

DPI invests in Egyptian consumer finance and microfinance businesses, Mashroey and Tasaheel

[14 August, 2018]

Development Partners International ('DPI'), a leading African focused private equity firm, today announced the investment of \$45 million for a significant minority stake in MNT Investments ("MNT"), the holding company for Mashroey and Tasaheel; market leaders in the fast growing and highly underpenetrated consumer finance and microfinance sectors in Egypt. The investment will be financed through DPI's second fund, ADP II.

Through the investment, DPI will partner with existing majority shareholder, GB Capital, a wholly owned subsidiary of GB Auto, a leading automotive company based in the Middle East and North Africa, and Mounir Nakhla, the founder and CEO of MNT Investments. Mounir Nakhla will continue to lead the day-to-day operations of the business.

Mashroey, founded in 2009, offers financing options to micro-entrepreneurs for the purchase of utility vehicles with a focus on the Bajaj brand, a GB Auto product.

Tasaheel, founded in 2015, provides direct microfinance lending to eligible clients, with a focus on group loans to skilled working women.

Both Mashroey and Tasaheel aim to help micro-entrepreneurs generate higher returns to improve their living standards, which, in turn supports overall community development and economic growth.

MNT Investments has a strong nationwide network with over 220 branches and more than 5,000 employees currently serving in excess of 400 thousand customers, helping to drive forward financial inclusion in Egypt.

Working in partnership with management and GB Capital, Mashroey and Tasaheel will benefit from DPI's extensive financial services expertise and active portfolio management approach across the continent. With the support of DPI, MNT Investments will look to strengthen its digital strategy, expand its branch network and implement an ESG plan, in order to help provide greater access to its existing and new customer base in addition to supporting its ambitious growth initiatives.

DPI Partner Sofiane Lahmar said: "We look forward to the partnership with GB Capital and Dr. Raouf Ghabbour, in backing Mounir Nakhla and his strong management team. We view MNT Investments as a high growth company operating in a very exciting and fast growing industry in Egypt. The investment in MNT marks our third investment in Egypt from our ADP II fund, having now deployed approximately US\$150 million in Egypt. This underpins our truly pan-African approach to investing into industries and markets that benefit from the growing middle class."

Dr. Raouf Ghabbour, Chairman and CEO of GB Auto, also commented: "GB Auto has great belief in the prospects of MNT and with the support of DPI, we see great opportunities for the growth of the business in new markets. DPI have proven experience and expertise of the market and we look forward to working with the team".

MNT Investment Founder and CEO Mounir Nakhla said: "We are very excited to have the backing of DPI, a leading in private equity firm in Africa and whom we have known for a long time. We look forward to bringing on their expertise to help us institutionalize and further grow the business".

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Notes to Editors

About DPI

Development Partners International LLP (DPI) is a US\$1.1bn Africa-focused private equity firm that invests in companies benefiting from the fast-growing emerging middle class in Africa. DPI currently manages two pan-African private equity funds, African Development Partners I (ADP I) and African Development Partners II (ADP II).

Founded in 2007, DPI's investment process combines rigorous analysis with comprehensive due diligence. The firm seeks out compelling investment opportunities and aims to obtain exclusive terms, rational pricing and strong influence. The investment philosophy places great importance on working closely with the fund's portfolio companies to create value while looking for attractive exit opportunities throughout the fund's investment period. DPI invests in profitable or cash-flow positive companies which are growing either organically or through acquisitions or partnering with established corporations expanding into new regions in Africa.

About Mashroey

Mashroey is GB Auto's second financing venture. Founded in late 2009, it began operations in March 2010 and offers asset-based lending to eligible microfinance clients. Mashroey operates a nationwide network of over 100 branches and units.

Like GB Lease (first mention of GB Lease), the company is now well-developed and is growing rapidly across Egypt, with a nationwide network of around 80+ branches and units. Mashroey started out selling GB Auto's Bajaj-branded three-wheelers on credit terms, but now has an extensive product base that extends credit and financing options for tuk-tuks (GB Auto product), motor tricycles (non-GB Auto product), YTO tractors, minivans (GB Auto product), and pre-owned tuk-tuks.

<http://www.ghabbourauto.com/GPCapital/Mashrouei.aspx>

About Tasaheel

Tasaheel is the most recent addition to GB Auto's portfolio of financing businesses. It launched operations in August 2015 and provides direct microfinance lending to eligible clients, with a specific focus on group lending to women.

Through Tasaheel, GB Auto aims to help low-income earners generate higher returns to improve their living standards, which in turn supports overall community development and economic growth.

Currently, the company operates a nationwide network of 140 branches, with plans to further sustainably expand its national network to 200 branches and have over 5,000 people in employment by 2020. Like Drive (first mention of Drive) and GB Lease, Tasaheel is regulated by and operates under the auspices of the EFSA.

<http://www.ghabbourauto.com/GPCapital/Tasaheel.aspx>