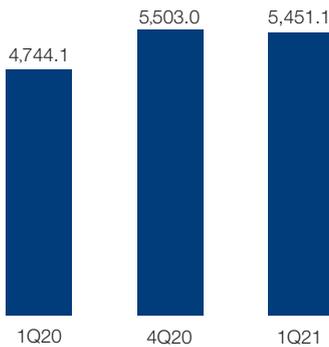


## GB Auto Reports 1Q21 Results

*GB Auto starts the year with a twofold year-on-year increase in net profit in 1Q21 driven by recovering market conditions and consumer demand*

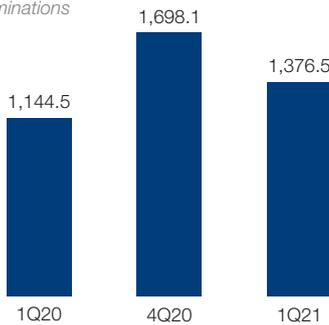
### Revenue Progression (all figures in LE million)

#### GB Auto & Auto Related



#### GB Capital

After Intercompany Eliminations



11 May 2021 – (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 31 March 2021. Revenues increased by 15.9% y-o-y to LE 6,827.6 million on the back of recovering market conditions and increasing demand across GB Auto's lines of business in 1Q21. In quarter-on-quarter terms, revenues declined by 5.2% q-o-q due to seasonality associated with the first quarter of the year. GB Auto's net income increased by a strong 116.0% y-o-y to LE 298.9 million in 1Q21, reaping the rewards of its comprehensive operational improvements, cost optimization efforts and reduced interest costs throughout 2020 that have continued into the new year. In quarter-on-quarter terms, net income increased by 3.8% q-o-q for the period.

“With the initial impact of the pandemic on our operations and market behind us, GB Auto entered the new year well-prepared to capitalize on an improved external environment,” said GB Auto Chief Executive Officer Nader Ghabbour. “Despite the typically lower seasonality associated with the first quarter of the year, pent up demand and strengthening purchasing power supported our strong year-on-year recovery in 1Q21, even as a global semiconductor shortage temporarily impacted the supply of our CKD models. Meanwhile, the resilient Two and Three-wheelers LoB booked similarly solid volume and top line growth in 1Q21, owing to their income producing nature and an enhanced product mix. In parallel, we capitalized on a pipeline of national mega projects being implemented across the nation to increase volume sales at our Commercial Vehicles & Construction Equipment LoB for the period, although we are yet to recover from a sluggish tourism sector. Overall, improved market conditions supported the performance of our Auto and Auto-Related segment and our results for the period are a testament to the strong demand for our product offerings across our lines of business.”

The Auto & Auto-Related (A&AR) segment recorded a revenue increase of 14.9% y-o-y to LE 5,451.1 million on the back of increasing demand and as consumers increasingly adapted to COVID-19 restrictions. In quarter-on-quarter terms, revenues remained largely flat despite the seasonality associated with the start of the year. At the PC LoB, revenues increased by 67.4% y-o-y to LE 2,763.6 million in 1Q21 on the back of a 53.0% growth in PC volumes. In quarter-on-quarter terms, PC revenues remained flat, reflecting a positive performance considering the historically slow season at the start of the year, which came on the back of strengthening consumer purchasing power and the growing demand for passenger cars. Similarly, the Two and Three-Wheelers (2&3W) LoB's revenues increased by 41.2% y-o-y to LE 934.8 million in 1Q21 on the back of strong demand driving 2&3W volume sales compared to the same period last year. In quarter-on-quarter-terms, despite a decline in volumes on the back of lower demand due to seasonality, revenues remained largely flat. The A&AR's regional operations continued to be hindered by the unfavorable economic conditions in Iraq and recorded a revenue decline of 57.5% y-o-y and by 22.1% q-o-q to LE 634.6 million in 1Q21.

“A suboptimal market environment in Iraq due to the country-wide lockdown, coupled with the devaluation of the Iraqi Dinar in 4Q20 with its effects taking hold in 1Q21, resulted in weakened consumer purchasing power and hampered our regional performance for the quarter. Despite that, three-wheeler volumes and its corresponding revenues recorded year-on-year growth on the back of the product's income-producing nature. Moreover, we reaped the rewards of our recent MG launch and successfully positioned it as the leading Chinese car brand in Iraq, with a market share of 3.7% in 1Q21, representing an exceptional milestone considering the challenging external environment. As external pressures

“ Overall, improved market conditions supported the performance of our Auto and Auto-Related segment and our results for the period are a testament to the strong demand for our product offering across our lines of business ”

on Iraq ameliorate and market conditions gradually improve, we are looking to continue investing in the MG brand and are confident that we can leverage our decades of industry experience and well-established presence in the Iraqi market to position MG as a leading brand,” said Ghabbour.

