141.0 million, yielding a year-on-year GPM expansion of 3.3 percentage points to 54.9% at year-end as the Group reaped the rewards of its higher margin lines of business. Similarly, in 4Q2023 the Group's gross profit surged 129.1% y-o-y to reach EGP 650.5 million at the close of the quarter and GPM rose by a substantial 17.2 percentage points year-on-year to 57.4%.
- **Selling, general and administrative (SG&A) expenses** rose by 32.9% y-o-y to EGP 460.5 million in FY2023. The increase was largely driven by a

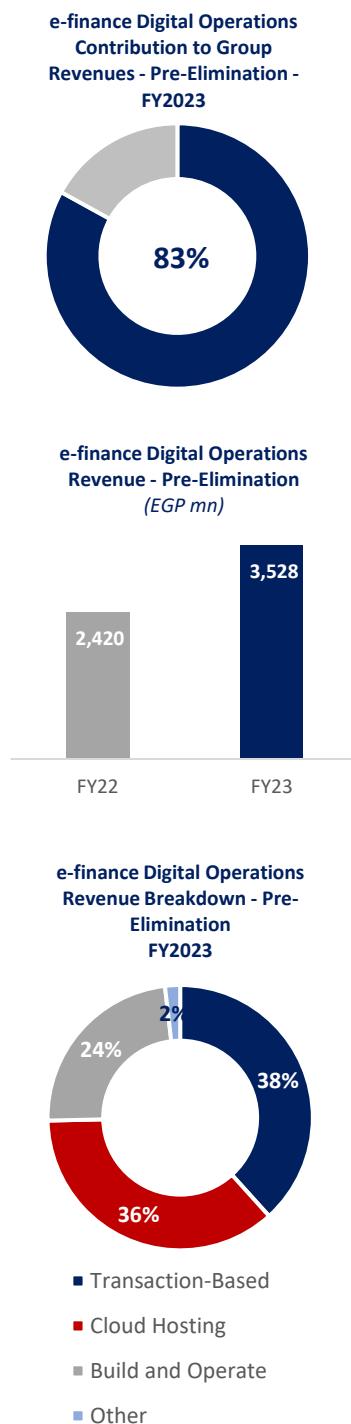


42.7% y-o-y rise in G&A costs primarily on the back of adjustments in labor and maintenance costs to accommodate inflationary pressures. Parallel to this, selling and marketing expenses inched upwards by 2.0% to reach EGP 85.0 million in FY2023, further driving the year-on-year increase in G&A costs. It is worth mentioning that despite the year-on-year increase in SG&A expenses in FY2023, SG&A expenses came in at 11.8% of consolidated revenues in FY2023, compared to 13.1% in FY2022.

- **EBITDA** grew by 64.5% y-o-y to EGP 1,836.6 million in FY2023 with an associated year-on-year EBITDA margin expansion of 4.9 percentage points to 47.1% at year-end. As for 4Q2023, EBITDA witnessed a substantial 155.3% y-o-y increase to EGP 522.7 million, resulting in a year-on-year EBITDA margin surge of 17.1 percentage points to 46.1% during the quarter.
- **e-finance's net profit after NCI** recorded a 56.4% y-o-y increase to EGP 1,257.7 million in FY2023, yielding a year-on-year NPM expansion of 1.9 percentage points to 32.3% in FY2023. e-finance's adjusted net profit, which adds back after-tax ESOP expense of EGP 272 million, booked a strong 61.2% y-o-y increase to EGP 1,529.3 million, with an associated year-on-year NPM expansion of 3.3 percentage points to 39.2% in FY2023. The Group's impressive bottom-line results during the year were primarily driven by increased value generated from higher margin revenue streams and was further supported by a rise in investment income, which booked EGP 114.6 million in FY2023, reflecting an increase of 122.5% compared to FY2022. Additionally, a 49.1% y-o-y increase in interest income to EGP 499.8 million, boosted the Group's bottom-line performance in FY2023. This reflects an effective interest yield of 18.2% compared to 11.0% in FY2022, in line with the CBE's higher prevailing policy rates. On a quarterly basis, net profit after NCI shrank by 9.2% y-o-y to EGP 110.3 million, which resulted in NPM falling by 7.5 percentage points year-on-year, closing the quarter at 9.7%. Meanwhile, adjusted net profit surged by 64.1% y-o-y during the quarter, reaching EGP 381.9 million and yielded an associated year-on-year NPM expansion of 0.7 percentage points year-on-year to 33.7% in 4Q2023.

