



Sugar Enterprises

Investment Teaser

Date: 19 August 2022

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Glossary

Abbreviation and acronym	Definition
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
COMESA	Common Market for Eastern and Southern Africa
EAC	East African Community
EOIs	Expression of Interest
ESC	Ethiopian Sugar Corporation
ESIG	Ethiopian Sugar Industry Group
ETB	Ethiopian Birr
EY	Ernst & Young LLP
FDI	Foreign Direct Investment
FY20	Financial Year 2020
GDP	Gross Domestic Product
GoE	The Government of the Federal Democratic Republic of Ethiopia
GNI	Gross National Income
ha	Hectares
ICT	Information, Communications and Technology
Kha	Thousands of hectares
Km	Kilometres
Kt	Thousands of tonnes
LMC	LMC International Ltd
M	Metres
Mt	Metric tonnes
MW	Megawatts
SOE	State-Owned Enterprises
t	Tonnes
TCD	Tonnes of Cane per Day
USD	United States Dollar
VAT	Value added tax
WB	World Bank

Investment Highlights

The opportunity

- ▶ As part of the economic reform strategy set out by the Government of Ethiopia to ensure the most efficient use of national resources by shifting towards a competitive market structure, the Government has started a sugar sector reform aimed at increasing private sector participation in the ownership and operation of sugar enterprises. This will sustain the rapid and inclusive economic growth and lay the ground for economic transformation leveraging on the increasing role of the private sector.
- ▶ In this regard, the Government of Ethiopia, has initiated the tendering of 8 state-owned sugar enterprises. These include Omo Kuraz 1, Omo Kuraz 2, Omo Kuraz 3, Omo Kuraz 5, Arjo Dedessa, Kessem, Tana Beles, and Tendaho (together the “Sugar Enterprises”). The ESIG has taken over the administration role of Kessem and Tana Beles while owning the remaining above-mentioned enterprises.
- ▶ **The tendering process presents an excellent investment opportunity for interested investors to acquire up to 100% of the Sugar Enterprises, most of which are newly constructed factories. All the enterprises have adequate water and excellent cane growing conditions and will be transferred to the private sector free of long-term debt. The investment will provide access to a market in a fast-growing sector with growing consumer demand and the opportunity to export to regional and overseas markets.**

Macroeconomic environment

- ▶ Over the last decade, Ethiopia has been one of the fastest-growing economies in Africa and globally, with double-digit GDP growth per annum.
- ▶ The economic disruptions caused by the COVID-19 pandemic slowed Ethiopia’s real GDP growth to about 6.1% (2020) compared to 8.4% (2019), but it is expected to rebound and gradually recover, with real GDP growth estimated to reach 8.7% in 2022 on the back of sustained reforms in the business environment and increased infrastructural spending.

Sugar industry

- ▶ ESIG has taken over the administration role of Kessem and Tana Beles while owning the remaining enterprises. As of May 2022, ESIG has 12 sugar enterprises with an annual total sugar production capacity of 450,000 MT.
- ▶ Ethiopia's sugar demand per capita was estimated at 11 kg/capita in 2021/22, with a total consumption of 1.3 million tonnes. This demand (kg/capita) is expected to grow at 1% annually until 2029/30 reaching ~12 kg/capita, with total demand of 1.7 million tonnes. (LMC)
- ▶ To increase local sugar production and provide opportunities for regional export, the GoE is seeking to transform the sector. This includes liberalizing the sector to increase productivity and create domestic and export market opportunities for sugar (refined, plantation white, and raw), ethanol, molasses, etc. given the good existing climate for growing cane in Ethiopia.

The transaction structure will be in the form of sale of up to 100% shareholding of the respective sugar enterprises. It is envisaged that the enterprises will be sold as separate businesses. Investors will be invited to provide proposals for the enterprises they are interested to invest in.

Land available

37%

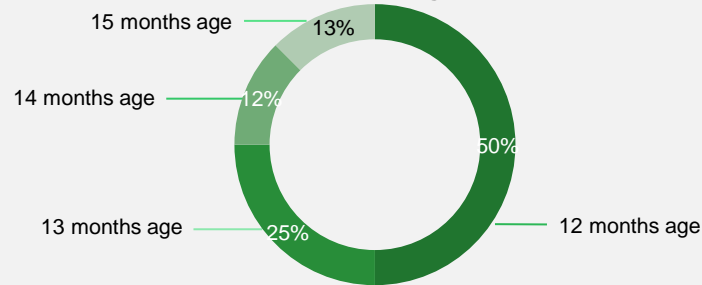
of land available for the opportunity enterprises is irrigated. The total land allocated for the sugar estates is about **307,328 hectares**.

Cane production

120

tonnes average cane production per hectare in Ethiopia

The period it takes for sugarcane growth in the opportunity enterprises is an average of 13 months



Sugar production

6,000-24,000TCD

Crushing capacity range of the opportunity enterprises

50%

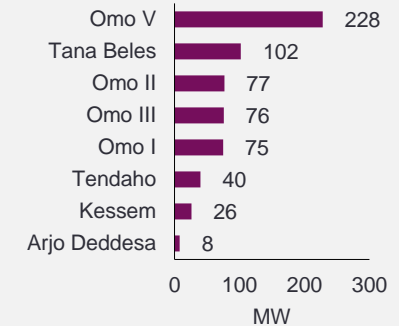
of the enterprises to be privatized have the capacity to produce **100,000-200,000 tonnes** of sugar per year. Once all enterprises reach full capacity, they will have a total output of **2.7m tonnes** of sugar

Other Products and Infrastructure

632MW

Potential electricity production

total potential electricity from opportunity enterprises



- ▶ Ethanol – Tendaho and Omo Kuraz II enterprises produce ethanol.
- ▶ Irrigation infrastructure- infrastructure built for low or zero energy requirement, abundant water supply for all the enterprises.

Ethiopia Sugar Market

The sugar sector reforms will usher in a liberalized market with private sector participation in the ownership and control of sugar enterprises.

Investors will be able to take advantage of Ethiopia's unique trading position driven by growing demand in local and international markets, increase in the local household income, and high population growth.

With the good climate and market reforms, Ethiopia has the potential to become the hub of the East African sugar industry to serve the wider East Africa Market with perennial production shortfalls such as Kenya, Somalia, South Sudan, and Tanzania.

Envisaged Transaction Structure

	Current state	On Tendering
Ultimate shareholder	Federal Government of Ethiopia	Private Investors
Percentage of shareholding	ESIG owns Omo I, II, III, V, Tendaho, and Arjo Dedessa. ESIG manages Tana Beles and Kessem.	Up to 100% sale of equity of the sugar enterprises
Market	Partially liberalised	Liberalised market
Assets	<p>Factory/Mills</p> <p>Estate/Land</p>	<p>Factory/Mill (Up to 100% Share)</p> <p>Estate/Land on Long Term Leases</p>
Existing Loans	Long term ESC Loans/debt	Nil pre-existing loan transfer

Why Invest in Ethiopia: Macroeconomic Overview



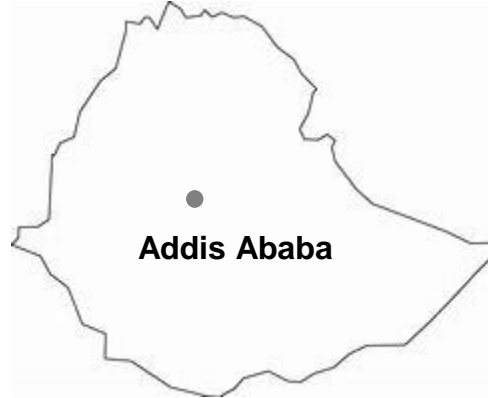
In 2021, Ethiopia was considered the 2nd most populated country in Africa with a population of **115 million**. (*World Bank*)



Ethiopia's economy is dependent on **Agriculture**, which accounts for **40%** of the GDP, **80%** of exports, and an estimated **75%** of the country's workforce. (*USAID, 2022*)

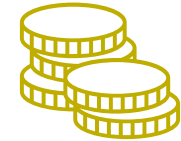


Ethiopia has a total land area of 112,930,000 hectares, of which 36.9% is arable. (*World Bank, 2018*)



Ethiopia has abundant water resources. About **84%** of all water withdrawals in the country are for agricultural use. (*World Resources Institute, 2021*)

GDP per capita in 2020 was **USD 827**



Bole International Airport is currently the largest connecting Africa hub and is served by major airlines. Ethiopian Airlines is the largest airline in Africa helping drive Ethiopia as one of the important trading nations.



