



GB Corp Press Release

4Q/FY23

GB Corp Reports 4Q/FY23 Results

GB Corp continues to navigate challenging market conditions to achieve solid top and bottom-line figures across both its Auto and Capital segments

Key Highlights FY23

Group Revenue
EGP 28,317.2 mn

Group Gross Profit
EGP 6,884.5 mn

Group Net Profit After
Tax & Minority
EGP 1,890.8 mn

EBITDA margin for GB
Auto
15.9%

MG continues to grow as
the leading Chinese brand
in Iraq with an expanded
market share of
8.3%

GB Auto celebrates the
launch of the new **Changan
UNI- T**

**Bedaya completed its
third securitization** worth
EGP 843 million

GB Auto was awarded
the **global outstanding
distributor for its MG**
operation in Iraq

GB Auto **exported buses**
to the Middle East and Africa

**Drive completed its
fourth securitization** worth
EGP 1.4 billion

**MNT-Halan launched a
savings product** in partnership
with Azimut (AZ Halan fund)
where clients receive daily
interest

**GB Lease completed its
eighth securitization** worth
EGP 1.6 billion

**Kredit launched its
operations** and disbursed
c. EGP 150 mn

GB Lease **launched its
factoring business**

**Full impairment of the
group's investment in Algeria**
by EGP 522.0 million

Note from our CEO

It has been a challenging period for GB Corp due to the prevailing market conditions; however, we started the year from a position of strength and unequivocal knowledge acquired through years of experience. Despite the headwinds, both segments reported another strong set of financial and operational results, further showcasing the effectiveness of our growth, value creation, and mitigation strategies. As such, the group delivered growth in revenue, net profit and cash generation in FY23 when normalizing for the deconsolidation of MNT-Halan in 2022.

At GB Auto, having an agile mindset and consistently strengthening our products whilst proactively managing supply and demand saw us deliver solid year-on-year growth. As such, GB Auto's revenues grew 55.7% y-o-y to EGP 7,319.3 million in 4Q23 and increased 9.5% y-o-y to reach EGP 23,854.0 million in FY23, underpinned by robust consumer demand and price-mix tailwinds, against a backdrop of supply shortages. In FY24, we aim to continue to deliver market-beating growth, drive up EV penetration, consolidate market share gains, and sustain positive free cash flows. We will integrate the new Sadat factory into our industrial footprint and unlock new capacity. Alongside our domestic expansion, we are also keen to continue growing our footprint into new regional markets. Today, thanks to our strong Iraqi operations and our market-leading Egyptian operations, we have a solid base from which to expand further into the region and capitalize on attractive opportunities. Additionally, the Company ramped up its export operations of Fuso and Volvo buses to the Middle East and Africa, with plans to significantly expand our market presence in regional markets.

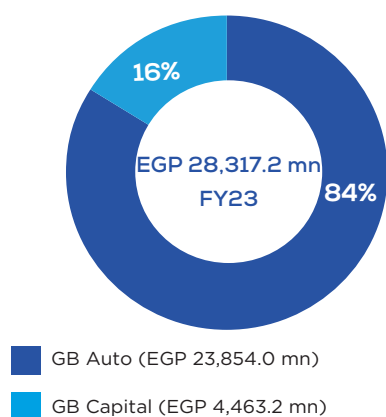
At GB Capital, we continued to deliver solid year-on-year growth on the back of our broad product-offering, allowing us to capture the rising demand for alternative financing solutions. During the year, we expanded our physical and digital direct-to-consumer reach and widened our product offering, all the while tapping new segments like SME lending and factoring and delivering a tailored and top-quality experience to new and existing customers. GB Capital's loans portfolio on the books increased by 66.8% y-o-y to reach EGP 9.0 billion in FY23.

As prevailing market conditions remain difficult, we plan to leverage our diversified portfolio and operational excellence to navigate these headwinds and drive future growth in both the Auto and Capital segments. With a synergized backend and a fully equipped front end, each segment is independently charting its growth path with clear milestones set to track financial and market outcomes. Overall, we remain confident in our ability to deliver growth with strong cash flow generation to achieve our goals.

