

MENA PE Deal space – April 2015

Private Equity (PE) activity gained momentum in MENA in April. Six deals worth US\$5.6 million were struck during the month compared with two deals in March. Middle East Venture Partners (MEVP) was the most active fund in the region.

Sector-wise, information technology witnessed four deals (the highest), followed by healthcare, and consumer and retail (one deal each). The deals were equally distributed among the UAE, Lebanon and Jordan, each reporting two deals. The fact that early-stage technology companies are receiving PE investments bodes well for entrepreneurial activity in the region.

On a separate note, the capital market authority in Saudi Arabia stated that the US\$530 billion Saudi stock market would be opened to foreign investments from June 15 this year. This move is likely to provide an opportunity for foreign PE firms to invest in the country, thereby aiding growth of the non-oil sector and also providing them with an exit opportunity. There were two IPOs in the Kingdom in April, and we expect more to come later this year.

Exhibit 1: PE Deal Value (US\$ M) & Volume—2014

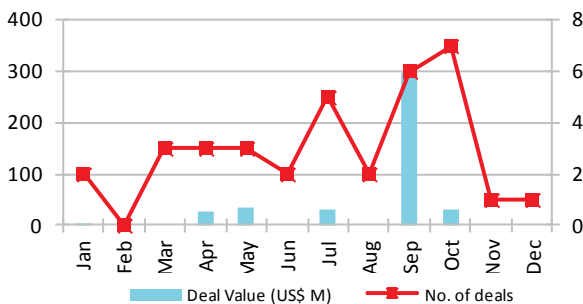
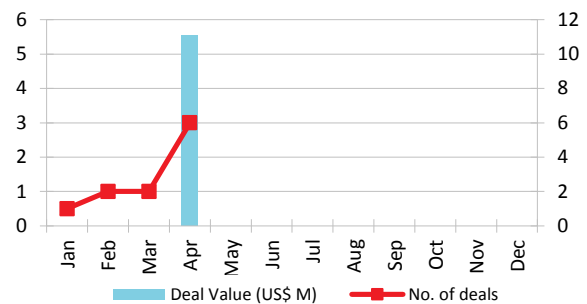


Exhibit 2: PE Deal Value (US\$ M) & Volume



Source: Zawya, Thomson ONE Banker, Al Masah Capital Research

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On April 21, Middle East Venture Partners (MEVP) announced an investment of US\$0.6 million in SpEED@BDD. Lebanon-based SpEED@BDD is a start-up incubator and accelerator program that focuses on early-stage technology sector. It aims to foster innovation and create jobs in Lebanon. MEVP acted through the IMPACT Fund that invests US\$1–5 million in Lebanon's next-generation knowledge-based start-ups, with special focus on the information technology sector. Founded in 2010, Lebanon-based MEVP invests in the early and growth stages of companies. It has over US\$75 million of assets under management (AuM).

On April 21, MEVP also announced an investment of US\$0.5 million in Scriptr. Founded in 2014, Lebanon-based Scriptr is a BaaS platform for Machine-to-Machine (M2M) developers, which allows them to code complex integrations and business logic for any internet-connected machine. MEVP acted through the IMPACT Fund.

On April 20, MEVP announced an investment of US\$2.1 million in YouGotAGift.com (YGAG). Founded in 2012, UAE-based YGAG is an e-commerce market place that specializes in digital gift cards. It has over 65 retailers across the UAE, Lebanon, Saudi Arabia, and Qatar. MEVP acted through Middle East Venture Partners Fund (MEVF) II that invests US\$0.5–3 million in MENA's digital economy, focusing on early-stage technology companies.

On April 20, MEVP also announced that it had invested US\$1.1 million in Altibbi. MEVP acted through MEVF II. Established in 2008, Jordan-based Altibbi is a digital medical content platform that offers services such as symptom checker, medical dictionary, an interactive physician-patient social platform, and a directory of physicians and hospitals. It has five mobile applications, over 150,000 members, and over two million monthly visitors.

Source: Zawya, Al Masah Capital Research

MENA PE deal space (cont.)

On April 20, MEVP announced an investment of US\$0.75 million in Lamsa. MEVP acted through MEVF II. Jordan-based Lamsa is a digital library for Arabic and foreign content, targeting children aged 1–7 years in the Arab World. The company digitizes, aggregates, and distributes proprietary and external e-content through its mobile and target applications.

On April 20, MEVP announced that it invested US\$0.5 million in Tradelux LLC. MEVP acted through MEVF II. UAE-based Tradelux owns and operates an online retail portal for new and preowned luxury bags. The company offers luxury bags in various categories such as men, clutch, evening bag, everyday bag, exotic, hobo, limited edition, shoulder bag, satchel, totes, and travel bag.

Exhibit 3: Deals in MENA PE space – April 2015

Company Name	Date	Company Nation	Deal Value (US\$ Million)	Sector	Firm/Fund
SpEED@BDD	April 21, 2015	Lebanon	0.60	Information Tech.	Middle East Venture Partners (IMPACT Fund)
Scriptr	April 21, 2015	Lebanon	0.50	Information Tech.	Middle East Venture Partners (IMPACT Fund)
YouGotAGift.com	April 20, 2015	UAE	2.10	Information Tech.	Middle East Venture Partners (MEVF II)
Altibbi	April 20, 2015	Jordan	1.10	Healthcare	Middle East Venture Partners (MEVF II)
Lamsa	April 20, 2015	Jordan	0.75	Information Tech.	Middle East Venture Partners (MEVF II)
Tradelux	April 20, 2015	UAE	0.50	Consumer & Retail	Middle East Venture Partners (MEVF II)

Source: Zawya, Al Masah Capital Research

MENA PE Exit deals – April 2015

No exit deals were reported in MENA in April.

