

Palm Hills Developments successfully concludes Islamic Sukuk issuance worth EGP3.251 billion, in cooperation with Sarwa

Cairo, March 24, 2022: Palm Hills Developments ("PHD" or "the Company") and Sarwa ("Sarwa"), a subsidiary of Contact Financial Holding, jointly announce the successful closing of the Company's first sharia-compliant bond ("Sukuk") issuance worth EGP3.251 billion with a maximum tenor of 10 years, with the purpose of securing funding of construction works for Badya, PHD's upcoming sustainable and innovative city in West Cairo.

The Sukuk received an "BBB-" rating from the Middle East Rating & Investor Service ("MERIS"). PHD and its subsidiary Palm for Urban Developments (The Badya project Company) were rated at "BBB+". The Sukuk issuance is the first of its kind of partnership Sukuk, whereby the subscription proceeds will be used to finance the investment cost of Bayda, an integrated urban development in West Cairo, provided that the financing is based on a partnership between the beneficiary and the issuing Company.

Sarwa acted as the issuance coordinator. The promotion and underwriting were led by Sarwa, Misr Capital, Banque Misr, National Bank of Egypt, Arab African International Bank and Baque Du Caire. Ali El-Din Weshahi (ALC) acted as the legal advisor. Al Baraka Bank Egypt, Suez Canal Bank and Arab Investment Bank participated in the subscription coverage.

Yasseen Mansour, PHD's Executive Chairman commented: "I am very pleased with the successful closing of this milestone and securing alternative funding for Badya, our largest project spreading 12.6 million sqm. The issuance is considered a strong testimony to PHD's leading position and paves the way for further acceleration in the pace of construction and development in Badya. The issuance is considered a new and innovative approach towards more fruitful cooperation with the Financial Regulatory Authority, which will provide good opportunities for other companies operating in the real estate sector to follow our steps in this new financing approach. I would like to thank everyone who helped in making this transaction a success".

Saeed Zaatar, Contact Financial Holding' CEO commented: "Supporting the real estate industry and real estate developers is vital to the Egyptian economy, as real estate projects are an extension of the strength of the Egyptian economy, in addition to the real estate sector being one of the most vital sectors in Egypt. We have a long-term vision regarding the Egyptian real estate sector in terms of providing the tools of necessary financing to support the sector at various levels, in addition, we seek to provide all new and innovative financing solutions to support all economic sectors in Egypt".

Ayman El Sawy, CEO Sarwa and Contact Financial Holding's CFO commented: "We are pleased with our success in structuring and promoting this unique issue of participation bonds for Palm Hills Developments, which is an extension of the cooperation with PHD in developing and diversifying new financing tools for the group and the real estate sector in Egypt. Through this issuance, we succeeded in developing a new model for real estate developers in Egypt, which helps them grow and add value to the Egyptian economy. We have been keen to achieve a balance in providing the necessary liquidity for PHD as a developer to complete the project in the fastest timeframe, while preserving the rights of unit owners. It is a continuation of the pioneering role that Sarwa has always worked with in developing and activating new financial instruments in the Egyptian capital market over the past years".



Press Release



About Palm Hills Developments

Palm Hills Developments ("PHD"), a leading real estate developer in Egypt, is a joint stock company established in 1997. The Company builds integrated communities and has one of the most diversified land bank portfolios, spreading over 34.6 million square meters ("sqm"). PHD's product offerings include primary homes in West Cairo, East Cairo and Alexandria, as well as secondary homes in the North Coast (Mediterranean Sea) and Ain Sokhna (Red Sea).

As at end of FY2021, PHD delivered 12,475 units within its developments. Today, PHD has several projects under development in West Cairo, East Cairo, North Coast and Alexandria, in addition to co-development projects, translating into a sales backlog of c.EGP15 billion. For more information, please visit: www.palmhillsdevelopments.com/

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About Sarwa

Sarwa is a leading player on the debt capital markets, delivering to clients a range of services including structuring, underwriting and issuing structured finance products, in addition to asset and fund management. Sarwa is a subsidiary of Contact Financial Holding. Contact Financial Holding SAE (CNFN) is Egypt's largest non-bank financial services provider, changing the way people and business access finance and insurance. Operating since 2001, Contact adopts innovative approaches in extending its services, offering quality services with simple procedures and reaching a wide client base through its various subsidiaries, affiliates and partners.

Contact's financing division offers market leading services including consumer financing for new and used passenger and commercial vehicles and an array of consumer durables through Contact Credit, home finance through Contact Mortgages, as well as commercial finance through Contact Leasing and Contact Factoring. Contact Financial operates in insurance through Sarwa Insurance and Sarwa Life Insurance. The group also offers an array of corporate financing services including sukuk, securitization, structured debt and debt investment management under the Sarwa Capital brand. Contact Financial Holding SAE is authorized and regulated by the Financial Regulatory Authority (FRA). For more information, please visit: www.contact.eg

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