

The Sovereign Fund of Egypt and Concord International Investments to Establish a Diversified Healthcare Fund

Cairo, 6 May 2020:

The Sovereign Fund of Egypt (TSFE) and the New York based investment manager, Concord International Investments (Concord International), announced today the signing of a memorandum of understanding (MOU) which entails the cooperation of the two entities to establish a joint venture to raise and manage a specialized healthcare fund that will invest primarily in Egypt, as well as the Middle East and Africa.

The fund is one of several that will be established in the sector with the objective of creating a diversified healthcare platform that benefits from the ever-growing population in Egypt in need of various healthcare services. The fund also targets the creation of international export oriented healthcare entities covering the various activities, the unlocking of value in promising growth companies, under-utilized assets and untapped specialties to be able to capitalize on Egypt's unique location and relatively lower services and production costs to serve Europe, the Middle East and Africa.

The fund's initial target size is USD 300 million with the aim of achieving long-term capital appreciation by taking advantage of opportunities for direct investments in Egypt. The fund will act as a catalyst to attracting sizable foreign direct investments as well as identifying co-investment opportunities in significantly large projects.

"Investing in healthcare is a priority for the Egyptian government at this critical time when the world is facing the new COVID-19 pandemic crisis and the quality of the population's healthcare is an integral part of the Egypt 2030 Vision for Sustainable Development. Focusing on the healthcare sector is directly related to the Egyptian government's program to improve the quality of life for Egyptians by creating a fully integrated healthcare system that can improve healthcare indicators and achieve full coverage for all Egyptians. This diversified healthcare fund reflects the implementation of TSFE's mandate to fast track attracting investments to public assets in a value accretive manner, while increasing private sector participation in the Egyptian economy, where the private sector is a main partner in the development path and will be responsible for implementing the greater share of the projects while the government takes on the regulatory role of setting standards and monitoring", said H.E. Dr. Hala El Said, Minister of Planning and Economic Development and TSFE's Chairperson.

"TSFE and Concord International have started the process to establish a joint venture management company to source and manage investments on a non-exclusive basis, in a healthcare services and pharmaceutical fund to achieve long term capital appreciation in public and private assets. We are delighted with this partnership and we look forward to benefit from Concord's extensive experience across the healthcare spectrum", said Ayman Soliman, TSFE's Chief Executive Officer.

“TSFE’s role in attracting investments to such assets is key at this challenging time when there is a pressing need to invest in upgrading and expanding healthcare facilities. With the COVID-19 global pandemic still looming over the global economy, it is essential for us to be agile and create solutions that could and will elevate the strain the virus has caused over the healthcare systems in the region and on a global front. Both the healthcare and the pharmaceutical sectors have been on the top of the fund’s priority list, and today’s MOU signing culminates our collective efforts in securing FDI in those fields”, Soliman added.

“The Concord Group wishes to thank Her Excellency Dr. Hala El Said, Minister of Planning and Economic Development and TSFE’s Chairperson, and Mr. Ayman Soliman, TSFE’s Chief Executive Officer, for selecting us as a partner in creating this Fund. We believe that with The Sovereign Fund’s strong management team combined with strong government support and Concord’s seasoned management team we should reach the ambitious goals mentioned above.

The demand for this industry, which covers pharmaceutical producers, diagnostic service providers such as pathology labs, diagnostic imaging services, nursing care, hospitals, polyclinics and other specialized facilities, will continue to grow at an annualized double digit rate in some segments in the foreseeable future. The fund will be selecting promising investments from both private and public companies to create a diversified healthcare fund with the objective of maximizing the value of these assets over the investment horizon.

The tremendous opportunities for expansion in the Middle East and Africa using the resources of Egypt’s large growing market, provides the Fund with a unique opportunity”, said Mohamed Younes, the Chairman of Concord Group.

About the Sovereign Fund of Egypt

The Sovereign Fund of Egypt was established in 2018 to attract private investments to Egypt and promote co-investment in state-owned assets to maximize their value and contribute to the growth of Egypt's economy.

The Fund is independently managed by senior executives hailing from the private sector. It's tasked with selecting public assets, in cooperation with different state bodies, and developing them with local and foreign investors and financial partners in order to maximize their value, increase the private sector's role in the economy and generate employment opportunities for Egypt's youth.

The Fund's special legal framework allows it to unlock unique assets for investors and engage the government to help implement structural reforms, ultimately boosting diversified economic growth.

The Fund operates in accordance with international best practices, from its clear and flexible investment focus allowing it to form a wide range of partnerships, to its governance. The Fund is overseen by a board of directors and a general assembly consisting mainly of private-sector professionals.

The Fund is also a member of the International Forum for Sovereign Wealth Funds, an organization dedicated to promoting cooperation between SWFs around the world and advancing dialogue, research and self-assessment among its community.

The Sovereign Fund of Egypt was established in accordance with Law 177 of 2018; its articles of association were published in February 2019 by Prime Ministerial Decree no. 555 of 2019

www.tsfe.com

About Concord International Investments

Concord International Investments Group, L.P. is a New York-based asset management firm founded in 1988, operating continuously in Egypt since 1994 and its Cairo branch office was the first foreign investment manager to get a license to manage Egyptian mutual funds in Egypt. Concord was among the first firms to create international offshore funds invested in Egypt and listed on the London Stock Exchange and other international markets.

Concord was also among the first investment managers to create a private equity fund to invest in Egypt in 2000. Since then, it launched and managed three other private equity funds fully invested in Egypt. It has extensive experience across the healthcare spectrum as it invested in Al Borg Laboratories, the largest pathology lab in Egypt as well as Amoun Pharmaceuticals, the largest generic pharmaceutical private company in Egypt (part of a 3 partners consortium alongside Citi Group Venture Capital London and Capital International Los Angeles) and was able to achieve superior returns on both investments via exits to international strategic and financial investors. The Amoun acquisition at USD 500 million was the largest

private equity transaction at that time in Egypt. In addition, the Egyptian government in 1998 following the sharp decline in the market appointed Concord to manage two government-owned funds of L.E. 800 million.

Over the years, a number of international firms selected Concord as their local partner of choice (Credit Suisse, Caisse de Depot of Quebec, ING Barings, Citi Group Venture Capital and Capital International).

Concord local partners have included joint ventures for money management with Banque Misr and National Bank of Egypt.

www.concordus.com

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