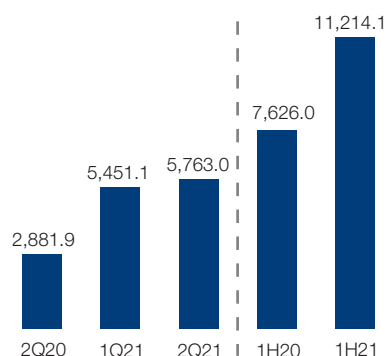


## GB Auto Reports 2Q/1H21 Results

*GB Auto delivers strong top and bottom-line results reflecting improved market conditions and strengthening consumer demand*

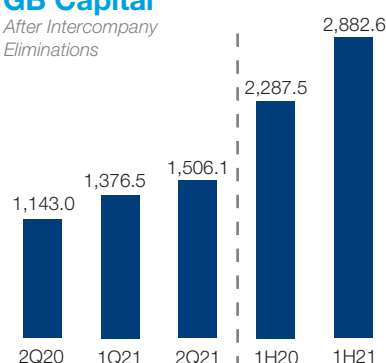
### Revenue Progression (all figures in LE million)

#### GB Auto & Auto Related



#### GB Capital

After Intercompany Eliminations



11 August 2021 — (Cairo, Egypt) GB Auto (AUTO.CA on the Egyptian Exchange), a leading automotive company in the Middle East and non-bank financial services provider in Egypt, announced today its segmental and consolidated results for the second quarter and first half ending 30 June 2021. GB Auto's revenues increased by 6.5% q-o-q and 80.6% y-o-y to LE 7,269.0 million in 2Q21 reflecting the improved market environment and increased consumer demand. Net income increased by 25.2% q-o-q and by 223.3% y-o-y to LE 374.3 million in 2Q21 as GB Auto continued to reap the benefits of its comprehensive operational efficiency initiatives as well as the operational leverage from higher revenues. On a YTD basis, revenues grew by 42.2% y-o-y to LE 14,096.6 million and net income increased by 164.8% y-o-y to LE 673.1 million in 1H21.

"I am very pleased with our performance during the second quarter as we successfully capitalized on strengthening consumer demand, which traditionally picks up starting the second quarter of the year. Moreover, our performance reflects the improving market conditions as consumption trends normalize following a difficult period with the COVID-19 pandemic," said GB Auto Chief Executive Officer Nader Ghabbour. "Solid results were driven by our Auto & Auto-Related segment, which delivered a two-fold increase compared to the same quarter last year, with growth at our Passenger Cars LoB achieved despite the impact of a global semiconductor shortage. Parallel to this, our Two and Three Wheelers LoB continued to witness strong demand even as higher input material and freight costs led to some pricing pressure. Parallel to top line growth, GB Auto also delivered strong bottom-line results due to our optimization and efficiency efforts across our operations and further supported by a one-off capital gain on the sale of a building. I would also like to note that as a result of our strong performance over the last period, we have paid out dividends in 2Q21," added Ghabbour.

The Auto & Auto-Related (A&AR) segment recorded a revenue increase of 5.7% q-o-q and 100.0% y-o-y to LE 5,763.0 million in 2Q21, while on a YTD basis, revenues at the A&AR segment grew by 47.1% y-o-y to LE 11,214.1 million in 1H21. The segment's solid performance was primarily driven by improved market conditions, the pickup in sales typically seen starting the second quarter of the year, coupled with strengthening consumer purchasing power during the period. These factors positively impacted on the PC and Two & Three-Wheelers (2&3Ws) LoBs in 2Q21 and on a YTD basis. On the regional front, resilient demand for two and three wheelers as well as MG sales gradually picking up drove positive results in 2Q21. Meanwhile, regional operations were weighed down on a YTD basis in 1H21 due to a high base effect associated with the company's liquidation of all remaining Hyundai inventory in 1Q20.

"Improved regional performance in 2Q21 with strong demand for our two and three wheelers as well as our gradually growing sales of MG in Iraq leave us with a positive outlook for our regional operations. Our newly introduced MG brand has already accomplished a market share of nearly 4% in less than 12 months, with the brand well-positioned to capitalize on a recovering Iraqi market following the lifting of a country-wide lockdown and an improvement in oil prices. We remain confident in our ability to grow MG to become one of the leading passenger car brands in Iraq going forward. Parallel to this, we have also increased our stake in GK Auto, our passenger car subsidiary in Iraq, to 83.3% in our efforts to deliver on our strategies and benefit from the upside in this promising market as our market share grows."