At the segment's Commercial Vehicles & Construction Equipment (CV&CE) LoB, revenues fell by 14.8% y-o-y on the back of the pandemic's impact on the tourism and education sectors, causing a decline in bus volumes in 1Q21, historically the largest contributor to CV&CE revenues. In quarter-on-quarter terms, CV&CE revenues increased by 95.8% q-o-q to LE 224.9 million on the back of the growing demand for trucks and construction equipment, driven by a healthy and growing pipeline of national infrastructure projects across Egypt. The After-Sales LoB's revenues remained largely flat year-on-year at LE 293.8 million and declined by 3.2% q-o-q in 1Q21. The Tires LoB's revenues grew by 18.8% y-o-y and by 1.0% q-o-q to LE 282.7 million in 1Q21 on the back of stable demand and a solid performance from GB Auto's recently launched Goodyear brand. Additionally, the LoB began performing fleet sales as opposed to its historical reliance on a single channel, wholesale or dealer networks, which reflected positively on the LoB's top line performance in 1Q21.

The A&AR delivered profitability and recorded a turnaround at its bottom-line, booking a net profit of LE 178.0 million in 1Q21 compared to a net loss of LE 5.2 million in the same period last year. Efficient management of working capital levels as well as a favorable interest rate environment helped support the A&AR's profitability for the period. In quarter-on-quarter terms, net profit from the A&AR increased by 137.4% q-o-q in 1Q21.

GB Capital recorded a revenue increase of 21.6% y-o-y, driven by recovering market conditions which supported portfolio growth and increased disbursements at all of its leasing, consumer financing, factoring, and microfinancing subsidiaries in 1Q21. In quarter-on-quarter terms, revenues declined by 15.4% q-o-q to LE 1,724.0 million on the back of two successful securitizations in 4Q20. GB Capital's loans/receivables portfolio grew by 26.6% y-o-y and by 9.0% q-o-q to LE 12.7 billion in 1Q21. However, non-performing loans increased to 2.66% in 1Q21 compared to 2.48% in 4Q20. This increase reflects the delayed recognition of delinquencies arriving between March and September of 2020 following the CBE's declaration of a six-month moratorium on all repayments owed to lenders. The combination of accumulated delinquencies arriving during this six-month period having been recognized in 4Q20, coupled with a portion of clients unable to make timely settlements, which are expected to be recovered in the short-term, led to the above trend change in NPLs. Additionally, the increase in NPLs is partially attributed to a decrease in receivables following the conclusion of two sizeable securitizations in 4Q20. Despite the increase in NPLs, provisions are on the decline, as management has already reversed the majority of the ones booked in 2020 and anticipates returning to normal provision levels by the end of 1H21. GB Capital's net profits declined by 15.8% y-o-y and 43.2% q-o-q to LE 120.9 million due to the SLA charges relating to GB Capital recognizing costs that were historically recorded under the A&AR segment in 1Q21. Additionally, performance was further dampened by the two sizeable securitization transactions that boosted profitability in 4Q20.

“GB Capital recorded a strong year-on-year performance, delivering growth across the board and achieving multiple operational milestones in the first quarter of the year. Most notably, we reaped the rewards of our operational developments and expansion efforts at GB Lease and successfully positioned the company as the second largest leasing company in Egypt in market share terms, which stood at 10.3% in 1Q21. At Drive, we grew our disbursements and propelled it to the leading position in the market in 1Q21. On the provisions front, GB Capital's subsidiaries have reversed the majority of conservative provisions taken on in 2020 and anticipate the reversal of the remainder over the course of the year. In terms of profitability, the reversal of provisions will bode well for our bottom-line performance over the coming periods,” said Ghabbour.

“Looking ahead, we will continue to identify and assess opportunities to grow GB Capital, enhance its operations, and expand its footprint. On the consumer finance front, we are anticipating the release of Drive’s mobile application in the second half of 2021, and we are optimistic that this digitization initiative will help fuel our growth trajectory and further cement our position as an innovative player in the consumer financing space in Egypt. On the microfinance front, we successfully launched a number of our digital core banking systems at Mashroey and Tasaheel and we look forward to their contribution to our microfinancing platforms. We remain bullish regarding the outlook for GB Capital and its subsidiaries as we continue to capitalize on the broad-based improvement in market fundamentals as well as the increase in consumer demand and appetite for our products. I would also like to highlight that GB Auto has tapped Arqaam Capital to assess GB Lease’s strategic options going forward, as we feel it is an opportune moment to capitalize on GB Lease’s growth story and realize returns on the investments made at the company over the years.

“We anticipate the continuation of the strong start of the year, particularly as market conditions continue to improve and consumers normalize to the COVID-19 situation, making us optimistic about the Auto and Auto-Related segment’s performance for 2021. At our Passenger Car LoB, we are looking to continue capitalizing on the government’s engine replacement program and are excited about the growing demand for our dual-fuel car models. Additionally, we are anticipating the impact of the global semiconductor shortage and its effects on our supply of CKD units to subside towards the end of the year. At our Commercial Vehicles and Construction Equipment LoB, we are looking at a slower recovery due the effect of the pandemic on the tourism and education sectors. However, a healthy pipeline of national infrastructure projects, which has already significantly improved our truck and construction equipment sales in 1Q21, is expected to support the LoB’s performance going forward.

