

EFG Hermes' Education Platform Completes its 3rd Investment and Acquires a Majority Stake in the Leading Transportation Services Provider Option Travel

The transaction represents the Platform's first investment into the K-12 complimentary services space, and a key milestone towards creating one of Egypt's largest K-12 education institutions offering its students and parents a fully comprehensive and best in class education experience. The investment will expand the Platform's service offering range to its c. 7k existing Student base as well as for third party schools.

Cairo, 26 December 2019

GEMS Egypt for Education Services, a JV between GEMS Education and Egypt Education Fund managed by EFG Hermes Private Equity, announced today that it has successfully completed the acquisition of a majority stake in Egypt's leading transportation provider, Option Travel. The transaction stems from the Platform's strategy of creating a one stop shop for top tier education services in Egypt. The transaction involves secondary and primary tranches, latter to be directed towards accelerating Option Travel's organic growth plans and launching Egypt's first specialized student transport service provider, which will primarily cater for the Platform's existing schools in addition to third party schools.

Option Travel's founder and principal shareholder Mr. Mohamed Kamel will continue to manage the day to day operations of the company in his capacity as chairman and CEO through a long term management agreement, supported by GEMS Egypt's operational team and GEMS Education's Dubai-based transport arm School Transport Services (STS), the largest student transport service provider in the UAE, which transports more than 80,000 students daily through its fleet of c. 2,600 buses.

"The investment by GEMS Egypt in Option Travel represents a vote of confidence to the vastly growing local transportation industry on a macro level and a testament to Option Travel on the success it has reached to date" said Mohamed Kamel, Option travel's chairman and CEO. "I am very excited about the investment that will see the company expand its service offering and reach its long term and ambitious growth plans".

The Platform's investment in Option Travel marks its 3rd investment in the Egyptian market after acquiring 4 operational schools in the cities of Rehab and Madinaty earlier this year and kicking off the development of a 5th international school in the city of Rehab in August to bring the Platform's total capacity to c.10k students.

"The transaction marks an important milestone in bringing key services, rendered across the education value chain, in-house and a key step towards reaching the Platform's objective of building a vertically integrated operation and a solid K-12 education institutional player" said Karim Moussa, Head of Asset Management and Private Equity at EFG Hermes.

Option Travel has been setting the standards for corporate transportation solutions over the past 12 years, through its fleet of c. 400 vehicles ranging from buses to limousines, and its widespread service centers and garage facilities across Greater Cairo.

“Option Travel’s unique blend of strong fundamentals, unparalleled management capabilities led by Mr Mohamed Kamel, and high compliance with international standards, coupled with STS’ proven business model, will enable us to launch the first and widely demanded specialized student transport service in Egypt” said Ahmed Hammam, Associate Director at EFG-Hermes Private Equity division.

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About GEMS Egypt for Education Services

GEMS Egypt for Education Services is a wholly owned subsidiary of EFGEMS Education Holding Ltd which is owned by Egypt Education Fund and GEMS Education. The company was established with the purpose of developing Egypt’s largest K-12 education provider over the next 5 years. The Platform’s portfolio currently includes a portfolio of 5 schools located East of Cairo with a total capacity of c.10k students and a student body of c.7k enrolled students.

About Option Travel Company

Option Travel, one of Egypt’s largest transportation service providers, covering all market demands for both leisure and business activities, operates a fleet of c. 400 vehicles transporting more than 5,000 clients on a daily basis. The company has successfully penetrated the Egyptian transportation market, with its clients base comprising renowned multi-national, regional and local institutions, capturing a relative market share of c. 20%.

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.