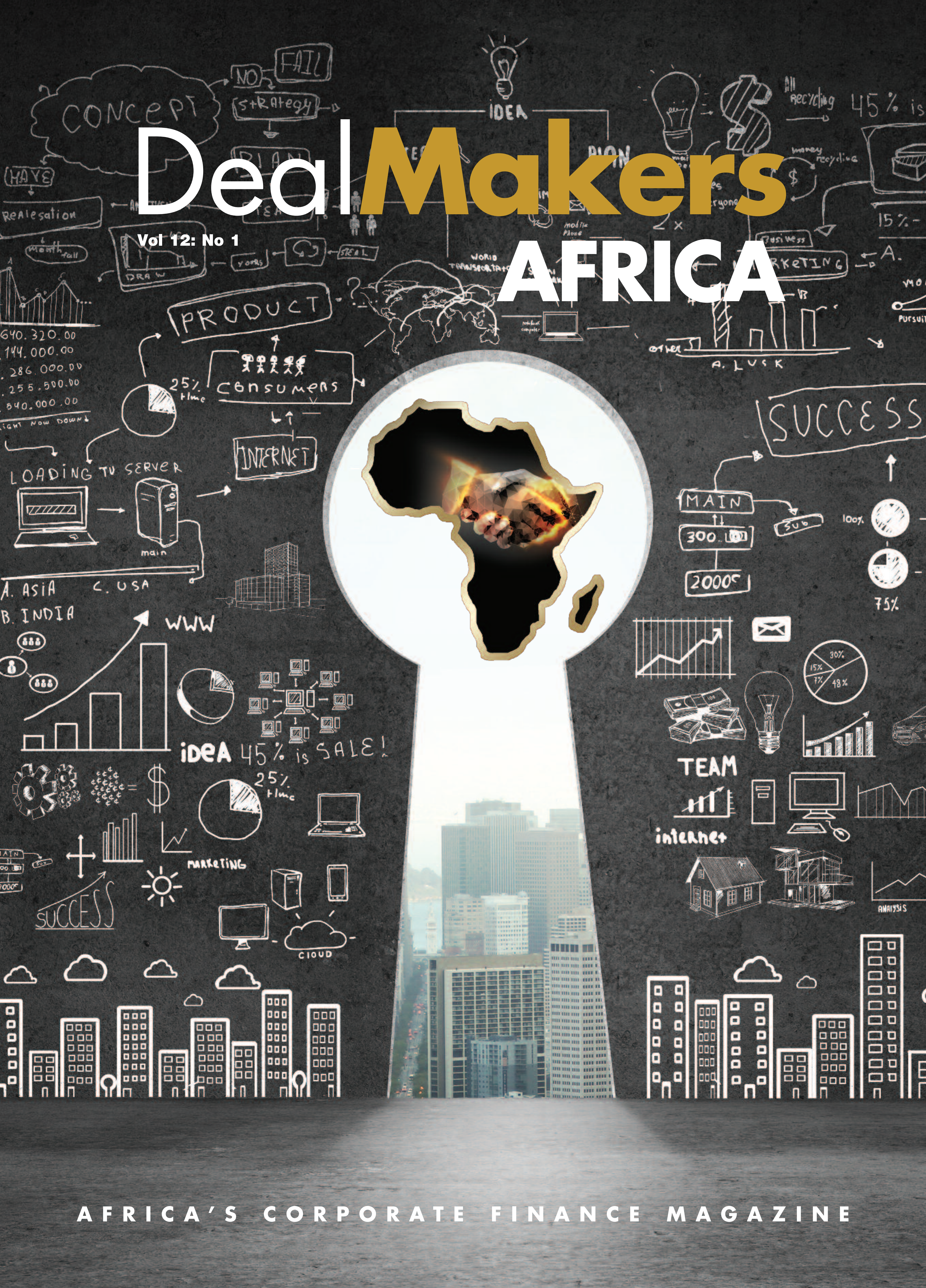
# DealMakers AFRICA

Vol 12: No 1



AFRICA'S CORPORATE FINANCE MAGAZINE

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The magazine may be purchased on subscription. These rates are available on request from: reception@gleason.co.za

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DealMakers AFRICA is published by the proprietor Gleason Publications (Pty) Ltd, reg no: 1996/010505/07 from its offices at 30 Tudor Park, 61 Hillcrest Avenue, Blairgowrie, Randburg 2194.

