

## **EFG Hermes and GEMS Education Enter into a Strategic Alliance with TMG to Acquire, Operate and Develop K-12 Schools in the Cities of Madinaty and Al Rehab**

*EFG Hermes' K-12 education vehicle entered into definite agreements with TMG to acquire a portfolio of four schools in an EGP1 billion investment, with GEMS Education taking over the exclusive operatorship of the portfolio, as part of a strategic alliance to develop and operate new national and international schools in the cities of Madinaty and Al Rehab in Egypt.*

**Cairo, 28 May 2018**

EFG Hermes, via its private equity arm, announced today that its new education vehicle has completed the acquisition of a portfolio of four operational schools located in the cities of Madinaty and Al Rehab, east of Cairo, Egypt, from a subsidiary of Talaat Mostafa Group Holding (TMG).

GEMS Education, one of the world's leading providers of private English-language education for students from kindergarten to twelfth grade (K-12), and EFG Hermes' exclusive education partner in Egypt, will take over the operatorship and management of the four schools.

Furthermore, EFG and GEMS Education executed a Memorandum of Understanding (MoU) with TMG to form a strategic alliance to develop and operate new national and international schools to serve the vastly growing communities in the cities of Madinaty and Al Rehab.

“We are proud to be part of such strategic alliance which falls in line with our strategy to continuously improve the level of services offered to our growing communities in Madinaty and Al Rehab,” said Hesham Talaat Mostafa, TMG CEO. “We are always trying to bring the best-in-class service providers to our potential 1 million residents in both cities and the new alliance with EFG Hermes and GEMS Education is a strong testament to our commitment to such target.”

“I am pleased to announce our platform's first investment in the Egyptian education market with the acquisition of one of Egypt's largest student bodies,” said Karim Moussa, Head of Asset Management and Private Equity at EFG Hermes. “We will capitalise on the top-tier facilities developed by TMG in the four schools alongside our exclusive partnership with GEMS Education to offer the residents of Madinaty and Al Rehab a world-class educational service.”

The portfolio of schools being acquired from TMG caters to children aged 3 to 18 years and consists of two schools offering the Egyptian national curriculum and two schools offering the British curriculum. The schools currently serve some 5,000 students, the majority of which are residing in the cities of Madinaty and Al Rehab.

“GEMS Education is committed to providing quality education throughout our network of schools. This Joint Venture allows us to bring more than 50 years of educational excellence to Egypt. Students will be able to benefit from our global experience, coupled with access to an extensive network which offers multiple opportunities for the future,” said Dino Varkey, Chief Executive Officer at GEMS Education.

EFG Hermes will finance the equity component of this transaction on its own balance sheet under its merchant banking strategy, as it has successfully done in the European renewable energy sector through its Vortex Platform.

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### **About EFG Hermes**

With a current footprint spanning eleven countries across four continents, EFG Hermes started in Egypt and has grown over 30 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track-record & a team of more than 2,900 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire region. EFG Hermes launched the NBFi Platform, EFG Hermes Finance, which will overlook activities in the non-banking finance field through EFG Hermes Leasing and Tanmeyah Microfinance. This comes in light of the Firm's strategy to focus on two main pillars: product diversification and geographic expansion into frontier markets — which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh & the United States.

For further information about EFG Hermes, please visit [www.efghermes.com](http://www.efghermes.com) and stay connected with us:



### **GEMS Education**

GEMS Education is one of the world's leading K-12 private education providers. As at 28 February 2018 GEMS Education owned and operated 47 schools in the MENA region, educating over 118,000 students; and through its growing network of schools as well as charitable contributions is fulfilling its founder's vision of putting a quality education within the reach of every child.

For further information about GEMS Education, please visit: <http://www.gemseducation.com>

### **About TMG**

Talaat Moustafa Group Holding S.A.E. (TMG Holding) is a leading publicly held Egyptian developer of large-scale integrated communities and tourism investment projects. It has a land bank of about 45mn square meters spread across Egypt and, since its inception, has delivered residential units now housing over 0.5mn inhabitants, accompanied by high-quality amenities and infrastructure. Aside from other renowned projects, TMG Holding is the developer of Madinaty, its flagship community occupying 33.6mn square meters in East Cairo. It owns four upscale hotels with a total of 875 operational rooms in Cairo, Sharm El Sheikh and Alexandria and 380 additional rooms under development.

**For further information, please contact:**

### **EFG Hermes Media**

[media@efg-hermes.com](mailto:media@efg-hermes.com)

### **May El Gammal**

Head of Marketing & Communications

[melgammal@efg-hermes.com](mailto:melgammal@efg-hermes.com)

***Note on Forward-Looking Statements***

*In this press release, EFG Hermes 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' 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.*