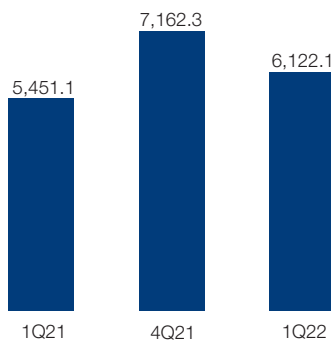


## GB Auto Reports 1Q22 Results

*GB Auto navigates challenging market conditions to record solid top and bottom-line results driven by strong consumer demand and improved pricing strategies*

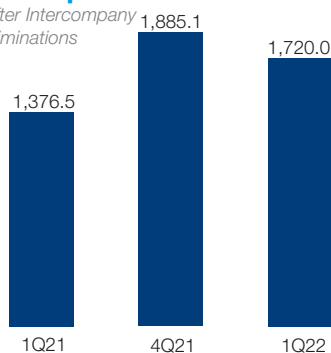
### Revenue Progression (all figures in LE million)

#### GB Auto & Auto Related



#### GB Capital

After Intercompany  
Eliminations



19 May 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 first quarter ended 31 March 2022. GB Auto's revenues grew by 14.9% y-o-y to LE 7,842.1 million on the back of recovering market conditions and healthy consumer demand across GB Auto's business lines in 1Q22. Net profits recorded a 23.2% y-o-y decline to LE 229.4 million due to an incurred LE 211.2 million FX loss during the quarter due to the sudden devaluation of the Egyptian Pound in March 2022. The performance was achieved as the company continues to capitalize on its comprehensive operational efficiency initiatives and operational leverage from higher revenues.

"I am pleased with our performance in the first quarter of the year, which showcased the company's resilience in the face of an increasingly challenging operating environment, characterized by inflationary pressures and supply chain disruptions," said GB Auto Chief Executive Office Nader Ghabbour. "The global auto industry continues to navigate the semiconductor shortage. Nonetheless, the Auto & Auto-Related segment's optimized product portfolio and enhanced pricing strategy supported year-on-year growth in 1Q22 and recorded healthy margins. The year-on-year growth was supported by recovering market conditions that benefitted the Passenger Car (PC) business in Egypt. In addition, we further reduced our net debt-to-EBITDA ratio to 2.40 at the end of the quarter. The performance was achieved as the company continues to capitalize on its comprehensive operational efficiency initiatives and operational leverage from higher revenues. We are proud of the quarter's performance in view of the prevalent external market conditions. We are cognizant of the challenging times that lie ahead; however, we are confident that our prudent strategies will allow us to best respond to developments and carry our growth momentum forward," said Ghabbour.

The Auto & Auto-Related (A&AR) segment recorded a revenue decrease of 14.5% q-o-q due to seasonality; however, was up 12.3% y-o-y to record LE 6,122.1 million in 1Q22. At the Passenger Car (PC) LoB, despite the effects of the semiconductor shortage, we were able to exceed the market year-on-year growth rate and retain our position as a market leader with a 19.5% market share in 1Q22. Our Two and Three-Wheelers LoB's performance was affected by the typical low seasonality of the first quarter and our strategy to slowly phase out our remaining three-wheeler inventory. Meanwhile, our After-Sales and Tires LoB have performed well in 1Q22 as consumers seek maintenance services in anticipation of shortages or delays in new vehicle availability. On the regional front, revenues grew 27.8% q-o-q and 62.5% y-o-y to LE 1,031.3 million as the Iraqi market gradually recovers from COVID-19 restriction and the devaluation of the Dinar in 2021.

"We are thrilled with the milestones achieved thus far in the Iraqi market. In 1Q22, MG was successfully positioned as the leading Chinese car brand in Iraq with an 8% market share and ranked third in the Iraqi market. The growing demand for the MG brand supports our vision for this market as we look forward to expanding our presence in the country. With oil prices increasing and the Iraqi economy recovering, we are confident that we can unlock further growth potential and value in Iraq," said Ghabbour.

EBITDA at the A&AR segment grew 41.3% y-o-y and 30.0% q-o-q to LE 620.1 million in 1Q22 with a margin of 10.1% compared to 8.1% in 1Q21. The impressive results were achieved despite global inflationary pressures and an FX loss sustained due to

*“ I am pleased with our performance in the first quarter of the year, which showcased the company's resilience in the face of an increasingly challenging operating environment characterized by inflationary pressures and supply chain disruptions ”*

the devaluation of the Egyptian pound in March 2022. The segment successfully implemented efficiencies at the SG&A level, which saw expenses decline by 27.3% q-o-q to LE 429.5 million and decline as a percentage of revenues to 7.0% in 1Q22 compared to 8.2% last quarter. In addition, the A&AR segment's net income increased by 285.4% q-o-q and 343.7% y-o-y to LE 789.8 million in 1Q22 on the back of dividend income received in 1Q22 from GB Capital in the form of bonus shares.

