



A PRAGMATIC APPROACH TO ASSIST THE  
**PRIVATE SECTOR**  
POSITION ITSELF FOR GROWTH

**Your Vision,** Our Process

Corporate Profile | September 2020


**PRAGMA**  
INVESTMENT ADVISORY





# Pragma at a Glance





## Who We Are

Pragma Investment Advisory is a boutique business, investment and economic development advisory firm with a primary focus on developing strategic entry and growth planning for individuals and organizations demonstrating economic interest in Ethiopia.

Our firm is run by principal advisors who have established strategic alliances with highly-qualified consultants whose professional backgrounds range from working for some of the big 6 financial accounting firms to Emerging Market-focused private equity companies.

## What We Do

At Pragma, we firmly believe that the private sector is an indispensable agent of economic development. The role to solidify its active engagement in East Africa is one that we uphold to the core. Hence, we offer investment and development advisory solutions deemed to solve critical problems faced by businesses and institutions.

Our trusted services range from market entry strategy counseling, to mergers & acquisitions, investment management, project management, business development support, and beyond.

## What Differentiates Pragma

Our deeply analytical understanding of the sustainable value that can be created by unlocking capital for frontier and emerging markets is what makes us truly unique.

We are an indigenous advisory house, established in Ethiopia in 2018, made up of talented financial and economic analysts.

Our founding partners and the network of senior consultants in our team bring a combined advisory experience of 30+ years in Africa, USA, Europe and Asia.

## Key Values

Our core values are reflected in the way we have devised a culturally-attuned and versatile corporate culture.

In our engagements with clients, partners, and the communities around us, we stand by the principles of the **5 Hs**:

- Honesty
- Humility
- Human-to-Human
- High Quality
- Hard Work



# Transaction Advisory Services

- We provide dynamic transaction advisory solutions for projects ranging from greenfield investments to expansionary ventures at any stage of the transaction process.
- Our focus is to deliver clients with quality, value-added, independent advice, tailored specifically to their individual needs through our specialized team focus.
- We help clients minimize conceivable investment risks by carrying out a comprehensive investigation of a potential investment to confirm all facts (be they financial, legal, commercial, operational, or technological).

Services	
M&A	We advise on strategic Mergers and Acquisitions and provide financial assessment solutions to ensure smooth transaction occurrence.
Market Entry	We help clients develop a strong understanding of investment opportunities, build a clear road map for their proposed venture, and render hand-holding solutions as guidance towards commercial implementation.
Research & Analytics	We deliver up-to-date, exhaustive and dependable data-driven analysis of economies, policies, and markets, and produce reports highlighting our findings.
General Corporate Finance Advisory	General advice on ongoing corporate, financial and strategic issues.

## Common Solutions and Deliverables

- Financial Due Diligence
- Financial Modeling
- Feasibility Studies and Market Assessment
- Commercial Due Diligence
- Business Plan Development
- Business Valuation
- Strategy Design
- Value Chain Analysis
- Deal Sourcing
- Capital Raising
- Project Financing Advisory



# Investment Management & Startups

- We have built a long-standing relationship with a network of high net-worth individuals from Africa, Europe and North America who have formed an angel syndicate to consolidate their financial resources and invest in East Africa
- We provide deal sourcing, deal structuring, and closing services so our growing network of investors can identify investable opportunities and take action without the worries of process logistics and back-office hassle
- During post-investment, we help investors manage their portfolio as we represent their interests in the business proceedings with investees by ensuring the companies are running at optimal capacity. Think of us as professional intermediaries who provide data-driven recommendations to both buy-side and sell-side actors.

## Services

### Opportunity Identification

Our deal sourcing team is deployed to scope out for deal flow and opportunities as per the appetite and risk-tolerance levels of the client.

### Deal Structuring

Once opportunities are identified, we structure the deal by performing the necessary due diligence on target entities, conducting negotiations on valuation, helping draft term sheets, and closing transactions.

