

Kuwait Financial Centre K.P.S.C. "Markaz"

GCC M&A Report

Q1 2021



Asset Management | Investment Banking

GCC M&A Report – Q1 2021

Transactions increased by 50% compared to Q1 2020

May 2021

Research Highlights:

Provides a review of M&A transactions in the GCC region.

Markaz Research is available on:

Bloomberg - Type "MRKZ" <Go>
Thomson Research,
Reuters Knowledge
Nooz
Zawya Investor
ISI Emerging markets
Capital IQ
FactSet Research Connect
TheMarkets.com

Mohammad Al Fahad

Asst. Vice President – Investment Banking
+965 2224 8000 Ext: 1107
mfahad@markaz.com

Fay Al Bader

Analyst – Investment Banking
+965 2224 8000 Ext: 1160
fbader@markaz.com

Kuwait Financial Centre K.P.S.C. "Markaz"

P.O. Box 23444, Safat 13095, Kuwait
Tel: +965 2224 8000
Fax: +965 2242 5828
markaz.com



The GCC market enjoyed a healthy level of M&A activity throughout Q1 2021, during which it closed a total of 36 M&A transactions. Although there was no growth quarter over quarter, the market witnessed a 50% growth in activity relative to Q1 2020, in respect to the total number of closed transactions. Overall, UAE targets attracted the most interest from buyers, which is evident as they comprised 56% of the total number of transactions that closed, followed by Saudi and Kuwaiti targets, who each accounted for over 19% of these transactions, respectively. Bahraini and Omani targets accounted for the remaining transactions that closed, at approximately 3% each, whereas the Qatari market recorded zero closed transactions. It is worth noting that aside from Omani and UAE targets, the remaining markets witnessed zero to negative growth in closed transactions quarter over quarter.

As witnessed in the past, the transactions that closed involved companies that operate in various sectors. With that being said, the sectors that attracted the greatest level of activity throughout the quarter were the Industrials, Consumer Staples and Real Estate sectors, who collectively accounted for more than 41% of the total number of closed transactions. It is worth noting that the Industrials sector was among the sectors that witnessed the greatest level of activity for the past three quarters.

Moreover, GCC targets received a slightly greater level of interest from foreign buyers when compared to the previous quarter as well as the previous year, however it still falls far behind the level of foreign activity attracted in previous years. Overall, foreign acquirers closed six transactions throughout the quarter, which is 50% and 500% greater relative to Q4 2020 and Q1 2020.

Furthermore, GCC acquirers primarily invested in companies within their local markets and in international markets, and invested in regional companies to a lesser extent. Throughout Q1 2021 specifically, GCC acquirers closed a total of 24 transactions within their local markets, compared to 27 transactions in Q4 2020.* In addition, they closed 16 transactions cross-border, relative to ten transactions in Q4 2020. It is worth noting that UAE buyers accounted for precisely half of the cross-border transactions that closed, followed by Saudi Arabia and Bahrain, at approximately 19% each, concluded by Kuwaiti buyers at 12%.

Figure: Number of Closed GCC M&A Transactions

Country	Q1 2021	Q4 2020	Q1 2020	% Change (Q4 2020)	% Change (Q1 2020)
Bahrain	1	2	2	-50%	-50%
Kuwait	7	11	3	-36%	133%
Oman	1	0	1	N/A	0%
Qatar	0	0	1	0%	-100%
Saudi Arabia	7	8	5	-13%	40%
United Arab Emirates	20	15	12	33%	67%
Total	36	36	24	0%	50%

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Kindly note that % changes are in comparison to Q1 2021.

*Local transactions refer to those whereby a GCC buyer acquires a target within their respective country (i.e. Kuwaiti buyer acquires Kuwaiti companies)

GCC Merger & Acquisition Deals (Q1 2021)
M&A Transactions within GCC

GCC Mergers & Acquisitions

Transaction History (Closed)

