

MORAIS LEITÃO

GALVÃO TELES, SOARES DA SILVA
& ASSOCIADOS

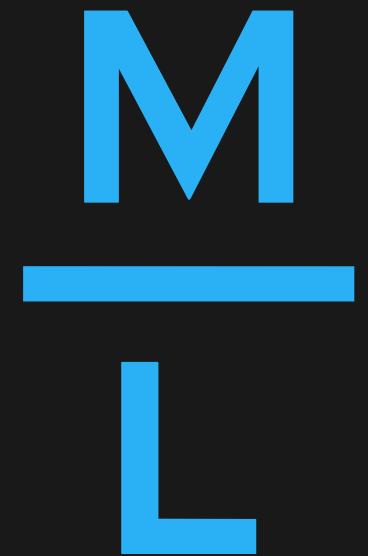
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ANGOLA PRIVATISATION PROGRAMME (PROPRIV) 2019-2022

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ANGOLA PRIVATISATION PROGRAMME (PROPRIV) 2019-2022

The Angolan Privatisations Law¹ was approved in 2019 to relaunch the restructuring and reforming of the public business sector. The Privatisations Law set up the legal framework for the privatisations and reprivatisations of (a) public companies (either held directly by the State or by other public entities) and (b) other public assets. The privatisation programme was approved by the Presidential Decree no. 250/19, of 5 August (the “Privatisation Programme” or “PROPRIV”). PROPRIV is rather ambitious having identified 195 companies directly or indirectly held by the Angola State to be privatised between the years 2019 to 2022 (for examples of undertakings or stakes to be sold under PROPRIV, see Schedules I and II below).

The Privatisation Programme also establishes the procedures applicable to the privatisation of the companies: (i) through the transfer of the shares (share deals); (ii) through capital increase via the entry of private entities; (iii) through the sale of assets (asset deals); or (iv) through the assignment of commercial exploitation and management rights (concession). Depending on the selected method, the privatisations will take place under one of the following procedures:

- A. Via stock exchange market
 - (i) Initial public offering (IPO);
 - (ii) Stock exchange auctions.
- B. Via tendering process
 - (i) Public tender;
 - (ii) Restricted public tender with pre-qualification.

The selection of the companies and stakes to be disposed under the Privatisation Programme (better identified below) was made considering the following criterion:

- (i) The nature of the assets;
- (ii) The number of financial years with audited statements, without any reserves;
- (iii) The dimension – weight on the GDP and turnover;
- (iv) The attractiveness – cash flow and financial results; and
- (v) The nature and extent of the preceding activities.

The Angolan executive plans to implement 88% of the privatisation programme until 2020 (171 out of 195 companies and/or stakes should be disposed until

2020) and the PROPRIV should be completed by the end of 2022. The PROPRIV also includes an indicative roadmap applicable to the privatisations to be undertaken (see schedule III below) and it is expected that the privatisation process will occur within the following timeframe:

PROCEDURE OF PRIVATISATION	YEAR				TOTAL
	2019	2020	2021	2022	
Number of companies to be privatised through Public Tender	80	81	12	2	175
Number of companies to be privatised through Stock Exchange Auction	0	6	5	0	11
Number of companies to be privatised through IPO	1	2	2	2	7

¹ Law no. 10/19, of 14 May.

The Privatisation Programme also makes reference to a commission responsible for the implementation of the privatisation process (such commission will be coordinated by the Ministry of Economic Coordination). Said commission has been appointed with the purpose of ensuring the collaboration between all ministries involved. Other public bodies (and other private stakeholders) such as the AIPEX (entity responsible for promoting and approving foreign direct investment), CMC (Angolan Capital Market Regulator), BODIVA (Angolan Stock Exchange Market), investment banks and other consultants (legal, accounting, etc.) are also expected to play a major role in what will certainly be a pivotal process for the Angolan economy.