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DealMakers AFRICA is printed by Typo Colour Printing, 19 Beaufort Street Troyeville, Johannesburg.



# from the editor's desk

As growth worries and trade war jitters threaten to spoil any rebound for emerging markets in 2019 the IMF and World Bank have reduced their 2019 regional growth forecasts. However, economies not dependent on commodities continue to grow strongly and East Africa is currently seen as the most successful economic region on the continent. The International Monetary Fund's 2019 GDP forecasts for East Africa released in April are: Kenya 5.8%, Rwanda 7.8%, Ethiopia 7.7%, Tanzania 4% and Uganda 6.3%.

Information technology is a game changer for Africa, freeing it of geographical constraints. The speed and availability of technology suggest there are huge opportunities for some African countries and harnessing information technology more effectively could boost annual growth. In a study on IoT in Agriculture conducted by Frost & Sullivan, ICT solutions are overcoming challenges and changing the way traditional farming is conducted (pg11).

In its latest annual study *"Where to Invest in Africa"* Rand Merchant Bank's Investment Attraction Index considers two important conditions for viable investment: economic activity and the operating environment, highlighting the lack of efficient infrastructure as one of the highest hurdles to business in Africa. Egypt is listed as the number one country in its investment attractiveness-ranked list of top ten countries.

This issue of **DealMakers AFRICA** carries the first in a series of articles exploring investment opportunities in the different African regions. Egypt, which is emerging as one of the best reform stories in the EEMEA, is the focus of the North African region (pg14).

Analysis of data by **DealMakers AFRICA** shows that the two largest transactions on the continent (excluding South Africa) during the first quarter of 2019 were in Central Africa. The acquisition by China Molybdenum of an indirect stake in the Tenke Fungurume copper and cobalt mine in the DRC for US$1,14bn topped the list followed by the acquisition by African Petroleum of PetroNor E&P in the Republic of Congo for A$1bn. In terms of regional activity, East Africa announced 27 transactions followed by West Africa (20 transactions) and Southern Africa (18 transactions) respectively (page 1).

Following on from the immense success of the first standalone **DealMakers AFRICA** Annual Awards in Nairobi in February the league table rankings of advisory firms will be released half yearly: in the Q2 and Annual issues of the magazine. Pictures of the event, together with the list of winners, can be viewed on the **DealMakers AFRICA** website, and have been included in this issue adding a wonderful splash of colour to the pages. •

**MARYLOU GREIG**

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# DealMakers AFRICA M&A Analysis Q1 2019

