

e-finance Investment Group Reports 1H2023 Results

e-finance posted its highest first half year results across both top- and bottom-lines since its inception. The Group booked revenue growth of 37.5% y-o-y coupled with a 49.8% y-o-y increase in net profit driven by impressive performances across the Group's subsidiaries in 1H23.

1H2023 Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit
EGP 1,735.4 million (▲38% y-o-y)	EGP 936.3 million (▲36% y-o-y)	EGP 823.0 million (▲47% y-o-y)	EGP 718.4 million (▲50% y-o-y)

2Q2023 Financial Highlights

Revenues	Gross Profit	EBITDA	Net Profit
EGP 967.5 million (▲38% y-o-y)	EGP 551.2 million (▲33% y-o-y)	EGP 491.0 million (▲43% y-o-y)	EGP 436.4 million (▲56% y-o-y)

15 August 2023 – (Cairo) e-finance for Digital and Financial Investments S.A.E. ("e-finance", or the "Group", EFIG.CA on the Egyptian Exchange), a leading technology-focused investment firm in Egypt, announced today its standalone and consolidated results for the six-month period ended 30 June 2023. The Group's consolidated revenues increased by 37.5% y-o-y to EGP 1,735.4 million driven by broad-based growth across the Group's subsidiaries. On the profitability front, the Group recorded an EBITDA surge of 46.6% y-o-y to EGP 823.0 million, and at its bottom-line, the Group recorded a net profit after non-controlling interest (NCI) increase of 49.8% y-o-y to EGP 718.4 million, with an associated y-o-y net profit margin expansion of 3.4 percentage points to 41.4% during the six-month period.

Summary Income Statement

(EGP mn)	2Q2023	2Q2022	Change	1H2023	1H2022	Change
Total Consolidated Revenues	967.5	702.5	37.7%	1,735.4	1,262.0	37.5%
e-finance Digital Operations	857.7	594.5	44.3%	1,574.6	1,106.4	42.3%
eCards	83.6	23.3	259.8%	145.6	86.2	69.0%
eKhales	20.4	12.5	63.2%	36.2	22.6	60.4%
enable	31.6	22.0	44.0%	54.5	40.6	34.3%
eAswaaq	49.4	65.3	-24.4%	107.9	76.6	40.9%
Intercompany Eliminations	(75.3)	(15.1)	399.4%	(183.4)	(70.4)	160.5%
Cost of Sales	(416.3)	(286.9)	45.1%	(799.1)	(574.0)	39.2%
Gross Profit	551.2	415.6	32.6%	936.3	687.9	36.1%
Gross Profit Margin	57.0%	59.2%	-2.2%	54.0%	54.5%	-0.6%
SG&A	(92.2)	(95.8)	-3.7%	(177.6)	(170.8)	4.0%
SG&A-to-sales (%)	9.5%	13.6%	-4.1%	10.2	13.5	-3.3%
EBITDA	491.0	342.8	43.2%	823.0	561.5	46.6%
EBITDA Margin	50.8%	48.8%	2.0%	47.4%	44.5%	2.9%
Net Profit after NCI	436.4	279.3	56.2%	718.4	479.7	49.8%
Net Profit Margin	45.1%	39.8%	5.3%	41.4%	38.0%	3.4%

Chairman's Message

Following a strong start to the year, the Group has successfully maintained its momentum and delivered exceptional results for the first half of 2023. Our strong performances across the board demonstrate our ability to deliver on the Group's operational, financial, and strategic goals despite the challenges presented to us. Moreover, we have continued to expand e-finance's presence in the digital payments landscape in key sectors across the nation and further maximized the value generated from our comprehensive technology infrastructure, driving the Group's solid results for the period.

During 1H2023, the Group delivered a 37.5% year-on-year top-line increase to EGP 1.7 billion, largely driven by e-finance Digital Operations as the subsidiary continued to reap the rewards of its investment in cloud services and expand its footprint in Egypt across this lucrative and fast-growing space. Our results were further supported by increased growth across our transaction revenue, where the Group saw a stellar 85.9% year-on-year increase in variable fee transactions as we continued to capitalize on our investments in key sectors and the growing adoption of digital payments. In terms of profitability, the Group recorded a 49.8% year-on-year increase in net income to EGP 718.4 million, with an associated margin expansion of 3.4 percentage points to 41.4% in 1H2023 as we continue to benefit from the higher margin nature of multiple revenue streams coupled with management's ability to alleviate the impact of Egypt's record high inflation and elevated interest rate environment by utilizing a variety of mitigation strategies.

