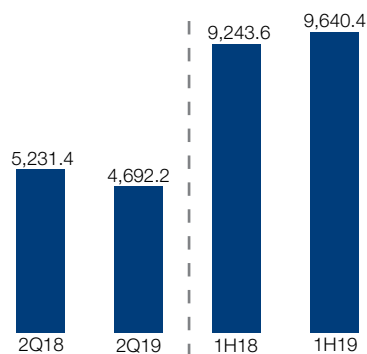


GB Auto Reports 2Q/1H19 Results

Auto & Auto Related business affected by regulatory environment; performance supported by regional operations and GB Capital

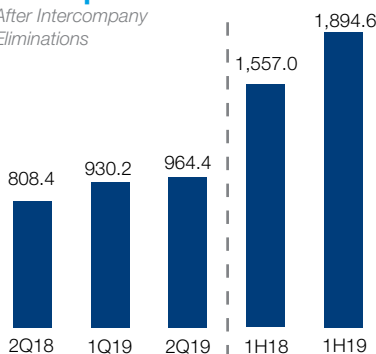
Revenue Progression (all figures in LE million)

GB Auto & Auto Related



GB Capital

After Intercompany Eliminations



7 August 2019 — (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 period ending 30 June 2019. In 2Q19, revenues fell 6.3% y-o-y to LE 5,656.4 million, with the Group recording a net loss of LE 8.9 million. Revenues for the first half of the year came to LE 11,534.8 million, up 6.8% y-o-y, with net profit registering LE 7.1 million.

“The second quarter of 2019 has seen the persistence of challenging circumstances faced since the end of last year,” said GB Auto Chief Executive Officer Raouf Ghabbour. “Egypt’s passenger car market continues to suffer from lower than anticipated demand as well as a major dislocation in customs treatment favoring European-, Moroccan-, and Turkish-origin vehicles over locally assembled cars and fully-imported one from other origins. This trend is creating an environment that favors importation of more expensive and luxurious cars from European Union countries over buying locally assembled cars and other more economic, fully imported products of non-EU origin. It is our view that these trends are unsustainable, and corrective measures are required to protect our national manufacturing know-how and capacities, as well as provide a level playing-field that would stabilize the market, improve foreign currency utilization and enhance custom revenues.”

The Auto & Auto-Related (A&AR) segment recorded revenues of LE 9,640.4 million in 1H19, an increase of 4.3% compared to the same period last year, despite a slowdown at some of the segment’s LoBs. The segment’s performance for the period was affected by lower Passenger Car sales, with the LoB recording revenue of LE 3,086.0 million in 1H19, down by 27.0% versus 1H18. The segment was also affected by the Two- and Three-Wheelers (2&3W) LoB, which saw revenues decline by 33.7% y-o-y to LE 1,015.6 million in 1H19, driven primarily by decreased three-wheeler volumes as a consequence of the new licensing limits, despite the robust underlying demand for three-wheel vehicles.

“Regulatory challenges have also placed restrictions on the three-wheeler segment, with monthly limitations on number of licenses constricting supply to a market with very strong demand from our customers in Egypt. We are already witnessing the repercussions of constraining this very strategic market, one that provides employment and alternative transportation in inaccessible neighborhoods to tens of millions of people at the bottom of Egypt’s income distribution. In the span of five months since the regulatory limitations were imposed, the transportation fares have gone up significantly, adding unnecessary financial pressure on this already burdened, low-income segment.”

Revenue from GB Auto’s regional activities reached LE 1,784.0 million in 2Q19, more than double the LE 698.9 million recorded in 2Q18. The strong performance was driven by significant growth in PC and 2&3W volumes in Iraq. On a year-to-date basis, regional revenues were up 118.5% y-o-y to LE 3,369.3 million in 1H19.

“GB Auto’s regional operations witnessed an impressive and robust expansion in the second quarter and first half of 2019. A rapidly improving security and commercial environment in the Iraqi market has facilitated a substantial, broad-based improvement in sales there,” Ghabbour added. Sales of two- and three-wheel vehicles have surged by two-thirds in 1H19 as the Group alters its sales mix to accommodate highly popular new models, while passenger car sales more than doubled during the period compared to 1H18. The strong performance of our regional operations helped offset the decline in Egypt’s PC and

“ It is our view that current PC trends are unsustainable, and corrective measures are required to protect our national manufacturing know-how and capacities ”

2&3W markets and pulled the A&AR segment to overall growth during the six-month period. The Regional LoB was also a primary contributor to the segment's gross profitability,” said Ghabbour.

The Tires LoB continued to grow, booking revenues of LE 294.9 million in 2Q19, up 6.2% versus 2Q18. On a year-to-date basis, Tires revenue reached LE 581.9 million in 1H19, up 27.2% y-o-y. Meanwhile, the Commercial Vehicles & Construction Equipment (CV&CE) LoB recorded an 8.0% y-o-y increase in revenues to LE 777.5 million in 1H19.

GB Capital booked a top line before intercompany eliminations of LE 1,219.0 million in 2Q19, up by 6.8% q-o-q and 9.1% y-o-y. On a year-to-date basis, revenues were up by 14.6% y-o-y to LE 2,359.9 million in 1H19. GB Capital's loan portfolio remained stable at LE 8.6 billion as at 30 June 2019 due to the LE 767 million securitization transaction at GB Lease, which took place in June. Adding back the securitized amount, GB Capital's loan portfolio would stand at LE 9.4 billion, up 9.3% q-o-q and 37.7% y-o-y. Non-performing loans (NPLs) stood at 1.23% in 2Q19. GB Capital's net income after minority was up 42.8% q-o-q and 66.1% y-o-y to LE 169.4 million in 2Q19. Net income in 1H19 reached LE 288.1 million, up 52.5% y-o-y. Net annualized interest margin (NIM) climbed by 154 basis points y-o-y to record 13.5% for the quarter.