Addis Ababa is connected to the port of Djibouti through a railway line and a tarmac road providing a good export and trading routes.

Why Invest in Ethiopia: An Attractive Investment Market



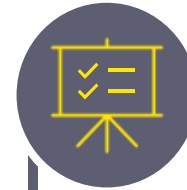
Political Overview:

- ▶ The GoE has recently overseen rapid political and economic reform. In 2020 alone, the GoE revised its sixty-year-old commercial code, enacted a new investment regulation and developed a financial sector liberalization roadmap. This was followed by issuance of the first private sector mobile operator license in 2021 that opened the telecom industry to the private sector.



Economic Overview:

- ▶ According to Oxford Economics, globally, Ethiopia is among the fastest-growing economies, supported by an ambitious government CAPEX drive.
- ▶ World Bank states that Ethiopia's economy experienced strong growth averaging 9.4% a year from 2010/11 to 2019/20.



Social Overview:

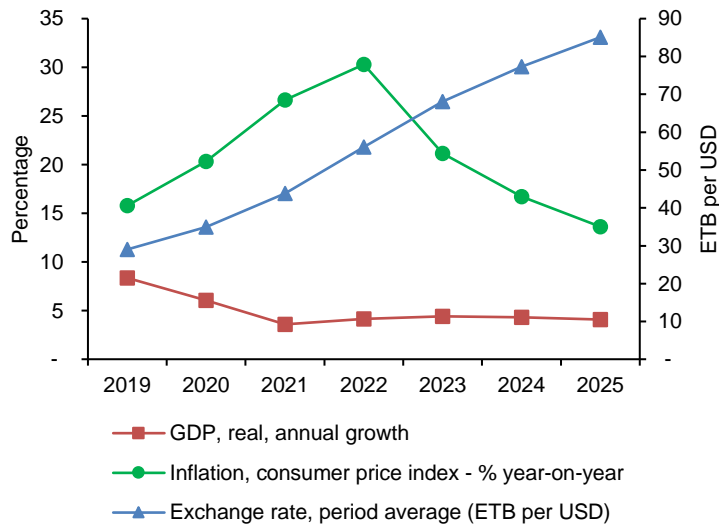
- ▶ Ethiopia is the 2nd most populous country in Africa. Approximately two-thirds of the population is under age 30.
- ▶ According to the World Bank, Ethiopia's population grew at a rate of 2.5% in 2020.
- ▶ Ethiopia's population is forecasted to grow to 129 million by 2025 up from 115 million in 2020 (*Fitch solutions*).



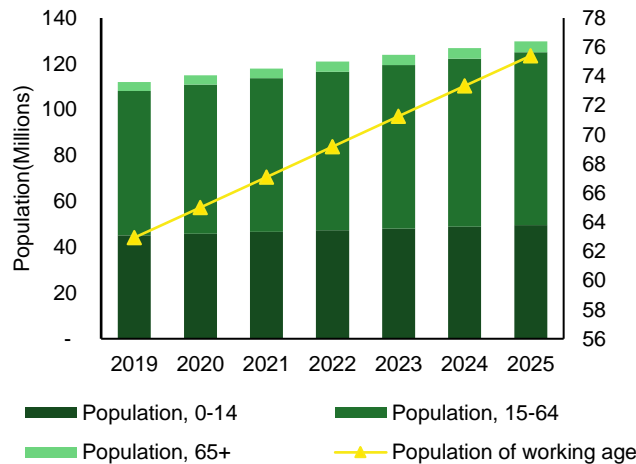
Reforms:

- ▶ In September 2019, GoE revealed its "Homegrown Economic Reform Plan" a roadmap with a focus on enhancing the role of the private sector in the economy and attracting more foreign direct investment through various sector reforms. GoE aims to spur growth in agriculture, manufacturing, mining, ICT, and tourism.

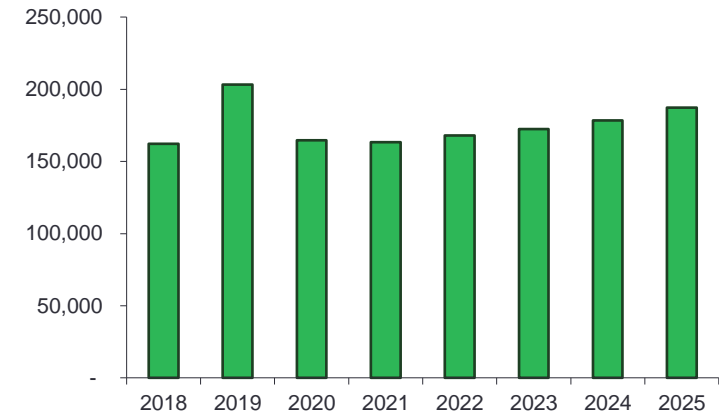
Macroeconomic measures



Population growth (2019-2025)



Disposable income USD(2018-2025)



Source: Oxford Economics

Why Invest in Ethiopia: Market Opportunity and Conducive Environment

The demand for sugar has continued to increase both in local, regional and overseas markets providing an excellent market opportunity for sugar production investment

Projected supply/demand balances (million tonnes)

Markets	Production (2021)	Consumption (2021)	Deficit/Surplus	Production (2029/30)	Consumption (2029/30)	Deficit/Surplus
Ethiopia	0.34	1.18	-0.84	1.66	1.7	-0.04
Kenya	0.56	1.28	-0.72	0.60	1.66	-1.06
South Sudan	0.00	0.12	-0.12	0.00	0.15	-0.15
Sudan	0.60	1.88	-1.28	0.60	2.53	-1.93
Somalia	0.02	0.14	-0.12	0.02	0.19	-0.17
Djibouti	0.00	0.02	-0.02	0.00	0.03	-0.03
EU	14.79	17.03	-2.24	18.73	17.74	0.99
Red Sea	3.82	9.94	-6.12	5.17	11.63	-6.46

- By increasing the local production, the opportunity enterprises have the capacity to supply 75% of the total local demand by 2029/30. In addition, the opportunity enterprises will have the ability to export to deficits production markets in Kenya, South Sudan, Sudan, Somalia, Djibouti, the EU, and the Gulf region.
- In Eastern Africa, there has been an inconsistent production of molasses as a result of inconsistent cane availability and quality issues yielding inability to secure a steady market. Currently, local production feeds consumption and there has been inter-regional trade as Tanzania imports molasses from Kenya. Availability of molasses drives the production of ethanol.
- Globally, only about 7% of molasses production is traded to the world as most is used domestically. The largest exporters of molasses are India, Indonesia, and Thailand while the largest importers are USA, the Philippines, and South Korea. The future supply of molasses to the world is dependent on cane production.
- Ethiopia's potential production can feed COMESA countries' demand through its inter-regional trade and boost the availability of ethanol.
- The enterprises also have the capacity to sell 223 MW of co-generated power to the national grid.