GB Capital recorded revenues of LE 1,986.7 million, an increase of 15.2% y-o-y; however, revenues were down 14.2% q-o-q due to seasonality in the first quarter. GB Capital's loans/receivables portfolio expanded 24.2% y-o-y and 9.7% q-o-q to reach LE 15.7 billion and saw higher disbursements in 1Q22. GB Capital's net profit increased by a marginal 0.8% y-o-y in 1Q22 to LE 121.9 million. In quarter-on-quarter terms, net profit was down 54.5% q-o-q due to seasonality in 1Q22 as well as the company closing its biggest securitization issuance valued at LE 4.3 billion in 4Q21. Moreover, performance for the quarter was impacted by an increase in NCI due to the company diluting its stake in the latest MNT transaction.

“GB Capital continued to capitalize on strong consumer demand with increased disbursements and portfolio growth in 1Q22. The segment also delivered on multiple operational initiatives throughout the quarter driven by growing consumer demand and a products and services suite that has been well-received by the market. At Haram Tourism Transport (HTT), we successfully delivered 165 vehicles associated with its milestone strategic contract and secured two new contracts during the quarter. We are excited about the developments made on the digital front in our consumer financing operations. In 1Q22, Drive's consumer finance app "Forsa" was ranked number one in the App Store by downloads of the application, a remarkable achievement considering its recent launch in 4Q21. In addition, Drive has already onboarded 300 merchants with plans to onboard 1,000 by the end of 2022. In addition, we have pushed ahead with our expansion plans with the launch of a Heliopolis branch in 1Q22 and are on track to expand to Mansoura and south of Egypt over the coming year. Finally, MNT-Halan's buy-now-pay-later digital consumer finance has grown substantially and strengthened our position in the fintech space. We are optimistic about the next chapter in GB Capital's story as we continue delivering on our digital expansion strategies, leveraging our position in the fintech market and delivering innovative products offerings in the financing space,” said Ghabbour.

"Looking ahead, while the current state of the global business environment is uncertain and poses some operational challenges, we are confident that our strategies and business fundamentals will carry us forward through the challenging times. As always, we will continue closely monitoring macroeconomic developments, including the devaluation of the Egyptian pound, and global inflationary pressure's effects on consumer purchasing power and our business as a whole. We will remain focused on expanding our operations, protecting our profitability and unlocking new value for our shareholders," concluded Ghabbour.

Highlights of GB Auto Group's 1Q22 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

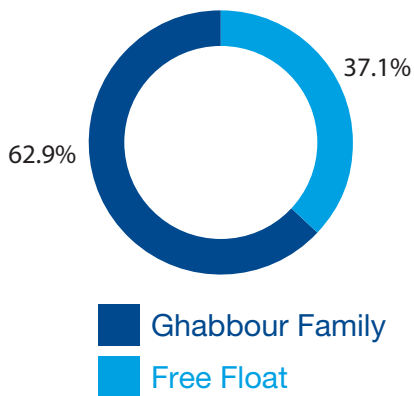
## Income Statement

Three Months Ended

(LE million)	1Q21	1Q22	% Change
Egypt Passenger Cars Revenues	2,763.6	2,961.0	7.1%
Egypt Motorcycles & Three-Wheelers Revenues	934.8	627.5	-32.9%
Egypt Commercial Vehicles & Construction Equipment Revenues	224.9	325.7	44.8%
Egypt Tires Revenues	282.7	446.3	57.9%
GB Capital (Financing Businesses) Revenues	1,376.5	1,720.0	25.0%
Egypt After-Sales Revenues	293.8	378.8	28.9%
Regional Revenues	634.6	1,031.3	62.5%
Others Revenues	316.7	351.5	11.0%
<b>Total Sales Revenues</b>	<b>6,827.6</b>	<b>7,842.1</b>	<b>14.9%</b>
<b>Total Gross Profit</b>	<b>1,353.0</b>	<b>1,833.5</b>	<b>35.5%</b>
Gross Profit Margin	19.8%	23.4%	3.6
Selling and Marketing	(603.1)	(846.7)	40.4%
Administration Expenses	(108.7)	(114.2)	5.1%
Other Income (Expenses)	38.5	87.8	-
<b>Operating Profit</b>	<b>679.7</b>	<b>960.4</b>	<b>41.3%</b>
Operating Profit Margin (%)	10.0%	12.2%	2.2
Net Provisions and Non-Operating FV of Investment Property	(69.2)	(36.2)	-47.6%
Intercompany Investment Losses	-	(27.3)	-
<b>EBIT</b>	<b>610.5</b>	<b>896.9</b>	<b>46.9%</b>
EBIT Margin (%)	8.9%	11.5%	2.6
Foreign Exchange Gains (Losses)	8.0	(211.2)	-
Net Finance Cost	(154.6)	(126.7)	-18.1%
<b>Earnings Before Tax</b>	<b>463.8</b>	<b>559.0</b>	<b>20.5%</b>
Income Taxes	(114.3)	(193.4)	69.2%
Net Profit / Loss Before Minority Interest	349.5	365.6	4.6%
Minority Interest	(50.7)	(136.2)	-
<b>Net Income/Loss</b>	<b>298.8</b>	<b>229.4</b>	<b>-23.2%</b>
Net Profit Margin (%)	4.4%	2.9%	-1.5

## GB Auto's Shareholding Structure

as of 31 March 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, Haram, Capital Securitization, Bedaya, and KAF. 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.