

Tanmeyah Successfully Acquires Fast-Growing Tech-Driven B2B Platform Fatura

- *Dr. Rania A. Al-Mashat, Minister of International Cooperation: The deal reflects the success of the investments of Egypt Ventures in supporting emerging companies and promoting their development in a way that stimulates economic growth and enhances the participation of the private sector in economic development*
- *The strategic acquisition aims to fuel Tanmeyah's digital transformation*
- *This falls in line with Tanmeyah's strategy to offer more innovative products in the ever-growing Egyptian microfinance landscape and sets the stage for its next phase of growth*

Cairo, June 15, 2022

Tanmeyah for Microfinance Services, a wholly-owned subsidiary of EFG Hermes Holding and Egypt's leading provider of microfinance solutions, announced today that it has successfully concluded the acquisition of Fatura Netherlands B.V. ("Fatura").

Fatura is a fast-growing tech-driven Business-to-Business (B2B) platform with a regional footprint of 22 governorates in Egypt. Fatura is backed by prominent shareholders in the field with EFG EV Fintech being one of the primary investors since 2020. The platform brings together retailers, manufacturers, and wholesalers in one place. Fatura offers its users a multitude of innovative services, ranging from a marketplace with live product viewing and price transparency to B2B buy now pay later services and marketing support services.

Commenting on the deal, **Minister of International Cooperation, H.E. Dr. Rania A. Al-Mashat**, said, "Tanmeyah's acquisition of Fatura, backed by Egypt Ventures, and its accelerator "EFG EV Fintech", which is a partnership with EFG Hermes Holding, comes in line with the Government of Egypt's efforts to increase the involvement of, and to empower, the private sector, as a major driver of comprehensive and sustainable economic growth." Al-Mashat added that Egypt Ventures, the first venture capital company in Egypt with a government contribution, has succeeded in maximizing the return on investment in many pioneering emerging companies in their fields. This exit is a confirmation that the investment in Fatura has paid off and enabled the company to move forward in developing the volume of its business. Moreover, Egypt Ventures, and its two business accelerators, have invested in more than 175 companies since 2017, and the coming period will witness more success stories in supporting start-ups and exits that enhance the participation of the private sector in economic development.

Commenting on the acquisition, **Karim Awad, Group CEO of EFG Hermes Holding** said, "This acquisition marks a major milestone for Tanmeyah, which has grown to become a key player under our Non-Bank Financial Institutions (NBFI) platform. Tanmeyah turned to this strategic acquisition to bolster its digital transformation and enrich its product and service offerings to become more holistic and support Egypt's microfinance space. I am proud that all our NBFI brands continue to fuel the drive for digital transformation in Egypt as we continue building synergies by means of effective cross-selling, which helps diversify the offerings across our product and service portfolio, further supporting financial inclusion. We've always seen potential in Fatura, and we are firm believers in its ability to innovate in the B2B digital space, which is why our very own EFG EV Fintech made the decision to become one of the early investors in the company years ago."

The consolidation of Tanmeyah and Fatura as complementary businesses presents an opportunity for both to offer competitive and innovative solutions to the market. The deal fits within Tanmeyah's digital transformation strategy to drive business growth by leveraging Fatura's platform to introduce new and



disruptive financial products. It also allows Tanmeyah to access Fatura's fast-growing network of merchants and fill a large gap in the B2B credit market. Tanmeyah's extensive geographical presence and broad client base will help Fatura expand its network of merchants and venture into new sectors of the B2B market, while its solid financial position and access to funding will help bolster Fatura's growth.

Hossam AlNaggar, CEO of Tanmeyah, also commented on the acquisition saying "We are extremely proud of this transaction. Fatura is a key addition to Tanmeyah's portfolio, as it offers the company a faster route to digitally transform and develop. Our new consolidated product and service offerings confirm our focus on supporting the Egyptian economy from the ground up as they will aid microenterprises in ordering inventory from wholesalers through a one-of-a-kind digital marketplace. We see a huge financing gap in the B2B segment and, by joining forces, we will be able to power digital lending and cover more sectors in Egypt. Microfinance continues to play a key role in helping low-income households to access opportunities, stabilize their income flows, and cope with inflationary pressure."

