



# Investor Presentation

September 2022

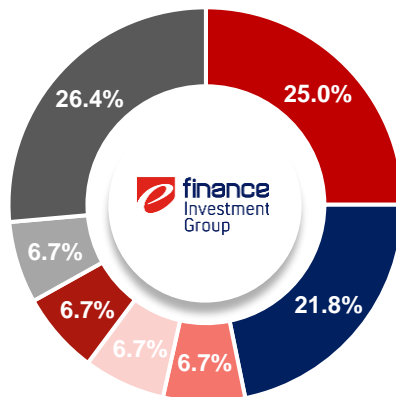


# Group Overview

## Group Synopsis

efinance Investment Group is Egypt's leading investment management firm. From its beginnings as the country's first fintech platform in 2005, efinance has grown to pioneer Egypt's comprehensive digital transformation efforts across an unmatched range of economic sectors. Today, the Group commands a diversified portfolio of subsidiaries and investments offering a vast array of digital services to partners and customers, driving synergies and anchoring an integrated, platform-based business model.

The Group invests in innovative platforms and solutions that serve everyone from government agencies to ordinary consumers. efinance provides an integrated suite of services linking government entities to each other (G2G), and to customers (G2C & C2G), businesses with other businesses (B2B), and businesses with their customers (B2C).



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

**EFIH.CA**

Ticker

**EGP 26 bn**

Market Cap\*

**1,848,888,889**

Outstanding Shares

## FY2021 Highlights

**EGP 1,963.3mn**

Consolidated Revenues

▲ 59% y-o-y

**EGP 922.9mn**

Gross Profit

▲ 55% y-o-y

**EGP 749.3mn**

EBITDA

▲ 57% y-o-y

**EGP 519.7mn**

Net Profit

▲ 47% y-o-y

# Corporate Evolution and Path to Institutionalization

2005 - 2010



## Launch Phase

Established in 2005



Contracted by the MoF in 2007 to be the Government's e-payment hub and start the payroll project



Signed an MoU with the MoF & CBE in 2008, allowing efinance to provide Bill Presentment between the Government entities & the payment/ collection channels for the banking sector and post offices

- Performed the first electronic tax collection,
- Built the Treasury Single Accounts system, which holds 61K Gov. accounts in a single account at the CBE
- Started the Pensions Automation Project in 2009

Performed first electronic payment order and first electronic collection for customs in 2010



2011 - 2015



## Development Phase

Introduced the Corporate Payment Solution service to the banking sector and CAMS for custom authority in 2012



- Expanded card center's production capabilities
- Began operating the fuel control and management system from the source location to more than 8K outlets in 2013



- Implemented the first conditional financial subsidy program in Egypt in collaboration with the World Bank in 2015
- Facilitated the implementation of the Takaful and Karama project in 2015

2016 - 2018

Contracted in 2016 to operate and manage the agri-land possession project, which included seasonal crops planning and management as well as managing the distribution of subsidized fertilizers

Electronic payment system becomes operational in 2017



Completion of the Government's financial network, which allows it to issue payment orders and transfer of funds between government bodies as well as supporting them in controlling future spending

2019 - Present



## Expansion Phase

Spun-off both Khaless and e-cards into separate legal entities and expanded into e-commerce by establishing e-aswaaq company

- Established e-tax in 1Q21 holding 35% stake in the company
- Established e-health in 3Q21 holding 35% stake in the company