Moreover, it is with great pride that I announce the success of our key investment in the tourism sector, which started less than two years ago. Our digital ticketing solution has become instrumental to the Group's revenue growth, contributing c.10% of e-finance's revenue in 1H2023, and stands testament to our commitment to delivering on the Group's investment strategy focusing on expanding our presence in key sectors that are undigitized and underserved. Following the success of our implementation during the initial rollout across 30 touristic sites, the Ministry of Tourism and Antiquities has awarded the Group additional locations for our digital ticketing solution, which is now active across 66 touristic sites. Moving forward, we intend to expand e-finance's digital ticketing solution further across additional touristic sites, with a target of being present at over 100 active sites by early 2024. Over the past twelve months, Egypt recorded its highest ever tourism figures, with over 15 million tourists visiting the country, bringing in revenues in excess of USD 16 billion, which represents a significant milestone for the country that the Group is aiming to capitalize on to further fuel our growth.

The Group has also taken strides in supporting Egypt's vital agriculture sector and has built a comprehensive nationwide distribution network focused on controlling the distribution of subsidized fertilizers by integrating with the seven fertilizer production facilities in the nation. Through this network, it is anticipated that around 2.5 million tons of subsidized fertilizers will be distributed annually, solely through the use of the Farmers' Card as mandated by the Ministry of Agriculture and Land Reclamation, to more than five million registered possessions. The Group is confident that this project will play a pivotal role in supporting the efficiency and development of Egypt's agriculture sector, as it will strengthen the government's ability to regulate the distribution process and ensure that it is fair and equal by eliminating potential theft and leakage.

Furthermore, as part of our growth and expansion strategy, we are working alongside Saudi Arabia's Public Investment Fund (PIF) and assessing multiple value-accretive opportunities across the kingdom and other countries. The Group is in regular discussion with various PIF-owned companies across the kingdom with regards to replicating some of e-finance's key solutions across Saudi Arabia, and in parallel, assessing opportunities where players in Saudi Arabia, who share our strategic vision and mission, can implement their services in Egypt. Moreover, we also look forward to the completion of e-finance's office in the kingdom, which is anticipated to be concluded within the coming months and represents a major milestone in our geographical expansion strategy and a catalyst for further expansion throughout the MENA region and the African continent.

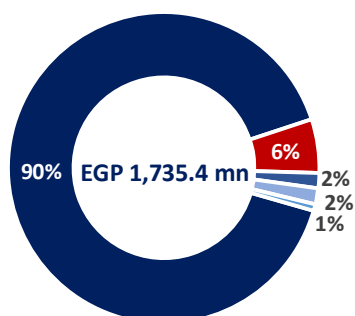
Moreover, following the Central Bank of Egypt's (CBE) recent issuance of licensing regulations for digital banks, we are currently assessing the viability of acquiring the digital banking license, which would mark a major milestone in the Group's growth and is in clear alignment with our investment strategy. e-finance already boasts a comprehensive technology infrastructure that serves tens of millions of customers annually across the country, leaving us well-positioned to seamlessly integrate digital banking services across our operations. On this front, several of the key demographics that we target are formed of individuals that lack access to traditional financial services, presenting us with an opportunity to incorporate a substantial number of Egypt's unbanked population into the formal financial system, supporting the CBE's financial inclusion strategy, and elevating the Egyptian economy.

Looking ahead, I am confident that the Group will continue recording exceptional results and delivering on our communicated targets for the year. The excellence and dedication of our people will remain the cornerstone of e-finance's success and ability to generate long-term value for our shareholders, and I am certain that they will continue to deliver on this front.

