

# Cairo for Investment and Real Estate Development S.A.E. announces indicative price range for offering of ordinary shares on the Egyptian Exchange

Cairo, September 10, 2018

Cairo for Investment and Real Estate Development S.A.E. (“**CIRA**” or the “**Issuer**”), the largest private education provider in Egypt, announces today the price range for an offering of 207,259,025 ordinary shares on the Egyptian Exchange (“**EGX**”), representing 37.84% of the Issuer’s share capital. The offering will comprise a secondary sale by Social Impact Capital LTD (the “**Main Selling Shareholder**”) and other minority investors (collectively, the “**Selling Shareholders**”) of (i) 192,750,893 shares for qualified institutional investors (the “**Institutional Offering**”); and (ii) a further 14,508,132 shares to retail investors in Egypt (the “**Egyptian Retail Offering**”, and together, the “**Combined Offering**”). Following completion of the Combined Offering, the Issuer will, by way of a closed subscription, offer to the Main Selling Shareholder the right to subscribe, and the Main Selling Shareholder has agreed to subscribe, for new shares at the Offer Price (the “**Closed Subscription**”) with a minimum value of EGP 100,000,000 and a maximum value equivalent to the value of up to 35,000,000 ordinary shares (the “**Closed Subscription Shares**”), which amounts to approximately EGP 220 million at the high end of the price range pursuant to the Closed Subscription.

- The price range has been set at between **EGP 5.45 and EGP 6.30** per ordinary share, giving the Issuer a pre-offering valuation range of EGP 3.0 billion to EGP 3.45 billion. The final offer price (the “**Offer Price**”) may be revised upward or downward from its indicative price range.
- The final price announcement will be determined in accordance with a bookbuilding process and is expected to occur on or around September 22, 2018.
- The Egyptian Retail Offering subscription period is expected to run from September 10, 2018 to September 25, 2018.
- Trading of the Issuer’s shares on the EGX is expected to begin on or around October 1, 2018.

**Commenting on the offering, CIRA’s Chief Executive Officer Mr. Mohamed El Kalla said:** “CIRA has always demonstrated leadership across the Egyptian education sector through institutional practices that prioritize a balanced scalable impact and profitability, as well as between governance and transparency while ensuring quality in its educational offering through its various brands. Our aim is to utilize the IPO to further enhance our robust growth plan in both higher education and the K-12 segments with a wider geographic footprint and versatile offering that builds on the current societal needs both on and off campus.”

In the 2016-17 financial year, the Group generated consolidated revenues of EGP 346.7 million (compared to EGP 277.7 million in 2015-16) (with 56.8% generated from the K-12 segment and 43.2% generated from the higher education segment in the 2016-17 financial year) and EBITDA of EGP 143.1 million (compared to EGP 118.2 million in 2015-16). In the nine-month period ended May 31, 2018, the Group generated consolidated revenues of EGP 487.9 million (with 50.5% generated from the K-12 segment and 49.5% generated from the higher education segment) and an EBITDA of EGP 258.4 million.

Completion of the Combined Offering is conditional upon (i) finalizing the book-building process and (ii) certain customary conditions associated with the Combined Offering.

EFG Hermes Promoting & Underwriting is sole global coordinator and bookrunner for the Combined Offering. White & Case LLP is international counsel to the Issuer. Al Tamimi and Co. is serving as local counsel to the Issuer, Zulficar and Partners is serving as local counsel to the sole global coordinator and bookrunner, Gide Loyrette Nouel LLP is serving as international counsel to the sole global coordinator and bookrunner, while Inktank Communications is serving as investor relations advisor to the Issuer.

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## About Cairo for Investment and Real Estate Development Company S.A.E.

CIRA is the largest private education provider in Egypt, targeting both the K-12 and the higher-education segments in six Governorates, and is a market leader in the middle-income segment, with a mission to provide high-quality, affordable education to Egypt’s middle-class population. Through BUC and its network of 19 K-12 private schools, the Group addresses the large and growing middle-income K-12 and higher-education market. Learn more about CIRA by visiting <http://cairoinvest.com.eg>.

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## Information to Distributors

According to the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures, the target market assessment in respect of the securities offered in the global offering (the “Offered Securities”) has led to the conclusion that : (i) the target market of the Offered Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution to eligible counterparties and professional clients of the Offered Securities are appropriate (the “Target Market Assessment”). Any person subsequently offering, selling or recommending the Offered Securities (a “distributor”) should take into consideration the manufacturer’s Target Market Assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Offered Securities (by either adopting or refining the manufacturer’s Target Market Assessment) and determining appropriate distribution channels.

The Target Market Assessment is conducted solely for the purposes of the manufacturer’s product approval process and neither constitutes an assessment for any particular client of suitability or appropriateness for the purposes of MiFID II nor a recommendation to invest in, or purchase, or take any other action whatsoever with respect to the Offered Securities.

Notwithstanding the Target Market Assessment, the attention of distributors is drawn to the fact that: the price of the Offered Securities may decline and investors could lose all or part of their investment; the Offered Securities offer no guaranteed income and no capital protection; and that an investment in the Offered Securities is compatible only with investors who do not need a guaranteed income or capital protection, who are capable (either alone or in conjunction with an appropriate financial or other adviser) of evaluating the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result therefrom.

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This communication contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts and events, and can be identified by the use of such words and phrases as “according to estimates”, “anticipates”, “assumes”, “believes”, “could”, “estimates”, “expects”, “intends”, “is of the opinion”, “may”, “plans”, “potential”, “predicts”, “projects”, “should”, “to the knowledge of”, “will”, “would” or, in each case their negatives or other similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements containing information on future financial

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Accordingly, investors should not rely on the forward-looking statements in this announcement and investors are strongly advised to read the Offering Circular, including the audited financial statements contained therein. None of CIRA, Management or EFG Hermes Promoting & Underwriting gives any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.