Invested and upgraded current infrastructure

Doubled e-nabe's contact center service capacity

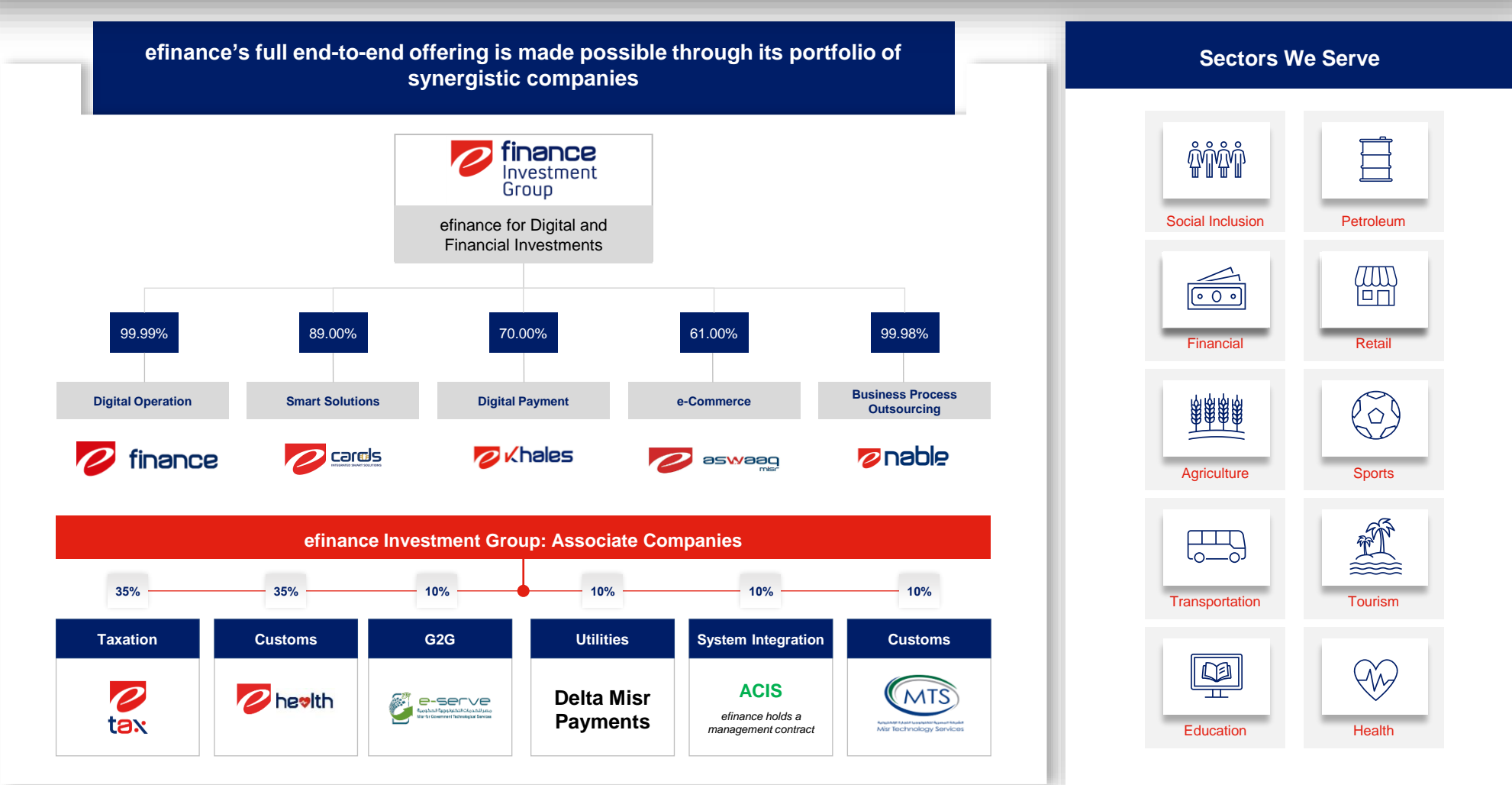
EGP 5.8bn IPO conducted in 2021, of which EGP 2.5bn were allocated for a capital increase to finance the Group's strategic goals through investment in the entire digital payments value chain

Key initiatives in 2021 included focused expansions across e-tax, the tourism portal, and transportation, railways, e-gates, and monumental sites

A 4% ESOP plan was implemented at end-2021

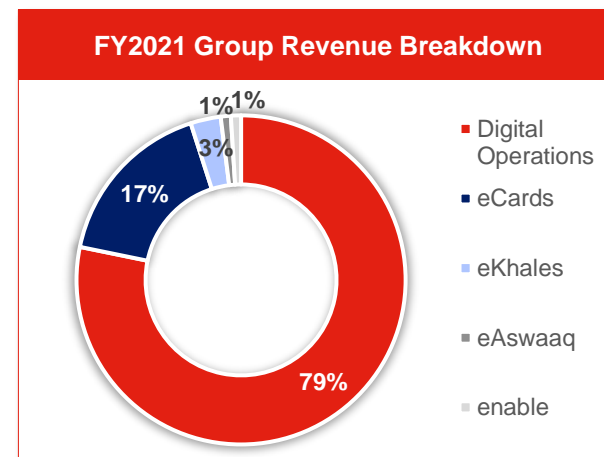
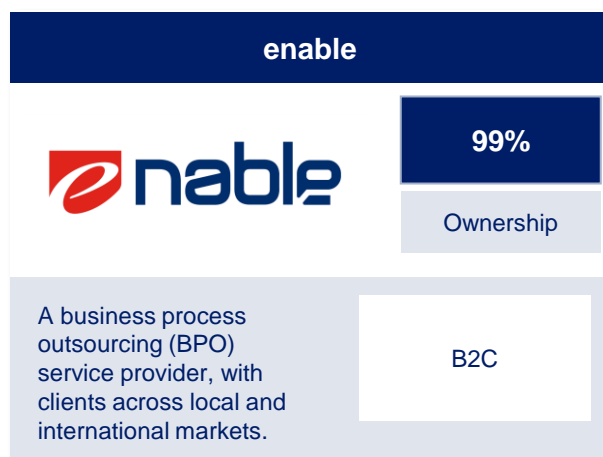
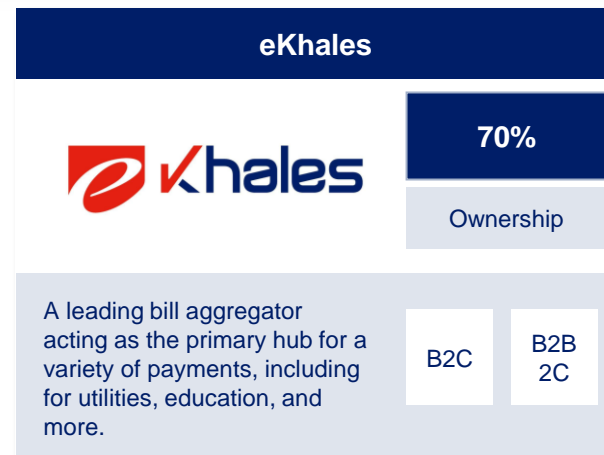
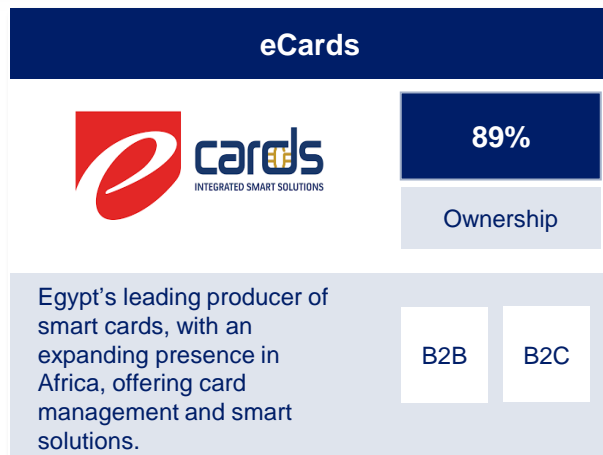
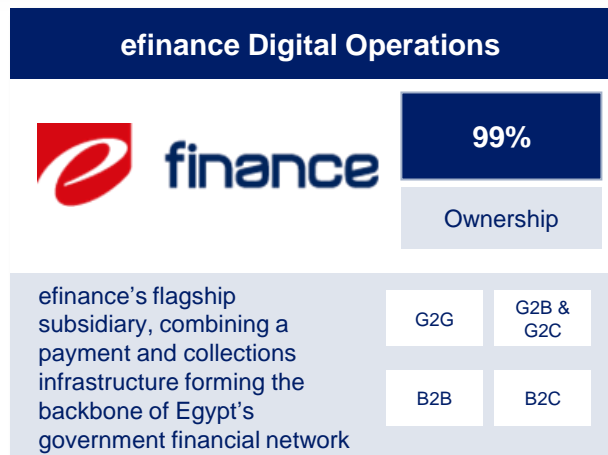
# Group Structure & Highlights