Nader Ghabbour
Chief Executive Officer

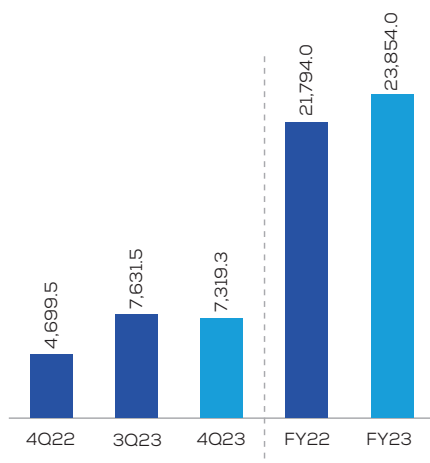
Group Revenue Breakdown

(As of 31 December 2023)



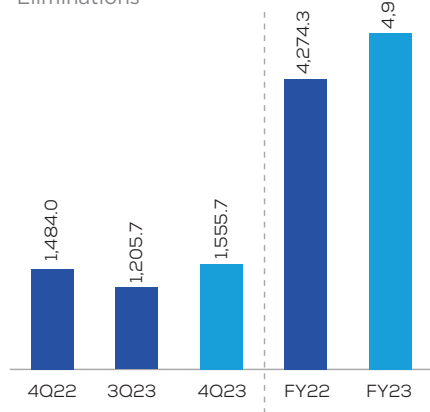
Revenue Progression (all figures in EGP million)

GB Auto



GB Capital

Before Intercompany Eliminations



Consolidated Financial Overview

29 February 2024 — (Cairo, Egypt) GB Corp (GBCO.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 year ending 31 December 2023. GB Corp's revenues were stable quarter-on-quarter and increased year-on-year by 27.4% to record EGP 8,794.8 million in 4Q23. Excluding the capital gain from the sale of a 7.5% stake in MNT-Halan net profit grew 22.3% y-o-y and declined 6.4% q-o-q to record EGP 620.1 million in 4Q23.

In full year terms, revenue was down 4.9% to record EGP 28,317.2 million and net profit was down 81.1% to reach EGP 1,890.8 in FY23, due to the capital gain realized in 4Q22. When normalizing for MNT-Halan's deconsolidation and resultant capital gain, revenues would have shown a 12.4% y-o-y increase in FY23 while net profit recorded 6.4% y-o-y increase.

GB Auto recorded revenues of EGP 7,319.3 million in 4Q23, representing a 4.1% q-o-q decline and an increase of 55.7% y-o-y. On a full year basis, revenues increased 9.5% to reach EGP 23,854.0 million in FY23. The Company's solid results came amidst a challenging operating environment characterized by limited FX availability, import restrictions, and a slowdown in opening LCs, affecting the majority of GB Auto's segments. Despite these factors, the Passenger Car LoB recorded solid year-on-year growth in 4Q23 at 127.0% on the back of improved pricing and an enhanced product mix supported by GB Auto's local assembly business. Meanwhile, the segment recorded a modest quarter-on-quarter decline in revenues of 10.5% in 4Q23 due to geopolitical tensions affecting shipping traffic in the Red Sea, which led to multiple disruptions. At the Two and Three-Wheeler LoB, the complete liquidation of three-wheeler inventory coupled with limited FX availability and import restrictions affecting the motorcycle inventory, largely impacting the segment's year-on-year results with revenues down 28.0% in 4Q23. However, the LoB saw a significant quarter-on-quarter increase in revenues by 58.6% in 4Q23 on the back of the launch of a new tricycle product in 3Q23, which quickly gained traction in the market. The Commercial Vehicle and Construction Equipment LoB grew both quarter-on-quarter and year-on-year in 4Q23 at 81.4% and 14.0%, respectively, on the back of a ramp up in the export of Fuso and Volvo buses to the Middle East and Africa, coupled with an increase in supply of both light and heavy trucks as well as buses. The After-Sales LoB's revenues recorded solid quarter-on-quarter and year-on-year growth in 4Q23 at 10.4% and 32.2%, respectively, mainly driven by healthy demand as customers face challenges in purchasing new vehicles and prioritize maintaining their existing vehicles. Additionally, the Tires segment recorded solid performance with revenues increasing 17.7% q-o-q and 30.6% y-o-y on the back of improved supply and healthy demand across all brands.

