

African forestry companies merge

Obtala Limited, the Africa-focused agriculture and forestry group, announced further advancements into the West African forestry market, with the proposed acquisition of Nouvelle Scierie Moderne de Sassandra (NSMS), a forestry production company that has been operating in the Ivory Coast since 1987, for up to \$1,2m.



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Since the acquisition of WoodBois in June 2017, the Obtala team has conducted a review of WoodBois' supplier relationships to understand how to best increase trading volume and profits. NSMS has been a key supplier for the past ten years, yet historic lack of trading capital has prevented WoodBois from expanding this flow significantly.

Importantly, NSMS has rights to purchase timber from the Ivory Coast's Société de Développement des Forêts (SODEFOR) and owns a sawmill centrally located on Sodefor's 70,000ha plantation of five hardwood species (including teak and cedrella).

NSMS is owned and operated by Sidani Younes, a second-generation forester of Lebanese descent, with notable forestry expertise in both Ivory Coast and neighbouring Liberia. Sidani adds to Obtalas's exceptional African management team and has agreed to enter into discussions with the company to remain for at least three years following the completion of the acquisition.

"In NSMS we have an opportunity to grow what has been one of our most profitable areas of business and the potential to

acquire a business that is already well-known to our team, with the prospect of future expansion in West Africa,” said Miles Pelham, chairman.

To fund the prospective acquisition of NSMS as well as other growth investments, the board launched a fund to raise capital via the issuance of new ordinary shares at 12.5p, with two-year warrants exercisable at 20p into Obtala Ltd. This was closed yesterday having raised \$7.5m (£5.41m) from management, private investors and funds.

Obtala values its retail investors and opened this round through the commission-free PrimaryBid platform, attracting a further investment of £230,000. Obtala was also pleased to welcome its first institutional investor as part of this round.

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