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SCHEDULE 1 – COMPANIES TO BE PRIVATISED DIRECTLY HELD BY THE STATE

COMPANY	SECTOR	% HELD BY THE STATE	METHOD	PROCEDURE	START YEAR
SONANGOL E.P.	Mineral resources and Oil	100%	Share Disposal	IPO	2022
ENDIAMA	Mineral resources and Oil	100%	Share Disposal	IPO	2022
ENSA SEGUROS, S.A.	Financial	100%	Share Disposal	IPO	2019
TAAG	Transport	100%	Share Disposal	Stock Exchange Auction	2021
BCI, SARL	Financial	100%	Share Disposal	IPO	2020
ANGOLA TELECOM	Telecom/IT	100%	Share Disposal	Stock Exchange Auction	2021
ENCTA	Telecom/IT	100%	Share Disposal	Public Tender	2022
BODIVA, S.A.	Financial	100%	Share Disposal	IPO	2021
TCUL	Transport	100%	Share Disposal	Public Tender	2020
SDZEE, S.A.	Economic	100%	Share Disposal	Stock Exchange Auction	2020
TEXTANG II	Industrial	100%	Asset Disposal	Public Tender	2020
SATEC	Industrial	100%	Asset Disposal	Public Tender	2020
África Têxtil	Industrial	100%	Asset Disposal	Public Tender	2020
Nova Cimangola	Industrial	28.13%	Share Disposal	Public Tender	2020
Sécil do Lobito	Industrial	49%	Share Disposal	Public Tender	2020
SGA (ENANA)	Transport	100%	Share Disposal	Public Tender	2019
Unicargas	Transport	100%	Share Disposal	Public Tender	2020
TCUL	Transport	100%	Share Disposal	Public Tender	2020