On the regional front in Iraq, the Company recorded a decline of 24.5% q-o-q in revenues in 4Q23 on the back of an increase in grey imports in the Iraqi market. However, we continued to capitalize on opportunities within the Passenger Car LoB in Iraq, which resulted in solid year-on-year top-line growth at 50.6% in 4Q23. On a full year basis, the Company more than doubled its revenues in the Iraqi market, reflecting the rising demand for the MG brand.

In terms of profitability, GB Auto recorded an EBITDA of EGP 1,291.1 million in 4Q23, representing an increase of 3.5% q-o-q and 91.9% y-o-y, and yielding an EBITDA margin of 17.6% compared to 14.3% in 4Q22 and 16.3% in 3Q23. On a full year basis, EBITDA increased 48.7% to record EGP 3,794.5 million in FY23, yielding a margin expansion of 4.2 percentage points to 15.9%. The segment maintained a solid financial position with a net debt-to-EBITDA ratio of 0.77 and a net debt-to-equity ratio 0.39 at the end of 2023. GB Auto's net profit fell both quarter-on-quarter and year-on-year by 90.5% and 84.6%, respectively, to reach EGP 45.1 million in 4Q23 due to the full impairment of

the group's investment in Algeria by EGP 522.0 million. This reflects the entire exposure which was disclosed in November 2022, and eliminates all uncertainty in respect to its impact going forward. In addition, the segment's bottomline was impacted by a significant Forex loss of EGP 1,019.7 million in 4Q23. However, it's worthy to note that the majority of these losses will be recoverable in 2024 upon the sale of inventory. On a full year basis, net profit decreased by 26.2% y-o-y to reach EGP 688.6 million.

GB Capital's revenues grew both quarter-on-quarter and year-on-year at 29.0% and 4.8%, respectively, to record EGP 1,555.7 million in 4Q23. On a full year basis, revenues increased 15.8% to reach EGP 4,950.9 million in FY23. In terms of profitability, net profit more than tripled quarter-on-quarter on the back of enhanced performance, higher disbursements and securitizations gains. Meanwhile, the capital gain realized through the sale of a 7.5% stake in MNT-Halan in 4Q22 resulted in a 93.2% y-o-y decline in net profit to record EGP 576.4 million in 4Q23. On a full year basis, net profit fell 86.7% to record EGP 1,207.6 million in FY23, driven by the capital gain realized in 4Q22. Excluding the capital gain, net profit increased 167.5% y-o-y in 4Q23, and 42.6% in FY23. Additionally, GB Capital's loans portfolio slightly fell by 5.0% q-o-q and increased 66.8% y-o-y to reach EGP 9.0 billion on the books in 4Q23 (excluding securitized portfolio). The slight quarter-on-quarter decrease in the Company's portfolio came on the back of securitizations issuances completed at GB Lease and Drive, demonstrating our ability to successfully conclude transactions with award credit ratings and to efficiently manage GB Capital's liquidity requirements in the prevailing market conditions, while offsetting the risk of anticipated interest rate hikes.

Highlights of GB Corp's 4Q/FY23 results follow, along with management's analysis of the company's performance. Complete financials are available for download on ir.gb-corporation.com