### Portfolio Management

We ensure that our investors are kept aware of the performance of portfolio companies; this is carried out via periodic operational and financial assessment, and reporting of findings along with suggestive recommendations.

**80+** pitches entertained

**13+** companies under management

**USD10 Mn** of available funds

For deal flow: [pitch@pragma-advisory.com](mailto:pitch@pragma-advisory.com)



# Public Sector & Development Consultancy

- Our advisory solutions are not limited to the private sector. We understand the vitality of synergy between the private, the public and the non-profit sectors as a collective undertaking to drive economic development.
- Development actors have signaled a paradigm shift from official development assistance (country-level undertaking) to the empowerment of the private sector via FDI (sector and firm-level intervention). 2015 was a crucial year for sustainable development due to three important conferences that took place: the Financing for Development conference in Addis Ababa, the United Nations Sustainable Development Summit in New York, and the Climate Change Conference in Paris. Pragma has positioned itself to support these transitions by speaking the same “operational language” as the new cohort of development investors in Ethiopia, and by carefully understanding the values the latter stand for.
- We are part of the Investment Facilitation service provision pipeline deploying firm-level assistance for Investors and Companies to control commercial costs and reduce information asymmetries.
- The extended network at Pragma consists of management consultants and development advisors who are endowed with the analytical, technical and soft skills required to solve problems faced by government bodies, multilateral development banks, other development finance institutions, NGOs, and many more.

## Services (to name a few)

Market Analysis	Business Plan Development	Environmental Impact Assessment
Strategy Development & Implementation	Organizational Diagnostic and Transformation	Implementation of Enterprise Resource Planning
Business Development Support	Monitoring & Evaluation	Training provision in business, leadership, accountancy
Feasibility Studies	Performance Assessment	Market Intelligence



# Pragma Technologies

- Pragma Technologies is our technology management and advisory wing established to support Ethiopia's drive toward digital transformation by fostering Pan-African and global partnerships to bridge gaps in technological capacity and human capital.
- We offer collaborative infrastructure and marketing support to international companies interested in providing technology backing to the Ethiopian public and private sectors
- Our main scope of involvement revolves around telecommunications, financial technology, enterprise resource planning, ICT training, e-commerce, and beyond

## Services

### Recruitment

We assist in the sourcing of a local talent pool to swiftly advance the technical engagements of our regional/international partners.

### Research & Marketing Support

We provide analysis, front-line promotion and marketing support by representing our partners' interests at client engagement junctures. We leverage our extended network of industry players to help partners secure business. Think of us as your trusted extended arm in the Ethiopian market.

### Legal Services

Commercial engagements must be backed by legal contracts, whereas professional legal council is indispensable for well-structured partnerships. Pragma ensures a qualified legal team is deployed in every project.

## Partnerships



Pragma is an exclusive agent of Simulants (Pty) Ltd in Ethiopia. Simulants is a South Africa-based training and development institution, and the partnership enables the delivery of technology and industrial training services in Ethiopia.



iWork Technologies is an IT solutions firm focused on building a comprehensive suite of Enterprise Software for companies in Ethiopia. The organic partnership between Pragma and iWork enables the provision of business consultancy coupled with system integration.



Select Credentials



# Case Study: Investment & Portfolio Management



2020  
Investment & Portfolio  
Management  
ETHIOPIA | SOUTH AFRICA

Consultancy

## Supporting a cohort of 13+ companies in performance evaluation

### Background of the assignment

- Kazana Group is a holding company owned by Addis Alemayehou, a public figure, a serial entrepreneur and an active investor based in Ethiopia. The group currently holds a portfolio of 13+ companies operating in a diverse array of industries and sectors, notably in marketing, communications, advertisement, fintech, telecom, manufacturing, logistics, technologies, investment management & advisory, and many.
- The fragmentation of the sponsors' portfolio companies and the necessity to implement a professional performance evaluation mechanism became an impetus for Pragma to uphold the role of investment and portfolio manager for Kazana. Some of the managed entities are located in South Africa with other investments bound to occur in East Africa.