MENA PE News Wrap-up

NBK Capital Partners announced that Mr. Yaser Moustafa joined the investment firm in Dubai as Senior Managing Director. He would act as the head of the firm and be responsible for its day-to-day operations. Mr. Moustafa has 16+ years of professional experience including transaction advisory, interim management, board roles, and organizational change in both the US and Middle East. Founded in 2005, Kuwait-based NBK Capital Partners is an alternative investment firm with over US\$10 billion of AuM. (April 28, 2015)

Itqan Capital announced its plans to set up a Sharia-compliant brokerage arm offering services such as stock screening, margin trading, and derivatives. It also announced the launch of a US\$200 million education-focused PE fund. Founded in 2007, Itqan Capital is a Saudi Arabia-based investment company and a member of Al Baraka Banking Group, an international Islamic bank headquartered in Bahrain. The group has 550 branches across 15 countries. (April 27, 2015)

The Inter-American Development Bank (IDB) and the Inter-American Investment Corporation (IIC) established a private sector-focused partnership with Abraaj Group to promote private sector development and investment in Latin America and the Caribbean. The IDB, IIC, and Abraaj would develop both financing and knowledge products, with an aim to expand the regional private equity industry. In terms of financing, they would seek to mobilize resources for equity investments in high-growth and mid-sized companies. The collaboration would also feature knowledge sharing by promoting investment know-how and entrepreneurship through training, conferences, workshops, and joint publications. Founded in 1959, New York-based IDB provides financing for economic and social development in Latin America and the Caribbean. IIC is a member of the IDB Group that exclusively focuses on providing direct and indirect financing to small and mid-sized enterprises in Latin America and the Caribbean. Established in 2002, UAE-based Abraaj Group has about US\$9 billion of AuM. (April 23, 2015)

Source: Zawya, Others

MENA PE News Wrap-up (cont.)

Middle East Venture Partners (MEVP) announced an investment of US\$2 million in Box & Automation Solutions (BAS). MEVP acted through its IMPACT Fund. Founded in 2007, France-based BAS is a provider of cloud-based Treasury Management Solutions that targets treasurers of large corporations and SMEs. Founded in 2010, Lebanon-based MEVP is a venture capital firm with more than 25 investments in the digital space. It invests in the early and growth stages of innovative companies. It has over US\$100 million of AuM. (April 21, 2015)

Zain Group announced its participation in Middle East Venture Partners (MEVP) Fund II. MEVP would invest in early-stage technology companies with focus on web and mobile digital plays, e-marketplaces, and B2B companies. Founded in 1983, Kuwait-based Zain Group is a leading telecommunications operator in MENA, providing mobile voice and data services to over 44 million customers. (April 19, 2015)

Abraaj Group announced the appointment of Ms. Huda-al-Lawati as a partner and chief investment officer for MENA. She joined the firm in 2004 and was previously a Managing Director at Abraaj. In her new role, she would be responsible for originating, executing, and monitoring the group's investments across the region. (April 15, 2015)

Sovereign wealth funds (SWFs) across the Middle East cut down their investments in real estate in the rest of the world by almost a third last year due to the steep decline in oil prices. Low oil prices have reduced the amount of cash that the governments have been able to put in their SWFs, and some governments may even have to liquidate their SWF assets to cover the deficits in their budgets. According to CBRE, outbound property investments by the SWFs, the vast majority of which are from the wealthy Gulf Arab oil exporters, dropped 31% to US\$5.84 billion in 2014 from US\$8.45 billion in 2013. (April 14, 2015)

Abraaj Group announced the closure of its third fund in MENA, Abraaj Africa Fund III, for US\$990 million. European and North American investors committed 64% of the capital for the fund. The new fund would focus on sectors such as consumer goods and services, consumer finance, resource, and infrastructure services. (April 13, 2015)

Mumtalakat announced that it wants to double its AuM in the next seven years, preferably through partnerships with global investment firms. It seeks to invest in Europe, the US, and the Far East, across sectors such as logistics and industrials. Founded in 2006, Mumtalakat is the sovereign wealth fund of Bahrain with about US\$6.4 billion of AuM. (April 13, 2015)

The Investment Corporation of Dubai (ICD) announced the acquisition of stakes in three international hotels for an undisclosed sum. ICD acquired the W Hotel in Washington, a majority stake in Mandarin Oriental in New York, and a minority stake in the One&Only in Cape Town. The acquisitions are part of ICD's strategy to expand its presence in the global luxury hospitality space. Founded in 2006, ICD is the sovereign wealth fund of Dubai with more than US\$80 billion of AuM. (April 8, 2015)

Source: *Zawya, Others*

MENA IPO news

Saudi Company for Hardware (SACO) closed its IPO in Saudi Arabia. The company raised SAR504 million (US\$134.4 million) through the issue of 7.2 million shares (30% stake) at an issue price of SAR70 per share. HSBC Saudi Arabia was the lead manager. Established in 1985, Saudi Arabia-based SACO is a household hardware retailer and wholesale company. Its products include electric appliances, furniture, lighting, and many more. It has over 21 retail stores across 12 cities in Saudi Arabia and offers more than 45,000 hardware items. (April 28, 2015)

Middle East Paper Company (MEPCO) closed its IPO in Saudi Arabia. The company raised SAR75 million (US\$20 million) through the issue of 15 million shares (30% stake) at an issue price of SAR5 per share. Riyadh Capital was the lead manager. Saudi Arabia-based MEPCO is the largest manufacturer of paperboard in the Middle East. It produces paper and paper board from 100% recycled fiber. It also produces high-performance testliner, fluting, plasterboard line, and coreboard. (April 14, 2015)

Source: *Zawya, Others*



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