GCC M&A Transactions – Number of Transactions

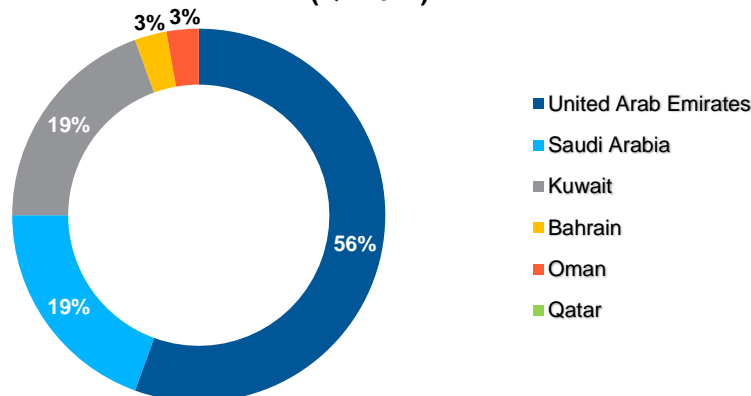
Country	Q1 2021	Q4 2020	Q1 2020	% Change (Q4 2020)	% Change (Q1 2020)
Bahrain	1	2	2	-50%	-50%
Kuwait	7	11	3	-36%	133%
Oman	1	0	1	N/A	0%
Qatar	0	0	1	0%	-100%
Saudi Arabia	7	8	5	-13%	40%
United Arab Emirates	20	15	12	33%	67%
Total	36	36	24	0%	50%

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis
Kindly note that % changes are in comparison to Q1 2021.

Key Takeaways

- The GCC market sealed a total of 36 transactions throughout Q1 2021, consistent relative to Q4 2020 levels yet a 50% growth relative to Q1 2020.
- Oil prices among other factors indicate that investor confidence stands strong in comparison to early 2020 however investors remain skeptical given the diverging trends in global COVID-19 cases and its impact on local economies. As such, M&A activity remained relatively stable quarter over quarter however has grown significantly year over year.
- UAE targets appeared to be the most attractive relative to the other GCC markets as they recorded a total of 20 closed transactions throughout the quarter, representing 56% of the total number of closed transactions.
- This is followed by Kuwaiti and Saudi targets, who each accounted for 19% of the total transactions, concluded by Bahraini and Omani targets, who were involved in the remaining transactions closed. It is worth noting that aside from Omani and UAE targets, the remaining markets witnessed zero to negative growth in closed transactions, relative to the previous quarter.
- Qatari targets sat out for yet another quarter, with zero transactions closed.

GCC M&A Transactions – Geographical Distribution by Number of Transactions (Q1 2021)



GCC Mergers & Acquisitions

Announced Transactions in the Pipeline

GCC M&A Transactions – Announced Pipeline Transactions

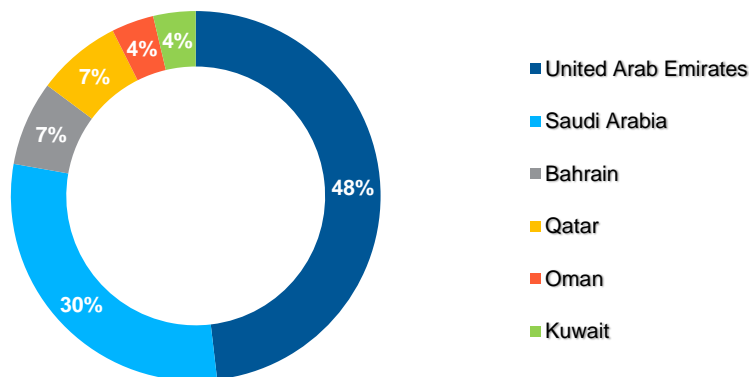
Country	Q1 2021	Q4 2020
Bahrain	2	1
Kuwait	1	1
Oman	1	2
Qatar	2	0
Saudi Arabia	8	11
United Arab Emirates	13	11
Total	27	26

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis.

Key Takeaways

- Throughout Q1 2021, there were a total of 27 announced transactions within the pipeline, which demonstrates a minor growth relative to Q4 2020 in which there was 26 transactions in the pipeline by the end of the quarter.
- As witnessed last quarter, Saudi and UAE targets accounted for the majority of the deals announced at, 48% and 30%, respectively. Bahraini and Qatari targets each accounted for approximately 7% of these transactions whereas the remaining transactions were attributed to Kuwaiti and Omani targets.
- Bahraini, Qatari and UAE targets witnessed a slight growth in activity relative to Q4 2020, whereas the remaining markets recorded zero to negative growth.