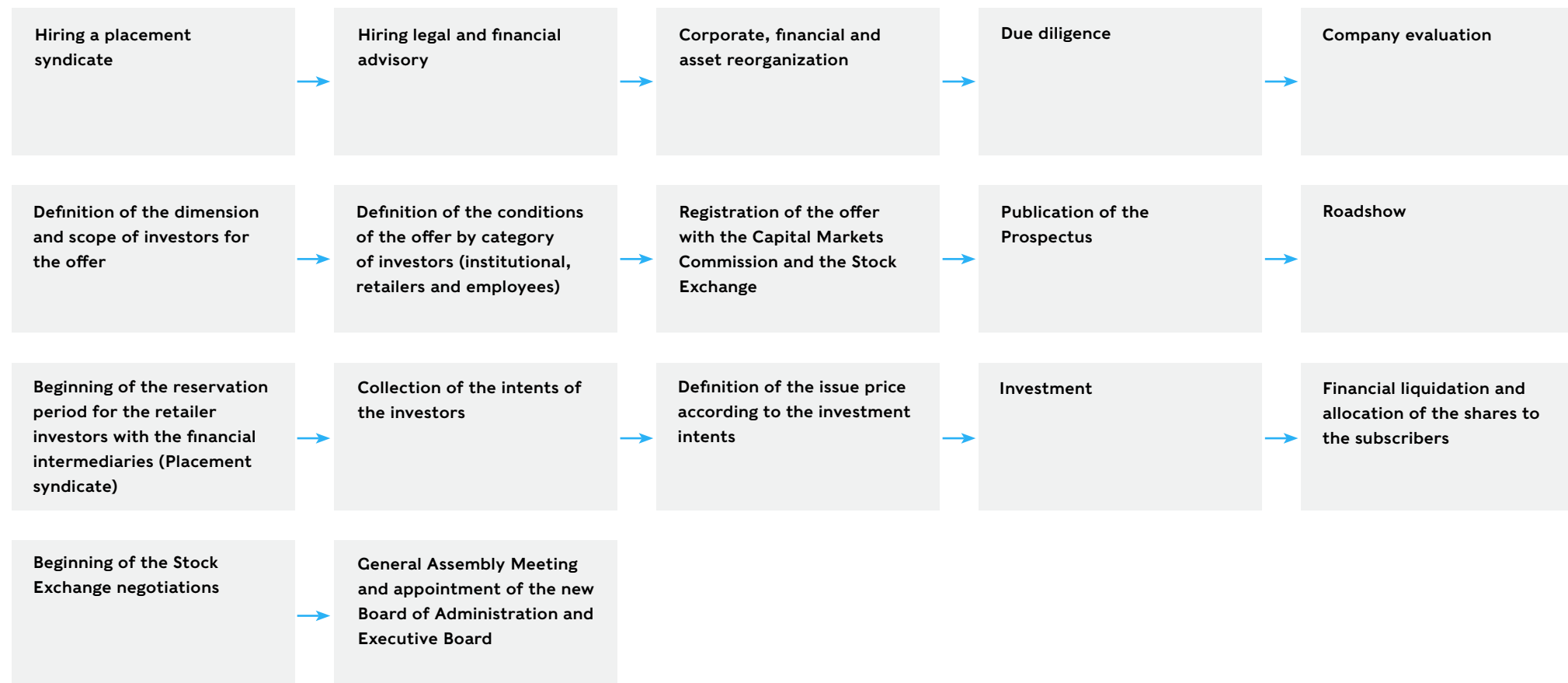
SCHEDULE 2 – COMPANIES TO BE PRIVATISED INDIRECTLY HELD BY THE STATE

COMPANY	SECTOR	% HELD BY THE STATE	METHOD	PROCEDURE	START YEAR
BAI, S.A.	Financial	8.5% held by Sonangol	Share Disposal	Public Tender	2020
BCGA, S.A.	Financial	25% held by Sonangol	Share Disposal	Stock Exchange Auction	2020
Banco Económico, S.A.	Financial	39.4% held by Sonangol	Share Capital Increase/Share Disposal	Stock Exchange Auction	2021
Puma Energy	Mineral Resources and Oil	28% held by Sonangol	Share Disposal	Public Tender	2020
Sonangalp, Lda.	Mineral resources and Oil	51% held by Sonangol	Share Disposal	IPO	2021
BIOCOM	Industrial	20% held by Sonangol	Share Disposal	Public Tender	2020
CUCA	Industrial	1% held by Cerval	Share Disposal	Public Tender	2019
EKA	Industrial	4% held by Cerval	Share Disposal	Public Tender	2019
NGOLA	Industrial	1% held by Cerval	Share Disposal	Public Tender	2019
UNITEL, S.A.	Telecom/IT	25% held by MS Telecom	Share Disposal	Public Tender	2020
MS Telecom, S.A.	Telecom/IT	100% held by Sonangol	Share Disposal	Stock Exchange Auction	2020
Net One, S.A.	Telecom/IT	51% held by MS Telecom	Share Disposal	Public Tender	2020
TV Cabo Angola, Lda.	Telecom/IT	49.27% held by Angola Telecom	Share Disposal	IPO	2020
Angola Cables, S.A.	Telecom/IT	51% / 1% held by Angola Telecom and MS Telecom	Share Disposal	Stock Exchange Auction	2021
MULTITEL, Lda.	Telecom/IT	30% / 20% held by Angola Telecom and BCI, SARL	Share Disposal	Stock Exchange Auction	2020
SONAIR	Transport	100% held by Sonangol	Share Disposal	Stock Exchange Auction	2021
ALDEIA NOVA, S.A.	Agriculture	59% held by Gesterra	Share Disposal	Stock Exchange Auction	2020
Mota Engil Angola, S.A.	Construction	20% held by Sonangol	Share Disposal	Public Tender	2020
Hotel de Convenções de Talatona	Tourism	100% held by Sonangol	Asset Disposal	Public Tender	2019
Clínica Cirassol	Health	100% held by Sonangol	N/A ²	PT	2019
Puaça	Education	100% held by Sonangol	Asset Disposal	PT	2020