Balance Sheet Highlights

- e-finance's **total assets** stood at EGP 7,635 million as at 31 December 2023, versus the EGP 5,935 million booked at year-end 2022. During the year, the Group deployed CAPEX of EGP 311 million, up from the EGP 161 million outlay booked for FY2022.
- The Group's **net cash position** stood at EGP 2,125 million as at 31 December 2023, down from EGP 3,127 million as at year-end 2022, and yielded a net cash to EBITDA ratio of 1.2x in FY2023 compared to 2.8x for FY2022, reflecting the 64.5% y-o-y increase in EBITDA. The Group's strong liquidity position allows it to phase its investment plan in line with prevailing market conditions.
- Total controlling shareholder's **equity** stood at EGP 5,482 million as at 31 December 2023, up from the EGP 4,574 million reported at the close of FY2022.
- e-finance's **cash conversion cycle** stood at 84 days in FY2023, up from the 39 days reported in FY2022, and primarily driven by a mix of higher receivables days (+6 days), higher inventory days (+24 days) and lower payables days (-15 days).
- During the period, e-finance revalued its investments as fair value through OCI to EGP 1,074 million up from EGP 197 million in the comparable period, reflecting the value of these investments.



Portfolio Performance²

e-finance Digital Operations

EGP million (unless otherwise stated)	FY2023	FY2022	Change %
Total Revenues	3,527.6	2,420.1	45.8%
Transaction			
Fixed Fee TRX	510.7	354.4	44.1%
Variable Fee TRX	840.4	495.4	69.6%
Build and Operate	829.4	726.5	14.2%
Cloud Hosting	1,282.2	779.1	64.6%
Other	64.8	64.6	0.4%
<hr/>			
Operational KPIs			
Fixed-Fee Transactions Processed (millions)	237.4	249.6	-4.9%
Variable-Fee Transactions, Total Value Processed (EGP billion)	1,121.3	936.4	19.7%

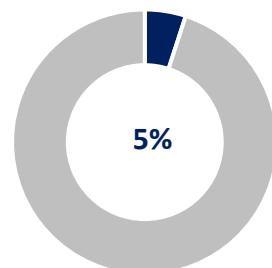
e-finance Digital Operations is e-finance Investment Group's flagship subsidiary. The subsidiary utilizes a fully integrated system of end-to-end payment infrastructure to develop and operate financial networks and to provide government, businesses, and consumers with a broad and innovative suite of digital products.

e-finance Digital Operations recorded a 45.8% y-o-y increase in revenue to EGP 3,527.6 million in FY2023. Revenue growth came on the back of broad-based growth across all of the subsidiary's business lines. Cloud hosting revenue rose by 64.6% y-o-y to EGP 1,282.2 million in FY2023 following the continued acquisition of new contracts and the generation of increased value from existing clients, in addition to the implementation of strategic price increases across several contracts during the period. In FY2023, cloud hosting revenue contributed 36.3% of the subsidiary's revenue, up from 32.2% in FY2022.

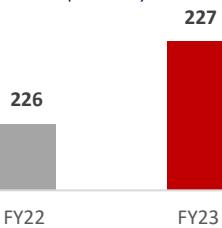
The subsidiary's transaction revenue reported a 59.0% y-o-y increase to EGP 1,351.1 million during the year, driven by a 69.6% y-o-y increase in revenue from variable-fee transactions, as well as a 44.1% y-o-y expansion in revenue from fixed-fee transactions. Revenue growth from variable-fee transactions was driven by an increase in the volume of transactions processed, most notably from tourism ticketing transactions, on the back of the overall increase in tourist traffic across Egypt to over 15 million visitors in the fiscal year 2022-23, coupled with the increase in the number of touristic sites served by the subsidiary's digital ticketing services, which stood at 69 sites as of FY2023. Additionally, growth was also further boosted by social platform transactions. It is worth highlighting that the overall throughput of variable fee transactions rose by 19.7% y-o-y to EGP 1,121.3 billion in FY2023. In parallel, the rise in fixed-fee revenue, which came despite the decline in the volume of fixed-fee transactions processed, was driven

² Unless otherwise stated, figures discussed in this section are presented before intercompany eliminations. The revenue figures presented in this section are revenues calculated prior to intercompany eliminations.