GCC M&A Transactions – Geographical Distribution by Number of Announced Pipeline Transactions (Q1 2021)



GCC Mergers & Acquisitions

Top 5 Deals by Reported Value

Targets & Buyers – Q1 2021

Target Company	Target Country	Buyer	Buyer Country	Percent Sought	Deal Value (USDmn)	Status
Block 61 in Oman	Oman	PTT Exploration and Production Public Company Limited	Thailand	20	2,590*	Announced
Al Khaliji Commercial Bank	Qatar	Masraf Al Rayan	Qatar	100	2,235**	Announced
Aldar Properties	United Arab Emirates	Sublime Commercial Investment	United Arab Emirates	12	953	Closed
Abu Dhabi Energy Real Estate Company	United Arab Emirates	Abu Dhabi Pension Fund	United Arab Emirates	31	900	Closed
National Petroleum Construction Company	United Arab Emirates	National Marine Dredging Company	United Arab Emirates	100	689***	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Reuters, Markaz Analysis. These companies were selected based on available information.

**Note: This payment is comprised of two components: 1) ~USD 2.5 billion, payable at closing and 2) USD 140.0 million contingent payment to be paid upon the satisfaction of pre-agreed terms.*

*** The transaction value is an estimate that was calculated based on the following assumptions: 1) Total Shares to be Issued = 1.8 billion shares and 2) Al Rayan Closing Price as of January 6, 2021 (last day prior to announcement of potential merger) = USD 1.23.*

**** The transaction value is an estimate that was calculated based on the following assumptions: 1) NPCC will transfer full ownership of the company to NMDC in exchange for the issuance of an instrument that is convertible into 575.0 million ordinary shares, and 2) Convertible Share Price = USD 1.20/ share.*

Key Takeaways

- BP plc has agreed to sell 20% of its participating stake in Block 61, a central gas processing facility based in Oman, to PTT Exploration and Production Public Company Limited for USD 2.6 billion. Upon closing, BP plc will retain a 40% stake in Block 61 while Oman Oil Company and Petroliam Nasional Berhad will retain 30% and 10%, respectively.*
- Masraf Al Rayan (“Al Rayan”) and Al Khaliji Commercial Bank (“KCB”) have entered into a merger agreement whereby Al Rayan will acquire 100% of KCB in exchange for the issuance of 1.8 billion shares to KCB’s shareholders. The merger is expected to close for a total value of USD 2.2 billion.**
- Sublime Commercial Investment acquires a 12% stake in Aldar Properties for a total consideration of USD 953 million. The company acquired 960 million shares for approximately USD 1.00/share. Note that the buyer is a subsidiary of Alpha Dhabi Holding, an Abu Dhabi-based investment firm.
- The Abu Dhabi Pension Fund has entered into a strategic partnership through which it has acquired a 31% stake in Abu Dhabi Energy Real Estate Company (ADEREC) from the Abu Dhabi National Oil Company (ADNOC) for USD 900 million. Moreover, ADNOC will retain a 69% stake in ADEREC upon closing.
- National Marine Dredging Company (NMDC) has successfully merged with National Petroleum Construction Company (NPCC), creating one of the largest EPC contractors in the MENA region that is specialized in integrated oil & gas and marine services. The transaction closed for a total value of USD 689 million.***

GCC Mergers & Acquisitions

Foreign (Non-GCC) Buyers (Closed)

Number of Foreign Buyers' Deals in GCC

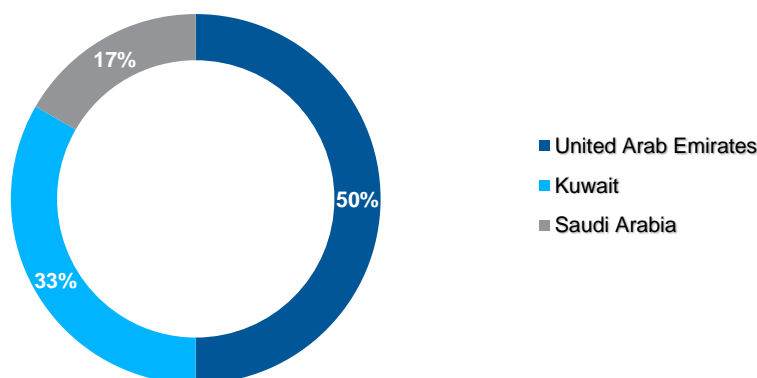
Country	Q1 2021	Q4 2020	Q1 2020
Bahrain	0	0	0
Kuwait	2	0	0
Oman	0	0	0
Qatar	0	0	0
Saudi Arabia	1	2	1
United Arab Emirates	3	2	0
Total	6	4	1

