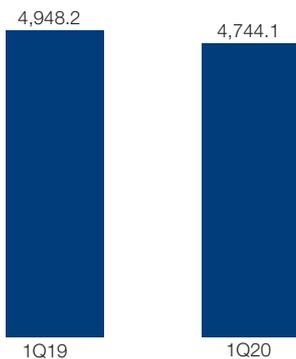


## GB Auto Reports 1Q20 Results

*GB Auto records strong bottom-line profitability supported by GB Capital and a recovery at the Auto & Auto Related Segment;*

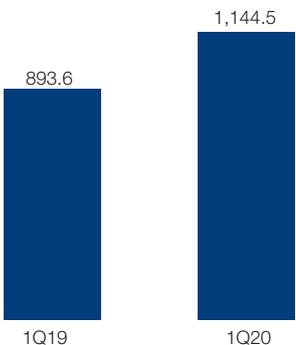
### Revenue Progression (all figures in LE million)

#### GB Auto & Auto Related



#### GB Capital

*After Intercompany Eliminations*



14 May 2020 — (Cairo, Egypt) GB Auto (AUTO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and North Africa and non-bank financial services provider in Egypt, announced today its consolidated results for the first quarter ended 31 March 2020. The Group recorded revenues of LE 5,888.7 million, up by 0.8% y-o-y compared to 1Q19. Net profit booked an impressive year-on-year increase of 430.6% in 1Q20 to LE 138.4 million.

“We kicked off 2020 on a high note and on a path toward a strong rebound in our market, however, the momentum was cut short at the end of the quarter by unprecedented circumstances,” said GB Auto Chief Executive Officer Raouf Ghabbour. “Like all businesses across Egypt, the automotive sector is being impacted by the Covid-19 outbreak, which began taking its toll on demand starting mid-March as consumers grapple with the uncertainties brought about by the pandemic.”

“At GB Auto, we are implementing a set of measures to protect the health and safety of our employees as well as ensuring business continuity while managing associated risks. Across our facilities and showrooms, we have put in place strict hygiene and sanitation protocols, rolled out occupancy limits and work-from-home policies to maintain adequate social distancing, and are supporting our employees with lenient sick-leave policies to encourage self-isolation and limit the risk of infection. Meanwhile on the business continuity front, we are monitoring inventory levels versus demand across our network to efficiently plan for future orders; are closely managing our working capital cycle and extending new credit to dealers through our NBFi business; and are rationalizing operational expenses across the board, from the revision of contractual agreements to controlling administrative and transportation costs. Most importantly, we have put on hiatus any new CAPEX until further notice, and our Auto & Auto-Related segment has subscribed to the Central Bank’s six-month debt extension program which provided important support.”

The Group’s Auto & Auto-Related (A&AR) segment recorded revenues of LE 4,744.1 million in 1Q20, a decline of 4.1% y-o-y. However, the segment almost broke even in 1Q20, reversing a bottom-line loss of LE 93.1 million in the same period last year. This is a marked improvement considering the low seasonality associated with the first quarter of the year as well as the challenging external environment caused by the Covid-19 outbreak towards the end of the quarter. The closure of the traffic department, along with a host of measures imposed by the government to limit the spread of Covid-19, had affected Passenger Car (PC) demand starting mid-March 2020, and further compounded existing regulatory constraints that were pressuring the three-wheeler division.

The PC segment nonetheless recorded a 5.5% y-o-y revenue increase in 1Q20 to LE 1,651.1 million, driven by strong sales volumes of the Arizzo 5 and improving market conditions for the segment that dominated the majority of the quarter. 2&3Ws witnessed a year-on-year revenue decline of 8.4% to LE 661.8 million in 1Q20 on the back of a 7.2% dip in volumes. However, it is worthy to note that volumes increased by 5.4% compared to 4Q19. Construction Equipment (CV&CE) LoB recorded a 31.4% y-o-y dip in revenues in 1Q20 reaching LE 263.9 million driven by decreased bus volume sales due to slowdowns in the tourism sector. Meanwhile, the Tires LoB booked LE 237.9 million in revenues, down 17.1% y-o-y in 1Q20, how-

“ We remain confident in our markets’ long-term fundamentals and the success of our flexible business model ”

ever, business is expected to pick up as the market clears excess inventory accumulated in late 2019. On the regional front, the LoB recorded a 5.7% y-o-y decline in revenues to LE 1,494.6 million in 1Q20, with the decline reflecting lower volumes in Iraq’s PC segment.

