

e-finance Investment Group Reports 9M2024 Results

e-finance continued to deliver impressive results in 9M2024, achieving a net profit of EGP 1.4 billion, the highest in the Group's history. Bottom-line growth came on the back of strong results across the board, and was further boosted by strong investment income.

11 November 2024 – (Cairo) e-finance for Digital and Financial Investments S.A.E. ("e-finance", or the "Group", EFIGA on the Egyptian Exchange), a leading financial technology-focused investment firm in Egypt, announced today its standalone and consolidated results for the nine-month period ended 30 September 2024. The Group's consolidated revenues increased by 24.5% y-o-y to EGP 3,443.2 million, driven by broad-based growth across most of the Group's subsidiaries. On the profitability front, Group EBITDA grew by 18.1% y-o-y to EGP 1,552.2 million, however EBITDA margin shrank by 2.4 percentage points year-on-year to 45.1% during the nine-month period. At the bottom-line, e-finance's net profit after NCI expanded by 21.5% y-o-y to EGP 1,393.5 million, while net profit margin contracted by 1.0 percentage points year-on-year to 40.5% in 9M2024.

Summary Income Statement

(EGP mn)	3Q2024	3Q2023	Change	9M2024	9M2023	Change
Total Consolidated Revenues	1,159.9	1,029.3	12.7%	3,443.2	2,764.8	24.5%
e-finance Digital Operations	1,060.3	905.4	17.1%	3,139.1	2,496.8	25.7%
eCards	87.2	68.0	28.1%	267.6	213.7	25.2%
eKhales	36.8	24.4	50.8%	101.9	60.6	68.1%
enable	33.3	32.2	3.6%	87.0	86.7	0.4%
eAswaaq	63.7	53.1	20.0%	223.5	161.0	38.9%
Intercompany Eliminations	(121.4)	(53.8)	125.9%	(375.9)	(253.9)	48.0%
Cost of Sales	(522.1)	(475.2)	9.9%	(1,634.7)	(1,274.3)	28.3%
Gross Profit	637.8	554.2	15.1%	1,808.5	1,490.5	21.3%
Gross Profit Margin	55.0%	53.8%	1.1%	52.5%	53.9%	-1.4%
SG&A	(146.6)	(104.4)	40.4%	(426.5)	(282.0)	51.2%
SG&A-to-sales (%)	12.6%	10.1%	2.5%	12.4%	10.2%	2.2%
EBITDA	544.9	490.8	11.0%	1,552.2	1,313.8	18.1%
EBITDA Margin	47.0%	47.7%	-0.7%	45.1%	47.5%	-2.4%
Net Profit after NCI	630.8	429.0	47.0%	1,393.5	1,147.4	21.5%
Net Profit Margin	54.4%	41.7%	12.7%	40.5%	41.5%	-1.0%

e-finance's **consolidated revenues** of EGP 3,443.2 million in 9M2024, a 24.5% y-o-y increase driven by broad-based expansion across most of the Group's subsidiaries. e-finance Digital Operations, the Group's flagship subsidiary, was the main revenue growth driver, delivering broad-based growth across all of its revenue streams during the nine-month period. Revenue growth was further boosted by solid contributions from eAswaaq and eKhales. On a quarterly basis, the Group's consolidated revenue grew by 12.7% y-o-y to EGP 1,159.9 million in 3Q2024.

e-finance Digital Operations accounted for the majority of the Group's revenues in 9M2024, with a contribution of 91%. In 9M2024, the subsidiary achieved a revenue, after inter-company eliminations, of EGP 3,131.1 million, a 25.7% y-o-y increase. The subsidiary's top-line performance was driven by strong results across its transaction, cloud hosting, and build & operate revenue. Transaction revenue expanded by 26.2% y-o-y to EGP 1,211.6 million in 9M2024, largely driven by a 35.5% y-o-y rise in variable-fee revenues to EGP 780.8 million, and was further supported by a 12.2% y-o-y increase in fixed-fee revenues to EGP 430.8 million during the nine-month period. Meanwhile, cloud hosting revenue reached EGP 1,067.8 million in 9M2024, a 20.8% y-o-y increase. In parallel, the subsidiary's build & operate segment expanded by 14.6% y-o-y to EGP 714.4 million.

In 9M2024, post-elimination revenue at **eCards** dropped by 28.2% y-o-y to EGP 116.7 million. **eKhales'** post-elimination revenue expanded by 52.7% y-o-y in 9M2024, closing the nine-month period at EGP 69.6 million. Top-line growth was primarily driven by a solid increase in the number of transactions aggregated in 9M2024. Post-elimination revenue at **enable** contracted by 56.7% y-o-y to

EGP 22.1 million in 9M2024 largely due to eliminations associated with higher inter-company sales during the period. **eAswaaq's** revenue after inter-company eliminations surged 605.2% y-o-y in 9M2024, reaching EGP 103.8 million on the back of higher tourism ticket prices and a larger number of active touristic sites. Additionally, an increase in loan origination revenue strongly supported the subsidiary's performance during the nine-month period.