### Pragma's Role

- Pragma leads the role of investment and portfolio management. This includes:
  - Tracking **financial performance**, analyzing **business performance** and market conditions to create forecasts
  - Helping senior management make tactical and strategic decisions by providing **periodic reports**
  - Overseeing the operations of each investee and making suggestive reports **for problem-solving and opportunity identification**
  - Engaging in **deal sourcing, deal structuring, drafting term sheets and shareholder agreements, and closing investments** on behalf of the group
  - Keeping abreast with developments in **policy and financial markets**

Key Indicators	
Sector	Diverse
Portfolio Size	13+ companies   Est. group valuation of USD 200Million
Founder	Prominent Ethio-Kenyan entrepreneur, Addis Alemayehou
Solutions	Investment & Portfolio Management



# Case Study: Privatization Support



## Advising a State-Owned Enterprise involved in the sugar industry for preparations toward privatization

### Background of the assignment

- As mandated by the Ethiopian government, the Ethiopian Sugar Corporation, a public enterprise, grows sugarcane and other sugar yielding crops while. Since its establishment in 2010, the majority of the Ethiopian Sugar Corporation’s production and factory expansions have been focused on meeting the growing local demand, while increasing production capacity to eventually leverage Ethiopia’s vast supply for surplus production to serve regional and international export markets.
- The Ethiopian government, as part of reforming the economy and increasing the role of the private sector, decided to transfer ownership of the Ethiopian Sugar Corporation sugar factories to the private sector via one of the following arrangements: full or partial privatization, management contract agreement, or public-private partnership.

### Pragma’s Role

- Pragma coordinated the pre- privatization process by undertaking the following:
  - Conducting high level commercial and operational due diligence focused on the Corporation and the domestic sugar industry
  - Preparation of an investment promotion document showcasing the Corporation's project portfolio and sugar factories. The document is now used as an introductory tool for potential bidders to develop a strong understanding of the Corporation’s operational history and scope of work
  - Preparation of a Request for Information [RFI] document with an aim to collect written information about the capabilities of interested investors.

Key Indicators	
Sector	Sugar
Sponsors	Ethiopian Government and the Ethiopian Sugar Corporation
Plan of Intervention	Privatization of a large State-Owned Enterprise
Solutions	Due Diligence, Investment Promotion Document and Request for Information [RFI]



# Case Study: Private Equity Investment Readiness



2019

Advising on expansion  
planning with private equity  
investor

**ETHIOPIA / MAURITIUS**

*Bookrunner*  
USD 5 million

Advising one of the largest indigenous pizza chain restaurants on expansion strategy (ongoing)

## Background of the assignment

- Effoi Pizza is a popular local pizza restaurant chain owned by the prominent Ethiopian entrepreneur, Tsega Wubeshet. Over a period of nearly 15 years, Effoi has grown to 6 outlets, a hotel business, and a vertically integrated produce business.
- The company is now expanding its outlet volume nationwide with long-term plans to penetrate the East African region.
- The expansion plan requires a robust assessment of the company's financial and operational health, hence is Pragma contracted to support the business execute effective growth planning.

## Pragma's Role

- A preliminary assessment of Effoi's goals necessitated the development of an **Investment Memorandum**, a legal document that states the objectives, risks, and terms of an investment involved with a private placement. This document includes items such as a company's financial statements, management biographies, a detailed description of the business operations, and more.
- A subsequent task was to develop a robust **Financial Model** that outlines the historical performance as well as the projected performance expectations of the business. This required rigorous analytical work going back to years of financial and operational assessment of Effoi.
- In parallel, we conducted a **market study** on the pizza business in Ethiopia, incorporated into a comprehensive report about the restaurant market in the country. The findings have validated the expansion strategy envisaged by the client.