efinance Investment Group (EFIH) runs a diversified portfolio of subsidiaries and investments, offering an array of digital services to government partners, businesses, financial institutions, and citizens.



# A Comprehensive Service Offering Through a Portfolio of Leading Subsidiaries

By leveraging its robust network infrastructure across its subsidiaries, efinance is able to extend its reach across the nation and capture the entire digital payments value chain with a ubiquitous service offering covering all possible payment channels to expedite the growth of electronic and digital payments



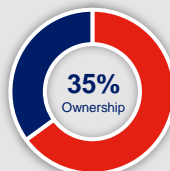
# An Exciting Network of Associate Companies

efinance deploys a network of six associate companies active in sectors across the Egyptian economy, including in revolutionizing the country's tax system and digitizing national health insurance infrastructures in line with efforts to achieve universal coverage

## eTax



Developing and operating electronic tax systems for Egypt's General and Real Estate Tax Authorities.



## eHealth



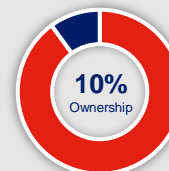
Developing and operating a nationwide integrated health insurance platform covering the entire population.



## e-Serve



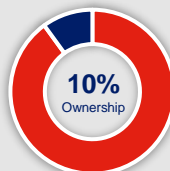
Mandated to execute delivery of G2G services, including for the Digital Egypt platform.



## Delta Misr Payments

DELTAMISR

Providing electronic payment services for utilities through mobile applications and other channels.



## Alameia for Consulting & Info Sys

ACIS

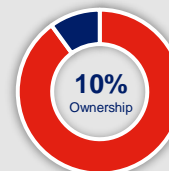
Government's main system integrator including technology consulting and solutions delivery.



## Misr Technology Services



Offering a one stop shop for trade digitization (Single Window). MTS integrates and coordinates all information across all ports in Egypt.





# Our Revenue Generation Model

efinance enjoys a highly diversified revenue generation model, leveraging seven distinct and independent sources of revenue to drive growth at the Group level, with exposure to various dynamic sectors of Egypt's digital economy...



## **Build & Operate (Contract Based)**

efinance develops and manages tailored solutions for clients under contract



## **Transaction Based**

Payment processing activities split into variable-fee transactions (take rate/throughput) and fixed-fee transactions; also includes retail transactions at eKhales and card management processing



## **Cloud Services Revenue**

Cloud hosting and computing services offered across efinance's client base



## **Smart Solutions Revenue**

efinance supplies and installs innovative IT infrastructure solutions, encompassing both software and hardware



## **Card Production Revenue**

Revenue from production of smart cards supported by e-Cards' state of the art manufacturing facility



## **Ecommerce Revenue**

efinance's newest revenue stream, generated through eAswaaq's multiple platforms and marketplaces, as well as its financing platform solutions