Economic

Parameter	Ethiopia	Avg. EAC
GDP Growth - 2015 to 2019 (%)	9%	8%
FDI-2015 to 2019 (USD bn)	17	3.4



Ethiopia has shown real **GDP** growth of **9% from 2015 to 2019**.



Ethiopia has witnessed significant FDI inflow over 2015-2019 as compared to average EAC countries

Social

Parameter	Ethiopia	Avg. EAC
Median Age, Human Development Index(2020)	19.8, 0.5	18.3, 0.5
GNI index	35	42
Level of Urbanisation	22%	23%



The largely youthful working-age population accounted for 56.5% of the population as of 2020. This is expected to have a positive impact on the skills required in the sugar enterprises.

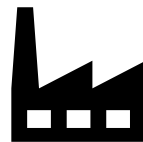
Sugar Industry Overview

- ▶ With the favourable climatic condition, there is potential to produce 120 tonnes of sugarcane per hectare, compared to the global average of 70 tonnes per hectare¹. Hence, Ethiopia has enormous potential to become one of the leading and competitive suppliers of sugar to the international market.
- ▶ The potential of untouched fertile as well as irrigable land for sugar cane development in Ethiopia is 1.4 million hectares. To further complement the production, Ethiopia is rich with abundant water resources and a labour force suitable for the industry.
- ▶ Apart from sugar production, the enterprises produce ethanol and electricity for internal use and to supply to the national grid.
- ▶ The enterprises under the transaction are newly constructed factories with built-in trunk infrastructure, abundant water, land resources, and excellent cane-growing agro-climate conditions.
- ▶ Whereas currently, sugar prices are determined by the Government and regularly revised to account for the balance between consumer affordability and costs incurred by producers, the market is being liberalized with the entry of privately owned enterprises with prices determined by the market.



Source: Answer Africa

Notes: Map of Ethiopia showing the location of the selected sugar enterprises to be privatized .



Factories are located in areas with favorable climate for sugarcane.



Well-planned established infrastructure around the enterprises including irrigation canals.



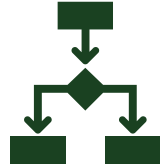
Strong government support for the sector; one of the government's priority industries for development.

¹ Source: International Sugar Organization

Sugar Industry Overview



Production: The enterprises are on irrigated sugarcane farms with irrigation systems constructed along the farms.



Processing: The enterprises are distributed across all regions of the country. All of the sugar enterprises grow their cane from their own sugar plantations.

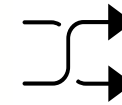


Distribution: All enterprises have good roads available from the site with a connection to the national road network.



Demand

- ▶ The local sugar consumption demand was estimated at 1.2 million tonnes in 2020/2021 against local sugar production of 340,000 tonnes, resulting in a deficit of **860,000 tonnes**. The demand is expected to grow at a CAGR of 3% to reach 1.7 million tonnes by 2029/30 (LMC).
- ▶ The regional markets of Kenya, Somalia, South Sudan, Sudan, and Djibouti had an estimated deficit of **3.1 million tonnes** in 2021. In addition, the EU and the Gulf countries had an estimated production deficit of **2.24 million tonnes and 6.12 million tonnes** respectively. This gives potential and addressable supply market of **11.46 million tonnes** available for the opportunity enterprises.
- ▶ Currently, there is no **dominating sugar brand** in Ethiopia, as sugar is centrally marketed by ESIG. With envisaged reforms that will create a free market and entry of privately owned enterprises, it will create opportunities for investors to join the market with branded products.
- ▶ **Product diversification** is favored through various other products from the enterprises with most enterprises producing ethanol and involved in co-generation. Except for Kesseme, all the other enterprises have refineries to produce refined sugar. With all refined sugar currently imported, there is a significant opportunity for investors interested in acquiring the sugar enterprises to tap into the local market.



Supply

- ▶ Local production was about 340,000 tonnes of sugar in 2020/21. (LMC)
- ▶ Increase in sugar production to cover Ethiopia's demand is expected as the country has 1.4m hectares of untouched fertile and irrigable land for sugarcane development. The fertile soil and favorable climatic environment present an opportunity to cultivate 120 tonnes of sugarcane per hectare.
- ▶ Additionally, Ethiopia imported USD 153M of white sugar in 2020. As of June 2022, ESIG has purchased 100,000 metric tonnes. The main suppliers include India, Brazil, United Arab Emirates, Belize, and South Africa.



Tendaho Sugar Enterprise

Tendaho is equipped with a modern standalone refinery capable of using domestic or imported raw sugar to serve the local market with refined sugar. Its closeness to the Port of Djibouti provides an opportunity for exports.

Location



- Located in Afar State 300 km distance from the Port of Djibouti
- The location of the factory provides a strategic logistical advantage for the export market

Plantation area



- Total land area of 25,000 hectares for sugarcane plantation with irrigation infrastructure installed
- 22,835 hectares of land has been irrigated and the dam supplies reliable water resource for gravity irrigation

Yield



- The plantation can produce 130 tonnes of cane per hectare



Sugarcane quality



- Average sugarcane harvesting age is 12 months

Factory capacity



- Total planned crushing capacity of 13,000 TCD. Standalone refinery using domestic or imported raw sugar. Once it reaches its full production capacity, the factory is expected to produce 300,000 tonnes of raw and refined sugar per year.

Other products & facilities



- It has the capacity to produce 124,000 tonnes of molasses and 40 megawatts of electricity per annum. 8,997 residential houses have been constructed

Omo Kuraz I Sugar Enterprise

Omo Kuraz I has an average harvesting age of 12 months. It has a gravity irrigation system for ~7,830 hectares.

Location



- Located in South Nations and Nationality Regional State in South Omo Zone, Selamago District.
- Distance of 863 km via all-weather paved roads from Addis Ababa.

Plantation area



- Omo Kuraz I has a total land area of 13,000 hectares for sugarcane plantation.
- Temporary delivery/sale of cane to Omo Kuraz 3 factory for two or more years.
- Gravity irrigation system for 7,830 ha in place with zero energy demand.

Yield



- The plantation can produce 116 tonnes of cane per hectare.



Sugarcane quality



- Average sugarcane harvesting age is 12 months.

Factory capacity



- Potential to crush 12,000 TCD.
- Capacity to produce refined sugar.

Other products & facilities



- Potential to produce 75,000 MWh energy for co-products and additional revenue.
- Potential to produce 63,000 tonnes of molasses.
- 1,057 residential houses have been constructed.

Omo Kuraz II Sugar Enterprise

Omo Kuraz II has an operating factory with capacity to crush 12,000 TCD and the potential to produce 150,000 tonnes of different types of sugar per year. It has an average harvesting age of 12 months. It borders the Omo River with weir & canals built for abundant water supply.

Location



- Located in Southern Nations, Nationalities and Peoples Regional State in South Omo Zone, Selamago District.
- Distance of 825 km from Addis Ababa.

Plantation area



- 3,944 hectares of standing cane established with a potential to expand to 20,000 hectares.
- Reliable water resources from Omo River with weir & canals already built.
- Gravity irrigation systems for 7,600 hectares in place with zero energy demand.

Yield



- The plantation can produce 116 tonnes of cane per hectare.



Sugarcane quality



- Average sugarcane harvesting age is 12 months.

Factory capacity



- Potential to crush 12,000 TCD.
- It produces raw sugar, plantation white sugar, and refined sugar.
- Potential to produce 150,000 tonnes of sugar per year of different qualities to suit the market demand.

Other products & facilities



- Potential to produce 64,000 tonnes of molasses and 77,000 MWh of energy for co-products and additional revenue.
- Constructed office complex and agricultural workshops.