Key Indicators	
Sector	Food & Beverage
Growth Objective	10x expansion targets in turnover terms
Potential Transaction Size	Phase 1 - USD 5 Million
Solutions	Investment Memorandum, Financial Modelling, Market Study, Hand-holding, Pitch Deck



# Case Study: Market Entry Strategy



## Supporting a prominent infrastructure company to enter the Ethiopian telecom industry

### Background of the assignment

- Paradigm Infrastructure Limited is a U.K. based telecom infrastructure company engaged in structuring transactions, starting up operations and managing and growing successful businesses in the telecom tower sector. Their experience extends across EMEA, LATAM and the United States where the team has been responsible for operation of over 90,000 towers sites and the negotiation of multiple tower transactions.
- According to the Ethiopian Communications Authority, Ethiopia currently owns less than 800 towers, whereas an extensive research conducted by multinational operators in Ethiopia suggests that a minimum of 15,000 towers are required to accommodate 100+ million population.
- With the ground breaking announcement of the privatization and liberalization of the telecom sector in Ethiopia, Paradigm required our assistance in market entry strategy implementation.

### Pragma's Role

- Pragma led the market entry facilitation effort by:
  - Conducting **industry analysis** of the Ethiopian telecom sector
  - Providing **recruitment support** in the sourcing of telecom and power engineers
  - Facilitating the drafting of **landlord lease contractual arrangements** for tower erection
  - Shortlisting potential technical partners in the development of telecom infrastructure locally with the client
- Further engagements were held by Pragma with respect to **privatization/liberalization policy reviews, involvement in consultation programs** with regulators, developing business relationships with large mobile operators, and recruiting a team of radio frequency planners and telecom tower builders. Pragma is also an **equity partner** in this venture.

Key Indicators	
Sector	Telecommunications
Plan of Intervention	To erect telecom towers in underserved locations
Client Relationship	Equity partnership and consultancy
Solutions	Market Entry, Hand-holding, Industry Analysis, Policy Review, Relationship Management and Recruitment

# Case Study: Business Development Support - Marketability

*Habte garment  
and printing*

2020  
Developing Marketing,  
Branding, and PR Strategy  
ETHIOPIA  
*Consultancy*

Advising a garment business, selected as fund prize winner by the MasterCard Foundation and the Job Creation Commission, on Marketing & Branding Strategy

## Background of the assignment

- Established in 2007, Habte Garment & Printing is a garment manufacturer that produces a wide assortment of kids wear in Ethiopia. In early 2020, the company was selected as part of a consortium of 11 SMEs by the MasterCard Foundation in partnership with the Job Creation Commission to support their business development efforts, as well as to temporarily shift manufacturing efforts toward Personal Protective Equipment.
- After a successful screening process by the sponsor organizations, Pragma was contracted to provide consultancy services in the design of an effective marketing and branding strategy for Habte.
- The project is embarked on to achieve the following expected goals:
  - To achieve a sales goal of 120,000 items by the end of this year (2013 per the Ethiopian Calendar).
  - To expand the number of outlets to 10 by the end of this year (a 3x objective)
  - To begin accessing the export market by the end of the year
  - To commence producing apparel for a young adult target market.



## Pragma's Role

- Pragma is designing a culturally-attuned and comprehensive **marketing and branding strategy** for the client. This includes:
  - Market survey** on the current children clothing market emphasizing on garment production.
  - Sourcing of **Consumer Insight** on the client's goods and services to diagnose and solve bottlenecks and malpractices
  - Provide suggestive approaches in **Above the Line, Below the Line and Digital marketability**
  - Devise a subsequent **PR and Communications Strategy** to compliment the aforementioned efforts

Key Indicators	
Sector	Textile & Garment
Sponsors	MasterCard Foundation and Job Creation Commission
Plan of Intervention	To increase visibility and leverage competitive edge
Solutions	Marketing & Branding Strategy, PR & Communications Strategy, Industry Analysis



# Case Study: Capital Raising and Investment Management



**2019**  
Deal structuring, Financial and  
Legal due diligence  
**ETHIOPIA | USA**  
*Investment Management*

## Deal structuring, due diligence and investment in a Socks Manufacturing Company

### Background of the assignment

- Dante Socks and Knitting Manufacturing PLC is a socks manufacturer based in Bahir Dar, Ethiopia. Dante started operations in September 2020 with the goal of producing more than two million pair of socks annually. The company plans to expand its operations into yarn production and other textile products by 2021.
- Prior to roll out, Dante required fundraising from external investors to meet capital requirements for capital goods and raw material. Pragma facilitated and structured an equity partnership deal by raising the required capital from its syndicate of investors.