“Full lockdown enforced in Iraq beginning early March through April effectively brought all business activities to a halt, which drove PC volumes down 5.4%. However, volumes are beginning to recover as lockdown measure are eased. I am also pleased to announce that we have successfully secured a new representation with MG, a reputable British car brand under Chinese ownership,” said Ghabbour.

GB Capital recorded a solid 24.2% y-o-y increase in revenues before inter-company eliminations, reaching LE 1,417.3 million in 1Q20. GB Capital successfully maintained a healthy LE 10.0 billion loan portfolio in 1Q20, a 17.0% y-o-y increase, with Non-Performing Loans (NPLs) standing at only 1.50%. GB Capital’s net income increased by 21.0% y-o-y to LE 143.6 million in 1Q20. GB Capital’s strong performance in 1Q20 comes on the back of solid results from its consumer finance business “Drive” as well as their microfinance business “Mashroey” and “Tasaheel”.

“We anticipate short-term repercussions on demand levels and business performance in the coming months as we navigate the challenging external environment and mitigate the impacts of the Covid-19 across our business lines,” said Ghabbour. “At our PC LoB, we are beginning to witness increased traffic at our showrooms following a period of subdued demand in late March and April, particularly with the reopening of the traffic department and as consumers are increasingly normalizing the situation. Meanwhile at the 2&3Ws, we expect a longer recovery trajectory for two-wheelers versus PCs as the more price sensitive consumers delay new purchases due to the economic uncertainty. This is contrary to the income-producing three-wheeler vehicles, where demand has remained strong and is largely unaffected by Covid-19.”

“Regionally, the Iraqi government is gradually easing restrictions following a complete lockdown in April, and we see a resumption of the strong demand for regional 2&3Ws as well as a complete liquidation of our Hyundai inventory by the third quarter. Save for the transient macroeconomic challenges on account of low oil prices, we continue to believe in Iraq’s strong automotive demand and are confident that our proven experience will allow us to position MG as a leading car brand in Iraq in the medium term.”

“Overall, we remain confident in our markets’ long-term fundamentals and the success of our flexible business model. GB Auto’s ability to adapt to new market dynamics and navigate an unfavorable regulatory environment allowed the Group to deliver a strong turnaround in net profit in the first quarter of the year and, up until the outbreak, had set our Auto & Auto-Related segment on a path toward restoring profitability following a period of consecutive losses. We expect to return to this positive trajectory once the current global crisis resolves,” Ghabbour concluded.

Highlights of GB Auto Group’s 1Q20 results, along with management’s analysis of the company’s performance and complete financials, are available for download on [ir.ghabbourauto.com](http://ir.ghabbourauto.com).