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Key Takeaways

- GCC targets received a slightly greater level of interest from foreign buyers when compared to the previous quarter as well as the previous year, however it still falls far behind the level of foreign activity attracted in previous years. Overall, foreign acquirers closed six transactions throughout the quarter, whereas in Q4 2020, they completed four transactions.
- A primary reason behind the weaker level of foreign activity is the lingering uncertainty regarding the outlook of most of the GCC markets. This concern coupled with the spread of existing and new strains of the COVID-19 virus and its effect on economic activity have generated a force of reluctance amongst foreign investors.
- With that being said, foreign buyers demonstrated a particular interest in Kuwaiti, Saudi and UAE companies. The UAE continues to be one of the most attractive markets relative to its peers while Kuwaiti companies emerged as attractive contenders following several consecutive quarters of no foreign activity (closed).
- Neither of the remaining GCC countries recorded any closed foreign buyer deals throughout the quarter, which has been a persisting trend for Omani and Qatari targets throughout the past two consecutive quarters.

GCC M&A Transactions – Geographical Distribution by Number of Transactions Involving Foreign Buyers (Q1 2021)



GCC Mergers & Acquisitions

Top Deals by Reported Value (Foreign)

Targets & Foreign (Non-GCC) Buyers – Q1 2021

Target Company	Target Country	Buyer	Buyer Country	Percent Sought	Deal Value (USDmn)	Status
Block 61 in Oman	Oman	PTT Exploration and Production Public Company Limited	Thailand	20	2,590*	Announced
ASV Group Limited	United Arab Emirates	Evergreen Hospitality Limited	United States	100	204	Announced
Red Sea Gateway Terminal Company Limited	Saudi Arabia	COSCO Shipping Ports Limited*	China	20	176	Announced
Bawabet Al Kuwait Holding Company	Kuwait	Egypt Kuwait Holding Company	Egypt	10	35	Closed
Z Services DMCC	United Arab Emirates	Black Box Holdings Limited	United States	76	4	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Reuters, Markaz Analysis. These companies were selected based on available information.

**Note: This payment is comprised of two components: 1) USD 2.45 billion payable at closing and), USD 140 0 million contingent payment to be paid upon the satisfaction of pre-agreed terms.*

Key Takeaways

- BP plc has agreed to sell 20% of its participating stake in Block 61, a central gas processing facility based in Oman, to PTT Exploration and Production Public Company Limited for USD 2.6 billion. Upon closing, BP plc will retain a 40% stake in Block 61 while Oman Oil Company and Petroliam Nasional Berhad will retain 30% and 10%, respectively.*
- Emaar Properties has finalized an agreement to dispose of 100% of its shares in its subsidiary, ASV Group Limited, the owner of the Address Sky View Hotel, for USD 204 million. The real estate giant will sell its shares to Evergreen Hospitality Limited however it will retain ownership of the hotel's Sky Bridge restaurant given that it holds the hotel management agreement.
- COSCO Shipping Ports Limited has signed a sale and purchase agreement to acquire a 20% stake in Red Sea Gateway Terminal Limited ("RSGT") for a total consideration of USD 176 million. COSCO Shipping will acquire the stake from Saudi Industrial Services Company and other minority shareholders of RSGT through its own subsidiary, Sound Joyce Enterprises Limited. RSGT operates a container terminal in Jeddah Islamic Port.
- Egypt Kuwait Holding Company has acquired an additional 10% stake in Bawabet Al Kuwait Holding Company ("Bawabet Al Kuwait") for a value of USD 35 million. As such, the company has subsequently raised its stake in Bawabet Al Kuwait to ~ 55%. Bawabat Al Kuwait holds equity stakes in companies that operate across multiple sectors such as upstream gas, fertilizers, petrochemicals, gas distribution, electricity, and insurance.
- AGC Networks announced that its subsidiary, Black Box Holdings, is set to acquire a 76% stake in Z Services DMCC for a total consideration of USD 4 million. Z Services DMCC develops solutions that combat cybersecurity.

