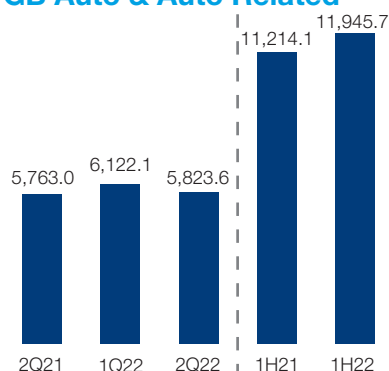


## GB Auto Reports 2Q/1H22 Results

*GB Auto's positive results were driven by strong consumer demand and improved pricing strategies amidst challenging market conditions*

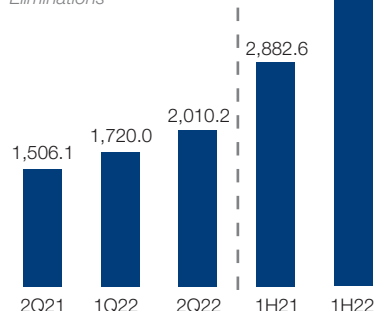
**Revenue Progression**  
(all figures in LE million)

### GB Auto & Auto Related



### GB Capital

*After Intercompany Eliminations*



14 August 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 its segmental and consolidated results for the second quarter and first half ending 30 June 2022. GB Auto's revenues were flat quarter-on-quarter and increased 7.8% y-o-y to LE 7,833.8 million in 2Q22 despite challenging operating conditions. This reflects resilient consumer demand and improved pricing strategies across GB Auto's business lines. Net profits increased by 113.7% q-o-q due to a significant FX loss impacting 1Q22 and by 31.3% y-o-y to LE 490.5 million in 2Q22 as the company continues to benefit from its comprehensive operational efficiency initiatives as well as operational leverage from higher revenues. On a YTD basis, revenues grew by 11.2% y-o-y to LE 15,675.8 million and net income increased by 7.1% y-o-y to LE 719.9 million in 1H22.

"Our performance in the second quarter of the year was supported by strong demand for our products and service offerings as well as prudent strategies to steer us through an increasingly challenging operating environment," said GB Auto Chief Executive Office Nader Ghabbour. "We started off the year on stronger footing with increased levels of inventory to hedge against rising shipping costs, supply chain challenges and the global semiconductor shortage; challenges that were further exacerbated by the devaluation of the Egyptian pound in March 2022 and restrictions on imports. Nonetheless, the Auto & Auto-Related segment's optimized product portfolio and enhanced pricing strategy continued to support our operations and drove GB Auto's year-on-year growth in 2Q22. In the midst of the current external market conditions, we are proud of the quarter's performance both at our Auto & Auto-Related and GB Capital segments. Challenging conditions are likely to persist for a number of quarters; however, we are confident in our ability to effectively respond to changing dynamics and carry forward with our growth targets once the economic situation improves," said Ghabbour.

The Auto & Auto-Related (A&AR) segment recorded a revenue of LE 5,823.6 million in 2Q22, down 4.9% q-o-q but up a marginal 1.1% y-o-y. On a YTD basis, revenues at the A&AR segment grew by 6.5% y-o-y to LE 11,945.7 million in 1H22. The segment achieved revenue growth and outperformed the market in terms of sales despite the devaluation of the Egyptian pound, restrictions on imports and a slowdown in opening letters of credits (LCs). At the Passenger Car (PC) LoB, despite the aforementioned factors, volumes declined by far less than the passenger car market in Egypt during the respective periods. Moreover, GB Auto retained its position as a market leader with a 25.3% market share in 2Q22 compared to 19.9% in 2Q21. The Two and Three-Wheelers LoB's performance was affected by the restriction on imports of the Three-Wheelers and slowdown in opening LCs as well as ongoing supply chain disruptions. Our strategy at this LoB is to slowly phase out the remaining three-wheeler inventory in the coming quarter. Meanwhile, our Commercial Vehicles & Construction Equipment LoB benefitted from a positive revenue mix effect and a growing pipeline of national infrastructure projects. The After-Sales LoB is performing well as consumers seek maintenance services in anticipation of shortages or delays in new vehicle availability. On the regional front, revenues increased 11.9% q-o-q and 48.3% y-o-y to LE 1,153.8 million in 2Q22. On a six-month basis, revenues grew 54.7% y-o-y to record LE 2,185.1 million in 1H22.