## GB Auto Group Financial Statements

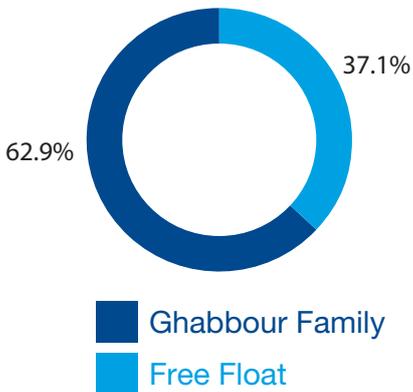
### Income Statement

Three Months Ended

(LE million)	1Q19	1Q20	% Change
Egypt Passenger Cars Revenues	1,564.9	1,651.1	5.5%
Egypt Motorcycles & Three-Wheelers Revenues	722.6	661.8	-8.4%
Egypt Commercial Vehicles & Construction Equipment Revenues	384.7	263.9	-31.4%
Egypt Tires Revenues	287.0	237.9	-17.1%
GB Capital (Financing Businesses) Revenues	893.6	1,144.5	28.1%
Egypt After-Sales Revenues	286.3	291.7	1.9%
Regional Revenues	1,585.3	1,494.6	-5.7%
Others Revenues	117.2	143.2	22.2%
<b>Total Sales Revenues</b>	<b>5,841.8</b>	<b>5,888.7</b>	<b>0.8%</b>
<b>Gross Profit</b>			
Egypt Passenger Cars Gross Profits	151.7	180.8	19.2%
Egypt Motorcycles & Three-Wheelers Gross Profits	92.4	119.7	29.6%
Egypt Commercial Vehicles & Construction Equipment Gross Profits	50.0	19.5	-61.1%
Egypt Tires Gross Profits	44.0	57.8	31.4%
GB Capital (Financing Businesses) Gross Profits	316.8	496.7	56.8%
Egypt After-Sales Gross Profits	64.8	53.0	-18.1%
Regional Gross Profits	125.3	151.3	20.8%
Others Gross Profits	14.8	19.3	29.8%
<b>Total Gross Profit</b>	<b>859.8</b>	<b>1,098.2</b>	<b>27.7%</b>
Gross Profit Margin	14.7%	18.6%	3.9
Selling and Marketing	-374.8	-463.7	23.7%
Administration Expenses	-118.0	-123.7	4.9%
Other Income (Expenses)	38.0	30.1	-20.7%
<b>Operating Profit</b>	<b>405.1</b>	<b>540.9</b>	<b>33.5%</b>
Operating Profit Margin (%)	6.9%	9.2%	2.3
Net Provisions and Non-Operating FV of Investment Property	-10.1	-34.4	-
<b>EBIT</b>	<b>394.9</b>	<b>506.5</b>	<b>28.3%</b>
EBIT Margin (%)	6.8%	8.6%	1.8
Foreign Exchange Gains (Losses)	45.5	32.4	-28.8%
Net Finance Cost	-343.4	-253.5	-26.2%
<b>Earnings Before Tax</b>	<b>97.1</b>	<b>285.5</b>	<b>-</b>
Income Taxes	-20.6	-69.3	-
Net Profit / Loss Before Minority Interest	76.5	216.2	-
Minority Interest	-50.4	-77.8	54.4%
<b>Net Income/Loss</b>	<b>26.1</b>	<b>138.4</b>	<b>-</b>
Net Profit Margin (%)	0.4%	2.4%	1.9

## GB Auto's Shareholding Structure

as of 31 March 2020



### Head Office

Cairo-Alex Desert Road, Km 28  
Industrial Zone  
Abu Rawash, Giza, Egypt

### Investor Relations

Mansour Kabbani  
Board of Directors Member

Andre Valavanis  
Investor Relations AVP

Sarah Maged  
Investor Relations  
Communications Manager

Marina Kamal  
Investor Relations Associate

Direct: +202 3910 0485  
Tel: +202 3539 1201  
Fax: +202 3539 0139  
e-mail: [ir@ghabbour.com](mailto:ir@ghabbour.com)

[ir.ghabbourauto.com](http://ir.ghabbourauto.com)

### Shareholder Information

Reuters Code: AUTO.CA  
Bloomberg Code: AUTO.EY

Shares Outstanding:  
1,094,009,733

### About GB Auto S.A.E.

GB Auto S.A.E. (AUTO.CA on the Egyptian Exchange) is a leading automotive company in the Middle East and non-bank financial services provider in Egypt. Across six primary lines of business — Passenger Cars, Motorcycles & Three-Wheelers, Commercial Vehicles & Construction Equipment, Tires, After-Sales, and Iraqi operations — the company's main business activities include assembly, manufacturing, sales and distribution, financing and after-sales services. GB Auto's portfolio of brands includes Hyundai, Mazda, Geely, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck & Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Sinotruk, Aksa, Lassa, Yokohama, Westlake, Double Coin, Doublestar, Verde, Techking, and Gazpromneft. GB Auto has operations in Egypt and Iraq. The Company's NBFS' segment branded GB Capital offers leasing, consumer finance, microfinance, fleet quasi-operational leasing, factoring, securitization and Mortgage finance under the following brands - GB Lease, Mashroey, Drive, Tasaheel, Haram, GB Capital for Securitization and Bedaya. The company is headquartered in Giza, Greater Cairo Area, Egypt.

[www.ghabbourauto.com](http://www.ghabbourauto.com)

### Forward-Looking Statements

This document may contain certain "forward-looking statements" relating to the Company's business. These may be identified in part through the use of forward-looking terminology such as "will," "planned," "expectations" and "forecast" as well as similar explanations or qualifiers and by discussions of strategy, plans or intentions. These statements may include descriptions of investments planned or currently under consideration or development by the Company and the anticipated impact of these investments. Any such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance, decisions or achievements of the Company to be materially different from any future results that may be expressed or implied by such forward-looking statements.