Ibrahim Sarhan

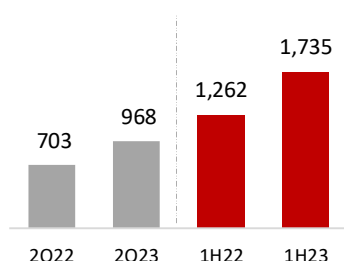
Chairman of the Board

**Group Revenue Breakdown
(1H2023)**



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

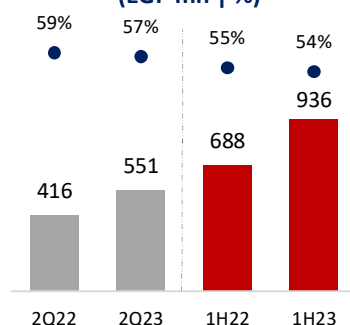
**Consolidated Revenue
(EGP mn)**



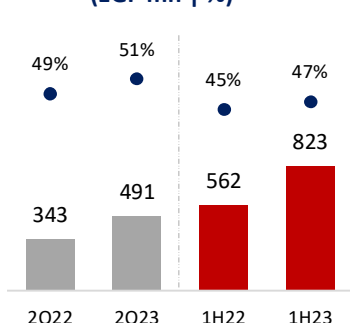
Consolidated Financial Performance

- e-finance's consolidated revenues grew by 37.5% y-o-y to EGP 1,735.4 million in 1H2023 driven by solid top-line expansion across the majority of the Group's subsidiaries. e-finance Digital Operations continued to be the primary revenue growth driver backed by strong results at its cloud hosting revenue followed by its transaction revenue in 1H2023. Revenue growth was further supported by solid contributions from eCards and eAswaaq. This broad-based growth enabled the Group to build on the previous quarter's momentum and deliver strong results amid challenging market conditions. On a quarterly basis, the Group's revenue rose by 37.7% y-o-y coming in at EGP 967.5 million at the close of 2Q2023.
- e-finance Digital Operations** accounted for the majority of the Group's revenues in 1H2023 with a contribution of 90%. The subsidiary delivered a revenue increase of 43.9% y-o-y to EGP 1,570.4 million after inter-company eliminations in 1H2023, driven by the strong performance from the subsidiary's cloud hosting services, as well its transaction revenue. Cloud hosting revenue was up 91.9% y-o-y to EGP 597.3 million in 1H2023, while transaction revenue rose 54.1% y-o-y to EGP 636.8 million. Growth in transaction revenue was driven by an 85.9% y-o-y increase in variable-fee revenues to EGP 390.8 million in 1H2023, as well as a 21.1% y-o-y increase in fixed-fee revenue to EGP 246.0 million during the period. Meanwhile, the subsidiary's build & operate segment witnessed an 11.6% y-o-y decline in revenue to EGP 317.5 million in 1H2023 due to the fluctuations of certain field technical support contracts.
- Revenue at **eCards** rose 91.4% y-o-y to EGP 97.6 million after inter-company eliminations in 1H2023, largely driven by a significant 138.9% y-o-y increase in card management revenue to EGP 78.9 million. Revenue growth was further supported by a 25.6% y-o-y increase in card production revenue to EGP 66.8 million in 1H2023.
- eKhales** saw its post-elimination revenue grow by 31.1% y-o-y to EGP 26.8 million in 1H2023 on the back of higher transaction volumes.
- enable's** post-elimination revenue grew by 8.5% y-o-y to EGP 29.5 million in 1H2023, mainly supported by higher IT outsourcing revenue growth.
- eAswaaq** recorded a 78.9% y-o-y decline in post-elimination revenue to EGP 11.1 million in 1H2023, down from EGP 52.8 million recorded in 1H2022, due to the high-base effect of a one-off supply revenue contract in the same period last year.

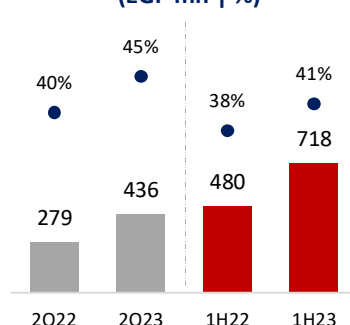
Gross Profit and Margin (EGP mn | %)



EBITDA and Margin (EGP mn | %)



Net Profit and Margin (EGP mn | %)