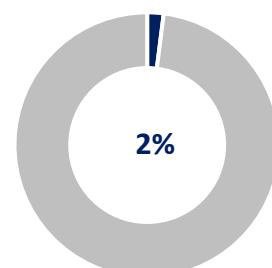
eCards Contribution to Group Revenues - Pre-Elimination - FY2023



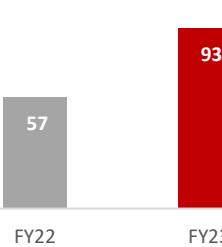
eCards Revenue - Pre-Elimination (EGP mn)



eKhales Contribution to Group Revenues - Pre-Elimination - FY2023



eKhales Revenue - Pre-Elimination (EGP mn)



by a combination of price increases for some of the subsidiary's government fixed-fee contracts, higher tax declaration revenues during the year, and revenue associated with the newly set-up fertilizer distribution contract. Meanwhile, the subsidiary's build & operate revenue expanded by 14.2% y-o-y to EGP 829.4 million in FY2023 on the back of an increase in technical support and maintenance contracts during the year.

eCards

<i>EGP million (unless otherwise stated)</i>	FY2023	FY2022	Change %
Total Revenues	226.7	226.2	0.2%
Card Production	68.7	114.2	-39.8%
Card Management Service	157.6	78.8	99.9%
Other	0.4	33.1	-98.9%
Operational KPIs			
Card Production (mn)	4.3	10.4	-58.4%
Cards Managed (mn)	6.5	5.8	11.1%

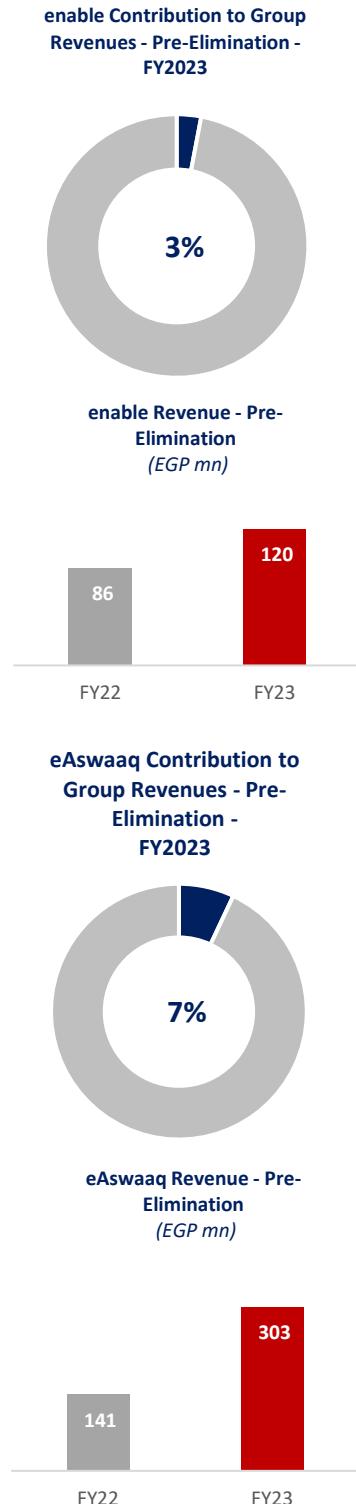
eCards is the Group's subsidiary dedicated towards primary offerings of card production services, chip embedding and personalization, card management and processing, third-party provider services (TPP) for various financial institutions, as well as enabling the development of smart solutions.

