



GB LEASE ANNOUNCES SECURITIZATION INITIATIVE TO FUEL GROWTH AND EXPAND LEASING AND FACTORING PORTFOLIO

28 December 2023

(Cairo, Egypt) — GB Corp (GBCO.CA on the Egyptian Exchange), a leading automotive company in the Middle East & Africa (GB Auto) and a non-bank financial services provider in Egypt (GB Capital), announced on 28 December 2023 that its subsidiary GB Lease & Factoring has completed its eighth securitized bond offering with an amount of EGP 1.645 billion.

Established in 2008, GB Lease & Factoring has worked to serve clients across an array of industries, including corporates and SMEs of various sizes. The company offers clients a range of factoring and leasing services, including direct lease, Sale and Lease Back and factoring solutions that allow them to achieve their business goals and grow sustainably.

GB lease & Factoring takes pride in its robust and diverse client portfolio, comprising 15% SMEs and 85% mid-cap to large corporations. Spanning various sectors including real estate development, logistics and maritime, printing and packaging, education, healthcare, trading, and distribution, our clientele reflects the broad spectrum of industries we serve. This rich diversity underscores our commitment to providing tailored and comprehensive solutions to meet the unique needs of businesses across the economic landscape.

The issuance came in three tranches, each with varying tenors of 13, 36 and 56 months, respectively. The first tranche received a rating of AA+, the second tranche received an AA rating, and the third tranche received an A rating by Middle East Rating & Investors Service (MERIS). The structure of the transaction is as follows:

- The first tranche valued at LE 280 million
- The second tranche valued at LE 790 million
- The third tranche valued at 575 million

"This securitization transaction represents a significant milestone in propelling our operational growth and reinforcing our position in the Egyptian market. We take pride in attaining these high ratings, a clear affirmation of our robust financial position and well-defined business strategy," commented Sherif Sabry, CEO of GB Lease & Factoring. "By diversifying our funding sources, we are strategically positioned to achieve our objectives of expanding our operational footprint and cultivating our client base. This move underscores our unwavering commitment to supporting private sector growth by offering a diverse range of innovative financial solutions. "

The funds generated from the transaction will be used to deleverage GB Lease's balance sheet to improve its liquidity position, create new borrowing limits with lender banks and support the company's future growth plans. To date, GB Lease has successfully concluded eight securitization issuances worth EGP 9.7 billion. It is worth noting that two of the issuances were completed in 2021 at a value of EGP 4.3 billion, making it the largest securitization for a leasing company in Egypt at the time. We are delighted with these monumental achievements which attest to the quality of our portfolio.

"The proceeds from our securitization initiative will play a pivotal role in catalyzing GB Lease's sustainable growth within the leasing and factoring services landscape. Our vision is to create a complete NBFi platform with all lending services available to corporates and individuals alike leveraging on our extensive expertise in the industry, we aim to set new standards in the market and create unparalleled value for our shareholders." remarked Tamer EL-Emary, CEO of GB Capital.

Capital For Securitization was the issuer of the bond, which is backed by a portfolio generated by GB Lease & Factoring, while Commercial International Bank (CIB), Ahly Pharos & CI Capital acted as advisors, Mandate Lead Arrangers and bookrunners, Commercial International Bank (CIB) acted as the Custodian and Placement Agent. Commercial International Bank (CIB), National Bank of Egypt (NBE), Ahly Pharos & Suez Canal Bank (SCB) were joint underwriters with Dreny and partners as the legal advisor and KPMG as the auditor for the transaction.

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About GB Lease & Factoring

GB Lease is GB Corp's first financing venture and a non-banking financial leasing institution operating under the regulations of the Financial Regulatory Authority "FRA" and falls under its financing arm, GB Capital. The company was first established in 2008 and became operational in late 2009. It has grown into a well-developed organization with a diversified lease asset base that covers all asset classes, including real estate, automotive, production lines, and others. GB Lease provides business to business financial leasing solutions, like: Direct Lease, which allows a specific asset for the lessee to be purchased through a supplier of the lessee's choice. Sale and Lease Back, which is another option that allows the leasing company to purchase the asset from the lessee then lease it back to the lessee. Since then, it transformed into a top market player in Egypt and became one of the leading players in the industry.

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, Goodyear, Thunderer, Verde, Techking, MRF, Sunfull, MG, and Gazpromneft. 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. ir.gb-corporation.com

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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.