

EFG Hermes Successfully Advises Pioneers Properties for Urban Development on EGP 627.5 Million Securitized Bond Offering

Cairo, 30 December 2021

EFG Hermes' investment banking division, the leading investment banking franchise in Frontier Emerging Markets (FEM), announced today the close of the first bond issuance, worth EGP 627.5 million, for Pioneers Properties for Urban Development's affiliates EGP 3.0 billion securitization program. The bond is backed by a receivables portfolio of some EGP 798.3 million, representing 850 sales contracts from Pioneers Properties for Urban Development's affiliates.

The bond is comprised of three tranches, with the first divided into fixed installments, and the second and third subsequently disbursed contingent on the proceeds of the portfolio. Tranche A is valued at EGP 229.0 million, with a tenor of 13 months, a credit rating of AA+ from Middle East Ratings and Investor Services (MERIS), and a fixed coupon rate of 9.60%. Tranche B is valued at EGP 257.3 million, with a tenor of 3 years, a credit rating of AA from MERIS, and a fixed coupon rate of 9.95%. Tranche C is valued at EGP 141.2 million, with a tenor of 6 years, a credit rating of A from MERIS, and a fixed coupon rate of 10.25%.

Commenting on the transaction **Mostafa Gad, Co-Head of Investment Banking at EFG Hermes**, said: "We are pleased to be expanding our footprint in the Egyptian Debt Capital Market (DCM) space, providing clients with a diverse range of funding instruments tailored to their needs and giving investors access to value-accretive investment options. The issuance of Pioneers Properties for Urban Development's first securitized bond highlights our efforts to expand the range of industries we serve, driving value for our clients and investors alike."

Waleed Zaki, Chairman and CEO of Pioneers Properties for Urban Development, commented: "We are delighted to be partnering with EFG Hermes on this transaction, owing to its alignment with our vision to grow the size of our operations nationwide, allowing us to further create value for our stakeholders. The agreement positions us well to capitalize on growing optimism in the real estate space while providing us with the opportunity to expand our business operations through robust partnerships. We always seek to diversify our funding sources to support the operations and future expansion plans while maintaining the strength of our balance sheet and overall financial position."

This deal comes on the heels of EFG Hermes' back-to-back advisory on the conclusion of Six of October Development and Investment Co. (SODIC) first EGP 343 million securitized bond offering in July of this year, as well as Premium International for Credit Services' fifth EGP 211 million securitization issuance in the same month of the year. The Firm also completed advisory on valU, the leading Buy Now Pay Later (BNPL) Fintech platform's first securitized bond offering worth EGP 322.5 million in September 2021.

EFG Hermes acted as the sole financial advisor, sole transaction manager and book runner, underwriter, and sole arranger on the issuance.

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About EFG Hermes Holding

With a current footprint spanning thirteen countries across four continents, EFG Hermes Holding (EGX: HRHO.CA – LSE: EFGD) started in Egypt and has grown over 37 years of success to become a universal bank in Egypt with a leading investment banking platform with access to emerging and frontier markets. Drawing on our proven track-record and a diverse team of talented employees, we provide a wide spectrum of financial services that include advisory, 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, Buy-Now Pay-Later (BNPL), 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. In 2021, the firm acquired a controlling stake in aiBANK allowing the Firm to transform into a universal bank in Egypt.

Learn more about us at www.efghermes.com & stay connected with us:    

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About Pioneers Properties

Pioneers Properties is one of Egypt's leading Real Estate developers, building fully integrated and sustainable communities, including commercial and first and second home properties. The company has been investing in Egypt's resilient, high-growth Real Estate Sector in 2007.

Pioneers Real Estate activities are spread across the wide real estate spectrum, including (but not limited to) investment, development, construction, consulting & management. The company's developments are spread across Egypt in key destinations including El Sokhna, North Coast, Marsa Allam, 6th October and Kattameya.

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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.