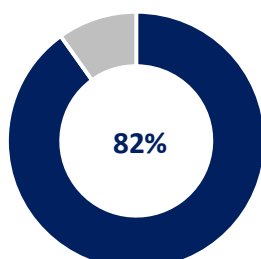


- Consolidated **gross profit** was up 36.1% y-o-y, reaching EGP 936.3 million in 1H2023. However, GPM inched down by 56 basis points y-o-y, closing the six-month period at 54.0% due to an increase in cost of sales as a percentage of consolidated revenue. On a quarterly basis, the Group's gross profit rose 32.6% y-o-y to EGP 551.2 million, while GPM contracted by 2.2 percentage points y-o-y to 57.0% in 2Q2023. The increase in the contribution of cost of sales to revenue for the period was driven mainly by rising inflationary pressures.
- Sales, general and administrative (SG&A) expenses** rose by 4.0% y-o-y to EGP 177.6 million in 1H2023. This increase was largely driven by an 18.8% y-o-y increase in G&A costs due to the adjustment of labor costs to accommodate inflationary pressures. Meanwhile, selling & marketing expenses almost halved y-o-y owing to the high base effect of a large-scale marketing campaign launched during 1H2022. It is worthy to note that SG&A expenses stood at 10.2% as a percentage of consolidated revenues in 1H2023, as opposed to 13.5% during the same period last year.
- EBITDA** grew 46.6% y-o-y to EGP 823.0 million, implying an EBITDA margin expansion of 2.9 percentage points to 47.4% in 1H2023. On a quarterly basis, EBITDA was up 43.2% y-o-y, reaching EGP 491.0 million in 2Q2023, boasting a stronger margin of 50.8%, up two percentage points year-on-year.
- e-finance's **net profit after NCI** increased by 49.8% y-o-y to EGP 718.4 million and booked an NPM margin expansion of 3.4 percentage points to 41.4% in 1H2023 driven by the Group's higher operating margins. Furthermore, a 62.5% y-o-y increase in interest income to EGP 257.2 million provided additional support to the Group's bottom-line growth during the six-month period. This represents an effective interest yield of 16.7% compared to 11.0% in 1H2022, reflecting the CBE's higher prevailing policy rates. Additionally, investment income, which recorded EGP 76 million, further supported the Group's bottom-line performance. On a quarterly basis, net profit after NCI increased by 56.2% y-o-y to EGP 436.4 million, generating a year-on-year NPM expansion of 5.3 percentage points in 2Q2023.

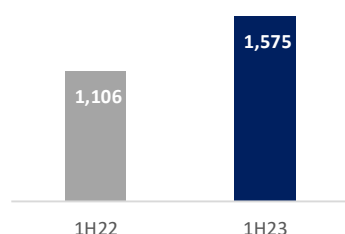
Balance Sheet Highlights

- e-finance booked **total assets** of EGP 6,070 million as at 30 June 2023, up from the EGP 5,935 million booked at year-end 2022. The Group deployed CAPEX of EGP 104 million in 1H2023, up from the EGP 55 million outlay booked for the comparable period.
- The Group's **net cash position** stood at EGP 2,889 million as at 30 June 2023, down from EGP 3,127 million at year-end 2022, and yielded a net cash to EBITDA ratio of 1.5x in 1H2023 versus 2.8x for FY2022, reflecting the 46.6% 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 4,722 million as at 30 June 2023, up from EGP 4,574 million at the close of FY2022.
- e-finance's **cash conversion cycle** stood at 63 days in 1H2023, up year-on-year compared with 45 days in 2H2022, primarily on lower payables days by 31, reflecting timelier payment during the period.

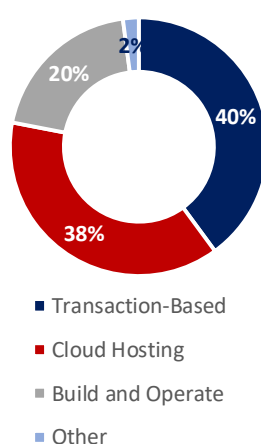
e-finance Digital Operations
Contribution to Group
Revenues - Pre-Elimination -
1H2023



e-finance Digital Operations
Revenue - Pre-Elimination
(EGP mn)



e-finance Digital Operations
Revenue Breakdown - Pre-
Elimination
1H2023



Portfolio Performance¹

e-finance Digital Operations

EGP million (unless otherwise stated)	1H2023	1H2022	Change %
Total Revenues	1,574.6	1,106.4	42.3%
Transaction	636.8	413.3	54.1%
Fixed Fee TRX	246.0	203.1	21.1%
Variable Fee TRX	390.8	210.2	85.9%
Build and Operate	317.5	359.2	-11.6%
Cloud Hosting	597.3	311.2	91.9%
Other	22.9	22.6	1.6%
Operational KPIs			
Fixed-Fee Transactions Processed (millions)	126.3	152.4	-17.1%
Variable-Fee Transactions, Total Value Processed (EGP billion)	559.4	443.0	26.3%