GCC Mergers & Acquisitions

By Sector (Closed)

Sector-wise Classification of Deals – Q1 2021

Sector	GCC Acquirers	Foreign Acquirers	Other*	Grand Total	%**
Industrials	4	3	0	7	19%
Real Estate	4	0	0	4	11%
Consumer Staples	3	0	1	4	11%
Consumer Discretionary	3	0	0	3	8%
Media	2	1	0	3	8%
Energy	1	1	1	3	8%
Financials	1	0	1	2	6%
Education	1	1	0	2	6%
Information Technology	2	0	0	2	6%
Healthcare	2	0	0	2	6%
Insurance	2	0	0	2	6%
Utilities	1	0	0	1	3%
Telecommunication Services	1	0	0	1	3%
Total	27	6	3	36	100%

Sector-wise Classification of Deals – Q4 2020

Sector	GCC Acquirers	Foreign Acquirers	Other*	Grand Total	%**
Consumer Discretionary	5	1	1	7	19%
Industrials	4	0	1	5	14%
Financials	4	0	0	4	11%
Education	4	0	0	4	11%
Information Technology	1	2	0	3	8%
Utilities	2	1	0	3	8%
Healthcare	2	0	0	2	6%
Real Estate	1	0	1	2	6%
Insurance	2	0	0	2	6%
Consumer Staples	2	0	0	2	6%
Energy	1	0	0	1	3%
Media	1	0	0	1	3%
Total	29	4	3	36	100%

Key Takeaways

- As witnessed in previous quarters, the majority of the transactions that closed within Q1 2021 and Q4 2020 were carried out by GCC acquirers. During Q1 2021, GCC acquirers accounted for 75% of the total number of closed transactions while foreign acquirers accounted for 17%. The remaining 8% is comprised of closed transactions for which the buyer information was not available.
- During Q4 2020, GCC acquirers accounted for 81% of the total number of closed transactions while foreign acquirers accounted for 11%. The remaining 8% is comprised of closed transactions for which the buyer information was not available..
- In addition, the transactions that closed throughout the most recent quarter targeted companies that operate across various sectors, highlighting another trend that has remained strong throughout the past few quarters.
- With that being said, the sectors that witnessed the greatest level of activity throughout Q1 2021 were the Industrials, Consumer Staples and Real Estate sectors. Collectively, these three sectors accounted for over 41% of the transactions that closed during the quarter.

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

** Other refers to deals where buyer information is not available.*

*** Totals may exceed 100% due to rounding*

M&A Transactions by GCC Acquirers

Merger & Acquisition Watch

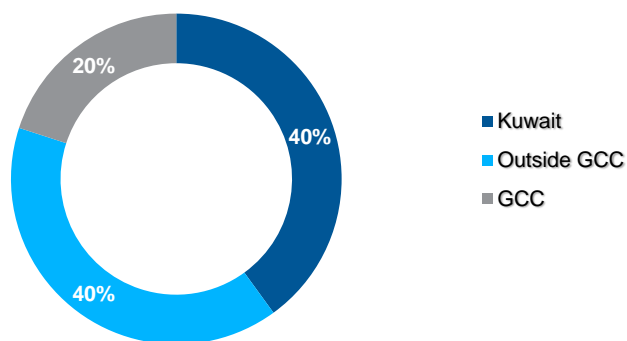
By Kuwaiti Acquirers

Targets & Buyers – Q1 2021

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Queen's Gambit Growth Capital	United States	Agility Public Warehousing Company	N/A	35	Closed
Zain Bahrain	Bahrain	Mobile Telecommunications Company	10	11	Closed
Hilal Cement Company	Kuwait	Silver Share Real Estate Company	51	10	Closed
AG&P	Singapore	Asiya Capital Investments	N/A	7	Announced
Dawrat	Kuwait	SBX Capital; Farah Al Humaidhi	40	N/A	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q1 2021)



Key Takeaways

- Agility Public Warehousing Company has invested USD 35 million to acquire a direct and indirect stake in Queen's Gambit Growth Capital through its initial public offering. The target is a special purpose acquisition company that purely aims to acquire companies offering sustainable solutions in clean energy, healthcare, financial technology, industrials, mobility and emerging technology.
- Mobile Telecommunications Company has purchased 35+ million shares in Zain Bahrain for a total consideration of USD 11 million, at USD 0.30/share. As such, the group has raised its stake from just under 55% to 65%.
- Silver Share Real Estate Company, part of the greater Boodai Corp, has successfully acquired a 51% stake in Hilal Cement Company for a total of USD 10 million, at USD 0.30/share from Suez Cement.
- Asiya Capital Investments has received the green light from its investment committee to proceed with a USD 7 million investment in AG&P, a leading infrastructure company based in Singapore. The company is also involved in the logistics, distribution and marketing of LNG and gas products.
- SBX Capital has partnered with a Kuwaiti-based entrepreneur, Farah Al Humaidhi, to acquire a 40% stake in Dawrat, a local edtech marketplace. Dawrat offers 10,000+ courses in Arabic and has built a user base of 100,000+ users that span across the MENA region.

