

EFG Hermes Concludes Advisory on valU’s First Securitized Bond Offering worth EGP 322.550 Million

Cairo, 13 September 2021

EFG Hermes, the leading financial services corporation in Frontier Emerging Markets (FEM), announced today that it successfully closed valU’s first securitization issuance worth EGP 322.550 million as part of a wider EGP 2 billion securitization program approved by the FRA on 25 July 2021.

The bond is backed by a receivables portfolio of EGP 369 million assigned to EFG Hermes as the issuance’s special purpose vehicle (SPV). The issuance received a Prime-1 rating, the highest among other Egyptian bond issuances according to Middle East Rating Services (MERIS).

Commenting on the issuance, **Mostafa Gad, Co-Head of Investment Banking at EFG Hermes** said: “We are proud to be embarking on this first-of-its-kind securitization program for a Buy-Now, Pay-Later (BNPL) fintech platform such as valU — a cornerstone of the EFG Hermes NBFI platform. Having garnered significant interest from financial providers, the transaction’s success also highlights our team’s dedication to diversify our service offering in the debt space and to continue to drive growth for the Firm and the clients we serve.”

“The transaction comes at a key juncture for the company, where value-added services such as installment programs and fintech-enabled consumer finance facilities are in high demand. As Egypt’s leading Buy-Now, Pay-Later (BNPL) fintech platform, valU has made tremendous strides in the years since inception, and we are thrilled to see it taking these kinds of strategic steps forward in its growth story,” said **EFG Hermes’ Non-Bank Financial Institutions (NBFI) platform CEO Walid Hassouna**.

EFG Hermes acted as the sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on the issuance. Meanwhile, Suez Canal Bank and AAIB acted as underwriters, AAIB acted as custodian, Dreny & Partners legal advisor, and KPMG as auditor of the transaction.

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About EFG Hermes

With a current footprint spanning thirteen countries across four continents, EFG Hermes started in Egypt and has grown over 37 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track-record and a team of more than 5,500 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire MENA region.

In 2015, EFG Hermes launched its Non-Bank Financial Institutions (NBFI) Platform, which overlooks activities in the non-banking finance field covering microfinance, leasing, factoring, consumer finance, mortgage and insurance. This falls in line with the Firm's strategy to focus on two main pillars: product diversification and geographic expansion into non-MENA markets, which has seen the Firm establish a physical presence in Pakistan, Bangladesh, Vietnam, Kenya, Nigeria, the United Kingdom and the United States.

About valU

A subsidiary of EFG Hermes established in 2017, valU is the leading Buy-Now Pay-Later (BNPL) fintech platform offering convenient and customizable financing plans up to 60 months. With more than 5,000 points of sale and over 200 websites, valU offers access to a wide network of retail and e-commerce providers across a diverse array of categories including home appliances, electronics, home finishing, furniture, residential solar solutions, healthcare, education, travel, and fashion, among others. As the first platform of its kind in the MENA region, valU customers are able to receive instant credit decisions through their devices and gain access to the ever-growing platform's partners.

For further information about EFG Hermes, please visit www.efghermes.com and stay connected with us:    

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Note on Forward-Looking Statements

In this press release, EFG Hermes may make forward looking statements, including, for example, statements about management's expectations, strategic objectives, growth opportunities and business prospects. These forward-looking statements are not historical facts but instead represent only EFG Hermes' belief regarding future events, many of which, by their nature are

inherently uncertain and are beyond management's control and include among others, financial market volatility; actions and initiatives taken by current and potential competitors; general economic conditions and the effect of current, pending and future legislation, regulations and regulatory actions. Accordingly, the readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made.