By the end of 1Q22, Tanmeyah's total number of clients had grown to reach a record high of 391,000 and its portfolio reached c. EGP 3.9 billion — its highest level since inception.

Hossam Ali, CEO of Fatura, also commented saying "I feel incredibly proud of what we have achieved at Fatura and I am super excited about the upcoming chapter in our story. In just 2 years, and backed by a solid team of 500 believers, we have built a solid startup that has grown exponentially across the whole nation and impacted over 60,000 merchants. We are honoured to be setting the benchmark in the Egyptian startup ecosystem for M&A between digital disruptors and industry leaders, and firmly believe that this milestone will ignite a wave of more successful examples. Together with Tanmeyah, we aim to fundamentally change how B2B works in Egypt, radically facilitating the way trade, financing and payments are done. Through this acquisition, Fatura will strongly benefit from Tanmeyah's broad client base and solid financial position to unlock more opportunities."

Throughout its years of operation, Fatura has witnessed a significant increase in its Gross Merchandise Value (GMV) and the number of active users, particularly after the two successful rounds of fundraising from six different venture capital funds and other prominent angel investors. Following the acquisition, Tanmeyah will own 100% of Fatura Netherlands B.V and the founders of Fatura will continue to manage the business as part of the Tanmeyah management team while becoming shareholders in Tanmeyah. The shareholders of Fatura will receive a combination of internally generated cash and existing Tanmeyah treasury shares.

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About Tanmeyah for Microfinance Services

Tanmeyah for Microenterprise Services is a leading company in providing a range of microfinance solutions in Egypt. Tanmeyah was established in 2009 and since inception has achieved rapid growth to become one of the leading entities in the field of working capital financing for owners of low-income generating projects. The financing programs offered provide owners of microenterprises with the necessary support to develop their businesses and projects, which contributes to elevating the surrounding communities. Tanmeyah facilitates access to finance in underprivileged areas through its branches present in many governorates, and it always seeks to expand geographically by opening new branches in rural and urban areas in Upper and Delta governorates. Tanmeyah's financing programs range in value from EGP 1,000 to EGP 100,000, which drive economic growth in Egypt and improve the standard of living for citizens. The company continues to focus on growth and enhancing financial inclusion in Egypt despite local and global challenges.



In 2016, EFG Hermes Holding acquired 94% of Tanmeyah, which later increased to 100% owned by EFG Hermes Holding in 2021, as part of its Non-Bank Financial Institutions (NBFI) platform.

As of 1Q22, Tanmeyah has 304 branches spanning across 25 Egyptian governorates. The Company boasts around 391,000 clients and a portfolio value of EGP 3.9 billion.

Learn more about us at www.tanmeyah.com & stay connected with us.

For further information, please contact:

The EFG Hermes Holding Public Relations Team

PublicRelations@EFG-HERMES.com

May El Gammal

Group Chief Marketing & Communications Officer of EFG Hermes Holding

melgammal@efg-hermes.com

About Fatura

Fatura is a fintech enabled B2B marketplace, connecting manufacturers, distributors, and wholesalers with retailers in fragmented B2B industries. Founded in December 2019, the start-up is on a mission to build the new norm of B2B transactions. This is done through providing a suite of digital solutions that connect retailers with a wider network of suppliers, enable informed decision making through price transparency and data sharing and empower retailers with instant working capital through the B2B Buy-Now, Pay-Later solutions. In just 2 years, Fatura became the first digital player in the sector to achieve presence in 22 governorates across Egypt. The start-up currently serves over 60,000 retailers who order more than 10,000 unique products from more than 1000 suppliers through the platform. Fatura currently operates in the FMCG and electrical supplies sectors, with future plans to expand into new industries.

Note on Forward-Looking Statements

In this press release, EFG Hermes Holding may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes Holding's belief regarding future events, many of which, by their nature are inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending, and future legislation, regulations, and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.