

EFG Hermes Concludes Advisory on Misr Italia Properties' EGP 794 million Securitization Issuance

Cairo, 20th of February 2022

EFG Hermes' investment banking division, the leading investment banking franchise in Frontier Emerging Markets (FEM), announced the close of the first issuance, worth EGP 794 million, in Misr Italia Properties, one of Egypt's leading Egyptian real estate developer, EGP 2.5 billion securitization program. The bond is backed by a receivables portfolio of around EGP 1 billion originated by two Misr Italia Holding subsidiaries.

The bond is comprised of three tranches, with the first divided into fixed installments and the second and third to be disbursed based on of the proceeds of the portfolio. Tranche A is valued at EGP 214.3 million, with a tenor of 13 months, a credit rating of AA+ from Middle East Ratings and Investors Service (MERIS), and a fixed coupon rate of 9.60%. Tranche B is valued at EGP 420.8 million, with a tenor of three years, a credit rating of AA from MERIS, and a fixed coupon rate of 9.95%. Finally, tranche C is valued at EGP 158.8 million, with a tenor of five years, a credit rating of A from MERIS, and a fixed coupon rate of 10.20%.

Commenting on the issuance, **Mostafa Gad, Co-Head of Investment Banking at EFG Hermes** said: "The transaction was met with widespread interest from investors, capitalizing on our strength in the DCM space to continue generating value for our partners and clients through flexible, alternative financial solutions. It is also part and parcel of our commitment to capitalize on the synergies inherent in our business model, with Misr Italia Properties having signed in October a sale and leaseback agreement worth EGP 750 million with EFG Hermes Corp-Solutions and a home improvement financing arrangement for its clients through the Firm's Buy-Now Pay-Later (BNPL) lifestyle enabling fintech platform, valU, in November."

Mohamed Hany El Assal, CEO and Managing Director of Misr Italia Properties, commented on the partnership saying, "we pride ourselves on being the first non-listed real estate developer to issue securitized bonds through EFG Hermes. We are honored to have a long-term partnership with EFG Hermes Holding, which is vital to the growth of the company's portfolio according to our ambitious expansion plans. This issuance will reflect positively on the financial statements of the company and will contribute to our commitment toward our clients for the timely delivery of units."

"The company went through a rigorous operational review process by Moody's subsidiary, MERIS, and received a very strong credit rating that we are proud of. This is the result of a very solid corporate governance and the hard work of a top-notch executive and management teams."

According to **Mohamed Khaled El Assal, CEO and Managing Director of Misr Italia Properties**.

EFG Hermes acted as the sole financial advisor, transaction manager, book-runner, underwriter, and arranger on the issuance. Arab Investment Bank (aiBANK) participated in this transaction alongside the Commercial International Bank (CIB), Banque du Caire (BDC), National Bank of Egypt (NBE), and Suez Bank.

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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) lifestyle enabling fintech platform, 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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Note on Forward-Looking Statements

In this press release, EFG Hermes Holding 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 Holding's 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.

About Misr Italia Holding

Misr Italia Holding has been at the vanguard of developing Egypt's leading real estate market for years. It is known for providing paramount projects for residential, commercial, coastal, and hospitality properties across Egypt. The company's land bank stretches across Egypt with 11 residential projects, nine commercial projects, five luxury hotels and 6,000 delivered units. Flagship projects include IL BOSCO, VINCI & VINCI Street in the New Administrative Capital, La Nuova Vista, Garden 8, Cairo Business Park and Hilton Garden Inn in New Cairo, and IL BOSCO City New Cairo. Kai Sokhna and Hilton Ain El Sokhna.