EBITDA at the A&AR segment more than doubled year-on-year in 2Q21 to LE 443.0 million compared to LE 166.9 million in the same period last year. EBITDA margin came in at 7.7% in 2Q21 compared to 5.8% in 2Q20. The impressive EBITDA results were driven by strong top-line growth coupled with increased efficiencies at the SG&A level during the

*“ I am very pleased with our performance during the second quarter as we successfully capitalized on strengthening consumer demand, which traditionally picks up starting the second quarter of the year ”*

quarter. Total SG&A expenses grew by 41.3% y-o-y to LE 406.2 million, however, declined as a percentage of revenues to 7.0% in 2Q21 from 10.0% last year. On a year-to-date basis, EBITDA grew by 83.4% y-o-y to LE 870.5 million, yielding a margin expansion of 1.6 percentage points year-on-year to 7.8% in 1H21.

The A&AR segment recorded a 30.1% q-o-q increase and a year-on-year turnaround at its bottom-line to LE 231.6 million in 2Q21 compared to negative LE 19.9 million in 2Q20. The segment's enhanced net profit result is due to management's focus on improving profitability as well as a favorable interest rate environment. On a YTD basis, the segment's strong revenue performance trickled down to its bottom-line and booked a positive net profit of LE 409.6 million in 1H21 compared to negative LE 25.0 million in 1H20.

GB Capital recorded a revenue increase of 7.5% q-o-q and by 40.9% y-o-y to LE 1,854.1 million in 2Q21, reflecting the pickup in demand coupled with generally improving market conditions. On a YTD basis, GB Capital's revenues grew by 30.9% y-o-y to LE 3,578.0 million in 1H21. GB Capital's loans/receivables portfolio grew by 9.3% q-o-q and by 30.4% y-o-y to LE 13.8 billion in 2Q21. However, Non-Performing Loans (NPLs) increased to 2.60% compared to 1.58% in 2Q20 due to the delayed recognition of delinquencies arriving between March and September of 2020 following the CBE's declaration of a six-month moratorium on all repayments owed to lenders. It is worthy to note that NPLs declined to 2.60% compared to 2.66% in 1Q21 on the back of management's comprehensive debt recovery plan and further supported by an improving business environment, which is anticipated to continue driving improvements in NPLs going forward. GB Capital's net profit grew by 18.8% q-o-q and by 5.8% y-o-y in 2Q21 to LE 143.6 million. On a YTD basis, net profit recorded a 5.3% y-o-y decline in 1H21 as the company recognized inter-company SLA charges in 1Q21 that were historically booked under the Auto and Auto-Related segment. Excluding SLA's, net profit would have been up by 9.8% y-o-y in 1H21.

“At GB Capital, we have returned to normality across our core businesses, with portfolio growth returning to pre-COVID-19 rates month-over-month and collection rates exceeding c. 98% during the period. We have also delivered on several business development and operational initiatives across our financing subsidiaries, most notable of which are the development of digital app for Drive earmarked for launch by year end; the launch of multiple digital core banking systems at Mashroey and Tasaheel, and electronically disbursing and collecting a significant number of transactions; and receiving final approvals for Drive and Mashroey's consumer financing license. Finally, MNT Investments' acquisition of Halan in June 2021 will enable millions of underserved and unbanked customers to seamlessly perform multiple financial transactions through an innovative digital platform,” said Ghabbour.

“Looking ahead, we aim to further build on our successes at GB Capital and carrying this momentum forward by continuously identifying and capturing opportunities that further drive our expansion across the financing space. At our Auto & Auto Related segment, we are confident that the improved market conditions coupled with growing consumer demand will continue to support our performance through to year-end. We are particularly optimistic about the recent addition of Changan and Haval to our PC portfolio, two of China's leading brands which are performing very well in our local market and that we hope to grow their market share as supply constraints related to the semiconductor shortage begin to ameliorate.”

“Our long-term strategy goals remain unchanged as we further cement our leading position in the automotive market, as well as continuing to grow our non-banking financial services sector through innovation and tech-driven offerings. We look forward to carrying our momentum forward and to continue unlocking new value for our shareholders,” concluded Ghabbour.

