

EFG Hermes concludes advisory on USD 52 million IPO of the Oman-based Dhofar Generating Company on the Muscat Securities Market

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(Dubai & Muscat) — EFG Hermes, a leading financial services corporation in frontier and emerging markets (FEM), concluded today its advisory to the Oman-based Dhofar Generating Company (DGC) on its USD 52 million initial public offering on the Muscat Securities Market (MSM).

DGC owns and operates the Salalah II independent power project (IPP) which comprises two power generation plants with a combined and contracted capacity of 718 MW. The project is located in the Dhofar governorate in Oman and represents c.62% of total contracted capacity in the Dhofar power system.

EFG Hermes acted as Sole Global Coordinator and Bookrunner on the transaction, while Bank Dhofar acted as Issue Manager.

The offering saw selling shareholders ACWA Power, Mitsui & Co and the Dhofar International Development & Investment Holding Company (DIDIC) offer 88,896,000 shares (40%) of DGC to institutional and retail investors at an offer price of OMR 0.225 per share. DGC's total market capitalization at admission today was OMR 50 million (c. USD 130 million).

“The transaction marks our sixth consecutive equity capital markets (ECM) transaction on five different exchanges since the beginning of the year, a testament to our ECM platform's ability to successfully work with multiple regulators and execute back-to-back transactions across different geographies,” said Mohamed Fahmi, Co-Head of Investment Banking at EFG Hermes.

The DGC IPO follows a string of successful ECM transactions concluded during 2018, including the:

- The USD c.40 mn rights issue of Cleopatra Hospitals Group;
- Orange Egypt's USD c.866 mn capital increase;
- The USD c.52 million accelerated equity offering of Orascom Construction on the Nasdaq Dubai;
- The IPO of frontier microfinance lender ASA International on the London Stock Exchange (LSE); and
- The USD c.226 million accelerated equity offering 17% of Humansoft Holding Company K.S.C.P on Boursa Kuwait.

“The division was particularly successful in tapping long-only institutional investors, regional family offices and high-net-worth individuals, thus meeting DGC's target of building a diversified, and healthy investor mix that goes beyond the pool of retail investors and local institutions, which is a traditional trait of Oman-based IPOs,” added Fahmi.

Commenting on the transaction, Mohamed Ebeid, Co-CEO of the Investment Bank stated, “EFG Hermes continues to build a prolific investment banking track record by adapting to its client needs and simultaneously meeting the demands of global investors who carry variant risk-return profiles, all while consistently meeting the diverse requirements of different regional and global regulators”.

“Executing our first IPO in Oman is yet another solid step in our expansion strategy that sees us continue to execute outside traditional jurisdictions and deliver unrivalled sell-side capabilities across frontier and emerging markets,” added Ebeid.

DGC commenced commercial operations in 2003 and currently maintains a 15-year power purchase agreement for its total generation capacity with the Oman Power & Water Procurement Co. (OPWP) maturing in 2033. The company generated revenues of OMR 15.4 million in 2017 (USD 40 million).

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About EFG Hermes

With a current footprint spanning eleven countries across four continents, EFG Hermes started in Egypt and has grown over 30 years of success to become a leading financial services corporation with access to emerging and frontier markets. Drawing on our proven track-record & a team of more than 2,900 talented employees, we provide a wide spectrum of financial services that include investment banking, asset management, securities brokerage, research and private equity to the entire region. EFG Hermes launched the NBFi Platform, EFG Hermes Finance, which will overlook activities in the non-banking finance field through EFG Hermes Leasing and Tanmeyah Microfinance. This comes in light of the Firm’s strategy to focus on two main pillars: product diversification and geographic expansion into frontier markets — which has seen the firm establish a physical presence in Pakistan, Kenya, Bangladesh & the United States.

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Note on Forward-Looking Statements

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