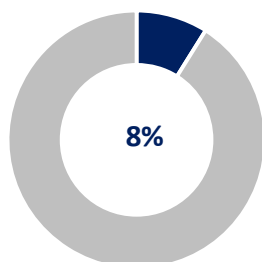
e-finance Digital Operations is e-finance Investment Group's flagship subsidiary. The subsidiary utilizes a fully integrated system of end-to-end payment infrastructure to develop and operate financial networks and to provide government, businesses, and consumers with a broad and innovative suite of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

e-finance Digital Operations recorded a 42.3% y-o-y increase in revenue to EGP 1,574.6 million in 1H2023. The subsidiary's performance was driven by a strong 91.9% y-o-y increase in cloud hosting revenue to EGP 597.3 million in 1H2023 as the subsidiary continued acquiring new contracts, generating increased value from existing clients, coupled with strategic price increases across multiple contracts during the period. Additionally, cloud hosting revenue was further elevated by the retroactive revenue recognition for one of its contracts. Cloud hosting revenue contributed 37.9% of the subsidiary's revenue in 1H2023, up from 28.1% in 1H2022.

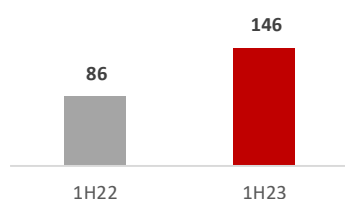
The subsidiary's transaction revenue rose by 54.1% y-o-y to EGP 636.8 million in 1H2023, driven by an 85.9% y-o-y increase in revenue from variable-fee transactions, as well as a 21.1% increase in revenue from fixed-fee transactions, which offset the 11.6% y-o-y decline witnessed at the build & operate segment in 1H2023. Revenue growth from variable-fee transactions was driven by an increase in the volume of transaction processed, most notably from the taxation and customs collections platforms; with the overall throughput growing by 26.3% y-o-y to EGP 559.4 billion in 1H2023. Furthermore, transaction revenue growth was boosted by a notable increase in the contribution from the tourism ticketing platform, which was driven by an increase in the number of touristic sites, standing at 66 sites as of 1H2023, as well as the overall increase in tourist traffic across Egypt to more than 15 million visitors in fiscal year 2022-23. Meanwhile, the rise in fixed-fee revenue came on the back of a combination of

¹ 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.

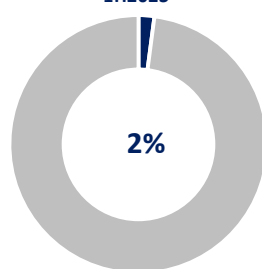
eCards Contribution to Group Revenues - Pre-Elimination - 1H2023



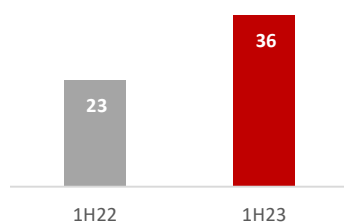
eCards Revenue - Pre-Elimination (EGP mn)



eKhales Contribution to Group Revenues - Pre-Elimination - 1H2023



eKhales Revenue - Pre-Elimination (EGP mn)



price increases for some of the subsidiary's government fixed-fee contracts, and higher tax declaration revenues during the six-month period.

eCards

EGP million (unless otherwise stated)	1H2023	1H2022	% Change
Total Revenues	145.6	86.2	69.0%
Card Production	66.8	53.2	25.6%
Card Management Service	78.9	33.0	138.9%
Operational KPIs			
Card Production (mn)	2.5	4.3	-42.6%
Cards Managed (mn)	6.1	4.5	35.2%

eCards is the Group's subsidiary dedicated towards building, managing, and operating smart solutions for financial and non-financial institutions. The subsidiary's primary offerings are centered around 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.

eCards' revenue rose 69.0% y-o-y to EGP 145.6 million in 1H2023 largely due to a significant increase in revenue from card management services and was further supported by higher revenues from card production during the period. Revenue from card management services increased by 138.9% y-o-y to EGP 78.9 million partially on the back of a 35.2% y-o-y increase in the number of cards managed. Additionally, card management services revenue was further supported during the 2Q2023 through the retroactive revenue recognition for services rendered in 1Q2023. Overall, the stellar revenue increase aligns with management's strategy to generate increased value from card management services.