Merger & Acquisition Watch

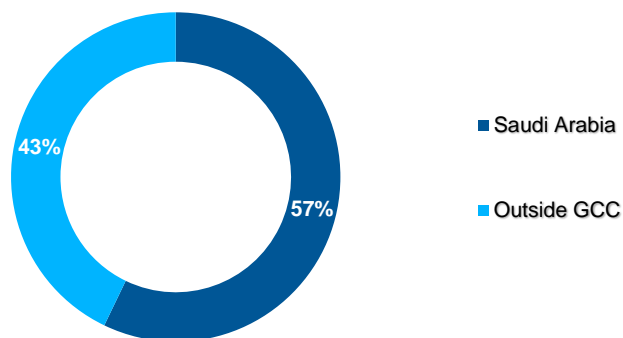
By KSA Acquirers

Targets & Buyers – Q1 2021

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Clean Technologies Business Of Dupont De Nemours, Inc.	United States	Dussur; Asia Green Fund; BroadPeak Global LP	100	510	Announced
Red Sea Gateway Terminal Company Limited	Saudi Arabia	Public Investment Fund	20	176	Announced
ADES International Holding plc	United Arab Emirates	Innovative Energy Holding Limited	57	110	Announced
Solidarity Saudi Takaful Company	Saudi Arabia	Aljazira Takaful Taawuni Company	100	32	Closed
Weir Arabian Metals Company	Saudi Arabia	AMCO Consult	49	30	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q1 2021)



Key Takeaways

- The Saudi Arabian Industrial Investments Company (“Dussur”) has formed a consortium with BroadPeak Global LP and the Asia Green Fund for the purpose of acquiring DuPoint de Nemours, Inc.’s Clean Technologies business. The consortium has penned an agreement with DuPoint de Demours, Inc. whereby they will acquire their Clean Technologies businesses for USD 510 million. The transaction is expected to close by the end of Q2 2021.
- Saudi’s Public Investment Fund (“PIF”) has signed a sale and purchase agreement to acquire a 20% stake in Red Sea Gateway Terminal Limited (“RSGT”) for a total consideration of USD 176 million. PIF will acquire the stake from Saudi Industrial Services Company and other minority shareholders of RSGT. RSGT operates a container terminal in Jeddah Islamic Port.
- Innovative Energy Holding Limited has submitted an all-cash offer to ADES International Holding plc (“ADES”) stating it intends to acquire a minimum of ~ 9 million shares in ADES at USD 12.50/share, implying a transaction value of USD 110 million.
- Upon reaching the end of the creditors’ objection period with no outstanding objections, Solidary Saudi Takaful Company (Solidarity Takaful) has transferred all its asset and liabilities to Aljazira Takaful Taawuni Company (Aljazira Takaful). In addition, all of Solidarity Takaful’s share will be cancelled and its existing shareholders will be granted newly issued shares in Aljazira Takaful. Note that Aljazira Takaful issued 12+ million shares at USD 2.66/share.
- AMCO Consult has exercised its pre-emption right to acquire Weir Group’s 49% stake in their joint venture, Weir Arabian Metals Company “AMCO Weir”, for a total consideration of USD 30 million. AMCO Weir is an engineering and general machining company based in Dammam, Saudi Arabia, and is a joint venture that operates one of the largest facilities in the Kingdom that manufactures and repairs oil field equipment and accessories.

Merger & Acquisition Watch

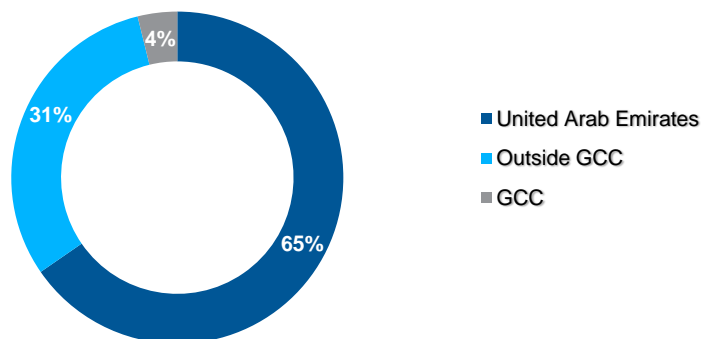
By UAE Acquirers

Targets & Buyers – Q1 2021

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
RLAM Refinery	Brazil	Mubadala Capital	100	1,650	Announced
Aldar Properties	United Arab Emirates	Sublime Commercial Investment	12	953	Closed
Abu Dhabi Energy Real Estate Company	United Arab Emirates	Abu Dhabi Pension Fund	31	900	Closed
National Petroleum Construction Company	United Arab Emirates	National Marine Dredging Company	100	689*	Closed
Emaar Malls	United Arab Emirates	Emaar Properties	15	241**	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q1 2021)



