

EFG Hermes Successfully Concludes Advisory on the EGP 292.5 Million Third Issuance in Pioneers Properties for Urban Development's Securitized Bond Offering

The issuance is part of a wider EGP 3 billion program the leading real estate developer approved in 2021 to expand operations

Cairo, November 20, 2022

EFG Hermes' investment banking division, the leading investment bank franchise in Frontier and Emerging Markets (FEM), announced today the successful close of an EGP 292.5 million securitized bond issuance for real estate powerhouse Pioneers Properties for Urban Development and its affiliates — the third issuance in a wider EGP 3.0 billion program. The bond is backed by a receivables portfolio of some EGP 490.7 million, assigned to EFG Hermes Holding's Financial Group for Securitization, the issuance's Special Purpose Vehicle (SPV).

The bond is comprised of three tranches, which will be disbursed contingent on the proceeds of the portfolio:

- Tranche A – valued at EGP 41 million, with a tenor of 13 months, and a credit rating of AA+ (sf)¹ from Middle East Ratings and Investor Services (MERIS)
- Tranche B – valued at EGP 73.1 million, with a tenor of 3 years, and a credit rating of AA (sf)¹ from MERIS
- Tranche C – valued at EGP 178.4 million, with a tenor of 7 years, and a credit rating of A (sf)¹ from MERIS

Commenting on the transaction, **Maie Hamdy, MD, Debt Capital Markets (DCM) at EFG Hermes' Investment Banking division**, said: “We're thrilled to be deepening our long-standing partnership with Pioneers today. The subscription underscores investors' confidence in the company and the success the first and second issuances of this EGP 3 billion program have garnered. The transaction bookends a series of landmark DCM deals we've completed this year, including the market's first ever future flow securitized bond — an EGP 800 million issuance for education provider CIRA Education. As we near the end of 2022, we could not be prouder of the milestones we've hit in Egypt's ever-growing DCM space, and we plan to continue to unlock opportunities that enable our partners to finance growth plans through innovative, diverse, and value-accretive financing solutions.”

EFG Hermes acted as the sole financial advisor, sole transaction manager and book-runner, underwriter, and arranger on the issuance. National Bank of Egypt (NBE), alongside Commercial International Bank (CIB), acted as underwriters, with CIB also acting as the custodian bank. The legal advisor for the issuance was Baker & McKenzie and the auditor was KPMG.

¹ sf: structured finance

Waleed Zaki, CEO of Pioneers Properties for Urban Development, also commented on the transaction, saying: “The success of this third issuance speaks volumes to the operational and financial strength of Pioneers Properties for Urban Development’s affiliates, as well as the trust we’ve built in the market. We are incredibly proud to be strengthening our longstanding relationship with EFG Hermes, leveraging its unparalleled capabilities to support our growth plans. The transaction enables us to be nimble in an uncertain market, to free up capital and expand the business.”

This issuance comes on the heels of EFG Hermes’ successful conclusion of Egypt’s first future flow securitized bond for CIRA Education, valued at EGP 800 million; Pioneers Properties for Urban Development’s second securitization issuance valued at EGP 425 million; Bedaya Mortgage Finance’s first securitization issuance worth EGP 651.2 million; an EGP 300 million securitization issuance for Madinet Nasr for Housing and Development (MNHD); and Premium International for Credit Services’ sixth issuance valued at EGP 170 million.

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About EFG Hermes Holding

With a current footprint spanning 14 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 and 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 | Singapore

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 New Cairo.

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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' 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.