“We continue to benefit from the diversified nature of our operations which supports the overall performance of the Group,” said Ghabbour. “Nonetheless, we are taking a proactive approach to containing the effects of market developments and have moved quickly to adjust our PC portfolio and sales mix in light of the prevailing trends. Management also expects three-wheeler volumes to pick up as the licensing cycle gains speed. Finally, we are confident that the necessary regulatory adjustments to promote growth and sustainability will soon materialize,” Ghabbour concluded.

Highlights of GB Auto Group's 2Q19 results, along with management's analysis of the company's performance and complete financials, are available for download on ir.ghabbourauto.com.

GB Auto Group Financial Statements

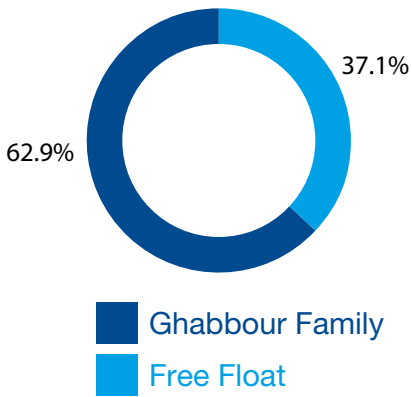
Income Statement

(LE million)	Three Months Ended			Six Months Ended		
	2Q18	2Q19	% Change	1H18	1H19	% Change
Egypt Passenger Cars Revenues	2,659.3	1,521.0	-42.8%	4,226.0	3,086.0	-27.0%
Egypt Motorcycles & Three-Wheelers Revenues	791.2	293.0	-63.0%	1,531.7	1,015.6	-33.7%
Egypt Commercial Vehicles & Construction Equipment Revenues	406.5	392.8	-3.4%	719.8	777.5	8.0%
Egypt Tires Revenues	277.8	294.9	6.2%	457.5	581.9	27.2%
GB Capital (Financing Businesses) Revenues	808.4	964.4	19.3%	1,557.0	1,894.6	21.7%
Egypt After-Sales Revenues	269.1	268.0	-0.4%	529.6	554.3	4.7%
Regional Revenues	698.9	1,784.0	-	1,541.9	3,369.3	-
Others Revenues	128.7	138.2	7.4%	237.2	255.5	7.7%
Total Sales Revenues	6,039.8	5,656.4	-6.3%	10,800.6	11,534.8	6.8%
Gross Profit						
Egypt Passenger Cars Gross Profits	252.2	70.1	-72.2%	389.2	221.8	-43.0%
Egypt Motorcycles & Three-Wheelers Gross Profits	108.9	39.6	-63.7%	217.3	131.9	-39.3%
Egypt Commercial Vehicles & Construction Equipment Gross Profits	45.3	65.3	44.1%	94.1	115.3	22.5%
Egypt Tires Gross Profits	47.1	58.9	25.1%	80.3	102.9	28.1%
GB Capital (Financing Businesses) Gross Profits	235.0	403.8	71.8%	441.0	710.3	61.1%
Egypt After-Sales Gross Profits	74.8	72.4	-3.3%	143.1	131.9	-7.8%
Regional Gross Profits	89.9	145.0	61.3%	182.2	270.3	48.3%
Others Gross Profits	13.6	21.2	56.6%	27.2	36.1	32.7%
Total Gross Profit	866.8	876.2	1.1%	1,574.4	1,720.5	9.3%
Gross Profit Margin	14.4%	15.5%	1.1	14.6%	14.9%	0.3
Selling and Marketing	-280.8	-376.9	34.2%	-541.2	-754.5	39.4%
Administration Expenses	-84.1	-145.9	73.4%	-221.6	-265.5	19.8%
Other Income (Expenses)	39.4	32.3	-18.1%	70.6	74.1	4.9%
Operating Profit	541.3	385.7	-28.7%	882.2	774.7	-12.2%
Operating Profit Margin (%)	9.0%	6.8%	-2.1	8.2%	6.7%	-1.5
Net Provisions and Non-Operating FV of Investment Property	-20.6	-42.5	-	-1.2	-52.6	-
EBIT	520.7	343.3	-34.1%	881.0	722.1	-18.0%
EBIT Margin (%)	8.6%	6.1%	-2.6	8.2%	6.3%	-1.9
Foreign Exchange Gains (Losses)	-11.4	36.8	-	-11.6	82.3	-
Net Finance Cost	-302.1	-352.3	16.6%	-583.5	-689.5	18.2%
Earnings Before Tax	207.1	27.8	-86.6%	285.9	114.9	-59.8%
Income Taxes	-13.6	19.5	-	-30.4	-1.4	-95.4%
Net Profit / Loss Before Minority Interest	193.5	47.3	-75.6%	255.6	113.5	-55.6%
Minority Interest	-22.5	-56.2	-	-51.1	-106.4	-
Net Income/Loss	171.0	-8.9	-	204.5	7.1	-96.5%
Net Profit Margin (%)	2.8%	-0.2%	-3.0	1.9%	0.1%	-1.8



GB Auto's Shareholding Structure

as of 30 June 2019



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 and fleet quasi-operational leasing under the following brands - GB Lease, Mashroey, Drive, Tasaheel and Haram. The company is headquartered in Giza, Greater Cairo Area, Egypt.

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Shareholder Information

Reuters Code: AUTO.CA
Bloomberg Code: AUTO.EY

Shares Outstanding:
1,094,009,733

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.