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Macro Group Pharmaceuticals (Macro Capital) S.A.E. announces indicative price range for an offering of ordinary shares on the Egyptian Exchange

Cairo, 28 March 2021

Macro Group Pharmaceuticals (Macro Capital) S.A.E. ("Macro Group", "Macro", the "Company" or the "Issuer"), one of the largest and fastest growing cosmeceutical companies in Egypt, announces today the indicative price range for an offering of 264,513,661 ordinary shares on the Egyptian Exchange ("EGX"), representing 45.8% of the Issuer's share capital. The offering will entail a secondary sale of ordinary shares by Leo 1 (the "Selling Shareholder") and will consist of: (i) 251,287,977 shares for qualified institutional investors in several countries, including Egypt (the "International Offering"); and (ii) 13,225,684 shares to retail investors in Egypt (the "Egyptian Retail Offering", and together with the International Offering, the "Combined Offering").

- The indicative price range for the Combined Offering has been set between EGP 5.30 and EGP 6.15 per ordinary share, giving the Company a pre-offering valuation range of EGP 3,060.0mn to EGP 3,550.8mn. The final offer price (the "Offer Price") may be revised from its indicative price range.
- The final price announcement will be determined in accordance with a book-building process and is expected to occur on or around April 11, 2021.
- The Egyptian Retail Offering subscription period is expected to run from April 8, 2021 to April 14, 2021.
- The listing of the Issuer's shares on the EGX is expected on or around 31 March, 2021 and the trading in the shares on the EGX is expected to begin on or around April 19, 2021.

Completion of the Combined Offering is conditional upon receipt of customary regulatory approvals from the Egyptian Financial Regulatory Authority (the "FRA") and the EGX, and on the finalization of the book-building process.

Established in 2005, Macro Group leads Egypt's fast-growing cosmeceuticals space with a market share of 23.1% recorded in 2020, more than three times the market share of its closest local competitor¹. The Company boasts a diversified portfolio of 125 marketed SKUs, which consists of 124 cosmeceutical SKUs across seven therapeutic areas and one nutraceutical SKU, which was launched in December 2020. While all of the Company's products are available over-the-counter ("OTC"), Macro also utilizes a defensive prescription-based sales strategy and generates demand through an incentivized medical salesforce of over 550 employees that targets physicians and pharmacies nationwide. 85% of sales are estimated to be initially generated via prescription at the physician level, underlining the defensive demand-profile of Macro Group's business. Meanwhile, an advantageous regulatory framework enables the Company to leverage its extensive in-house innovation capabilities, having developed an extensive pipeline of 79 products across a variety of high-growth, high-margin cosmeceutical and nutraceutical therapeutic areas, which are expected to be launched between Q1 2021 and Q2 2023.

In 2020, the Company recorded revenues of EGP 430.5mn and an EBITDA² of EGP 186.5mn, representing a 2018-20 CAGR of 34% and 92% respectively, in what was a challenging pandemic year, testament to the Company's defensive demand-profile, robust business model, and resilient growth strategy, which combined are expected to drive future

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² EBITDA is calculated as net profit before net finance cost, income tax expense, depreciation, amortization and impairment losses on financial assets



growth in this new stage of its corporate evolution. Net profit for the year came in at EGP 135.1mn in 2020, representing a 2018-20 CAGR of 98%.

CI Capital Investment Banking S.A.E (“CI Capital”) and Renaissance Capital Egypt for Promoting and Underwriting of Securities S.A.E. (“Renaissance Capital”) have been appointed as Joint Global Coordinators and Joint Bookrunners, and White & Case (“White & Case”) has been appointed as international and local (in association with MHR & Partners) counsel to the Issuer. Dechert LLP and Zaki Hashem & Partners Attorneys at Law are counsels to the Joint Global Coordinators and Joint Bookrunners. PricewaterhouseCoopers (PwC) has been appointed as the Company’s external auditors and Grant Thornton as its independent financial auditors.

Macro Group Pharmaceuticals (Macro Capital) S.A.E.

Established in 2005, Macro Group is a leader in Egypt’s fast-growing Cosmeceuticals space, with a market share of 23.1%³ recorded in 2020. The Company is principally engaged in the manufacture and sale of cosmeceutical and, to a lesser extent, nutraceutical products, with the latter having been added to the Company’s product portfolio in December 2020. While all of the Company’s products are available over-the-counter, Macro Group also utilizes a prescription-based sales strategy and generates demand through an incentivized medical salesforce of more than 550 employees that targets physicians and pharmacies nationwide. The majority of Macro Group’s diverse portfolio of 125 SKUs as of 31 December 2020 is manufactured in-house at its production facility in Badr City. By developing its own branded products which are both cosmetic and may help achieve a therapeutic effect, the Company offers an attractive value proposition and benefits from an advantageous regulatory framework for cosmetics as well as the defensive attributes and demand profile of prescription-based pharmaceuticals.