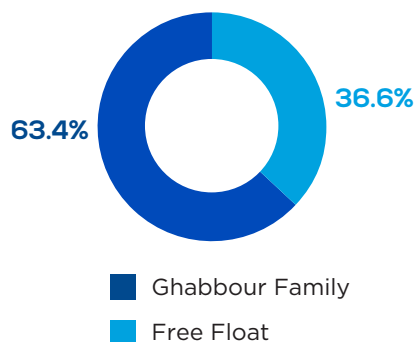
GB Corp Income Statement

Income Statement

	Three Months Ended			Full Year Ended		
(EGP million)	4Q22	4Q23	% Change	FY22	FY23	% Change
Egypt Passenger Cars Revenue	1,398.9	3,175.4	-	9,231.1	9,545.2	3.4%
Egypt Motorcycles & Three-Wheelers Revenue	289.7	210.0	-27.5%	1,915.0	513.4	-73.2%
Egypt Commercial Vehicles & Construction Equipment Revenue	505.2	576.1	14.0%	1,515.0	1,424.1	-6.0%
Egypt Tires Revenue	413.4	540.1	30.6%	1,634.2	1,806.2	10.5%
GB Capital (Financing Businesses) Revenue	2,202.0	1,475.7	-33.0%	7,995.1	4,463.2	-44.2%
Egypt After-Sales Revenue	542.0	715.2	32.0%	1,803.4	2,496.5	38.4%
Regional Revenue	1,376.9	1,484.5	7.8%	4,731.5	6,423.0	35.7%
Others Revenue	173.4	617.9	-	963.7	1,645.5	70.8%
Total Sales Revenue	6,901.5	8,794.8	27.4%	29,789.1	28,317.2	-4.9%
Total Gross Profit	2,004.0	2,555.6	27.5%	8,113.0	6,884.5	-15.1%
Gross Profit Margin	29.0%	29.1%	-	27.2%	24.3%	-2.9
Selling and Marketing	(881.6)	(947.6)	7.5%	(3,576.9)	(2,550.4)	-28.7%
Administration Expenses	(178.8)	(281.0)	57.2%	(636.4)	(880.4)	38.3%
Other Income (Expenses)	114.1	298.9	-	386.1	523.2	35.5%
Operating Profit	1,057.8	1,625.8	53.7%	4,285.9	3,977.0	-7.2%
Operating Profit Margin (%)	15.3%	18.5%	3.2	14.4%	14.0%	-0.3
Provisions (Net)	(57.9)	(183.6)	-	(229.8)	(268.9)	17.0%
Income From Associates	8,207.3	406.6	-	8,207.3	1,061.7	-
EBIT	9,207.2	1,848.9	-79.9%	12,263.4	4,769.7	-61.1%
EBIT Margin (%)	-	21.0%	-	41.2%	16.8%	-24.3
Foreign Exchange Gains (Losses)	26.2	(1,025.0)	-	(239.0)	(1,499.2)	-
Net Finance Cost	(245.2)	(212.9)	-13.2%	(724.0)	(965.8)	33.4%
Earnings Before Tax	8,988.2	611.0	-93.2%	11,300.4	2,304.7	-79.6%
Income Taxes	(198.1)	(157.5)	-20.5%	(762.3)	(493.2)	-35.3%
Net Profit / Loss Before Minority Interest	8,790.1	453.5	-94.8%	10,538.1	1,811.4	-82.8%
Minority Interest	(75.6)	166.6	-	(553.1)	79.3	-
Net Income/Loss	8,714.4	620.1	-92.9%	9,985.0	1,890.8	-81.1%
Net Profit Margin (%)	126.3%	7.1%	-	33.5%	6.7%	-26.8

GB Corp's Shareholding Structure

as of 31 December 2023



Head Office

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

Investor Relations

Mansour Kabbani
Board of Directors Member

Mohamed Younis
Chief Investment Officer

Marina Kamal
Investor Relations AVP

Sarah Maged
Investor Relations
Communications Manager

Direct: +202 3910 0485
Tel: +202 3539 1201
Fax: +202 3539 0139
e-mail: ir@gb-corporation.com

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Shareholder Information

Reuters Code: GBCO.CA
Bloomberg Code: GBCO.EY

Shares Outstanding:
1,085,500,000

About GB Corp S.A.E.

GB Corp S.A.E. (GBCO.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, Chery, Changan, Haval, Karry, Bajaj, Marcopolo, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, SDLG, Higer, Shacman, Lassa, Yokohama, Westlake, Double Coin, Good-year, Thunderer, Verde, Techking, MRF, Sunfull, and MG. GB Auto has operations in Egypt and Iraq. The company's NBFS' segment branded GB Capital offers leasing, factoring, consumer finance, fleet quasi-operational leasing, securitization and SME lending, under the following brands - GB Lease, Drive, Forsa, GB Auto Rental, Capital Securitization, Kredit, in addition to investments in affiliates offering micro-finance, nano-finance, BNPL, collection, peer-to-peer transfers, bill payments, mortgage finance and insurance under - MNT-Halan, Bedaya and Kaf. The company is headquartered in Giza, Greater Cairo Area, Egypt.

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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.