## **Business Process Outsourcing**

Offering clients BPO services including a call center and IT and HR outsourcing

# Leveraging our Expansive Reach and Strategic Partnerships

## Four Transaction Revenue Generating Channels

### Financial Institutions Network



**39**

Commercial Banks

**>6k**

Bank Branches

**>4k**

Post Offices

### POS Network



**16**

PSPs

**380k**

POSS (Held by PSPs)

**20k**

Third Party Government POSS

### Corporate Payment Solution (CPS)



**Corporate Online Banking**

**21**

Partner Banks

**>6k**

Companies

### Payment Gateway



**Integrated Online  
Payment System**

**VISA**  

Certified



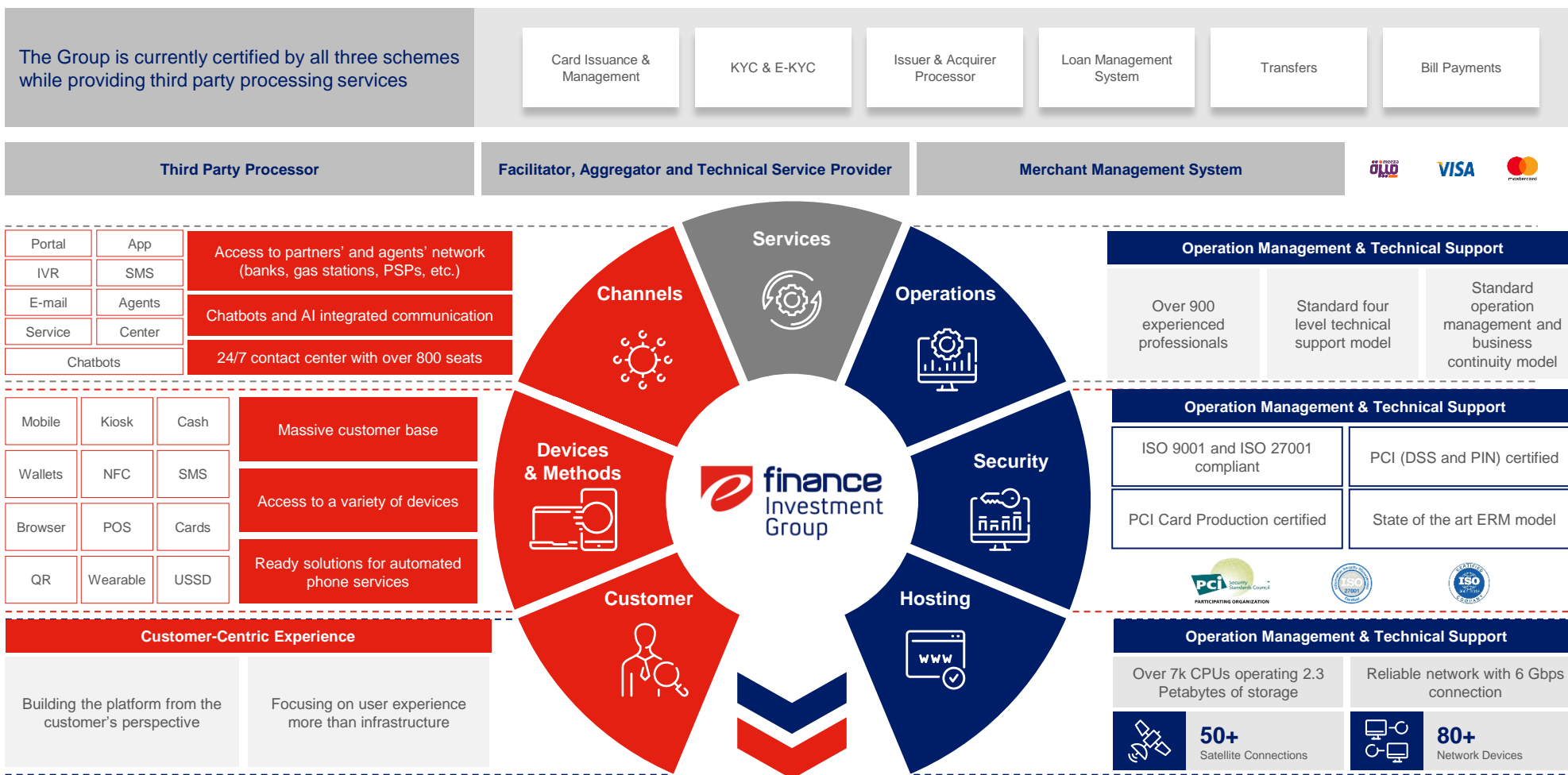
Digital Egypt

Prices vary from channel to channel, with more convenient channels charging higher prices per transaction



# To Offer a One-Stop Shop Solution Covering the Entire E-Payments Value Chain

The Group's synergistic business model covers the entire digital payments value chain, constantly generating opportunities for profitable synergies



# Subsidiary Highlights



# efinance Digital Operations, the Group's Core Subsidiary, is Driving Egypt's Digital Transformation...

efinance for Digital Operations is efinance Investment Group's flagship subsidiary. The subsidiary has built and operates four integrated financial networks, while its infrastructure and cloud hosting capacity enable the provision of digital financial solutions that benefit economies and citizens in Egypt and beyond.

