

EFG Hermes Successfully Concludes Advisory to EFG Hermes Corp-Solutions on EGP 500 Million Bond Issuance, the First in an EGP 3 Billion Program

For the factoring and leasing solutions provider, the bond issuance will provide key financing for the company's expansion plans in the year ahead

Cairo, June 5, 2022

EFG Hermes, the leading investment bank franchise in Frontier Emerging Markets (FEM), announced today that its Investment Banking division successfully closed an EGP 500 million bond issuance for EFG Hermes Holding subsidiary EFG Hermes Corp-Solutions. The transaction is part of a wider EGP 3 billion bond program for the leasing and factoring player.

The bond, which received a credit rating of “A-” from Middle East Ratings and Investor Services (MERIS), is comprised of two tranches – with tranche A valued at EGP 450 million with a tenor of 24 months and Tranche B valued at EGP 50 million with a tenor of 24 months.

Commenting on the issuance, **Maie Hamdy, Managing Director of Debt Capital Markets at EFG Hermes** said: “We are delighted to have advised EFG Hermes Corp-Solutions on its first bond issuance. With the CBE hiking interest rates to curb inflationary pressures, the need for alternative corporate financing solutions continues to grow in tandem in our home market. At the same time, bonds in every corner of the global debt market are recovering as investors turn toward fixed-income assets once again. As we deepen our DCM service offering, we pride ourselves on our ability to respond to market shifts with deft and agility, providing our ever-growing roster of clients with carefully honed advisory and bespoke solutions tailored to their needs and risk appetites as well as market dynamics.”

“This transaction marks yet another major milestone for EFG Hermes Corp-Solutions as we continue to garner significant traction from investors due to the strength of our operations and the soundness of our blueprint for growth,” said **CEO of EFG Hermes Corp-Solutions, Talal El Ayat**, “This issuance is part and parcel of our strategy to deepen our presence in the market, allowing us to finance our operational growth targets and execute on plans to expand and diversify both our leasing and factoring service offerings to reach a wider segment clients looking for sources of alternative corporate financing.”

The issuance falls in line with EFG Hermes Corp-Solutions' strategy to broaden its client base across its operational footprint. At present, EFG Hermes-Corp Solutions enjoys a healthy and diverse client mix of 20% SMEs and 80% mid-cap to large corporations. The company's clientele operates across an expansive range of industries, including real estate development, logistics and maritime, printing and packaging, education, and healthcare. On the factoring side, the majority of Corp-Solutions' SME clients operate in the Trading and Distribution industry, followed by Transportation and Logistics. On the leasing side, the education and real estate industries have the lion's share, with the healthcare sector coming in at third place. This year and for the years to come, the company aims to focus on adding on more SMEs to its roster of clients.

By the end of March 2022, EFG Hermes Corp-Solutions' leasing business ranked second YTD in the Egyptian market, with a market share of 12.04% and a total value of contracts amounting to EGP 2.6 billion. On the factoring front, the company ranked second YTD in the market, boasting a market share of 15.33% and a total value of bookings amounting to EGP 1.015 billion – according to the latest FRA report.

In December 2021, EFG Hermes Corp-Solutions closed on the first, EGP 790 million issuance of its securitized bond program backed by a receivables portfolio of c. EGP 815.1 million. The issuance was also highly rated by MERIS and garnered significant interest, a testament to the company's solid financial standing, proven track record in the market despite being a relative newcomer in the leasing space, and robust financial and strategic support at the group level that has allowed the company to benefit from the synergies inherent in the business model.

This deal follows the successful advisory on Premium International for Credit Services' sixth issuance, valued at EGP 170 million in January 2022, and the first issuance of EGP 300 million in Madinet Nasr Housing and Development's (MNHD)'s securitization program. The transaction also follows the EGP 627.5 million securitization issuance for Pioneers Properties for Urban Development, and the first issuance in Misr Italia Properties' securitization program, worth EGP 794 million in December 2021.

EFG Hermes acted as the sole financial advisor, sole transaction manager, book-runner, underwriter, and arranger on the bond issuance. Dreny acted as legal advisor for the issuance while KPMG audited the deal. Commercial International Bank (CIB) acted as the subscription bank in the issuance.

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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.

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

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.