

## Drive concludes its first bond offering for LE 700 million

Date: 23 June 2022

(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 first bond issuance in the amount of LE 700 million. Proceeds from the transaction will be used to deleverage Drive's balance sheet and unlock further opportunities for growth.

It is worth noting that the issuance comes within a program amounting to 2 billion Egyptian pounds, the company has received a rating of A- by Middle East Rating & Investors Service (MERIS). The first issue will be worth 700 million pounds, divided into two tranches with tenors of 13 and 60 months, respectively. The structure of the process are as follows:

- The first tranche consists of a LE 300 million, 13-month non-callable bond and not convertible into shares with a fixed coupon rate of 14.0 % payable monthly.
- The second tranche consists of a LE 400 million, 60-month callable bond not convertible into shares with a fixed coupon rate of 13.5% payable monthly.

Drive, which offers factoring services to individuals and companies and auto loans, in addition to launching consumer finance in 2021, 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.9.0% in May 2022—as per the FRA's latest issued report—ranking second in the factoring market.

"The successful conclusion of Drive's first bond offering is a very exciting development for our business," said GB Auto's Chief Executive Officer Nader 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."

"This transaction marks a major milestone for Drive, the first consumer finance company to issue bonds which confirms that the company is on the right track and is well-positioned to unlock future growth," said Drive Finance Managing Director Ahmed Ossama. "The current macroeconomic environment poses many challenges and brings a wave of uncertainty; however, in issuing its first bond, Drive has proven its ability to successfully adapt to shifting dynamics and propel the company forward."



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#### **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, Chery, Changan, Haval, Karry, Bajaj, Marcopolo, Iveco, Volvo Truck and Volvo Bus, Volvo Construction Equipment, Mitsubishi Fuso, SDLG, Higer, Shacman, Lassa, Yokohama, Westlake, Double Coin, Goodyear, Thunderer, Verde, Techking, Sun full, MG, and Gazpromneft. GB Auto has operations in Egypt and Iraq. The company's NBFS' segment branded GB Capital offers leasing, consumer finance, microfinance, Nano loans, SME lending, BNPL, collection, Peer-to-Peer transfers, Bill payments, fleet quasi-operational leasing, factoring, securitization, mortgage finance, and insurance under the following brands - GB Lease, Drive, MNT-Halan, Haram, Capital Securitization, Bedaya, and KAF. The company is headquartered in Giza, Greater Cairo Area, Egypt. [ir.ghabbourauto.com](http://ir.ghabbourauto.com)

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#### **Forward-Looking Statements**

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