

Press Release

The Sovereign Fund of Egypt and B Investments co-invest in Egypt's healthcare sector with over EGP 2 billion

Cairo, January [24th] 2023

The Sovereign Fund of Egypt (“TSFE”) through its healthcare and pharmaceutical industries Subfund (“TSFE Healthcare & Pharma Subfund”) and B Investments Holding S.A.E. (“B Investments”), BPE Partners’ flagship investment vehicle, are pleased to announce the signing of two agreements to invest over EGP 2 billion in specialized healthcare, and pharmaceuticals distribution and trade services in Egypt.

The first agreement stipulates that TSFE commits to invest EGP 100 million in **B Healthcare Investments S.A.E. (“BHI”)**. BHI was established by B Investments as its designated investment vehicle to invest in the Egyptian specialized healthcare sector with an initial focus on fertility, mother-and-child, and related services businesses. Currently, BHI owns 51% of the Egyptian IVF Center, the pioneer of in-vitro fertilization (“IVF”) and one of the leading fertility centers in Egypt and the MENA region. BHI is targeting to raise up to EGP 1 billion of which B Investments and TSFE have committed to invest EGP 200 and EGP 100 million, respectively, with the rest to be offered to local and regional private sector investors.

Through the second agreement, B Investments will invest in TSFE Healthcare & Pharma Subfund’s established investment platform dedicated to investing in pharmaceuticals distribution and trade services. The platform aims at enhancing efficiencies and injecting capital to support infrastructure upgrades required to institutionalize the sector. The platform will be partnering with local champions in the market to accelerate their growth into under-served cities in Egypt and across the region. It will also aim at leveraging the latest technological solutions to provide a wide range of digital offerings that will lead to cost efficiencies, ensure market stability, and improve customer experience. A total of EGP 1.2 billion will be deployed in the first phase with aspirations to grow even further as more investment opportunities arise.

“TSFE prioritizes the development of the healthcare sector as a prerequisite to achieving sustainable and inclusive economic growth, in line with Egypt’s Vision 2030 goals, as well as the Sustainable Development Goals (SDGs)” said **H.E. Dr. Hala H. ElSaid, Egypt’s Minister of Planning and Economic Development and Chairperson of TSFE**. “These two investments contribute to providing Egyptian citizens with improved services and are a step forward towards institutionalizing the sector. In addition, TSFE’s investment model is also realized whereby its mandate of partnering with private investors and developing key strategic sectors while achieving sustainable financial returns for future generations, is fulfilled”.

H.E. Dr. Khaled Abdel Ghaffar, Minister of Health and Population, affirmed that the political leadership supports collaborative and developmental efforts between the public and private sectors, stressing that the Egyptian state is committed to achieving the goals of sustainable development and Egypt's Vision 2030, which prioritizes raising the standard of healthcare services offered to Egyptian citizens. Thus, the Ministry of Health and Population is keen to promote investment in the healthcare sector in cooperation with businesses and investors in the field, following a sophisticated vision and strategy that aim to position Egypt among the ranks of developed countries when it comes to investment in healthcare.

“The ministry adopts a strategic approach to create partnerships with both domestic and international private sector companies in the fields of healthcare and pharmaceutical industries, enabling it to gradually transition from being a medical service provider to a regulator in order to provide better health care services to patients. We highly value our relation with The Sovereign Fund of Egypt and BPE” H.E. added.

“We are honored to partner up with TSFE to invest in the Egyptian specialized healthcare space” stated **Mr. Hazem Barakat, Co-founder and Chairman of B Investments**. “We recognize the significant value that TSFE brings to BHI and are looking forward to support and grow local healthcare players. “

“This partnership marks TSFE’s first investment into the healthcare and pharmaceutical services industries. We are glad to partner with BPE Partners who possess the required investment management expertise to realize our shared vision of providing affordable, high quality healthcare services across all regions in Egypt. Together, we will capitalize on the sector’s potential for growth with a larger geographical reach and technology enablement” said **Mr. Ayman Soliman, CEO of The Sovereign Fund of Egypt**. “TSFE’s trade pharma platform is an integral pillar in the subfund’s strategy. Egypt’s pharmaceutical industry is currently worth over EGP 130 billion and our aim is to provide investment solutions to enhance governance, achieve cost efficiencies and ensure market stability to unlock the sector’s full potential” he added.

“We are excited to invest alongside TSFE in this strategic sector of the Egyptian economy” added **Mr. Mostafa El-Anwar, CEO of BPE Partners**. “We intend to leverage our collective investment management expertise to institutionalize local healthcare businesses, expand healthcare services to the wider demographic of Egypt, and implement high ESG standards to support the competitiveness of the Egyptian healthcare market.”

Both transactions are subject to customary regulatory approvals and are expected to close during the first half of 2023.

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About The Sovereign Fund of Egypt (TSFE):

The Sovereign Fund of Egypt (TSFE) was established in 2018 to attract private investments to Egypt and promote and co-invest in state-owned assets to maximize their value and efficiency for future generations in partnership with the domestic and international private sector. It operates through unique legislation that allows it to operate with a private-sector mindset and according to private-sector laws and regulations. Its goals include investing in transactions that create jobs and increase the private sector's contribution in the Egyptian economy. TSFE operates in accordance with global best practices in investment and ESG. The fund is overseen by an independent board of directors and general assembly. TSFE is a member of the International Forum of Sovereign wealth Funds (IFSWF), One Planet Sovereign Wealth Funds (OPSWF), The European, Middle East and North Africa Sovereign Wealth Funds Foundation (EMENA SWF) and finally, Africa Sovereign Investors Forum (ASIF).

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About BPE Partners:

Established in 2006 BPE Partners ("BPE") is a diversified, well established private equity firm with an Egypt-focused investment strategy. BPE is an active investor focusing on establishing successful partnerships with reputable business professionals and capable management teams to jointly implement effective value creation plans. BPE houses a seasoned, on the ground investment team capitalizing on its extensive knowledge of the local market as well as its existing personal and professional network of relationships to gain access to proprietary deal flow. BPE has led 22 successful investments and divestments with some of the most notable value creation transactions in the Egyptian market.

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About B Investments:

Established in 2006, B Investments is an Egypt-based private equity company, listed on the Egyptian Exchange under the ticker "BINV.CA". The company is managed by BPE Partners, one of Egypt's leading private equity managers. B Investments leverages its extensive local market knowledge and on-the-ground team to support capable management teams and build successful partnerships with leading management teams and business professionals.

B Investments has a portfolio of eight investments operating in diversified sectors across Egypt such as Food & Beverages, E-Payments, Non-Banking Financial Services, Healthcare, Renewable Energy, Real Estate and Downstream Oil & Gas.

www.binvestmentsegypt.com

About B Healthcare Investments (BHI):

B Healthcare Investments (BHI) was established by B Investments as its designated investment vehicle to invest in the specialized healthcare sector in Egypt with an initial focus on fertility, mother-and-child, and related services and may be expanded to other specialized healthcare areas. BHI aims to target businesses that are led by solid and reputable medical teams and are well-positioned for growth. BHI will focus on investing in several key fertility centers that are strategically located across Egypt, which will act as regional fertility hubs and catalysts for growth.