### Pragma's Role

- Pragma made the investment in Dante Socks and Knitting Manufacturing after:
  - Conducting Financial, Commercial and Legal due diligence
  - Carrying out a market survey on socks manufacturing in Ethiopia to guarantee the viability of the investment
  - Preparing a robust, forward-looking Financial Model
  - Structuring an equity deal to raise the required capital from investors

As part of its post-investment mandate, Pragma is providing advisory services for Dante's strategy development, including marketing efforts and brand enhancement, and facilitating pipeline for export market access to North America and Europe

Key Indicators	
Sector	Textile and Garment
Raised Funds	Phase 1 – ETB 10 million
Client Relationship	Equity partnership and consultancy
Solutions	Investment appraisal, Financial, Commercial and Legal Due Diligence, Investment/Project Management

# Clients/Partners We Can Mention

## Media & Marketing



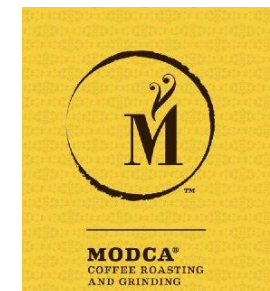
## ICT & Engineering



## Manufacturing



## Trade & Services







# The Team

# Senior Members



**Kalid Mawi**  
Founding Partner

Kalid is Founding Partner at Pragma Investment Advisory and Pragma Technologies where he handles corporate development and overseas projects in investment management and corporate finance. Prior to Pragma, he was part of the Transaction Advisory team at Grant Thornton where he contributed to financial due diligence, market assessment, and research activities. Kalid has also accumulated 5+ years of experience in the Ethiopian real estate industry where he was deputy Head of Operations at Munham Constructions. During his tenure at Ernst & Young, he has amassed expertise in industry analysis, market study, and due diligence. Kalid sits on the board of Kazana Group and holds a BA in Business from Lincoln University (California), and an advanced diploma in Business from Centennial College (Canada).



**Mered Besrat, CM, CIPM**  
Founding Partner

Mered is Founding Partner at Pragma Investment Advisory and Pragma Technologies. Prior to Pragma, he was a Project Manager for a USD 50 million project in a glass bottle manufacturing company in Ethiopia. He has also worked as country representative of an Australian company engaged in the production of LED lights. Moreover, Mered served at the Ethiopian Ministry of Foreign Affairs as a Business Diplomacy expert by representing the Ministry in the arrangement of investment and trade relations. He sits on the board of Kazana Group and holds a B.A Degree in Business Administration from Lincoln University (California), a B.A Degree in Governance and Developmental Studies from Jimma University, and a B.A. in Global Studies and International Relations from New Generation University.



**Addis Alemayehou**  
Advisory Board Member

Addis has become a household name in Africa's entrepreneurship landscape with Ethiopia as the genesis of his successful business career. He is the founder and CEO of the renowned 251 Communications, and a co-founder of KANA TV and Arada Mobile. He is a Senior Advisor at Albright Stonebridge Group, and previously served as Chief of Party of the VEGA Ethiopia AGOA+ project under USAID. Addis is an investor of over 13 companies, involved in diverse sectors under his own holding entity named Kazana Group. He is also a co-founder of the Addis Ababa Angel Network, and an advisor to the Ethiopian government on start-up policy. Addis serves on the board of the African Leadership Network, Dangote Ethiopia, the Ethiopian American Business Forum, and the ICT-ET (a private sector ICT association in Ethiopia).



