

EFG Hermes concludes advisory on EGP 1.244 billion IPO of Cairo for Investment & Real Estate Development (CIRA) on the Egyptian Exchange

CIRA is the largest private sector integrated educational group in Egypt targeting both higher education and k-12 segments

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(Cairo) — EFG Hermes, a leading financial services corporation in frontier emerging markets (FEM), concluded today its advisory to Cairo for Investment & Real Estate Development (“CIRA” or “the Company”) on its EGP 1.244 billion initial public offering (IPO) on the Egyptian Exchange.

CIRA is the largest integrated provider of educational services in the Egyptian private sector, owning and operating 19 schools with over 24 thousand enrolled students as of 2018. CIRA’s schools operate under three distinct brands, namely Mavericks, Futures and Rising Stars, and offer multiple educational tracks, including British, American, French, German and National curricula.

CIRA caters predominantly to the fragmented middle-income segment, offering premium education at affordable pricing. CIRA is also active in the higher-education segment with its Badr University in Cairo (BUC), which houses nine faculties as of 2018. The university enjoys a fast-growing student body of over 7,600 students and maintains key partnerships and affiliations with more than 25 top global universities.

EFG Hermes acted as Sole Global Coordinator and Bookrunner on the transaction. Shares of CIRA were admitted to trading on the Egyptian Exchange under the stock ticker CIRA.

“We are particularly pleased with this transaction that brings a new, high-growth and underpenetrated sector to the Egyptian capital market through one of Egypt’s largest private sector educational platforms,” said Mostafa Gad, Co-Head of Investment Banking at EFG Hermes. “Egypt’s education space is supported by strong demand and a high growth potential owing to the country’s demographic profile. Meanwhile the sector’s limited players and underinvestment add up to an incredible investment opportunity as illustrated by our ability to build a solid base of diversified investors.”

The IPO saw selling shareholders Social Impact Capital (SIC) alongside other minority shareholders offer 207,259,025 shares or 37.8% of CIRA to institutional and retail investors at an offer price of EGP 6.00 per share. CIRA’s total market capitalization at the start of trading was EGP 3.287 billion. The secondary share sale is to be followed by a closed subscription at the same offer price wherein SIC will inject a portion of the IPO proceeds into the Company by way of capital increase.

Proceeds from the capital increase will be utilized to fund CIRA’s growth strategy, which encompasses both capacity and geographic expansion of its schools, while simultaneously pursuing diversification opportunities particularly in the healthcare space.

“CIRA’s IPO builds on a long tradition of bringing new sectors to the public domain and illustrates our continued role in helping develop regional equity markets,” said Mohamed Ebeid, EFG Hermes’ Co-CEO of the Investment Bank. “Education adds to a roster of firsts by EFG Hermes that includes healthcare and dairy, and is testament to our leadership position in Egypt as

a capable partner that can package and market new opportunities to quality investors thanks to unmatched market insights and execution knowhow.”

EFG Hermes advised on a string of successful ECM mandates, with 12 closed during the year, including:

- USD c.40 million rights issue of Cleopatra Hospitals Group
- Orange Egypt’s USD c.866 million capital increase
- USD c.52 million accelerated equity offering of Orascom Construction on the Nasdaq Dubai
- IPO of frontier microfinance lender ASA International on the London Stock Exchange (LSE)
- USD c.226 million accelerated equity offering of 17% of Humansoft Holding Company K.S.C.P on Boursa Kuwait
- USD 52 million IPO of the Oman-based Dhofar Generating Company on the Muscat Securities Market

—Ends—

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 4,455 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, Nigeria & the United States.

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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.