Omo Kuraz III Sugar Enterprise

Omo Kuraz III has an average sugarcane harvesting age of 12 months. It borders the Omo River providing it with an abundant water supply to produce cane throughout the year. It can produce raw sugar, plantation white sugar, and refined sugar.

Location



- Located in Kaffa and Bench Maji Zones bordering Omo River.
- Distance of 874 km from Addis Ababa.

Plantation area



- Total land of 20,000 hectares for sugarcane plantation.
- Gravity irrigation system for 9,600 ha in place with zero energy demand with weir & canals already built.
- 4,757 hectares of standing cane established.
- Reliable water resources from the Omo River.

Yield



- The plantation can produce 115 tonnes of cane per hectare.



Sugarcane quality



- Average sugarcane harvesting age is 12 months.

Factory capacity



- Designed to crush 12,000 TCD.
- Potential to produce 150,000 tonnes of sugar per year of various qualities to suit the market demand.
- Capacity to produce raw sugar, plantation white sugar, and refined sugar.

Other products & facilities



- The factory can produce 76 MW of electric power.
- The factory has the potential to produce 63,000 tonnes of molasses per year.
- 84 residential houses built.

Omo Kuraz V Sugar Enterprise

Capacity to produce raw sugar and refined sugar. It has an average sugarcane harvesting age of 12 months. It borders the Omo River for abundant water supply and South Sudan for access to an export market.

Location



- Located near the South Sudan and Kenyan border, in South Nations and Nationalities People's Regional State.
- Distance of 954 km from Addis Ababa via all-weather tarred roads.

Plantation area



- 40,000 ha available for sugarcane plantation with 1,800 ha already cleared.
- Gravity irrigation system with zero energy demand.

Yield



- The plantation can produce 116 tonnes of cane per hectare.



Sugarcane quality



- Average sugarcane harvesting age is 13 months.

Factory capacity



- Designed capacity of 24,000 TCD.
- It produces raw sugar as well as refined sugar.
- Potential to produce 444,000 tonnes of sugar per year.

Other products & facilities



- 228,000 MW energy generated per year for coproducts and additional revenue.
- It has the potential to produce 188,000 tonnes of molasses annually.

Tana Beles Sugar Enterprise

The Factory is currently at the testing stage with a potential to produce 205,000 tonnes of sugar per year of different qualities to suit the market demand. It is located near Tana Beles river with an abundant water supply.

Location



- Tana Beles project is located in Amhara Region 150km west of Bahir Dar.
- Distance of 650 km from Addis Ababa via all-weather paved roads.

Plantation area



- Tana Beles Sugar project is comprised of two enterprises where Tana Beles I factory has started operation.
- 4,352 ha of standing cane established with the potential to expand to >20,000 ha.
- Gravity irrigation systems for 12,000 ha in place with zero energy demand. The estate is designed to use a diversion weir from Tana Beles River for sugarcane development. The weir has a 30 km length that can pass 60 cubic meters of water per second.

Yield



- The plantation can produce 121 tonnes of cane per hectare.



Sugarcane quality



- Average sugarcane harvesting age is 13 months.

Factory capacity



- Potential to crush 12,000 TCD .
- 205,000 tonnes of sugar per year of different qualities to suit the market demand.
- Capacity to produce refined sugar.

Other products & facilities



- Capacity to generate 102,000 MW of electric power.
- Potential to produce 80,000 tonnes of molasses every year.

Kessem Sugar Enterprise

Kessem Sugar Enterprise is close to Addis Ababa providing easy access to a sizeable market. It has a developed 20.5 km main canal for irrigation and a co-generation capacity of 26MW.

Location



- Kessem Sugar Factory is located in Afar Regional State.
- 250 km away from Addis Ababa.

Plantation area



- Currently, 2,300 ha is planted with sugar cane and the farm can be expanded to 11,700 ha.

Yield



- The plantation can produce 127 tonnes of cane per hectare.



Sugarcane quality



- Average sugarcane harvesting age is 15 months.

Factory capacity



- Sugar cane crushing capacity of 6,000 TCD up to 10,000 TCD with further expansion.
- Designed to produce 120,000 tonnes of plantation white sugar at steady-state.

Other products & facilities



- The factory has the capacity to generate 26 MW of electricity and a dam with a capacity to hold 500m cubic liters of water for irrigation.
- The factory has the potential to produce 44,000 tonnes of molasses annually.

Arjo Dedessa Sugar Enterprise

Located near the Dedessa river, it has the potential to produce more than 100,000 tonnes of sugar and 39,000 tonnes of molasses per year. It currently has 3,700 ha of sugar cane. It has the potential to expand to 16,000 ha.

Location



- Located in Western Oromia Regional State between East Wellega, Buno Beddelle, and Jimma Zones in Deddesa valley.
- Distance of 395 km from Addis Ababa on Nekemte - Beddele road.

Plantation area

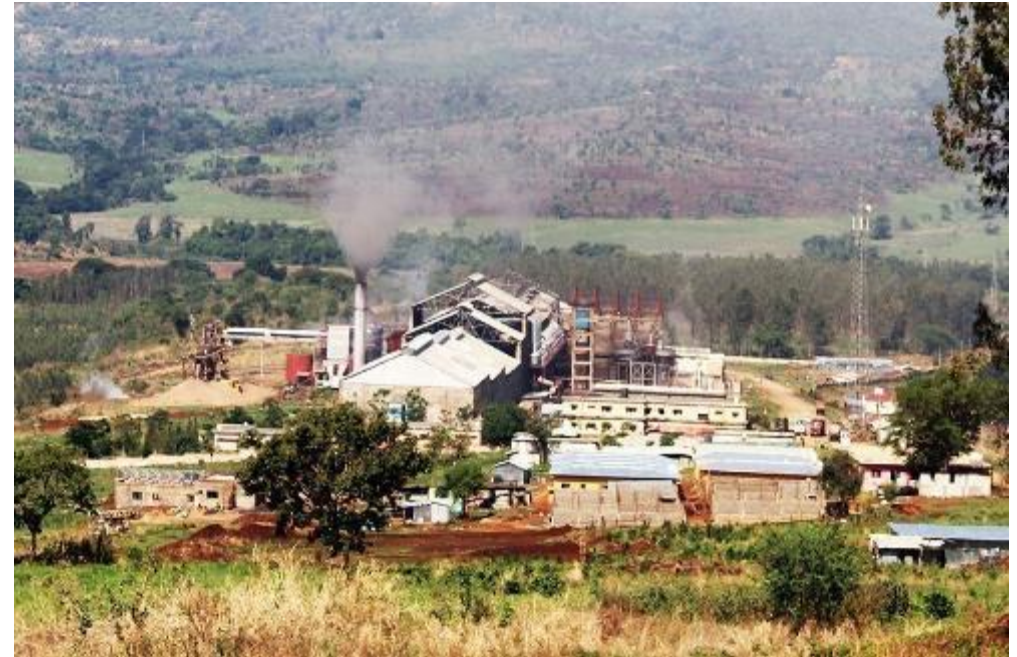


- Currently 3,700 ha is under rainfed cane, with expansion potential to 16,000 ha due to optimal climate for rain harvest.
- Conversion from rainfed to irrigated cane in progress – 1,000 ha completed.
- There is an ongoing dam construction on the Deddesa River.

Yield



- The plantation can produce 126 tonnes of cane per hectare.



Sugarcane quality



- Average sugarcane harvesting age is 14 months.

Factory capacity



- Potential to crush 7,200 TCD.
- Potential to produce >100,000 tonnes of sugar.

Other products & facilities



- The factory has the potential capacity to produce 8 MW of electric power for its consumption and the capacity to produce 39,000 tonnes of molasses annually.
- 124 residential houses and 11 non-residential units are built.