“Our optimism towards GB Auto’s outlook is reinforced by an improved market environment and the accelerating global rollout of COVID-19 vaccines. We will remain focused on expanding operations at our Auto and Auto Related segment and GB Capital with an eye to unlock value for our shareholders and further solidify GB Auto’s position as a leading and innovative player in the automotive and non-banking financial services space,” concluded Ghabbour.

Highlights of GB Auto Group’s 1Q21 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

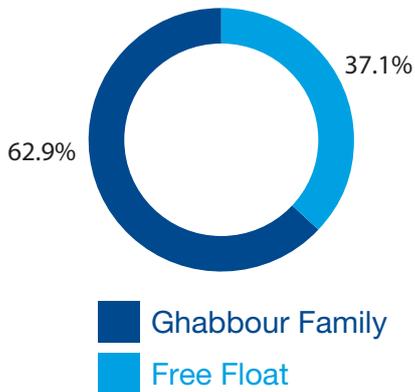
## Income Statement

Three Months Ended

(LE million)	1Q20	1Q21	% Change
Egypt Passenger Cars Revenues	1,651.1	2,763.6	67.4%
Egypt Motorcycles & Three-Wheelers Revenues	661.8	934.8	41.2%
Egypt Commercial Vehicles & Construction Equipment Revenues	263.9	224.9	-14.8%
Egypt Tires Revenues	237.9	282.7	18.8%
GB Capital (Financing Businesses) Revenues	1,144.5	1,376.5	20.3%
Egypt After-Sales Revenues	291.7	293.8	0.7%
Regional Revenues	1,494.6	634.6	-57.5%
Others Revenues	143.2	316.7	-
<b>Total Sales Revenues</b>	<b>5,888.7</b>	<b>6,827.6</b>	<b>15.9%</b>
<b>Gross Profit</b>			
Egypt Passenger Cars Gross Profits	180.8	358.6	98.3%
Egypt Motorcycles & Three-Wheelers Gross Profits	119.7	166.4	39.0%
Egypt Commercial Vehicles & Construction Equipment Gross Profits	19.5	-5.6	-
Egypt Tires Gross Profits	57.8	66.8	15.4%
GB Capital (Financing Businesses) Gross Profits	496.7	617.4	24.3%
Egypt After-Sales Gross Profits	53.0	40.0	-24.5%
Regional Gross Profits	151.3	88.0	-41.8%
Others Gross Profits	19.3	21.3	10.3%
<b>Total Gross Profit</b>	<b>1,098.2</b>	<b>1,353.0</b>	<b>23.2%</b>
Gross Profit Margin	18.6%	19.8%	1.2
Selling and Marketing	(463.7)	(603.1)	30.1%
Administration Expenses	(123.7)	(108.7)	-12.2%
Other Income (Expenses)	30.1	39.8	32.1%
<b>Operating Profit</b>	<b>540.9</b>	<b>681.0</b>	<b>25.9%</b>
Operating Profit Margin (%)	9.2%	10.0%	0.8
Net Provisions and Non-Operating FV of Investment Property	(34.4)	(69.2)	-
Inter-company Investment Losses	-	(1.3)	-
<b>EBIT</b>	<b>506.5</b>	<b>610.5</b>	<b>20.5%</b>
EBIT Margin (%)	8.6%	8.9%	0.3
Foreign Exchange Gains (Losses)	32.4	8.0	-75.3%
Net Finance Cost	(253.5)	(154.6)	-39.0%
<b>Earnings Before Tax</b>	<b>285.5</b>	<b>463.8</b>	<b>62.5%</b>
Income Taxes	(69.3)	(114.3)	65.0%
Net Profit / Loss Before Minority Interest	216.2	349.5	61.7%
Minority Interest	(77.8)	(50.7)	-34.8%
<b>Net Income/Loss</b>	<b>138.4</b>	<b>298.9</b>	<b>-</b>
Net Profit Margin (%)	2.4%	4.4%	2.0

## GB Auto's Shareholding Structure

as of 31 March 2021



### Head Office

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

### Investor Relations

Mansour Kabbani  
Board of Directors Member

Sarah Maged  
Investor Relations  
Communications Manager

Marina Kamal  
Investor Relations Manager

Direct: +202 3910 0485  
Tel: +202 3539 1201  
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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, Geely, Chery, Bajaj, Marcopolo, Iveco, Volvo Truck & Bus, Volvo Construction Equipment, Mitsubishi Fuso, YTO, Karry, SDLG, Aksa, Lassa, Yokohama, Westlake, Double Coin, Verde, Techking, MG, Goodyear and Gazpromneft. GB Auto has operations in Egypt and Iraq. The Company's NBFS' segment branded GB Capital offers leasing, consumer finance, microfinance, fleet quasi-operational leasing, factoring, securitization, mortgage finance, and insurance under the following brands - GB Lease, Mashroey, Drive, Tasaheel, Haram, Capital Securitization, and Bedaya. The company is headquartered in Giza, Greater Cairo Area, Egypt. [www.ghabbourauto.com](http://www.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.