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³ Source: IQVIA Consumer Audit 2020-year end. Copyright 2020. All rights reserved



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This announcement and any offer if made subsequently is directed only at persons in member states of the European Economic Area ("EEA") who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended from time to time (the "Prospectus Regulation"), ("Qualified Investors"). In addition, in the United Kingdom, this announcement and any offer if made subsequently is directed only at Qualified Investors, as defined in Article 2(e) of the Prospectus Regulation, as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018, who are also (i) persons who have professional experience in matters relating to investments falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"), (ii) high net worth entities falling within Article 49(2) of the Order or (iii) other persons to whom it may lawfully be communicated (all such persons together being referred to as "relevant persons"). This announcement must not be acted on or relied on (i) in any member state of the European Economic Area, by any person who is not a Qualified Investor and (ii) in the UK, by any person who is not a relevant person.

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Except for the Egyptian Retail Offering, the securities must not be offered, sold or purchased except in circumstances that do not constitute a public offering. This announcement and any subsequent offer of securities may be restricted by law in certain jurisdictions and persons receiving this announcement or any subsequent offer should inform themselves about and observe any restriction. Failure to comply with these restrictions may violate securities laws of certain jurisdictions.

In Egypt, the International Offering, if effected, will only be addressed to, and directed at "qualified individual investors", "public entities" or "qualified financial institutions" as defined in the FRA Board decision no. 48 for the year 2019. Prior to the approval of the PSN by the FRA, no information, which is normally included in public subscription notices or other promotional activities relating to the Offering may be released or conducted. However, following the submission of the PSN to the FRA for approval, advertisements, circulars, letters and other information related to the Company's general business activities and the Offering may be released or distributed, provided that in all cases it is clearly indicated that the FRA has not yet approved the PSN. This document does not constitute a public offering or a private placement of securities of any offer, which requires a license from the FRA. Retail Investors in Egypt should only refer to, and make purchases based solely in reliance on, the PSN to be reviewed and approved by the FRA

Forward-Looking Statements

This announcement 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 words and phrases like "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 results, plans, or expectations regarding the Company’s business and management, the Company’s future growth or profitability and general economic and regulatory conditions and other matters affecting the Company.

Forward-looking statements reflect the current views of management of future events and are based on management’s assumptions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The occurrence or non-occurrence of an assumption could cause the actual financial condition and results of operations of the Company to differ materially from, or fail to meet expectations expressed or implied by, those forward-looking statements. The Company’s business is subject to a number of risks and uncertainties that could also cause a forward-looking statement, estimate or prediction to become inaccurate. These risks include fluctuations in the prices of energy, raw materials or employee costs required by the operations of the Company, its ability to retain the services of certain key employees, its ability to launch and create demand for new products, its ability to compete successfully, changes in political, social, legal, regulatory, economic conditions in Egypt, developments related to the COVID-19 pandemic, worldwide and Egyptian economic and business trends, adverse legal decisions, the impact of war, unrest and terrorist activity, inflation, interest rate and exchange rate fluctuations, the Company’s ability to rely on official statistics and market data and the ability of management to identify accurately and in a timely manner future risks to the business of the Company and manage the risks mentioned above.

Accordingly, investors should not rely on the forward-looking statements in this announcement. None of the Company, its management, CI Capital, and Renaissance Capital or any of their respective advisors, give any assurance regarding the future accuracy of the opinions set forth in this announcement or as to the actual occurrence of any predicted developments, nor do they undertake to update such opinions. None of the Company or its management assumes, and each of the Company and its management expressly disclaim, any obligation, except as required by law and the Listing Rules of the EGX, to update any forward-looking statements or to conform these forward-looking statements to the actual results of the Company. Each of CI Capital, and Renaissance Capital and their respective affiliates, as defined under Rule 501(b) of Regulation D under the Securities Act (“affiliates”), expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

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Any subscription or purchase of Shares in the possible Offering should be made solely on the basis of information contained in the Offering Circular, which may be issued by the Company in connection with the possible Offering. The information in this announcement is qualified in its entirety by the information expected to be set out in the Offering Circular (in the case of the International Offering) and the PSN (in respect of the Egyptian Retail Offering) and subject to change. The Company expressly does not undertake to update the information in this announcement. Before subscribing for or purchasing any Shares, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Offering Circulars if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any Shares or any other securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

The date of IPO (if it proceeds) may be influenced by a variety of factors, which include, among other things, market conditions. Macro Group may decide not to go ahead with the IPO, and there is, therefore, no guarantee that IPO will occur at all or in accordance with the timing indicated in this announcement. Potential investors should not base their financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

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