"I am very pleased with the milestones achieved thus far in the Iraqi market. In 2Q22, MG continued to gain popularity as the leading Chinese car brand in Iraq with an 7.3% market share and is currently ranked third in the Iraqi market. The brand's performance

*“ Our performance in the second quarter of the year was supported by strong demand for our products and service offerings as well as prudent strategies to steer us through an increasingly challenging operating environment ”*

validates our long-term growth plans to expand our footprint in the country. We are optimistic that we can unlock further value in the country and diversify our revenue streams,” said Ghabbour.

EBITDA at the A&AR recorded LE 543.8 million in 2Q22, down 12.3% q-o-q and up 14.5% y-o-y. EBITDA margin stood at 9.3% compared to 10.1% and 8.2% in 1Q22 and 2Q21, respectively. The results during the quarter were affected by lower revenues and higher provisions. On a YTD basis, EBITDA grew 27.5% to LE 1,163.8 million, yielding a margin expansion of 1.6 percentage points to 9.7% in 1H22. YTD growth was achieved despite an FX loss sustained due to the devaluation of the Egyptian pound and import restrictions. In addition, we further reduced our net debt-to-EBITDA ratio to 2.35 at the end of the quarter.

The A&AR segment's net income increased 7.6% y-o-y to LE 214.1 million in 2Q22. However, quarter-on-quarter results were down 72.9% due to a high base effect of a dividend income received in 1Q22. On a YTD basis, the segment recorded a net income of LE 1,003.9 million, up 145.1% y-o-y in 1H22 on the back of a one-off dividend income received in 1Q22 from GB Capital in the form of bonus shares.

GB Capital recorded a revenue increase of 18.7% q-o-q and 27.2% y-o-y to LE 2,357.6 million in 2Q22 as strong demand positively impacted the company's subsidiaries. On a YTD basis, revenues grew by 21.4% y-o-y to LE 4,344.4 in 1H22. GB Capital's loans/receivables portfolio expanded 2.4% q-o-q and 16.3% y-o-y to LE 16.1 billion in 2Q22. At its bottom line, GB Capital's net profits grew 127.1% q-o-q and 92.8% y-o-y to LE 276.9 million in 2Q22. On a YTD basis, GB Capital's net profit expanded 50.8% y-o-y to reach LE 398.8 million in 1H22. Performance during the period was positively impacted by securitization earnings at Tasaheel.

“GB Capital (our financing businesses) recorded a noteworthy performance in 2Q22 in a particularly challenging operating environment. The segment capitalized on strong demand for its product and services suite to achieve portfolio growth and deliver on multiple operational initiatives. At GB Auto Rental, previously known as Haram Tourism Transport, we continued to add vehicles to our fleet and are on track to hit our target for 2022. We are excited to finalize prospect deals that will support our leasing operations and secure a solid pipeline at GB Lease and GB Auto Rental in the coming periods. On the digital front, Drive's consumer finance app “Forsa” is gaining strong momentum since its launch in 4Q21. Moreover, Drive was the first consumer finance company to issue a bond valued at LE 700 million. Finally, MNT-Halan's trailblazing buy-now-pay-later digital consumer finance product has shown significant growth over the quarter further strengthening our position in the fintech space. We are well-positioned to continue delivering on our digital growth strategy moving forward, leveraging our position in the fintech market and bringing innovative solutions to the financing space,” said Ghabbour.

“Looking ahead, we are cognizant of the uncertainty that surrounds the current state of the global and local business environment, as such, we will continue to vigilantly monitor shifting dynamics and their effects on consumer purchasing power and our operations as a whole. Nonetheless, we are fully confident that our strategies and robust fundamentals will allow us to push ahead through these challenging times. Our company has consistently showcased its resilience in the face of a number of tests including inflationary pressures and supply chain shortages. In the coming period, we will remain focused on maximizing margins on the available inventory and minimizing overheads until the import situation improves,” concluded Ghabbour.

