

EFG Hermes Concludes Advisory on valU's Second Securitization Issuance Worth EGP 532.6 million

The transaction builds on the success of valU's first EGP 322.5 million issuance in September of last year, pushing forward the company's first-of-its-kind securitization program for a Buy-Now, Pay-Later (BNPL) fintech platform

Cairo, August 17, 2022

EFG Hermes, the leading investment bank franchise in Frontier Emerging Markets (FEM), announced today that its Debt Capital Markets (DCM) unit under the investment banking division successfully closed valU's second securitization issuance worth EGP 532.6 million, which comes as part of valU's wider EGP 2 billion program that was approved by the FRA on 25 July 2021.

The bond is comprised of two 12-month tranches, each rated Prime-1 by Middle East Rating Services (MERIS), the highest among other Egyptian bond issuances according to MERIS. The first tranche is worth EGP 479.34 million while the second is worth EGP 53.26 million, and the issuance is backed by a receivables portfolio of EGP 609.1 million assigned to EFG Hermes as the issuance's special purpose vehicle (SPV).

Commenting on the issuance, **Maie Hamdy, Managing Director - Debt Capital Markets at EFG Hermes** said, "After the demonstrated success of the first issuance in valU's first-of-its-kind securitization program for a BNPL fintech platform, we are pleased to have successfully concluded this second issuance, which provides valU with alternative funding to grow their installment payment programs. The finalization of this transaction out of many others is proof positive of the DCM team's commitment to its clients to provide tailored solutions that are suitable to the respective economic and financial environments. With our comprehensive product offering in the DCM space and our team comprising top professionals in the field, our objective is to bring world-class corporate finance solutions and alternatives to our clients that serve their needs and respond to changing market dynamics."

Shokry Bidair, CFO of valU also commented on the issuance saying, "We're very excited to be closing the second issuance in our EGP 2 billion securitization program. This comes as a testament to the strength of our business model as well as our ability to tap into the debt capital market space despite ongoing economic challenges. This transaction will enable valU to further enhance its liquidity position and support the impressive growth it continues to achieve."

EFG Hermes acted as the sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on the issuance. Arab African International Bank acted as underwriter and custodian, Dreny & Partners acted as the legal advisor, and KPMG as the auditor of the transaction.

The issuance follows the Firm's conclusion of a series of transactions in 2022 involving advisory on Pioneers Properties for Urban Development second securitization issuance, Bedaya Mortgage Finance's first securitization issuance, a securitization issuance for MNHD, and the sixth issuance for Premium International for Credit Services. It also comes on the heels of the Firm's successful advisory on valU's first securitized bond offering, worth EGP 322.5 million, in September 2021.

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About EFG Hermes Holding

With a current footprint spanning 13 countries across four continents, EFG Hermes Holding (EGX: HRHO.CA – LSE: EFGD) has grown over 38 years of success to transform from a pure-play investment bank in MENA into an impact-driven universal bank in Egypt with the leading investment bank franchise in Frontier Emerging Markets (FEM). 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 FEM region. In our home country, we have the fastest-growing non-bank financial institutions (NBFI) platform with operations covering microfinance, leasing, factoring, Buy-Now Pay-Later (BNPL), digital payment solutions, mortgage finance and insurance.

And with its latest acquisition of majority stake in aiBANK, the Firm was able to provide commercial banking products and services.

Through its three verticals, the Investment Bank, Non-Bank Financial Institutions (NBFI) and Commercial Bank, the group is perfectly positioned to consistently bring disruptive financial products and services to the market space, offering a holistic portfolio that best serves its growing base of individual clients and businesses of all sizes.

Proudly present in: Egypt | United Arab Emirates | Saudi Arabia | Kuwait | Oman | Jordan | Pakistan | UK | Kenya | USA | Bangladesh | Nigeria | Vietnam

About valU

A subsidiary of EFG Hermes Holding established in 2017, valU is the leading Buy-Now, Pay-Later (BNPL) lifestyle enabling fintech platform offering convenient and customizable financing plans up to 60 months. With more than 5,000 points of sale and over 330 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 can receive instant credit decisions through their devices and gain access to the ever-growing platform's partners.

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.