

MTN Rwandacell Plc listing on Rwanda Stock Exchange what does it mean for our capital market?

MTN Rwandacell Plc, the leading mobile telecommunications company in Rwanda, will on 4th May 2021 list her shares for trading on the Rwanda Stock Exchange (RSE). The listing of MTN on RSE is without single doubt good news but also propels us to reflect as to what this listing means to our capital market and the country in general.

The whole process originally started in the summer of 2015 when MTN Rwandacell's single local shareholder, Crystal Ventures who at the time owned 20% of the company floated its shares to the public for listing and trading on the RSE. The company did this by creating a Special Purpose Vehicle (SPV), Crystal Telecom(CTL) specifically created to hold the 20% shares of MTN Rwandacell and the general public bought the shares in the SPV thus allowing them to indirectly MTN Rwandacell shares. So for the past 5 years and a half, the company shares have been exchanging hands on the market while the remaining 80% remained in private hands(MTN group) until last now that both sides, the public held side and the privately held agreed to join hands and list the entire company under one brand of MTN Rwandacell PLC. The process, after all regulatory approvals from the Capital Market Authority and Rwanda Stock Exchange, must have CTL shareholders in the registry of holders on April 28th, 2021 recorded directly under the books of MTN Rwandacell PLC and CTL PLC subsequently delisted from the Exchange's trading boards and deregistered from the Registrar of Companies at RDB prior to the official listing of MTN Rwandacell on the RSE on May 4th, 2021. The official closing price of CTL before suspensuion from trading on April 26th, 2021 was Rwf 190 and the official price of MTN Rwandacell after their valuation is Rwf 269. On the listing day next week, the market shall use all the information readily available in the

Information Memorandum(IM) of the company and other sources and make up its own mind in the secondary market in a process called market price discovery which is determined by the forces of supply and demand in the market place.

Otherwise, MTN joining the capital market especially this time as we celebrate our 10 year of operations as an Exchange is another big milestone for our market. MTN listing is particularly significant as it increases RSE's market capitalization in a big way being of a good size and it adds on the number of leading brands to the Exchange and offering more visibility into the company's operations the general investing public which in turn should trigger more interest from potential new investors going forward

Leveraging on the history of FIRST that MTN has made in this country, We hope that the Y'ello powerful brand recognition brought by MTN on the market will attract more private sector companies both locally and internationally to join the market and enjoy the benefits of listed companies. For the investor community and the general public at large, this listing offers an opportunity not only to partake in MTN Rwandacell activities but also to have a direct ownership in the company.

Rwanda Stock Exchange Limited was officially launched on 31st January 2011 with the objective of carrying out stock market operations. The Exchange has in 10 years of existence made remarkable progress and played a significant role in the economic development of the country. Key highlights during RSE 10 year journey were but not limited to the following: 10 Listed companies in 2021 up from 1 company in 2011, a total of Frw 1.15 trillion or USD 1.72 billion was raised, equities and bonds valued at Frw 239 Billion or USD 243.3 million and Frw 79.19 Billion or USD 80.6 million were traded in the secondary market, respectively bringing the total of transacted value in the market to about Rwf 1.468 trillion or USD 1.5 billion so far. The market is also in final stages of linking to the rest of other EAC Exchanges in a bid to take advantage of the larger pool of investors and investment opportunities in the EAC region. MTN joining at this stage

therefore is a good opportunity for us to attract the other investors in the region to also tap into what the company and market have to offer.

One could mistakenly think that these are solely the Exchange's achievements when in fact these are feats for our financial sector built on consistent achievements of the country as a whole for the past 15 years at least. It is a collective success story of which the backdrop is in the country's continuously improving conducive environment. The foundation has been laid down for us and now is the opportunity to us to take advantage of.

The author is the CEO of Rwanda Stock Exchange (RSE) and Chairman of the East African Stock Exchanges Association (EASEA).