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## Macro Group Pharmaceuticals (Macro Capital) S.A.E. announces the final price for the offering of its ordinary shares on the Egyptian Exchange

**Cairo, 3 February 2022**

Further to the previous price range announcement published on 24 January 2022, 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 successful conclusion of the book-building process for, and the pricing of its offering (the "IPO" or the "Offering") on the Egyptian Exchange ("EGX") at a final offer price of EGP 4.85 per ordinary share (the "Offer Price"). The institutional offering was 1.79x oversubscribed.

The Offering is expected to consist of a secondary sale of shares by Leo 1 (the "Selling Shareholder") of up to 264,513,661 existing shares, representing up to 45.8% of the Company's outstanding share capital listed on the Egyptian Exchange (EGX). The offering includes:

- i. a private placement of 251,287,978 shares, representing 95% of the Combined Offering shares, to certain qualified investors in several countries, including Egypt (the "International Offering");
- ii. a retail offering of 13,225,683 shares, representing 5% of the Combined Offering shares, to retail investors in Egypt (the "Egyptian Retail Offering").

The shares offered in the International Offering and the Egyptian Retail Offering (together the "Combined Offering") are being offered at the same Offer Price, implying a valuation of EGP 2.8 billion.

The Egyptian Retail Offering subscription period is expected to run until Monday, 7 February 2022. The Issuer's shares were listed on the EGX pursuant to the approval of the EGX Listing Committee convened on 12 January 2022, and trading in the shares on the EGX is expected to begin on or around Thursday, 10 February 2022 under the symbol MCRO.CA. The commencement of trading is subject to completion of the Combined Offering and receipt of any remaining customary regulatory approvals from the Egyptian Financial Regulatory Authority ("FRA") and the EGX.

**Commenting on the Offering, the Company's Chairman and Co-founder, Dr. Ahmed El Nayeb, said:** "We are very pleased with the listing and offering of Macro's shares on the EGX, especially with the quality of our book being geared towards foreign institutional investors which we see as a vote of confidence in our business and offering. This marks a major milestone in Macro's 18-year growth story during which we have taken our organization from its humble beginnings to becoming one of the leading players in Egypt's cosmeceutical space."

**Macro's Managing Director, Dr. Hisham Wasfy, further added:** "Macro has demonstrated a leading role across the Egyptian cosmeceuticals sector. We look forward to the next phase in Macro's growth strategy which will see us leverage our customer-centric business model, extensive manufacturing capabilities and nationwide sales and distribution network to help us deliver long-term sustainable value for our stakeholders."

EFG Hermes Promoting and Underwriting S.A.E. ("EFG") has been appointed as Sole Global Coordinator and Joint Bookrunner and Renaissance Capital Egypt for Promoting and Underwriting of Securities S.A.E. ("Renaissance Capital") has been appointed as Joint Bookrunner for the transaction (together, the "Joint Bookrunners"). White & Case LLP ("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 Bookrunners.

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PricewaterhouseCoopers (PwC) has been appointed as the Company's external auditor and Grant Thornton as its independent financial advisor.

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

Established in 2005 as a joint partnership by Dr. Ahmed El Nayeb and his partner, Macro Group is one of the leaders in Egypt's fast-growing Cosmeceuticals space, with a market share of 23.1%<sup>1</sup> recorded in 2020 based on the therapeutic areas in which it operates. The Company is principally engaged in the manufacture and sale of cosmeceutical and has recently ventured into nutraceutical products. 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 c. 549 employees that targets physicians and pharmacies nationwide. The majority of Macro Group's diverse portfolio of 112 marketed SKUs as of 30 September 2021 is manufactured in-house at its production facility in Badr City. The Company's local-brand portfolio includes household names such as Orovex, Gold, Scaro, Topi-Gent and Frost. 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.

### **For further information, please contact:**

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made, and any investor in the Egyptian Retail Offering should make his investment, solely on the basis of the information that is contained in the public subscription notice expected to be published by the Company after ratification by the FRA in due course (the "PSN").

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 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the European Union Withdrawal Act 2018 ("UK 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.

Any person in the EEA who acquires the securities in any offer (an investor) or to whom any offer of the securities is made will be deemed to have represented and agreed that it is a Qualified Investor. Any investor in the UK is deemed to have represented and agreed that it is a relevant person. Any investor will also be deemed to have represented and agreed that any securities acquired by it in the Offering have not been acquired on behalf of persons in the EEA other than Qualified Investors and other member states (where equivalent legislation exists) or relevant persons in the UK for whom the investor has authority to make decisions on a wholly discretionary basis, nor have the securities been acquired with a view to their offer or resale in the EEA to persons where this would result in a requirement for publication by the Company or any other manager of a prospectus pursuant to Article 3 of the Prospectus Regulation. The Company, EFG, Renaissance Capital, and their respective affiliates, and others will rely on the truth and accuracy of the foregoing representations and agreements.

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, as amended. 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, EFG, 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 EFG, 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.

Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the documents referred to herein, constitutes a recommendation concerning a possible offer. The value of Shares can decrease as well as increase, and potential investors must be able to bear the risk of loss, including a total loss, on their investments. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned. None of EFG and Renaissance Capital, or any of their respective affiliates or any of their or their affiliates' directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for/ or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of the announcement or its contents or otherwise arising in connection therewith.

Each of EFG and Renaissance Capital is acting exclusively for the Company and no one else in connection with the possible Offering. They will not regard any other person as their respective clients in relation to the possible Offering

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and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the possible Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

EFG and Renaissance Capital are regulated by the Financial Regulatory Authority in the Arab Republic of Egypt.

In connection with the possible Offering, each of EFG and Renaissance Capital and any of their respective affiliates, may take up a portion of the Shares as a principal position and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Shares and other securities of the Issuer or related investments in connection with the possible Offering or otherwise. Accordingly, references in the Offering Circulars, once published, to the Shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by any of EFG and Renaissance Capital and any of their respective affiliates acting in such capacity. In addition, EFG and Renaissance Capital and any of their respective affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which they may from time to time acquire, hold or dispose of Shares. None of EFG and Renaissance Capital nor any of their respective affiliates intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

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