Consolidated **gross profit** expanded by 21.3% y-o-y to EGP 1,808.5 million in 9M2024. However, 9M2024 GPM contracted by 1.4 percentage points year-on-year to 52.5% as the Group's sales costs increased at a higher rate than its revenues as a result of the Group taking on a larger number of lower-margin supply contracts during the period, represented in essential supply contract serving other business lines under the Group. Worth noting that the majority of those contracts were taken on during 2Q2024 and margins have since recovered. On a quarterly basis, gross profit expanded by 15.1% y-o-y to EGP 637.8 million in 3Q2024, whereas GPM grew by 1.1 percentage points year-on-year to 55.0% during the three-month period. GPM expansion during the quarter was largely a result of a higher margin revenue mix during the comparable period, despite a year-on-year increase in COGS.

e-finance's **net profit after NCI** grew by 21.5% y-o-y to EGP 1,393.5 million in 9M2024. However, NPM contracted by 1.0 percentage points year-on-year to 40.5% following the decline in operating profitability margins. The Group's bottom-line growth during the nine-month period was largely driven by the solid, broad-based revenue growth witnessed by most of the Group's subsidiaries and was further boosted by a rise in investment income, which booked EGP 395.0 million in 9M2024, reflecting an increase of 410% compared to 9M2023. Meanwhile, although interest income declined by 28.9% y-o-y to EGP 276.5 million, the Group recorded an effective interest yield of 18.4% compared to 16.6% in 9M2023, in line with the CBE's higher prevailing policy rates. The decline in interest income witnessed during the nine-month period was due to the reallocation of cash towards alternative higher yield investments, which generated 3x the returns of generated by the treasury in 9M2024. On a quarterly basis, net profit after NCI surged 47.0% y-o-y in 3Q2024, closing the quarter at EGP 630.8 million, and yielded an associated NPM expansion of 12.7 percentage points year-on-year to 54.4%.

Commenting on the Group's performance, e-finance Chairman Ibrahim Sarhan said: "As we head into the final quarter of the year, I am proud of the Group's performance over the past nine months, where we managed to continue achieving impressive top- and bottom-line results, once again delivering on our stated operational, financial and strategic objectives. Our performance across all metrics continues to reflect our innovative approach to doing business and the operational strength of our portfolio companies, all supported by our ability to capitalize on the rising demand for digital solutions across the country.

In 9M2024, the Group achieved a revenue expansion of 24.5% year-on-year to EGP 3.4 billion. Top-line growth for the nine-month period was mainly driven by the strong performance of our flagship subsidiary, e-finance Digital Operations, on the back of the continued investment in its lucrative and fast-growing cloud services offering. The subsidiary's performance was further supported by the solid growth witnessed in its transaction-based revenue streams, mainly driven by a 35.5% year-on-year increase in variable-fee revenue as it continued to generate positive returns from the increased adoption of digital payment solutions across various key sectors.

On the profitability front, the Group's EBITDA expanded by 18.1% year-on-year in 9M2024, closing the nine-month period at EGP 1.6 billion, and delivering an associated EBITDA margin of 45.1%. Meanwhile, our net profit expanded by 21.5% year-on-year to EGP 1.4 billion in 9M2024, generating a net profit margin of 40.5%. Our results over the past nine months are a continued demonstration of the overarching strength of the Group's business model, as well as our ability to consistently generate solid returns from our various revenue streams.

A main pillar of our growth and expansion strategy is the continued investment in new and innovative ways to develop Egypt's digital landscape. On that front, and after acquiring ownership stakes in "Al Ahly Momken" and "easyCash for Digital Payments" last quarter, we have recently launched the first Africa-focused specialized Egyptian e-commerce platform, "ECOM Africa", further expanding our reach across the retail sector. "ECOM Africa", which was established through our e-commerce subsidiary eAswaaq, and in collaboration with Post for Investment, which is fully owned by Egyptian Post Authority, will work to operate an electronic marketplace that promotes Egyptian products across different African markets; as well as creating new opportunities for cooperation at a continent level, as well as to promote and support the inflow of foreign currency.

In parallel, our investments across the tourism sector continue to deliver exceptional returns through our various solutions, which include e-ticketing gates and payment systems at gift shops. On that note, I am pleased to announce that our solutions are currently present at 109 touristic sites across Egypt, surpassing the 100-site benchmark, marking a significant milestone for the Group. With the

current expansionary trend witnessed by the Egyptian tourism sector, we remain positive that the sector will continue to be an important pillar of Egypt's economic growth strategy. Accordingly, we will continue working towards capitalizing on the significant upside potential of the tourism sector to fuel our growth through the expansion of our footprint, as well as the introduction of new digital services and solutions.

Meanwhile, our investments across the agriculture sector are ramping up strongly, with the number of monthly users on eAswaaq's farmer's loan system exceeding the 10 thousand monthly users benchmark during the past period. Similarly, eTax, our associate tax processing company, continues to deliver strong year-on-year growth, with a growth rate of just under 40% over the past period.

Overall, I am proud of the Group's impressive performance over the past nine months, and I am confident that we will close out the year on a strong note. Moving forward, we remain wholeheartedly committed to achieving our communicated targets, and the Group will continue to grow and invest across numerous sectors, with a specific focus on the financial sector, as well as the healthcare and education sectors," **Sarhan concluded.**

e-finance Investment Group's full 9M2024 earnings release along with the Group's consolidated and standalone financial statements are available at investors.efinanceinvestment.com.

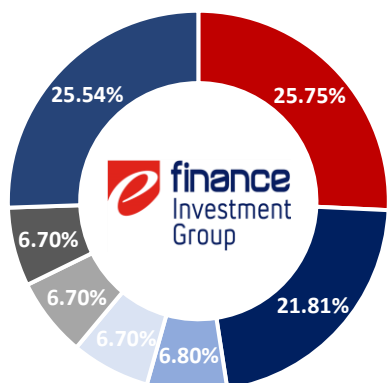
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About e-finance for Digital and Financial Investments

e-finance Investment Group is a homegrown developer of digital payments infrastructures that was established in 2005 to develop the 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 September 2024



- 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	2,311,111,111
Par Value / Share (EGP)	0.5
Paid-in Capital	EGP 1,155,555,555.5

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