Highlights of GB Auto Group's 2Q/1H21 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)

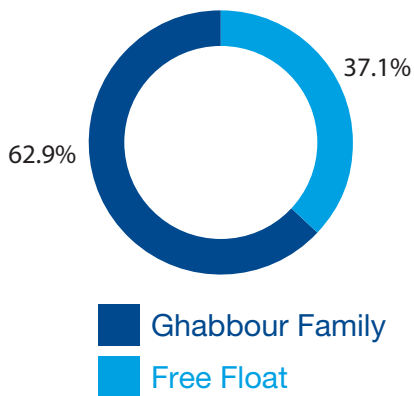
# GB Auto Group Income Statement

## Income Statement

(LE million)	Three Months Ended			Six Months Ended		
	2Q20	2Q21	% Change	1H20	1H21	% Change
Egypt Passenger Cars Revenues	1,104.6	2,917.8	-	2,755.7	5,681.3	-
Egypt Motorcycles & Three-Wheelers Revenues	532.1	869.8	63.5%	1,193.9	1,804.6	51.2%
Egypt Commercial Vehicles & Construction Equipment Revenues	223.5	184.7	-17.3%	487.4	409.7	-15.9%
Egypt Tires Revenues	301.6	337.0	11.7%	539.5	619.7	14.9%
GB Capital (Financing Businesses) Revenues	1,143.0	1,506.1	31.8%	2,287.5	2,882.6	26.0%
Egypt After-Sales Revenues	212.4	304.9	43.5%	504.1	598.7	18.8%
Regional Revenues	417.9	778.2	86.2%	1,912.5	1,412.8	-26.1%
Others Revenues	89.7	370.5	-	232.9	687.2	-
<b>Total Sales Revenues</b>	<b>4,024.8</b>	<b>7,269.0</b>	<b>80.6%</b>	<b>9,913.5</b>	<b>14,096.6</b>	<b>42.2%</b>
<b>Total Gross Profit</b>	<b>921.5</b>	<b>1,458.3</b>	<b>58.3%</b>	<b>2,019.6</b>	<b>2,811.2</b>	<b>39.2%</b>
Gross Profit Margin	22.9%	20.1%	-2.8	20.4%	19.9%	-0.5
Selling and Marketing	(400.4)	(652.9)	63.1%	(864.1)	(1,256.0)	45.4%
Administration Expenses	(126.5)	(119.0)	-6.0%	(250.2)	(227.6)	-9.0%
Other Income (Expenses)	175.0	87.6	-49.9%	205.1	127.4	-37.9%
<b>Operating Profit</b>	<b>569.6</b>	<b>774.0</b>	<b>35.9%</b>	<b>1,110.5</b>	<b>1,455.0</b>	<b>31.0%</b>
Operating Profit Margin (%)	14.2%	10.6%	-3.5	11.2%	10.3%	-0.9
Net Provisions and Non-Operating FV of Investment Property	(62.6)	(30.3)	-51.6%	(97.0)	(99.5)	2.6%
Intercompany Investment Losses	-	-	-	-	(1.3)	-
<b>EBIT</b>	<b>507.0</b>	<b>743.7</b>	<b>46.7%</b>	<b>1,013.5</b>	<b>1,354.2</b>	<b>33.6%</b>
EBIT Margin (%)	12.6%	10.2%	-2.4	10.2%	9.6%	-0.6
Foreign Exchange Gains (Losses)	(51.9)	10.1	-	(19.5)	18.1	-
Net Finance Cost	(214.9)	(143.9)	-33.0%	(468.4)	(298.5)	-36.3%
<b>Earnings Before Tax</b>	<b>240.2</b>	<b>609.9</b>	-	<b>525.7</b>	<b>1,073.7</b>	-
Income Taxes	(93.4)	(144.0)	54.2%	(162.7)	(258.3)	58.8%
Net Profit / Loss Before Minority Interest	146.8	465.9	-	363.0	815.4	-
Minority Interest	(31.1)	(91.6)	-	(108.8)	(142.3)	30.8%
<b>Net Income/Loss</b>	<b>115.8</b>	<b>374.3</b>	-	<b>254.2</b>	<b>673.1</b>	-
Net Profit Margin (%)	2.9%	5.1%	2.2	2.6%	4.8%	2.2

## GB Auto's Shareholding Structure

as of 30 June 2021



## Head Office

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

## Investor Relations

Mansour Kabbani  
Board of Directors Member

Sarah Maged  
Investor Relations  
Communications Manager

Marina Kamal  
Investor Relations Manager

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, Changan, Haval, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Aksa, Lassa, Yokohama, Westlake, Double Coin, Verde, Techking, MG, Good-year 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, mortgage finance, and insurance under the following brands - GB Lease, Mashroey, Drive, Tasaheel, Haram, Capital Securitization, Bedaya, and Tokio Marine Egypt Family Takaful. 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.