Transaction Process

Procurement Notice

- ▶ Publication of an open international tender for interested local and international investors to express interest.

Expression of interest

- ▶ Through advertisements placed in both local and international papers, the GoE will invite Expressions of Interest (IEOI) for prospective investors. The IEOI will be available at <https://www.mofed.gov.et/>.

Due diligence and review

- ▶ Interested bidders will be allowed to carry out preliminary due diligence on the sugar enterprises they are interested in acquiring. The purpose of this preliminary diligence is to enable investors to have an early view of the enterprises they are interested in investing in and raise any issues they may wish to be considered in the final tender documents and as part of the consultative dialogue process below.

Consultative Dialogue

- ▶ Interested investors will be allowed to review and make comments on the transaction structure and process. In addition, forums that ensure open and transparent interaction with the bidders, such as an investor conference, will be organized to ensure all queries raised by bidders are taken into consideration and addressed in the Request for proposal (RfP) document.

Submission of bids

- ▶ The GoE will issue an RfP document. Bidders will be required to submit both technical and financial offers. An evaluation process comprising the evaluation of technical bids and then the evaluation of the financial bids will be conducted. The GoE may carry out due diligence on the successful bidders prior to signing a definitive purchase contract.



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BETWEEN

- (1) **ETHIOPIAN INVESTMENT HOLDINGS**, a holding company of the Federal Government of Ethiopia established under the Definitions of Powers and Duties of the Executive Organs of the Federal Democratic Republic of Ethiopia Proclamation No. 1263/2021 and the Definition of Objectives and Functions of the Ethiopian Investment Holdings Council of Ministers Regulation No. 487/2022, with its registered business address at *Arada Sub-city, Wereda 09, Hilcoe Bldg., 5th Floor, Addis Ababa, Ethiopia* (the “**Disclosing Party**” or “**EIH**”)
 - (2) [FULL COMPANY NAME], incorporated and registered in [Country of incorporation] with company registration number [NUMBER] and whose registered office is at [REGISTERED OFFICE ADDRESS] (the “**Receiving Party**” or the “**Interested Party**”)
- (hereinafter together referred to as the “**Parties**” and individually as a “**Party**”.)

BACKGROUND

- (A) The Federal Democratic Republic of Ethiopia wishes to invite both international and domestic investors to participate in the tendering of 8 state-owned sugar enterprises. These enterprises are Omo Kuraz 1, Omo Kuraz 2, Omo Kuraz 3, Omo Kuraz 5, Arjo Dedessa, Kesseme, Tana Beles and Tendaho.
- (B) The Government of Ethiopia (GoE) has issued an Invitation for Expression of Interest (IEOI) inviting sealed applications from Interested Parties to indicate their interest in playing a part in the tendering of the Sugar Enterprises.
- (C) The Receiving Party has expressed interest in participating in the Proposed Transaction.
- (D) The Parties intend to enter into discussions relating to the state and operations of the Sugar Enterprises which will involve the disclosure of Confidential Information by the GoE to the Interested Party.
- (E) The GoE wishes to ensure that any Confidential Information disclosed to the Interested Party in connection with the Proposed Transaction remains confidential and is not used by the Interested Party for any purpose other than the Permitted Purpose.
- (F) The Parties have agreed to comply with this Agreement in connection with the use and disclosure of the Confidential Information.

Agreed terms

1. Interpretation

1.1 The definitions and rules of interpretation in this Clause apply in this Agreement.

Business: the business and undertaking of the Sugar Enterprises.

Business Day: a day other than a Saturday, Sunday or public holiday in the Federal Democratic Republic of Ethiopia when banks in the Federal Democratic Republic of Ethiopia are open for business.

Confidential Information: has the meaning given to it in clause 2.1.

Copies: copies of Confidential Information including any document, electronic file, note, extract, analysis, study, plan, compilation or any other way of representing, recording or recalling information which contains, reflects or is derived or generated from, any Confidential Information.

Permitted Purpose: considering, evaluating, negotiating or advancing the Proposed Transaction.

Permitted Recipient: any person referred to in clause 4.1 to whom Confidential Information is disclosed by, or at the request of, the Interested Party.

Proposed Transaction: the invitation of both international and domestic investors to participate in the tendering of the Sugar Enterprises.

Representatives: in relation to the Parties, their employees, officers, representatives and advisers.

Sugar Enterprises: means Omo Kuraz 1, Omo Kuraz 2, Omo Kuraz 3, Omo Kuraz 5, Arjo Dedessa, Kessem, Tana Beles and Tendaho.

1.2 Clause headings do not affect the interpretation of this Agreement.

1.3 References to clauses are to the clauses of this Agreement.

1.4 A reference to **this Agreement** or any other agreement or document referred to in this Agreement, is a reference to this Agreement or such other agreement or document, in each case as varied from time to time.

1.5 A **person** includes a natural person, corporate or unincorporated body (whether or not having a separate legal personality).

1.6 This Agreement shall be binding on, and ensure to the benefit of, the Parties to this Agreement and their respective successors and permitted assigns, and references to any Party shall include that Party's successors and permitted assigns.

2. Confidential Information

2.1 In this Agreement, **Confidential Information** means all non-public, confidential and/or proprietary information (however recorded or preserved) disclosed to the Interested party or its Representatives by the Disclosing Party or its Representatives, whether before, on or after the date of this Agreement, in connection with the Proposed Transaction, including but not limited to:

- (a) the existence and terms of the agreement contained in this Agreement.
- (b) any information that would be regarded as confidential by a reasonable business person relating to:
 - (i) information concerning business activities, products, specifications, data, know-how, and compositions of the Sugar Enterprises;
 - (ii) designs, sketches, photographs, graphs, drawings, systems, structures and architectural plans of the Sugar Enterprises;
 - (iii) research and development, marketing or distribution methods of process of the Sugar Enterprises;
 - (iv) customers list, customer requirements, price list, product information, market studies, intentions and opportunities of the Sugar Enterprises;
 - (v) computer software and programs, database technologies trade secrets of the Sugar Enterprises;
 - (vi) historical financials and budgets, future projections of the Sugar Enterprises;
 - (vii) names and background of the personnel, and personnel training techniques of the Sugar Enterprises;
 - (viii) documents delivered in connection with the tendering process for the Sugar Enterprises and the information packets thereto;
- (c) information about the Sugar Enterprises; and
- (d) any information developed jointly by the Parties during the course of the tendering for the Sugar Enterprises.

but excluding any information referred to in clause 2.2.

2.2 Information is not Confidential Information if:

- (a) it is, or becomes, generally available to the public other than as a direct or indirect result of the information being disclosed by the Receiving Party or any other person in breach of this Agreement;

- (b) the Interested Party can prove that it received the information from a source that is not connected with the Disclosing Party or its Representatives and that such source was not under any obligation of confidence in respect of that information;
- (c) the Interested Party can prove that the information was lawfully in its possession before it was disclosed by the Disclosing Party and the Interested Party was not under any obligation of confidence in respect of that information; or
- (d) the Parties agree in writing that the information is not confidential.

3. Confidentiality obligations

3.1 The Interested Party has the duty and to cause its Representatives to perform the following obligations in respect of maintaining the Confidential Information received and use reasonable care not to disclose the Confidential Information to any third party, such care to be at least commensurate with the care exercised by the Interested Party with respect to preserving its own Confidential Information, namely:

- (a) keep the Confidential Information secret and confidential;
- (b) not use or exploit the Confidential Information in any way, except for the Permitted Purpose;
- (c) not, directly or indirectly disclose or make available any Confidential Information in whole or in part to any person, except as expressly permitted by, and in accordance with, the terms of this Agreement;
- (d) not make any Copies, except as expressly permitted by, and in accordance with, the terms of this Agreement;
- (e) not use, reproduce, transform or store the Confidential Information in an externally accessible computer or electronic information retrieval system, or transmit it in any form or by any means outside its usual place of business;
- (f) ensure that no person gets access to or obtains any Confidential Information from the Interested Party or its Representatives; and
- (g) inform the Disclosing Party or its Representatives immediately on becoming aware, or suspecting, that Confidential Information has been disclosed to, or otherwise obtained by, an unauthorized third party.