efinance has built and manages the **government's financial network:**

In addition to building & operating a further three networks, **digitizing crucial national infrastructures:**

## Government Financial Management Information System (GFMIS)




Holds the government state-owned entities' annual budgets, enabling controls on spending

## Treasury Single Account (TSA)

A single account consolidating 61k government accounting units

## Government Payment and Collection Center (GPCC)

A processing hub for government payments and collections

	<b>Agriculture</b>	Managing possessions of agricultural land and the planning and management of seasonal crops
	<b>Petroleum</b>	Monitoring and controlling distribution of petroleum products to 8,000 outlets
	<b>Social Solidarity</b>	Platform for managing various conditional financial subsidies

## FY2021 Operational KPIs

**345.6 mn**



Number of Fixed-Fee Transactions

EGP **726.5 bn**



Variable Throughput Value

## Main Revenue Drivers

### Transaction-Based



The exclusive transaction processor for government payment and collection services

### Build-and-Operate



Building and operating digital infrastructure for different functions and entities










### Cloud Hosting



Best-in-class cloud stack infrastructure specializing in digital financial cloud services

# efinance for Digital Operations Processes a Range of Variable- and Fixed-Fee Transactions

efinance Digital Operations leverages several fixed- and variable-fee sources to generate diversified revenues

Fixed-Fee Transaction Revenues		<b>Financial Subsidies</b>	Electronically processes subsidy disbursement for Takaful and Karama beneficiaries, receiving a fixed fee per transaction.
		<b>Payroll</b>	Uploading government employee files to the network and transferring funds to their payroll cards.
		<b>Pension</b>	Uploading beneficiaries' files to the network and transferring funds to their pension cards.
		<b>Digital Egypt</b>	Providing the payment gateway for the Digital Egypt services portal.
		<b>E-Tax Declaration</b>	Subscription-based revenues for digitally processing various tax declaration submissions.
Variable Transaction Revenues		<b>Single Window (Customs)</b>	Providing payment processing for the Customs Authority (Single Window), operated by MTS.
		<b>Taxes and Social Insurance</b>	Collecting VAT dues, corporate and individual income tax, and social insurance payments on behalf of the government.
		<b>Ticketing</b>	Receiving a revenue share per ticket at museums and touristic sites.
		<b>Government POSs</b>	Third-party contract related to the settlement and processing of transactions on behalf of the government through 20k POSs, currently for transactions over EGP 500.

Source: Company filings

<sup>1</sup> These figures correspond to the operations and revenue streams relating to efinance for Digital Operations excluding all other subsidiaries

# eCards – the Largest Producer of Government & Banking Payment Cards

eCards builds, manages, and operates smart card solutions with a variety of applications for banking and other institutions across the public and private sectors.

## Revenue Drivers

### Card Production



**Egypt's largest card producer**



**State-of-the-art factory** with laser engraving and DOD

### Card Management



eCards provides banks with **TPP services**, facilitating payment authorizations and acceptance



**Certified** by all 3 payment schemes to provide processing services for all kinds of payment cards

## Smart Solutions



Developed fully integrated smart solutions for urban connectivity, including for facility management, parking, EV-charging, access control, smart meters, and more.

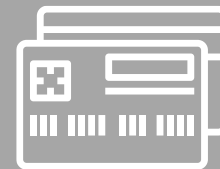


Currently developing a suite of e-KYC services to further diversify its offering



Invested in a broad-ranging effort to automate Egypt's highest-traffic railway stations

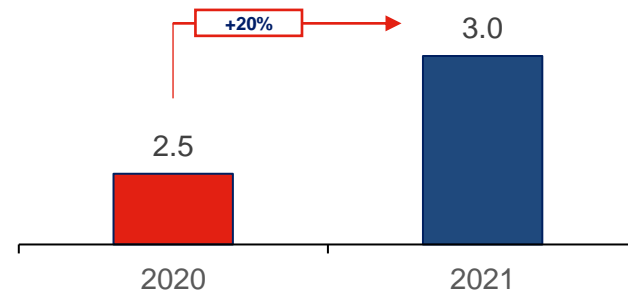
## FY2021 Operational KPIs



**>14 mn**

**Cards Produced**

### Cards Managed (mn)



# eAswaaq, the Group's multiplatform e-commerce operator

eAswaaq is a multi-platform e-commerce operator focused on marketplace solutions that automate and transform outdated practices to bring Egyptian markets into the digital age.

## Platforms & Marketplaces



### 1 B2B Agri & Food



**B2B** marketplace for farmers to source their inputs, raw materials. Launched July 2021.

### 2 B2B Wholesale



**B2B** wholesale across multiple categories.

**B2B** catalogue of certified buyers and sellers. Expected 2022.

### 3 Specialized B2C



**B2C** handicraft marketplace

Launched March 2021

**B2C** e-commerce for replica souvenirs

## Financing Solutions & Services



**eLending:** Digital sales or loans for five banks, including loan origination, initial automated screening (e.g., ALM, contract finalization, loan management). Mostly focused on agriculture,



**eSavings:** Conducting KYC processes to facilitate support for financially and economically challenged women in remote areas through savings and loan associations

## Value-Added Services



Value-added services to **enable businesses on eAswaaq platforms**, including for **logistics** (fulfillment and delivery), **marketing** (online marketing and ads, customer acquisition, branding, product catalog), **pricing**, ...etc.

