

EFG Hermes and Misr Italia Properties Announce Second Securitization Issuance Worth EGP 986 million

Cairo, January 2, 2023

EFG Hermes, the leading investment banking franchise in Frontier and Emerging Markets (FEM), and Misr Italia Properties, one of Egypt's leading real estate developers, announced today the successful conclusion of the latter's second securitized bond issuance worth EGP 986 million, which comes as part of a wider EGP 2.5 billion securitization program.

The bond is backed by a receivables portfolio originated by two of Misr Italia Holding's subsidiaries, and is comprised of three tranches:

- Tranche A – valued at EGP 197.20 million, with a tenor of 13 months, and a credit rating of AA+ from Middle East Ratings and Investors Service (MERIS)
- Tranche B – valued at EGP 428.91 million, with a tenor of 36 months, and a credit rating of AA from MERIS
- Tranche C – valued at EGP 359.89 million, with a tenor of 61 months, and a credit rating of A from MERIS

Maie Hamdy, Managing Director - Debt Capital Markets at EFG Hermes commented: “We are delighted to be a part of Misr Italia's second securitization issuance, and to be supporting the real estate powerhouse in achieving its growth plans as it looks to expand its operational footprint by leveraging our versatile funding offerings. Following the immense success of the first issuance, which garnered significant traction from investors, the second issuance comes as part of our strategy to bring innovative financing solutions to various key sectors that generate sustainable value for both our clients and investors alike.”

Commenting on the issuance, **Mohamed Khaled El Assal, CEO and Managing Director of Misr Italia Properties**, said: “We are happy to be further building on our partnership with EFG Hermes, and to be announcing our second issuance in the EGP 2.5 billion program — a testament to Misr Italia's financial strength and our commitment to our clients. Our first issuance, which hit the market in December 2021, broke ground as the first of its kind for a non-listed real estate developer through EFG Hermes. Capitalizing on this success, this second issuance will perfectly position us to bolster our financial position and effectively grow our portfolio as we ramp up our operations, ultimately cementing our leading position in the real estate market.”

Mohamed Hany El Assal, CEO and Managing Director of Misr Italia Properties, added, “We are proud of the success of both the first and second securitization issuances for Misr Italia Properties, which is proof of the strong investor confidence surrounding our company and its solid business model. The first issuance completed with EFG Hermes has helped us in achieving our project development objectives in 2022, having constructed over 2,500 units and delivered units with a total value of EGP 3.1 billion. We therefore take pride in the partnership we have built with such a leader, which has unlocked more sustainable financing prospects that enable us to increase accessibility to residential spaces for more customers across Egypt.”

The year 2022 saw EFG Hermes' investment banking division conclude advisory on several back-to-back securitization deals in the DCM space, including valU's — the MENA region's leading Buy-Now, Pay-Later (BNPL) lifestyle enabling fintech platform — third securitized issuance worth EGP 854.5 million. The division also advised on Premium International for Credit Services' seventh issuance worth EGP 200.6 million, and CIRA Education's EGP 800 million future flow securitization deal — the first-of-its kind in the market. Additionally, EFG Hermes Investment Banking concluded advisory on Bedaya's first securitization issuance worth EGP 651.2 million, and EFG Hermes Corp-Solutions' second securitization issuance valued at EGP 2.0 billion — both landmark transactions for EFG Hermes Holding's Non-Bank Financial Institutions (NBFI) platform.

EFG Hermes acted as sole financial advisor, bookrunner and underwriter on the issuance, with Al Ahli Pharos acting as Lead Arranger, and Commercial International Bank (CIB) and National Bank of Egypt (NBE) acting as underwriters. The legal advisor for the issuance was Dreny and Partners and the auditor was KPMG. CIB also acted as the transaction custodian bank.

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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 39 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.

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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, of 1.7 M squared meters, stretches across Egypt with 25 residential, commercial and hospitality projects. Flagship projects include IL Bosco, Vinci & Vinci Street in the New Administrative Capital, La Nuova Vista, IL Bosco City, Garden 8 and Cairo Business Park in New Cairo, Kai Sokhna in the Red Sea, and new project very soon in the North Coast.

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.