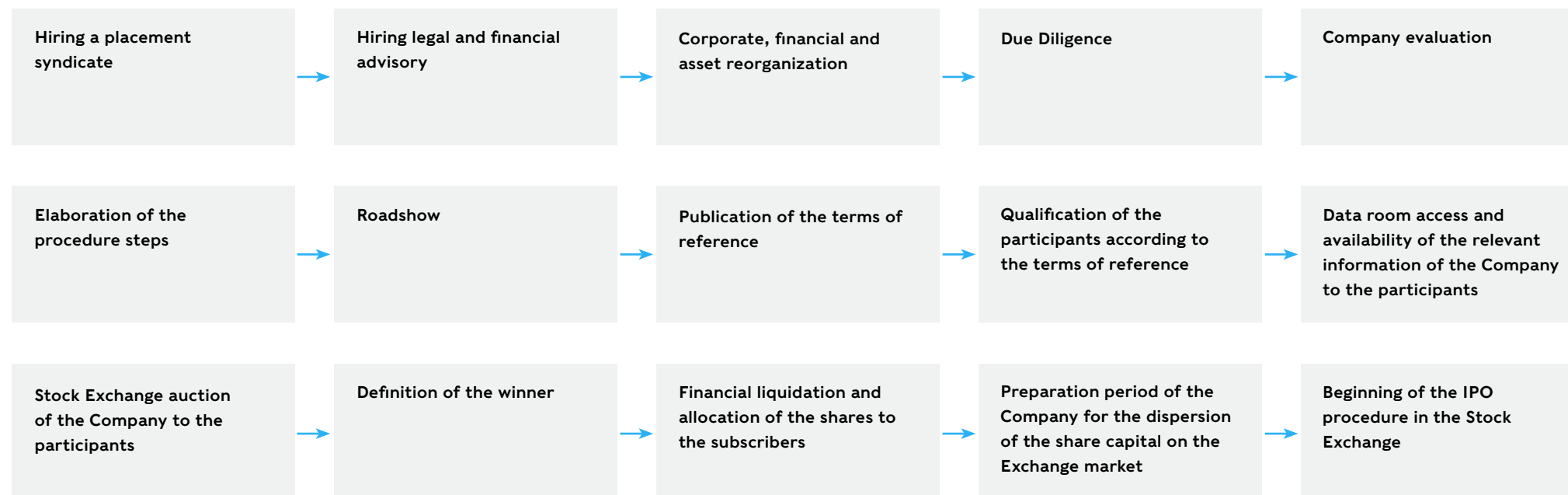
² Not defined in the Programme.

SCHEDULE 3 – PRIVATISATIONS INDICATIVE ROADMAP

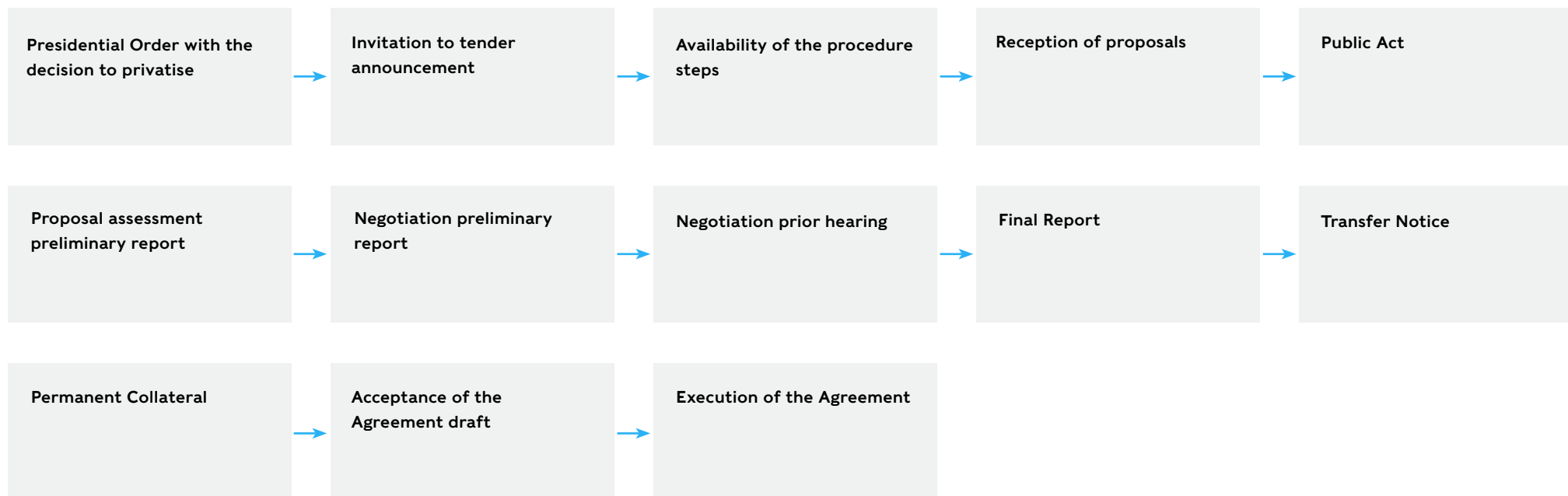
Roadmap for the IPO Procedure



Roadmap of the Stock Exchange Auctions



Roadmap for the Public Tender



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