Key Takeaways

- Mubadala Capital revealed that it intends to acquire Petrobras's Landulpho Alves Refinery and its associated logistics assets for a total consideration of USD 1.7 billion. Petrobras has received its board's approval to proceed with the sale and will soon finalize an agreement with Mubadala Capital.
- Sublime Commercial Investment acquired a 12% in Aldar Properties for USD 953 million. The company acquired 960 million shares for approximately USD 1.00/share. Note that the buyer is a subsidiary of Alpha Dhabi Holding, an Abu Dhabi-based investment firm.
- The Abu Dhabi Pension Fund has entered into a strategic partnership under which it will acquire a 31% stake in Abu Dhabi Energy Real Estate Company (ADEREC) from the Abu Dhabi National Oil Company (ADNOC) for USD 900 million. Moreover, ADNOC will retain a 69% stake in ADEREC upon closing.
- National Marine Dredging Company (NMDC) has successfully merged with National Petroleum Construction Company (NPCC), creating one of the largest EPC contractors in the MENA region that is specialized in integrated oil & gas and marine services. The transaction closed for a total value of USD 689 million.*
- Emaar Properties and Emaar Malls have jointly announced that each of their respective board of directors have voted in favor of recommending an all-share merger to their respective shareholders. The proposed merger states that Emaar Properties will issue 0.51 for every share in Emaar Mall. The merger is expected to generate a transaction value of an estimated USD 241 million**.

*Note: The transaction value is an estimate that was calculated based on the following assumptions: 1) NPCC will transfer full ownership of company to NMDC in exchange for the issuance of an instrument that is convertible into 575.0 million ordinary shares, and 2) Convertible Share Price = USD 1.20/ share.

** The transaction value is an estimate that was calculated based on the following assumptions: 1) Emaar Mall's shares = 1.0+ billion, and 2) Emaar Properties' Closing Price as of January March 01, 2021 (last day prior to announcement of potential merger) = USD 0.46/ share.

Merger & Acquisition Watch

By Qatari Acquirers

Targets & Buyers – Q1 2021

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Al Khaliji Commercial Bank	Qatar	Masraf Al Rayan	100	2,235*	Announced
Aero Chem Logistics W.L.L.	Qatar	GWC Chemicals W.L.L.	100	N/A	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

By Omani Acquirers

Targets & Buyers – Q1 2021

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
Al Aman Industrial & House Company	Oman	Muscat Gases Company	100	4	Closed

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Key Takeaways

- Masraf Al Rayan (“Al Rayan”) and Al Khaliji Commercial Bank (“KCB”) have entered in a merger agreement whereby Al Rayan will acquire 100% of KCB in exchange for the issuance of 1.8 billion shares to KCB’s shareholders. The merger is expected to be completed for a total consideration of USD 2.2+ billion.*
- GWC has signed a memorandum of understanding to acquire Aero Chemical Logistics W.L.L. for an undisclosed amount. The company aims to complete this transaction through its wholly-owned subsidiary, GWC Chemicals W.L.L. It is worth noting Aero Chem Logistics is a logistics providers and owns a strategically located 22,000 SQM chemical storage facility in Ras Laffan Industrial City.
- Muscat Gases Company successfully acquired 100% of Al Aman Industrial & House Company for USD 4 million. As a part of the agreement, the company will also acquire Al Aman’s LPG filling stations, located in Oman.

*Note: The transaction value is an estimate that was calculated based on the following assumptions: 1) Total Shares to be Issued = 1.8 billion shares and 2) Al Rayan Closing Price as of January 6, 2021 (last day prior to announcement of potential merger) = USD 1.23.

