

CIRA Education successfully concludes Egypt's First Future Flow Securitization Issuance for EGP 800 mn

Cairo, 6 November 2022

CIRA Education ("CIRA" or the "Group", CIRA.CA on the Egyptian Stock Exchange), the largest fully integrated education service provider in the Egyptian private sector, announces today that it has successfully closed Egypt's first issuance of a future flow securitized bond worth EGP 800 million. The transaction is the first issuance of an approved EGP 2.0 billion bond program. The issuance will offer seven-year securities at EGP 100 each.

The securitization bond is comprised of three tranches, where tranche A is valued at EGP 96 million, with a tenor of 3 years and a credit rating of A from Middle East Ratings and Investor Services (MERIS). Tranche B is valued at EGP 304 million, with a five-year tenor of 5 years and an A credit rating from MERIS. The final tranche, tranche C, is valued at EGP 400 million, with a tenor of 7 years and a credit rating of A from MERIS.

The innovative structuring of future flow securitized bonds allows borrowers to obtain financing at low-interest costs and for a longer duration, in addition to attracting a broad class of investors given their positive investment grade rating. The bond is backed by expected future cashflows instead of collateral in the form of receivables and offers public and private sector companies such as sports clubs, companies, utility providers, healthcare and educational institutions a new way of accessing liquidity.

Commenting on the transaction, CIRA Education's CEO Mr. Mohamed El Kalla said: "We are proud to be at the forefront of such an exciting time for Egypt's capital markets with the introduction of new innovative financial tools that enable a variety of sectors to better access liquidity. As the first company in the country to issue future flow securitization bonds, we believe that the transaction paves the way for organization in defensive industries, particularly for social impact companies like Education, to use future cashflows a means to meet the growing needs of our population. I would like to extend my sincerest gratitude to the Financial Regulatory authority (FRA) for their unparalleled and ongoing support as we bring this innovative new tool to market, as well as to our friends at EFG Hermes, Zulficar & Partners and PwC for another landmark collaboration. We would also like to thank our underwriting and subscribed banks, comprised of QNB - Al Ahli, Banque du Caire, Ahli United Bank, and Arab International Bank (AIB). The transaction signifies our steadfast focus to disrupt not only in the educational space, but in everything we do, in order to help build a better Egypt."

EFG acted as financial advisor for the transaction, while Zulficar & Partners provided legal counsel and PwC as the auditor. The underwriting banks comprised of QNB - Al Ahli, Banque du Caire, Arab International Bank (AIB), and Ahli United Bank, with the latter also serving as the transaction custodian. aiBANK, the EFG Hermes' recently acquired commercial bank, subscribed to the issuance.

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About CIRA Education

Founded in 1992, CIRA Education is the largest fully integrated education service provider in the Egyptian private sector. The company's vision emerged from the intent and desire to improve the quality of education in Egypt for the middle class in particular. With more than 32,000 students in 25 schools across 10 governorates and Badr University in Cairo, CIRA continues to offer high quality education at affordable prices for the Egyptian mid-market segment. CIRA's K-12 schools offer multiple education tracks, including British, American, Canadian, French, German and National curricula, and its students consistently place highly in national and district rankings; a testament to the quality of education our schools have to offer. We pride ourselves in owning all our institutes, with an exception to one school, and managing our operations and support services through the company's subsidiaries. These services include: educational management, educational content development, technological solutions, construction, maintenance, and transportation. BUC currently has 23 faculties in a 45-acre campus and has more than 16,000 enrolled students as of the first term of the 2022/2023 Academic Year.

Forward-Looking Statements

This communication 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 such words and phrases as "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 our business and management, our future growth or profitability and general economic and regulatory conditions and other matters affecting us.

Forward-looking statements reflect our management's ("Management") current views of future events, are based on Management's assumptions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements 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 our actual financial condition and results of operations to differ materially from, or fail to meet expectations expressed or implied by, such forward-looking statements. Our 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 prices, costs, ability to retain the services of certain key employees, ability to compete successfully, changes in political, social, legal or economic conditions in Egypt, worldwide economic trends, the impact of war and terrorist activity, inflation, interest rate and exchange rate fluctuations and Management's ability to timely and accurately identify future risks to our business and manage the risks mentioned above.