# eKhailes – the Aggregator of Aggregators

eKhailes provides a digital payment solution that eases the payment and collection process for consumers, while providing merchants value-added digital services including white-label mobile app development, inter-operable digital wallets, and an online payments portal.

## Revenue Drivers

### Bill Aggregation

eKhailes generates the bulk of its revenues from its core **bill aggregation** business, **intermediating between payment service partners and bill providers.**

### Other Revenues

Besides bill aggregation, eKhailes generates revenue from commissions on online bill payments through its **B2C online gateway** on proprietary & **white label apps**

## A Growing Payment Ecosystem



Gas Bills



Water Bills



Telecom Bills



Education Bills



Subscriptions



All services will ultimately be offered through a mobile app...

## FY2021 Operational KPIs



16

Payment Service Partners



380k

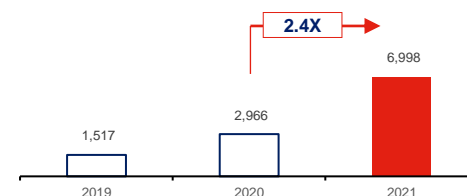
Partner POS Network



>49 mn

Transactions Aggregated

## Throughput (EGP mn)





# enable, a Full-Fledged BPO Service Provider

enable focuses on supporting efinance's wide customer base. The subsidiary 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.

## Revenue Drivers

### Contact Center



Inbound and outbound



Non-voice services



Consultancy chatbot

### IT Outsourcing



IT operations



Contact center technology



Consultancy

### Human Resources Outsourcing



HR operations



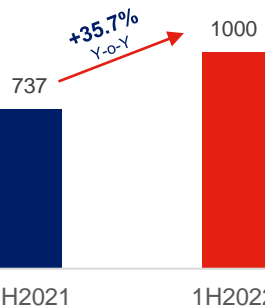
Recruitment



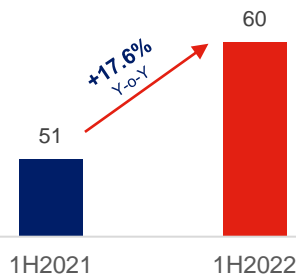
Training and consultancy

## Operational KPIs

### Seats



### Clients



10

Industries Served



**24/7 Service**

## A Broad Range of Segments Served



Government



Retail



Pharma



NGOs



FMCG



Tech



Fintech



Real estate



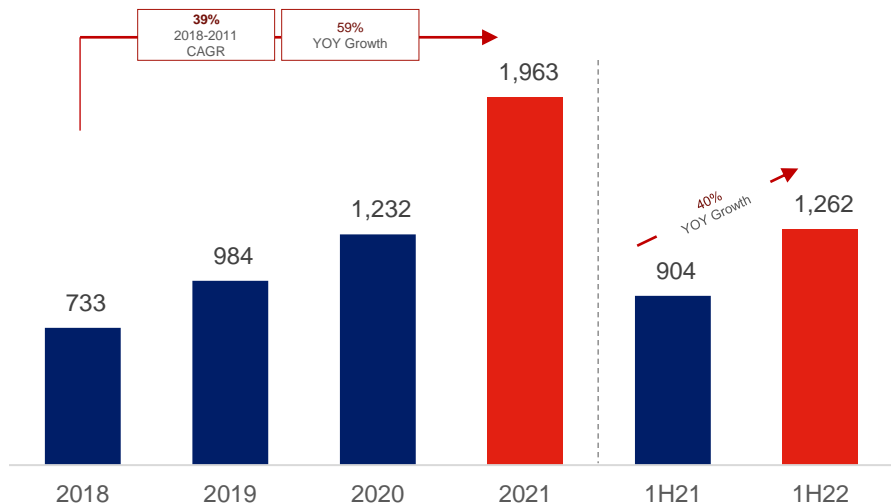
Banking



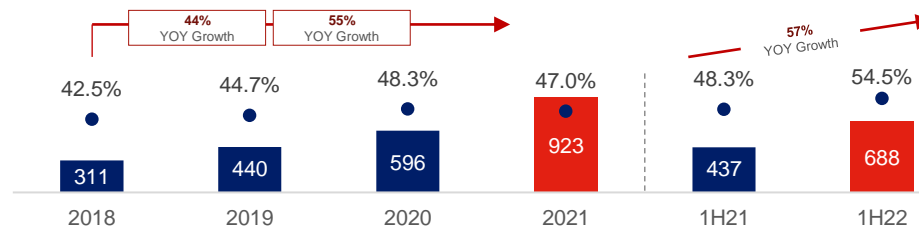
F&B

# Financial Highlights

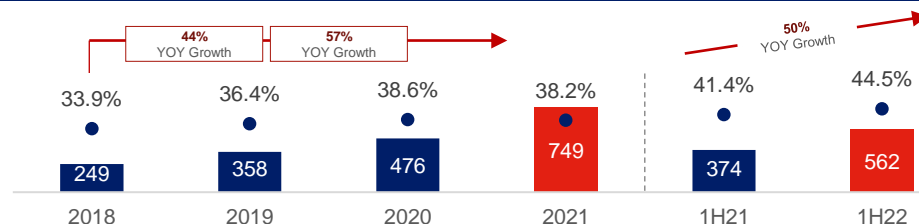
## Revenue (EGP mn)