Merger & Acquisition Watch

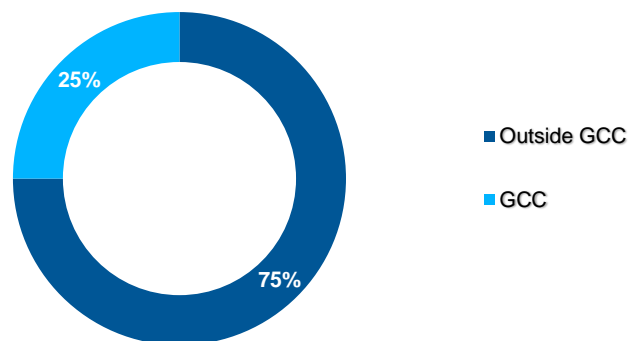
By Bahraini Acquirers

Targets & Buyers – Q1 2021

Target Company	Target Country	Buyer	Percent Sought	Deal Value (USDmn)	Status
BLOM Bank Egypt	Egypt	Arab Banking Corporation	100	428	Announced
Muscat Capital	Saudi Arabia	SICO	73	15	Closed
Unilog	India	Investcorp	100	N/A	Closed
Investis Digital	United Kingdom	Investcorp	100	N/A	Closed
General Poultry Company	Bahrain	Delmon Poultry Company	100	N/A	Announced

Source: S&P Capital IQ, GCC Stock Exchanges, Local Newspapers, Markaz Analysis

Target Companies – Geographical Distribution by Number of Transactions (Closed) (Q1 2021)



Key Takeaways

- Arab Banking Corporation announces that it has entered into an agreement with Blom Bank – Lebanon to acquire 99% of Blom Bank Egypt for an estimated value of USD 428 million. The acquisition is expected to closed in Q2 2021, subject to regulatory approvals in Bahrain, Egypt and Lebanon.
- SICO acquires a 73% stake in Muscat Capital, a wholly-owned subsidiary of Bank Muscat, by way of a share swap transaction valued at USD 15 million. Under the pre-agreed terms, SICO swapped ~39 million treasury shares for 4+ million shares in Bank Muscat, amounting to ~73% of the latter company's share capital.
- Investcorp reveals that it has acquired Unilog, a leading SaaS e-commerce solutions provider that caters to small and medium-sized businesses in the US. Neither party has shed any light on the value of the transaction.
- By the end of the quarter, Investcorp announced that it acquired Investis Digital, which provides digital corporate communication and marketing services to global blue-chip companies. The Bahraini investor acquired the shares from ECI Partner and a group of the company's minority investors, for an undisclosed amount.
- Delmon Poultry Company disclosed that it has received a preliminary proposal by SICO, on behalf of General Poultry Company, that recommends and outlines a potential merger between the two companies. General Poultry Company is the leading supplier of locally-produced eggs in Bahrain and is wholly-owned by Bahrain Mumtalakat Holding Company.

Disclaimer

This report has been prepared and issued by Kuwait Financial Centre K.P.S.C (Markaz), which is regulated by the Capital Markets Authority and the Central Bank of Kuwait. The report is owned by Markaz and is privileged and proprietary and is subject to copyrights. Sale of any copies of this report is strictly prohibited. This report cannot be quoted without the prior written consent of Markaz. Any user after obtaining Markaz permission to use this report must clearly mention the source as "Markaz ". The report is intended to be circulated for general information only and should not to be construed as an offer to buy or sell or a solicitation of an offer to buy or sell any financial instruments or to participate in any particular trading strategy in any jurisdiction.

The information and statistical data herein have been obtained from sources we believe to be reliable but no representation or warranty, expressed or implied, is made that such information and data is accurate or complete, and therefore should not be relied upon as such. Opinions, estimates and projections in this report constitute the current judgment of the author as of the date of this report. They do not necessarily reflect the opinion of Markaz and are subject to change without notice. Markaz has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn.

This report may not consider the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors are urged to seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in this report and to understand that statements regarding future prospects may not be realized. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Investors should be able and willing to accept a total or partial loss of their investment. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily indicative of future performance.

Kuwait Financial Centre K.P.S.C (Markaz) may seek to do business, including investment banking deals, with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. This report may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the report refers to website material of Markaz, Markaz has not reviewed the linked site and takes no responsibility for the content contained therein. Such address or hyperlink (including addresses or hyperlinks to Markaz's own website material) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through this report or Markaz's website shall be at your own risk.

For further information, please contact 'Markaz' at P.O. Box 23444, Safat 13095, Kuwait; Email: ; Tel: 00965 1804 800; Fax: 00965 2245 0647.

Kuwait Financial Centre K.P.S.C. "Markaz"

P.O. Box 23444, Safat 13095

State of Kuwait

Tel: +965 2224 8000

Fax: +965 2242 5828

Email: advisory@markaz.com

www.markaz.com

المركز
MARKAZ