

SODIC Submits a Non Binding Offer for the Acquisition of up to 100% Stake in MNHD

Cairo, Egypt, 5th of July 2022, Sixth of October for Development and Investment Company S.A.E. "SODIC" has submitted a non-binding offer "NBO" for the potential cash acquisition of up to 100% of the share capital of Madinet Nasr Housing & Development (EGX: MNHD.CA) through a mandatory tender offer, in accordance with the applicable laws and regulations (the 'Transaction').

Headquartered in Cairo and listed on the Egyptian Exchange (EGX), MNHD is an established real estate company, operating since 1959. MNHD 's operational focus is in the East Cairo area, where its two flagship projects (Taj City and Sarai) are located, with a sizeable land bank for expansion opportunities.

The strategic direction of SODIC, as supported by its Controlling Shareholders (Aldar and ADQ consortium which owns 85.5% of shares since December 2021), is to grow its market share and continue to expand its development portfolio in Egypt. The Transaction, if consummated, would expand SODIC's footprint in the East Cairo market, widen its customer base and leverage both developers' strengths to achieve scale and create value through a combined undeveloped land bank of c. 11 million square metres.

SODIC has addressed a Non Binding Offer to the Board of Directors of MNHD offering an indicative purchase price in the range of EGP 3.20 to EGP 3.40 per share, subject to conditions, assumptions and terms as set out in the Non Binding Offer. The mid-point of the range of EGP 3.30 values the company at EGP 6.18 billion (USD 328 million), representing a compelling liquidity opportunity for MNHD shareholders with a 32% premium to MNHD's closing price on 4th July 2022 and a premium of 45%, 45% and 40% to the Company's three-month, six-month and twelve-month Volume Weighted Average Price ("VWAP") of EGP 2.28, EGP 2.28 and EGP 2.36 respectively as of the date of the Non-Binding Offer. The mid-point of the range implies a price to book multiple of 1.43x and a price to earnings multiple of 21.4x based on the last twelve months reported figures for the period ended March 31st 2022.

The offer is subject to the satisfactory completion of comprehensive due diligence, applicable regulatory approvals and several other conditions including SODIC's internal corporate approvals and the internal approvals of its controlling shareholders. Following a satisfactory outcome of the due diligence process, SODIC intends to submit a mandatory tender offer in accordance with applicable laws and regulations.