3.2 The Interested Party shall only make such Copies as are strictly necessary for the Permitted Purpose and shall:

- (a) clearly mark all Copies as confidential;
- (b) ensure that all Copies can be separately identified from their own information; and
- (c) ensure that all Copies within its control are protected against theft or unauthorized access.

- 3.3 Nothing in this Agreement shall be construed as:
- (a) creating any obligation on the part of the Disclosing party to disclose any Confidential Information to the Interested Party; and
 - (a) creating any obligation or an expectation on the part of either Party to enter into a business relationship with the other Party, or an obligation to refrain from entering into a business relationship with any third party or an obligation on the GoE to award the tender for the Proposed Transaction to the Interested Party.

4. Permitted disclosure

4.1 Provided it complies with its obligations under clause 4.2, the Interested Party may disclose Confidential Information to its Representatives or a Permitted Recipient.

4.2 Where Confidential Information is disclosed to a Representative or Permitted Recipient, the Interested Party shall:

- (a) inform such a Representative or the Permitted Recipient of the confidential nature of the Confidential Information before it is disclosed; and
- (b) procure that the Representative or the Permitted Recipient shall, in relation to any Confidential Information disclosed to it, comply with this Agreement as if it were the Interested Party.

4.3 The Interested Party shall be liable for the actions or omissions of its Representatives in relation to the Confidential Information as if they were the actions or omissions of the Interested Party.

4.4 The Interested Party may disclose Confidential Information to the extent required by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, the Interested Party shall give the Disclosing Party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this Clause, the Interested Party shall take into account the Disclosing Party's reasonable requests in relation to the content of such disclosure.

5. Return or destruction of Confidential Information

5.1 If so requested by the Disclosing Party at any time in writing, the Interested Party shall promptly:

- (a) destroy or return all documents and materials containing, reflecting, incorporating, or based on any Confidential Information, that have been supplied to or generated by the Interested Party or its Representatives, including all Copies;
- (b) erase all Confidential Information from its computer and communications systems and devices used by it, or which are stored in electronic form;

- (c) procure that its Representatives take the steps referred to in clause 5.1(a) and Clause 5.1(b) herein in relation to all Confidential Information in their possession; and
- (d) certify in writing to the Disclosing Party that it has complied with its obligations under clause 5.1 herein.

6. Indemnity

The Interested Party shall indemnify the GoE and its Representatives against all liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other reasonable professional costs and expenses) suffered or incurred by the Receiving Party or its Representatives arising out of or in connection with any breach of this Agreement by the Interested Party or its Representative.

7. Reservation of rights and exclusion of warranties

- 7.1 Nothing in this Agreement shall impose an obligation on either Party to continue discussions or negotiations in connection with the Proposed Transaction, or an obligation on the GoE to disclose any information to the Interested Party (whether Confidential Information or otherwise).
- 7.2 All rights in the Confidential Information are reserved and none of the Confidential Information shall be the property of the Interested Party. The disclosure of Confidential Information to the Interested Party shall not give the Interested Party or any other person any licence or other right whatsoever in respect of any Confidential Information beyond the rights expressly set out in this Agreement.
- 7.3 The Interested Party acknowledges that the Confidential Information may not be accurate or complete and neither the GoE nor its Representatives make any warranty or representation (whether express or implied) concerning the Confidential Information, or its accuracy or completeness.

8. Inadequacy of damages

Without prejudice to any other rights or remedies that the Disclosing Party may have, the Interested Party acknowledges and agrees that damages alone would not be an adequate remedy for any breach of the terms of this Agreement by the Interested Party. Accordingly, the GoE shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this Agreement.

9. Duration

- 9.1 The provisions of the Agreement shall continue in full force without limit.

9.2 Termination of this Agreement shall not affect any accrued rights or remedies to which a Party is entitled.

10. Entire agreement

10.1 This Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous and contemporaneous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

10.2 Each Party acknowledges that in entering into this Agreement it does not rely on any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this Agreement. Each Party agrees that it shall have no claim for innocent or negligent misrepresentation [or negligent misstatement] based on any statement in this Agreement.

11. Variation and waiver

11.1 No variation of this Agreement shall be effective unless it is in writing and signed by all the Parties (or their authorized representatives).

11.2 A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.

11.3 A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not waive that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy.

12. Severance

If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Agreement.

13. Counterparts

This Agreement may be executed in any number of counterparts, each of which, when executed, shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement.

14. Rights and remedies

Except as expressly provided in this Agreement, the rights and remedies provided under this Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.

15. Governing law and jurisdiction

- 15.1 This Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of the Federal Democratic Republic of Ethiopia.
- 15.2 Each Party irrevocably agrees that the courts of the Federal Democratic Republic of Ethiopia shall have jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its duly authorized officer as of the date first written above.

**For and on Behalf of Ethiopian Investment
Holdings**

For and on Behalf of
.....



Ethiopian
Investment
Holdings



THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

REQUEST TO CONDUCT PRELIMINARY DUE DILIGENCE FORM

1. Introduction

The Government of Ethiopia ("GoE") is issuing this Request to Conduct Preliminary Due Diligence Form ("Request") to various interested parties (the "Interested Parties") in connection with the Proposed Transaction as more particularly described under Section 1 of the invitation to submit expression of interest ("EOI").

This Request has been issued by the GoE, in fulfilment of Section 3.1 of the EOI, to, in its absolute discretion, invite Interested Parties to perform preliminary due diligence on the Sugar Enterprises.

2. Disclaimers and legal issues

- 2.1 This Request shall only be completed and submitted once an interested party (the "Interested Party") has successfully submitted a signed Non-Disclosure Agreement and in return received a duly executed Non-Disclosure Agreement executed by EIH. Recipients are therefore bound by the Non-Disclosure Agreement in respect of all information contained in this Request.
- 2.2 This Request and any of the information presented in it does not constitute an offer or invitation on the part of the GoE (or any other person) to enter into any contractual arrangements relating to the Proposed Transaction.
- 2.3 Each recipient acknowledges that EIH, through the EOI, is targeting Interested Parties desirous of participating in the Proposed Transaction.
- 2.4 It is understood that each recipient of this Request will perform its own independent investigation and due diligence of the Sugar Enterprises, based on such information as it deems relevant and without reliance on the Federal Democratic Republic of Ethiopia and this Request.
- 2.5 The information contained in the EOI is not and shall not serve as a substitute for the recipient's investigation, due diligence and analysis.
- 2.6 This invitation to perform preliminary due diligence in accordance with this Request should not be regarded as an investment recommendation made by the Federal Democratic Republic of Ethiopia or its appointed advisors. All Interested Parties are recommended to seek their own financial, technical and legal advice.
- 2.7 The GoE will not in any circumstances be liable for any bid costs, expenditure, work or effort incurred by the Interested Party in carrying out enquiries in relation to, proceeding with, or participating in, this due diligence exercise, including if the Proposed Transaction is terminated or amended by the GoE.

2.8 All intellectual property rights in this Request and all materials provided by the GoE or its professional advisors in connection with this Request are and shall remain the property of the GoE and/or its professional advisors.