# Our People

## Senior Associates



Natnael Ketema, MSc.  
Senior Associate

**Experience:** Natnael is a Senior Associate at Pragma where he handles transaction advisory, market assessment, and industry analysis duties. He has 3+ years of banking experience at a leading private bank in Ethiopia as a credit analyst. He also worked at Icos Consultancy, engaged in BDS, strategy design & implementation, and project design, monitoring and evaluation.

**Education:** Natnael holds a MSc in Finance & Investment from **Mekelle University** and a BA in Investment Management and International Trade from ASTU.



Egziharya Meshesha  
Senior Associate

**Experience:** Egziharya is primarily engaged in market research and transaction advisory activities at Pragma. She has accumulated 5+ years of experience in financial analysis, marketing, event planning, sales, and training provision at Sunshine Investment Group, Sun Sisters Trading PLC., and Caliente Events.

**Education:** Egziharya is a graduate of Lincoln University (California) with a BA in International Business and Management.



Blen Mekonnen  
Senior Associate

**Experience:** Blen is the Digital Marketing consultant and lead at Pragma. She is also the Group Digital Marketing Manager at Kazana Group, a holding company based in Ethiopia. Blen was also an Associate Communications Director at iCog Labs, an artificial intelligence company. She handled projects such as iCog Anyone Can Code, Solve IT, iCog Makers, and Solve IT Accelerator.

**Education:** Blen holds a BSc in Computer Engineering from Addis Ababa Science and Technology University

# Our People

## Analysts



Saba Belay  
Analyst

**Experience:** Saba is an Analyst at Pragma where she handles transaction advisory, research, and analytical work. Prior to Pragma, she has worked for Woodish PLC as an accountant and a financial advisor. In addition, she has worked for the Finance Department of Repi Wilmar S.C. She was an active member of the Olyad Rotaract club and is currently an account manager of AIESEC .

**Education:** Saba is a graduate of St. Mary's University with a BSc in Accounting and Finance.



Samuel Kebede  
Analyst

**Experience:** Samuel is an Analyst at Pragma where he is engaged in financial analysis, research and business development. He is also an Equity Research Analyst at BLK Management Corp, a black owned hedge fund based in the United States. In addition, Samuel has interned with blueMoon Ethiopia, a prominent startup accelerator, handling accounting, event management, and startup support.

**Education:** Samuel is a graduate in Economics and Finance BSc from Ashoka University (India).



Bezawit Shewangzaw  
Analyst

**Experience:** Bezawit is an Analyst at Pragma where she contributes in research, market assessment and industry analysis. She has also engaged in several internship positions as an engineer at the Metal & Engineering Corp, as well as at Hibret Manufacturing and Moenco, a leading automotive distributor in Ethiopia, owned by the multinational entity, Inchcape.

**Education:** Bezawit holds an BSc in Mechanical Design and Engineering from ASTU, as well a BA in Management from Unity University



Robel Getachew  
Analyst

**Experience:** Robel is an Analyst at Pragma with over a year of experience in consultancy. He actively contributes to market research, industry analysis, commercial due diligence, competitive analysis, data collection, and report writing.

**Education:** Robel is a graduate of the University of Gondar, College of Business and Economics, with a BA in Economics.





# ADDIS BUSINESS TALK

With Kalid & Mered every Thursday morning from 7:30 to 8:30 on Afro FM 105.3

# ON AIR

On April 23rd (2020), Pragma Investment Advisory and 251 Communications jointly launched the first all-English business-focused radio show (on Afro FM 105.3) and digital podcast in Ethiopia. Labelled 'Addis Business Talk', the show conducts interviews with individuals of significant influence by covering the most timely and pressing issues revolving around the areas of business and economic policy in Ethiopia, and is hosted by Kalid Mawi and Mered Besrat, Managing Partners at Pragma.

### Notable Guest Appearances From:





## Pragma Investment Advisory

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