In FY2023, eCards' revenue was flat y-o-y at EGP 226.7 million as the revenue decline witnessed at the subsidiary's card production and its smart solutions services canceled out the revenue increase reported by the card management services. Revenue from card management services surged by 99.9% y-o-y to EGP 157.6 million in FY2023 following an 11.1% y-o-y rise in the number of cards managed, coupled with the implementation of price hikes for card management services during the year. On the other hand, card production revenue dropped by 39.8% y-o-y to EGP 68.7 million during the year following the 58.4% y-o-y drop in the number of cards produced. This came on the back of a one-off sales rebate for one of eCards' strategic clients as they requested a change in the specifications of cards delivered.

eKhales

<i>EGP million (unless otherwise stated)</i>	FY2023	FY2022	Change %
Total Revenues	92.5	57.0	62.3%
Operational KPIs			
POS Terminal Network (000's)	574	473	12.3%
Transactions Aggregated (millions)	88	67	31.3%

eKhales provides a central bill processing hub for retail partners through a nationwide network of POS machines. eKhales offers a digital payment solution



that eases the payment and collection process for consumers, while providing merchants with a suite of value-added digital services.

eKhales' revenue for FY2023 reached EGP 92.5 million, reflecting a 62.3% y-o-y expansion. Top-line growth during the year was driven by a 12.3% y-o-y increase in the subsidiary's POS terminal network, coupled with a 31.3% y-o-y increase in the number of transactions aggregated. On that front, in FY2023 the subsidiary aggregated 88 million transactions compared to 67 million transactions in FY2022, while its nationwide POS network stood at 574 thousand terminals at the close of the year, up from 473 thousand during FY2022.

enable

<i>EGP million (unless otherwise stated)</i>	FY2023	FY2022	Change %
Total Revenues	120.1	85.9	39.8%
Operational KPIs			
Customers Served (#)	56	54	3.7%
Number of Seats (#)	1,000	1,000	-

enable is a business process outsourcing (BPO) service provider. The subsidiary focuses on supporting e-finance's wide customer base. enable is the preferred service provider for a broad range of Egyptian and international entities, offering solutions which range from HR and IT process outsourcing to full contact center services.

enable achieved a 39.8% y-o-y revenue increase to EGP 120.1 million in FY2023 on the back of greater value generation across its growing full outsourcing and IT businesses.

eAswaaq

<i>EGP million (unless otherwise stated)</i>	FY2023	FY2022	Change %
Total Revenues	303.3	141.3	114.7%

eAswaaq is a multi-platform e-commerce operator. 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.

eAswaaq's top-line expanded by 114.7% y-o-y to EGP 303.3 million in FY2023 as the subsidiary witnessed robust revenue growth across its tourism and ecommerce digital platforms and applications, as well as its digital Agri-lending platform.

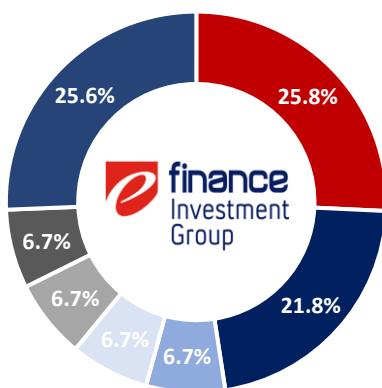
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About e-finance for Digital and Financial Investments

e-finance Investment Group is a homegrown developer of digital payments infrastructures that was established in 2005 to develop the 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 leading technology-focused investment firm. With a dynamic business model and a flexible organizational structure, e-finance is able to focus on multiple target markets through its subsidiaries and maximize its ability to unlock value in the digital payments space. The Group boasts a portfolio of subsidiaries that has enabled e-finance's growth across multiple markets, unlocked synergies across its business lines, and enabled digital transformation for various strategic sectors throughout the nation to support the development of Egypt's digital economy and drive towards financial inclusion. Learn more at efinanceinvestment.com.

Shareholder Structure

As of 31 December 2023



- Saudi Egyptian Investment Company
- National Investment Bank
- Banque Misr
- National Bank of Egypt
- Egyptian Banks Company
- Egyptian Co. for Investment Projects
- Other

SHARE INFORMATION

EFIH.CA on the EGX

Number of Shares	1,848,888,889
Par Value / Share (EGP)	0.5
Paid-in Capital	EGP 924,444,444

INVESTOR RELATIONS CONTACTS

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