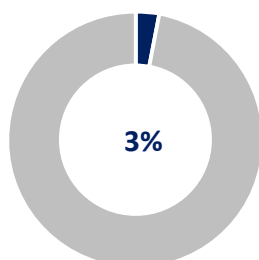
Card production revenues were up 25.6% y-o-y to EGP 66.8 million despite the decline in the number of cards produced following management's successful strategy of producing cards at higher price points to increase the revenue per card produced.

eKhales

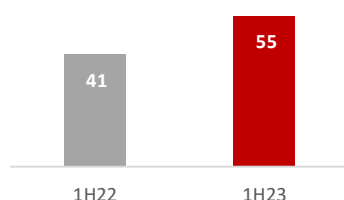
EGP million (unless otherwise stated)	1H2023	1H2022	Change %
Total Revenues	36.2	22.6	60.3%
Operational KPIs			
POS Terminal Network (000's)	531	393	35.1%
Transactions Aggregated (millions)	39.0	29.5	32.3%

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

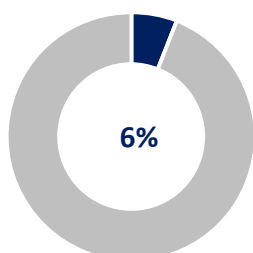
enable Contribution to Group Revenues - Pre-Elimination - 1H2023



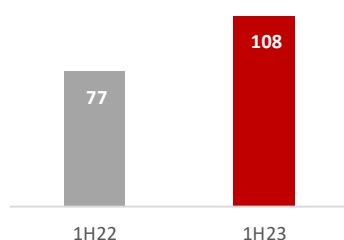
enable Revenue - Pre-Elimination (EGP mn)



eAswaaq Contribution to Group Revenues - Pre-Elimination - 1H2023



eAswaaq Revenue - Pre-Elimination (EGP mn)



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

eKhales' revenue expanded by 60.3% y-o-y to EGP 36.2 million in 1H2023. Revenue growth was achieved on the back of higher ticket sizes coupled with a 32.3% y-o-y increase in the number of transactions aggregated during the six-month period, which stood at 39.0 million, coupled with growth in eKhales' POS network. The subsidiary's nationwide POS network grew to 531 thousand in 1H2023, rising from 393 thousand in 1H2022.

enable

EGP million (unless otherwise stated)	1H2023	1H2022	Change %
Total Revenues	54.5	40.6	34.2%
Operational KPIs			
Customers Served (#)	53	59	-10.2%
Number of Seats (#)	1,043	737	41.5%

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, offerings solutions which range from HR and IT process outsourcing to full contact center services.

enable booked a revenue increase of 34.2% y-o-y to EGP 54.5 million in 1H2023 driven by increased value generated from the subsidiary's growing IT and HR outsourcing businesses.

eAswaaq

EGP million (unless otherwise stated)	1H2023	1H2022	Change %
Total Revenues	107.9	76.6	40.9%

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 booked a revenue increase of 40.9% y-o-y to EGP 107.9 million in 1H2023 versus EGP 76.6 million for the same period last year. This performance was driven by robust revenue growth from the subsidiary's digital platforms and applications across tourism and ecommerce, in addition to its digital Agri-lending platform.

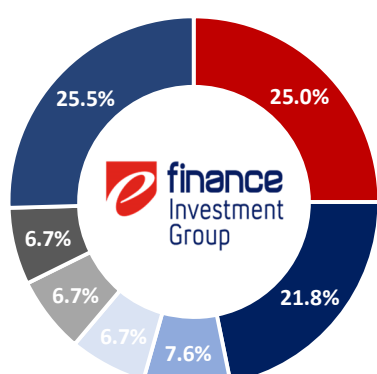
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About e-finance for Digital and Financial Investments

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 30 June 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

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