3. Representations by the Interested Party

3.1 The Interested Party confirms the following:

- (a) That its submission of an EOI means and implies that it has read carefully and unconditionally and irrevocably agreed to and accepted all the terms and conditions contained in the EOI.
- (b) It has acquainted itself fully with the scope of the Proposed Transaction, and all conditions, contingencies, and risks contained in the EOI that might affect its bid or its suitability for the Proposed Transaction.
- (c) It acknowledges that the GoE reserves the right to impose penalty, where the Interested Party destroys or damages any property belonging to the Sugar Enterprises, the Ethiopian Sugar Investment Group, or the Federal Democratic Republic of Ethiopia, and where the Interested Party interrupts, disrupts, attempts to delay or jeopardize the due diligence process in any manner, whether willfully, negligently or otherwise.

3.2 The Interested Party represents and warrants to EIH that by completing and signing this Request it:

- (a) has the power and authority to sign this Request and to perform and deliver all the conditions set out in the EOI and has taken all necessary corporate action to authorize its entry into, performance and delivery of, this Request and the activities contemplated therein.
- (b) has read and understood the terms of this Request and shall at all times, during and after the due diligence exercise comply with and adhere to the terms herein.
- (c) has the responsibility of complying with all legal and regulatory requirements relating to the due diligence shall be entirely on the Interested Party.
- (d) In case the due diligence process or the Proposed Transaction is deferred or cancelled, it shall not hold the GoE responsible in any manner whatsoever.

4. Participation Fee

Each recipient of this Request who wishes to proceed with the preliminary due diligence shall be required to pay a non-refundable fee of USD 1,000 (Participation Fee) upon receipt of a duly signed Non-Disclosure Agreement from the GoE that the Interested Party may proceed to conduct due diligence. An Interested Party may obtain the details of the account for the payment of the Participation Fee by sending a written request to sugarbid@mofed.gov.et.

5. Guarantee and Indemnity

5.1 Each Interested Party guarantees to the Federal Democratic Republic of Ethiopia the due and punctual observance and discharge by itself of all the obligations under this Request.

5.2 Each Interested Party agrees to indemnify and keep the Federal Democratic Republic of Ethiopia indemnified in full and on demand from and against all and any losses, costs, claims,

liabilities, damages, demands and expenses suffered or incurred by the Federal Democratic Republic of Ethiopia arising out of, or in connection with the Interested Party's failure to perform or discharge any of its obligations herein.

6. Confirmation Statement

We _____ of _____, having a registered office at _____, have read this Request, considered the scope, implications and effect of the same, and understood and agreed to the entire terms and conditions contained herein.

.....
[NAME OF COMPANY]

.....
SIGNATURE OF DIRECTOR

.....
DATE

In the presence of:-

.....
NAME OF WITNESS

.....
SIGNATURE OF WITNESS

.....
DATE



Ethiopian
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THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

KEY TRANSACTION ISSUES AND DUE DILIGENCE COMMENTS FORM

The Government of Ethiopia (GoE), through the Invitation of Expression of Interest (EOI), has invited applications from Interested Parties to indicate their interest in purchasing up to 100% of the shareholding of the Sugar enterprises (Proposed Transaction). As part of the transaction process, the GoE is desirous of receiving comments from interested investors on key transaction issues pertaining to their interest, or queries about the Sugar enterprises identified that they would like to discuss as part of the consultative dialogue and before the issuance of the final tender documents.

In this regard, the Government of Ethiopia is allowing preliminary independent due diligence on the Sugar enterprises to help Interested Parties to identify and provide comments on the key issues that they wish to be considered if any. These key transaction issues or diligence findings should be summarised in this form.

Interested Parties may submit these Due Diligence Comments Form together with their Expression of Interest (EOI) in accordance with Section 4.1 of the Invitation to submit Expression of Interest (EOI)

1. PREFERRED SUGAR ENTERPRISE AND TRANSACTION STRUCTURE

Please state the Sugar enterprise in which you may be interested in and your proposed transaction structure.

Sugar enterprise	Tick (Please tick one or more Sugar enterprises that you may be interested in.)	Proposed Transaction Structure (Please indicate your proposed transaction structure for example: <i>Partial Share Purchase (indicate minimum shareholding), Full Share Purchase, Concession, Joint Venture, Asset Purchase e.tc.)</i>
Omo Kuraz 1		
Omo Kuraz 2		
Omo Kuraz 3		
Omo Kuraz 5		
Arjo Dedessa,		
Kessem		
Tana Beles		
Tendaho		

2. DUE DILIGENCE TRANSACTION FINDINGS AND PROPOSED CONSIDERATION

Please highlight the key findings from independent due diligence on the Sugar enterprises and key considerations that the GoE may consider as part of the transaction.

	Finding/Issue	Consideration
1		
2		
3		
4		
5		
6		
7		

***NOTE: If the findings or shortcomings relate to more than one (1) Sugar enterprise, please state so.**

3. DUE DILIGENCE LIMITATIONS NOTED

Please indicate any shortcomings encountered from the due diligence exercise on any of the Sugar enterprises and any proposed mitigation you require from the GoE.

	Limitation	Impact/Consideration
1		
2		
3		
4		
5		
6		
7		

4. OTHER COMMENTS

Please add below any other comments or observations.



Ethiopian
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THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA
INVITATION TO SUBMIT EXPRESSION OF INTEREST (EOI)
FOR
THE TENDERING OF EIGHT STATE-OWNED SUGAR ENTERPRISES

Date of Issue of Invitation to Submit Expression of Interest: - August 19, 2022

**Transaction Advisor ("TA")
Ernst & Young LLP**

1. Introduction

The Federal Democratic Republic of Ethiopia wishes to invite international and domestic investors to participate in the tendering of 8 state-owned sugar enterprises. These enterprises are **Omo Kuraz 1, Omo Kuraz 2, Omo Kuraz 3, Omo Kuraz 5, Arjo Dedessa, Kessem, Tana Beles, and Tendaho** (the Sugar Enterprises).

EIH supervises and safeguards the systematic execution and efficiency of the tendering process of the above Sugar Enterprises in line with the provisions of the Definition of Objectives and Function of the Ethiopian Investment Holdings Council of Ministers Regulation No 487/2022 and all other applicable laws of the Federal Democratic Republic of Ethiopia.

The Sugar Enterprises are currently owned and managed by the Ethiopian Sugar Industry Group, (the ESI Group) pursuant to the Ethiopian Sugar Industry Group Establishment Council of Ministers Regulation No. 500/2022. Consequently, the ESI Group shall play a critical role in the process by providing necessary support concerning information on the Sugar Enterprises.

Ernst & Young LLP has been appointed as the transaction advisor by the Government of Ethiopia (GoE) to provide transaction advisory services for the tendering of the eight (8) state-owned Sugar enterprises and carry out all the necessary work that is pertinent for a successful transaction.

The GoE through this invitation of Expression of Interest (EOI), hereby invites applications from Interested Parties to indicate their interest in taking an ownership stake in the Sugar enterprises (Proposed Transaction).

2. Overview of the Sugar enterprises

Kindly refer to Project Teaser Document available for download at <https://www.mofed.gov.et/>

3. Procurement Process

3.1. Bidding Process

The GoE intends to procure Interested Parties to invest in the Sugar enterprises through a bidding process commencing with this EOI.

The bidding process shall comprise the following initial steps:

- **Step One** is the publication of this EOI.
- **Step Two** shall involve the following steps:
 - a) Interested Parties shall register their interest by downloading the EOI and executing and submitting a **Non-Disclosure Agreement** to EIH. Copies of the Non-Disclosure Agreement can be downloaded from Ministry of Finance (MoF) website at <https://www.mofed.gov.et/>.