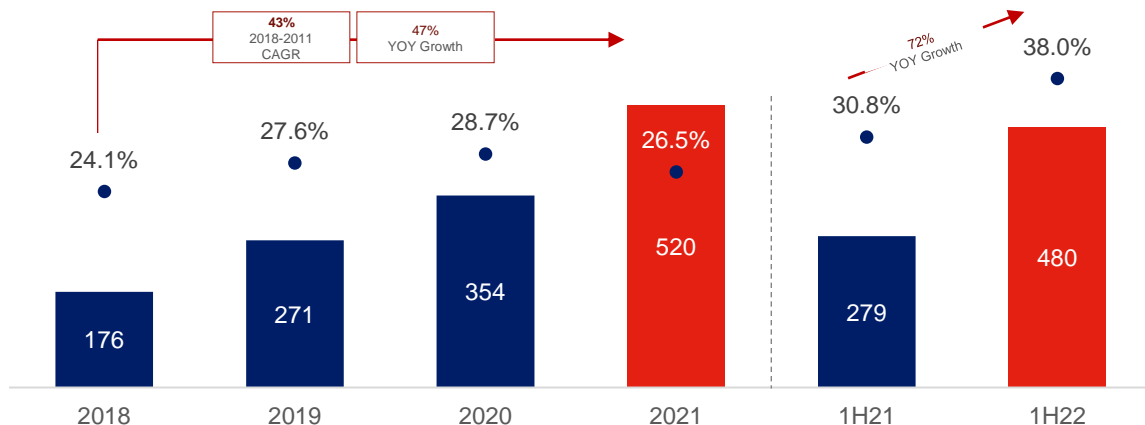
## Gross Profit | Margin (EGP mn, %)



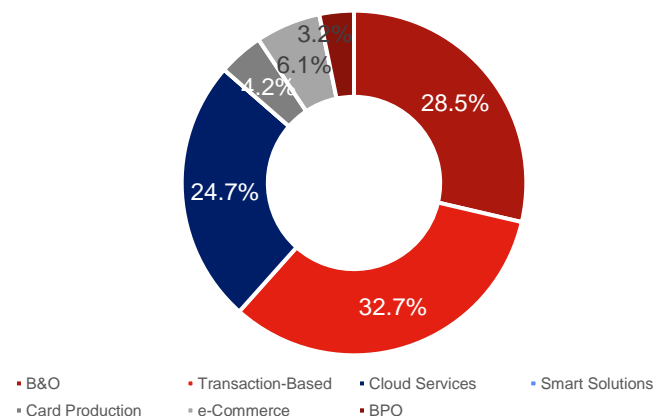
## EBITDA | Margin (EGP mn, %)



## Net Profit | Margin (EGP mn, %)



## Revenue Breakdown (1H2022)



The Group is using proceeds from its IPO and other resources to drive progress in five key pillars:



## Expanding Current Infrastructure

Expanding financial cloud hosting capacity. Introducing a broad range of new, cloud-based Software as a Service (SaaS).

Integrated cloud-based solutions exploit synergies between Group subsidiaries and open cross-selling opportunities.

Extending enable's capacity to grow market penetration. Penetrating the offshore BPO services space by acquiring dedicated offshore companies.

Expanding our data analytics tools using the latest AI technologies.

Expanding our **cybersecurity** services offering.



## Banking Services

Working to finalize an investment in a full-fledged, existing commercial bank.

In the digital bank space, the Group will utilize it's reach to broaden its customer base, utilizing its existing platform / networks, skillset, know-how, standards and certifications, among others advantages.



## New Technologies

Expand the Group's digital proposition by building **new platforms and solutions using new technologies** to serve market needs i.e. blockchain...

Introducing **New Smart Solutions** i.e. wearables, e-KYC, tap-to-pay, and more.



## Fintech Startups

Participating in groundbreaking **Nclude fund** under sponsorship of the CBE.

Expanding presence in Egyptian **fintech** scene, using Group resources to incubate and promote startups that interact synergistically with existing efinance platform.

Creating an offshore **SPV** as a vehicle to expand our footprint in **Africa** through acquiring a stake in different potential opportunities.



## NBFS

Expand into **microfinance** services, mainly through **acquiring a stake** in one of the top market players.

Establish **consumer finance digital services** / BNPL **through a JV** with one of the regional pioneers.