Highlights of GB Auto Group's 2Q/1H22 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)

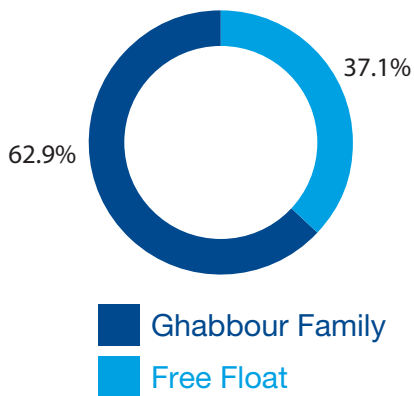
# GB Auto Group Income Statement

## Income Statement

(LE million)	Three Months Ended			Six Months Ended		
	2Q21	2Q22	% Change	1H21	1H22	% Change
Egypt Passenger Cars Revenues	2,917.8	2,729.2	-6.5%	5,681.3	5,690.2	0.2%
Egypt Motorcycles & Three-Wheelers Revenues	869.8	581.7	-33.1%	1,804.6	1,209.2	-33.0%
Egypt Commercial Vehicles & Construction Equipment Revenues	184.7	389.0	-	409.7	714.7	74.5%
Egypt Tires Revenues	337.0	360.6	7.0%	619.7	806.9	30.2%
GB Capital (Financing Businesses) Revenues	1,506.1	2,010.2	33.5%	2,882.6	3,730.2	29.4%
Egypt After-Sales Revenues	304.9	402.3	32.0%	598.7	781.1	30.5%
Regional Revenues	778.2	1,153.8	48.3%	1,412.8	2,185.1	54.7%
Others Revenues	370.5	207.0	-44.1%	687.2	558.5	-18.7%
<b>Total Sales Revenues</b>	<b>7,269.0</b>	<b>7,833.8</b>	<b>7.8%</b>	<b>14,096.6</b>	<b>15,675.8</b>	<b>11.2%</b>
<b>Total Gross Profit</b>	<b>1,458.3</b>	<b>2,177.2</b>	<b>49.3%</b>	<b>2,811.2</b>	<b>4,010.8</b>	<b>42.7%</b>
Gross Profit Margin	20.1%	27.8%	7.7	19.9%	25.6%	5.7
Selling and Marketing	(652.9)	(906.4)	38.8%	(1,256.0)	(1,753.0)	39.6%
Administration Expenses	(122.8)	(183.8)	49.7%	(231.4)	(297.9)	28.7%
Other Income (Expenses)	87.6	68.8	-21.5%	126.1	156.2	23.9%
<b>Operating Profit</b>	<b>770.2</b>	<b>1,155.8</b>	<b>50.1%</b>	<b>1,449.9</b>	<b>2,116.2</b>	<b>46.0%</b>
Operating Profit Margin (%)	10.6%	14.8%	4.2	10.3%	13.5%	3.2
Net Provisions and Non-Operating FV of Investment Property	(30.3)	(15.2)	-50.0%	(99.5)	(51.4)	-48.3%
Intercompany Investment Losses	-	(3.2)	-	-	(30.5)	-
<b>EBIT</b>	<b>739.9</b>	<b>1,137.4</b>	<b>53.7%</b>	<b>1,350.4</b>	<b>2,034.2</b>	<b>50.6%</b>
EBIT Margin (%)	10.2%	14.5%	4.3	9.6%	13.0%	3.4
Foreign Exchange Gains (Losses)	10.1	(13.4)	-	18.1	(224.6)	-
Net Finance Cost	(143.9)	(181.5)	26.1%	(298.5)	(308.2)	3.2%
<b>Earnings Before Tax</b>	<b>606.1</b>	<b>942.4</b>	<b>55.5%</b>	<b>1,069.9</b>	<b>1,501.4</b>	<b>40.3%</b>
Income Taxes	(144.0)	(214.2)	48.8%	(258.3)	(407.6)	57.8%
Net Profit / Loss Before Minority Interest	462.1	728.3	57.6%	811.6	1,093.9	34.8%
Minority Interest	(88.6)	(237.8)	-	(139.3)	(374.0)	-
<b>Net Income/Loss</b>	<b>373.5</b>	<b>490.5</b>	<b>31.3%</b>	<b>672.3</b>	<b>719.9</b>	<b>7.1%</b>
Net Profit Margin (%)	5.1%	6.3%	1.2	4.8%	4.6%	-0.2

## GB Auto's Shareholding Structure

as of 30 June 2022



### Head Office

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

### Investor Relations

Mansour Kabbani  
Board of Directors Member

Marina Kamal  
Investor Relations Senior Manager

Sarah Maged  
Investor Relations  
Communications 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, 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, GB Auto Rental, Capital Securitization, Bedaya, KAF, and Forsa. The company is headquartered in Giza, Greater Cairo Area, Egypt. [ir.ghabbourauto.com](http://ir.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.