Interested Parties will have until 1st November 2022 to submit the duly signed Non-Disclosure Agreement.
 - b) Any registered Interested Party desiring to perform preliminary independent due

diligence on the Sugar enterprises, physical or desktop due diligence, must submit a duly completed **Request for Interested Parties' Due Diligence form** to EIH and obtain written confirmation from EIH. The form shall only be made available to the Interested Party once EIH receives the duly executed **Non-Disclosure Agreement**. The preliminary independent due diligence is optional to those Interested Parties who may want to obtain more information on the Sugar enterprises being tendered as they prepare their EOIs.

Please note that the GoE reserves the discretion as to who may proceed to conduct the due diligence and the terms upon which this exercise shall be undertaken.

- c) Once a written confirmation is obtained, and subject to the payment of the participation fee outlined under the Request for Interested Parties' Due Diligence, the Interested Party shall be granted access to a data room for preliminary due diligence. At this stage, each Interested Party shall also have the option of undertaking a site visit to the Sugar Enterprises.
- **Step Three** shall be the submission of the EOI in accordance with the instructions herein.
 - **Step Four** shall be the release of detailed instructions to bid ("Request for Proposals" or "RFP") outlining the form and format of bids.
 - **Step Five** shall be the submission of the investment bids from the Interested Parties in accordance with the RFP.

3.2. Indicative Timelines for the Bidding Process

Serial No.	Milestone	Start Date	End Date
1.	Publication of the EOI	19 th August, 2022	19 th August, 2022
2.	Execution of the Non-Disclosure Agreement between EIH and the Interested Parties	19 th August 2022	1 st November, 2022
3.	Investor conference	TBA	TBA
4.	Preliminary Independent Due diligence	August, 2022	20 th November, 2022
5.	Submission of the EOIs	30 th November, 2022	30 th November, 2022
6.	Release of the detailed Request for Proposal	TBA	TBA
7.	Submission of Bids	TBA	TBA

Note: The GoE and Ernst & Young LLP will hold consultative dialogue with the Interested Parties throughout the EOI process.

The above dates may change at the discretion of the Federal Democratic Republic of Ethiopia.

Any queries or requests for clarification relating to any aspect of this EOI shall only be directed to sugarbid@mofed.gov.et with a copy to project.sikuar@ke.ey.com

4. Instructions to Interested Parties

4.1. Submission of the EOI

- 4.1.1. Completed EOI document must be delivered to the address below on or before **30th November 2022 at 5pm East African Time (EAT)**.
- 4.1.2. The Federal Democratic Republic of Ethiopia may, at its discretion, extend the deadline for the submission of the EOI by amending the EOI, in which case all rights and obligations of the GoE and Interested Parties shall thereafter be subject to the deadline as extended.
- 4.1.3. At any time prior to the deadline for submission of the EOI, the Federal Democratic Republic of Ethiopia may, for any reason, modify the EOI by issuing an addendum.
- 4.1.4. The Federal Democratic Republic of Ethiopia reserves the right to seek any additional documents, information, indemnities, warranties, representations, or performance obligations from the Interested Parties or any of their related entities to the Federal Democratic Republic of Ethiopia sole satisfaction without any liability to the Federal

Democratic Republic of Ethiopia and the Interested Parties.

4.1.5. Interested Parties shall provide all information sought in this EOI or subsequently requested during this EOI process. The EOI shall comprise of:

4.1.5.1. A letter expressing the intent or desire to participate in the Proposed Transaction giving reference to the EOI and a rationale for the same and confirming that the information provided by the interested party is true, correct, and accurate to the best of their knowledge.

The letter should also confirm that the Interested Party understands that the Federal Democratic Republic of Ethiopia reserves the right to accept or reject any EOI without assigning any reason whatsoever and to conduct due diligence on the Interested Party and request additional documents, information, or clarification.

4.1.5.2. Legal Status

Each Interested Party shall provide its certificate of incorporation/registration in its country of incorporation. In the case of a consortium, an Interested Party may choose to provide the certificate of incorporation/registration for the consortium lead or respective certificates of incorporation/registration for all the consortium members.

4.1.5.3. Details of contact persons (Name, designation, contact number, and email address).

4.1.5.4. Business Profile

Each Interested Party shall submit a detailed business profile stating the business of the Interested Party, track record, relevant experience, and any other relevant information.

4.1.5.5. Financial Capacity

Each Interested Party shall provide audited financial statements for the three (3) most recent years and any other information it deems relevant to demonstrate the interested party's financial capacity.

4.1.5.6. Key Transaction Issues and Due Diligence Comments Form

Each Interested Party may submit a summarised report, of not more than five (5) pages, highlighting the key issues they wish to be considered as part of the proposed transaction and any limitations/constraints identified from the Preliminary Due Diligence exercise.

4.1.5.7. Preferred Sugar enterprise(s)

Each Interested Party shall state the identified Sugar enterprise or enterprises in which they are interested in and any key issues pertaining to their interest,

or queries about the enterprises identified that they would like to discuss before participating in the Request for Proposal stage (as contained in paragraph 4.1.10 above). Interested Parties can express their interest in one Sugar enterprise or a combination of two or more Sugar enterprises or all the Sugar enterprises.

4.1.5.8. Identification of the preferred transaction structure

Each Interested Party shall indicate their preferred method of investment in the ownership of identified enterprises structure should they be successful at the RFP stage.

4.2. Language of the EOI

4.2.1. The EOI as well as all correspondence and documents relating to the EOI shall be written in the English language. Supporting documents and printed literature that are part of the EOI may be in another language provided they are accompanied by an accurate translation of the relevant passages into the English language, in which case, for purposes of interpretation of the EOI, such translation shall govern.

4.3. Electronic Submission

4.3.1. Interested parties shall submit the EOI in electronic form via email at sugarbid@mofed.gov.et with a copy to projectsikuar@ke.ey.com with the subject line 'EXPRESSION OF INTEREST IN THE TENDERING OF EIGHT STATE-OWNED SUGAR ENTERPRISES' attaching all the supporting documents in PDF format or as scanned documents by the due date. All documents submitted in the electronic form may either be scanned versions of documents with physical signatures or signed digitally using a valid Digital Signature Certificate.

4.4. Physical Submission

4.4.1. Interested parties may submit the EOI in physical form. Depending on the sizes or quantities or weight of the EOI documents, an Interested Party may use an envelope, package or container. Interested Parties shall deliver the EOI in a single sealed envelope, or in a single sealed package, or in a single sealed container bearing the name and Reference number of the EOI, addressed to EIH and a warning not to open before the time and date for EOI opening.

4.4.2. The sealed envelopes shall:

4.4.2.1. Bear the name and address of EIH;

4.4.2.2. Bear the name and address of the Interested Party;

4.4.2.3. Bear the reference number of the EOI; and

4.4.2.4. In addition, the Due Date should be indicated on the right-hand top corner of each envelope.

4.4.3. The address of EIH is:

Attention: Meleket Sahlu Denbu

Physical Address: General Wingate St. Hilcoe building, 5th floor

Postal Address: 4353

Phone: +251913603975

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- 4.5.1. The Federal Democratic Republic of Ethiopia may annul the EOI process and/or reject all EOIs at any time without any liability or any obligation in connection with such acceptance, rejection or annulment, and without communicating any reasons therefor. If the Federal Democratic Republic of Ethiopia rejects or annuls any of the EOIs, they may, at their sole discretion, invite fresh EOIs hereunder.
- 4.5.2. The Federal Democratic Republic of Ethiopia reserves the right not to proceed with the EOI process at any time, without notice or liability, and to reject any or all of the EOIs without communicating any reasons.

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Ethiopian
Investment
Holdings

NON-DISCLOSURE AGREEMENT

between

ETHIOPIAN INVESTMENT HOLDINGS

(as the Disclosing Party)

and

.....

(as the Receiving Party)

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