



Drive concludes second securitized bond offering for LE 892 million

Date: 30 December 2020

(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 that subsidiary Drive Finance has completed its second securitized bond offering in the amount of LE 892 million. Proceeds from the transaction will be used to deleverage Drive's balance sheet and unlock further opportunities for growth.

The offering consists of three tranches with tenors of 13, 36 and 48 months, respectively, with the first receiving a rating of AA+, the second AA and third A by Middle East Rating & Investors Service (MERIS). The structure of the transaction is as follows:

- The first tranche consists of a LE 414.8 million, 13-month non-callable bond with a fixed coupon rate of 10.25% payable monthly.
- The second tranche consists of a LE 407.6 million, 36-month callable bond with a fixed coupon rate of 10.65% payable monthly.
- The third tranche consists of a LE 69.6 million, 48-month callable bond with a fixed coupon rate of 11.05% payable monthly.

Drive, which offers factoring services to individuals and companies, falls under the umbrella of GB Auto's financing arm, GB Capital. Drive was launched in 3Q12 and has quickly captured a sizeable and growing market share, even during typically low seasonal market demand. The company held a market share of c.19.35% in October 2020—as per the FRA's latest issued report—ranking second in the factoring market.

“The successful conclusion of Drive's second securitized bond offering is a very exciting development for our business,” said GB Auto's Chief Executive Officer Raouf Ghabbour. “The high ratings achieved across the tranches are not only a testament to our portfolio's strength and superior quality, but also hold much promise for the future, opening up new avenues for fresh investment, deleveraging our balance sheet, and improving liquidity levels.”

“Drive has once again attained stellar results on a securitized bond offering, demonstrating its ability to create value and outperform peers,” said Drive Finance Managing Director Ahmed Ossama. “The quality of our portfolio allowed us to achieve high ratings with fairly low credit enhancement – even compared to our 1st issuance last year -, which improves our current standing in the market and bodes well for the future.”

Capital Securitization Co. was the issuer of the bond, which is backed by a portfolio generated by Drive Finance, while Commercial International Bank (CIB) acted as lead managers and global coordinators, with CIB also acting as the transaction's book runner and underwriter. Dreny & Partners served as the legal advisor.

--- End ---



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 & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Sinotruk, Aksa, Lassa, Yokohama, Pirelli, 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

Investor Relations Contact Information:

Mansour Kabbani

Board of Directors Member

Sarah Maged

Investor Relations Communication Manager

Marina Kamal

Investor Relations Associate

Email: ir@ghabbour.com

Tel: +20 (0) 2 3910 0485

Fax: +20 (0) 2 3539 0139

Address: Cairo-Alexandria Desert Road, Km. 28, Industrial Zone, Abu Rawash
P.O. Box 120, Giza, Egypt

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.