Expand coverage into other NBFS services; i.e., **microinsurance, factoring, reverse factoring ..etc.** by acquiring an existing business or establishing a new dedicated vehicle.

efinance & its subsidiaries to use proceeds from the IPO to finance the Group's strategic goals through investment in the entire digital payments value chain

# Appendix



# Historical Income Statement

## Consolidated Income Statement

(EGP mn, unless otherwise stated)	2018	2019	2020	2021
Sales	733	984	1,232	1,963
<b>Total Revenue</b>	<b>733</b>	<b>984</b>	<b>1,232</b>	<b>1,963</b>
% y-o-y	0.7%	34.2%	25.2%	59.3%
Cash Production Costs	(388)	(492)	(585)	(966)
Depreciation & Amortization	(34)	(52)	(52)	(74)
<b>Total COGS</b>	<b>(422)</b>	<b>(544)</b>	<b>(637)</b>	<b>(1,040)</b>
<b>Gross Profit</b>	<b>311</b>	<b>440</b>	<b>596</b>	<b>923</b>
Gross Profit Margin (%)	42.5%	44.7%	48.3%	47.0%
% y-o-y	66.4%	41.3%	35.3%	55.0%
S&M Expense	(14)	(24)	(18)	(43)
G&A Expense	(82)	(110)	(154)	(205)
<b>EBIT</b>	<b>215</b>	<b>306</b>	<b>424</b>	<b>675</b>
EBIT Margin (%)	29.3%	31.1%	34.4%	34.4%
% y-o-y	99.8%	42.2%	38.6%	59.2%
<b>EBITDA</b>	<b>249</b>	<b>358</b>	<b>476</b>	<b>749</b>
EBITDA Margin (%)	33.9%	36.4%	38.6%	38.2%
% y-o-y	67.3%	43.9%	33.0%	57.3%
Investment Income		10	10	6
Other Income	2	3	3	19
FX Gains (Losses)	(0.5)	8	0.17	0.7
Interest Income	27	28	44	69
Interest Expense	(30)	(8)	(11)	(14)
Capital Gains (Losses)	0.108	0.05	(0.39)	0.06
ESOP Expense	-	-	-	-
Net Provisions	-	-	(13)	(14)
Impairment Losses	5			
<b>Pre-Tax Profit</b>	<b>219</b>	<b>348</b>	<b>457</b>	<b>742</b>
% of Total Revenues	29.9%	35.3%	37.1%	37.8%
<b>Taxes</b>	<b>(43)</b>	<b>(77)</b>	<b>(105)</b>	<b>(222)</b>
Corporate Tax Rate	19.5%	22.1%	22.9%	30.0%
<b>Net Profit Before Minority</b>	<b>176</b>	<b>271</b>	<b>352</b>	<b>520</b>
Margin	24.1%	27.5%	28.6%	26.5%
% y-o-y	81.0%	53.4%	30.2%	47.5%
Minority Interest		(1)	(2)	0.05
<b>Net Profit</b>	<b>176</b>	<b>271</b>	<b>354</b>	<b>520</b>
Net Profit Margin	24.1%	27.6%	28.7%	26.5%

# Historical Balance Sheet

## Consolidated Balance Sheet

(EGP mn, unless otherwise stated)	2018	2019	2020	2021
<b>Assets</b>				
Cash	240	612	633	2,869
Receivables	577	667	780	1,358
Inventory	43	54	59	55
<b>Total Current Assets</b>	<b>859</b>	<b>1,333</b>	<b>1,472</b>	<b>4,282</b>
<b>Gross PP&amp;E</b>	<b>452</b>	<b>490</b>	<b>638</b>	<b>760</b>
Accumulated Depreciation (-)	(288)	(322)	(346)	(379)
Projects Under Construction	25	33	23	132
Intangibles	0.152	0.07	0.02	21
BoD Benefits Paid in Advance			10	7
Deferred Tax Assets	23	24	26	33
Investments (FVOCI)	14	103	136	137
Investment in Associates				51
<b>Total Non-Current Assets</b>	<b>227</b>	<b>329</b>	<b>486</b>	<b>762</b>
<b>Total Assets</b>	<b>1,086</b>	<b>1,662</b>	<b>1,958</b>	<b>5,044</b>
<b>Liabilities</b>				
Overdrafts				115
CPLTD				
<b>Total Short-Term Debt</b>				<b>115</b>
Payables	255	334	355	551
Provisions	10	10	10	
Tax Payable	33	53	85	181
Finance Lease Installments			23	34
Dividends Payable				
<b>Total Current Liabilities</b>	<b>299</b>	<b>397</b>	<b>473</b>	<b>881</b>
Long-Term Debt				
Defined Benefit Obligations	98	127	148	159
Finance Lease Installments			73	60
<b>Total Non-Current Liabilities</b>	<b>98</b>	<b>127</b>	<b>221</b>	<b>219</b>
<b>Total Liabilities</b>	<b>397</b>	<b>523</b>	<b>694</b>	<b>1,100</b>
<b>Owners' Equity</b>				
Capital	500	800	800	889
Capital Increase				2,346
Legal Reserve	14	27	45	55
General Reserve		20	90	90
ESOP Reserves				
Retained Earnings	175	262	269	503
Minority Interests		29	61	61
<b>Total Owners Equity</b>	<b>689</b>	<b>1,139</b>	<b>1,264</b>	<b>3,944</b>