## REGIONAL ANALYSIS (Excluding failed deals)

| | | LOCAL DEALS | | FOREIGN DEALS | | TOTAL | |
|---|---|---|---|---|---|---|---|
| **Region** | **Country** | **US $ Value** | **No** | **US $ Value** | **No** | **US $ Value** | **No** |
| **Central Africa** | Cameroon | 4 372 975 | 1 | 0 | 0 | 4 372 975 | 1 |
| | Chad | undisclosed | 1 | 0 | 0 | undisclosed | 1 |
| | DRC | 1 135 993 579 | 1 | 0 | 0 | 1 135 993 579 | 1 |
| | Republic of Congo | 776 582 891 | 1 | 0 | 0 | 776 582 891 | 1 |
| | | **1 916 949 445** | **4** | **0** | **0** | **1 916 949 445** | **4** |
| **East Africa** | Kenya | 37 539 054 | 17 | 31 000 000 | 2 | 68 539 054 | 19 |
| | Rwanda | 21 000 000 | 1 | 0 | 0 | 21 000 000 | 1 |
| | Tanzania | 14 681 273 | 7 | 533 473 852 | 2 | 548 155 125 | 9 |
| | Uganda | undisclosed | 2 | 0 | 0 | undisclosed | 2 |
| | | **73 220 327** | **27** | **564 473 852** | **4** | **637 694 179** | **31** |
| **North Africa** | Egypt | 601 635 508 | 6 | 0 | 0 | 601 635 508 | 6 |
| | Morrocco | undisclosed | 2 | 0 | 0 | undisclosed | 2 |
| | Tunisia | 0 | 0 | 69 100 000 000 | 1 | 69 100 000 000 | 1 |
| | | **601 635 508** | **8** | **69 100 000 000** | **1** | **69 701 635 508** | **9** |
| **Southern Africa** | Botswana | 321 486 374 | 5 | undisclosed | 2 | 321 486 374 | 7 |
| | Mauritius | 35 000 000 | 3 | 0 | 0 | 35 000 000 | 3 |
| | Mozambique | 4 963 984 | 3 | 0 | 0 | 4 963 984 | 3 |
| | Namibia | 79 342 797 | 3 | 0 | 0 | 79 342 797 | 3 |
| | Zambia | 20 167 444 | 3 | 0 | 0 | 20 167 444 | 3 |
| | Zimbabwe | 300 000 000 | 1 | 0 | 0 | 300 000 000 | 1 |
| | | **760 960 599** | **18** | **undisclosed** | **2** | **760 960 599** | **20** |
| **West Africa** | Burkina Faso | 15 723 361 | 1 | 0 | 0 | 15 723 361 | 1 |
| | Cape Verde | undisclosed | 1 | 0 | 0 | undisclosed | 1 |
| | Côte d'Ivoire | 35 000 000 | 2 | 0 | 0 | 35 000 000 | 2 |
| | Ghana | undisclosed | 1 | 0 | 0 | undisclosed | 1 |
| | Nigeria | 16 650 000 | 14 | 0 | 0 | 16 650 000 | 14 |
| | Togo | undisclosed | 1 | 0 | 0 | undisclosed | 1 |
| | | **67 373 361** | **20** | **0** | **0** | **67 373 361** | **20** |
| | | **3 420 139 240** | **77** | **69 664 473 852** | **7** | **73 084 613 092** | **84** |

DealMakers Africa classifies deals by the location of the target's Head Office or that of the acquirer/seller. Where the target has subsidiaries in an Africa country, the deal /transaction is classified as a foreign deal/transaction in that country. In this instance, local advisers to foreign deals are awarded credit only for deal flow.

**DealMakers AFRICA** Rankings will be released bi-annually, H1 (mid-August) and in the Annual issue (early March).

DealMakers AFRICA
ANNUAL GALA AWARDS
2018

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Deal**Makers AFRICA** hosted the first standalone AFRICA awards in Nairobi, Kenya on 26 February 2019.

DealMakers
EAST AFRICA

## East Africa Region

**Deal of the Year**: Rubis Energie acquisition of KenolKobil

*Advisers to the deal*:
Stanbic Bank Kenya, SBG Securities, Standard Investment Bank, Bowmans, BLM Advocats, Kaplan & Stratton and Daly & Inamdar

East Africa Deal of the Year

**Private Equity Deal of the Year**: The Rise Fund-led investment in Cellulant

*Advisers to the deal*:
Magister Advisors, Iseme Kamau & Maema, Anjarwalla & Khanna, DLA Piper (London) and Orrick

East Africa Private Equity Deal of the Year

## 2018 League Tables – Mergers & Acquisitions

**Financial Advisers by Deal Value**

| | |
|---|---|
| 1st | Standard Bank Group |
| 2nd | Standard Investment Bank |
| 3rd | Exotix Capital |

**Financial Advisers by Deal Flow**

| | |
|---|---|
| 1st | Standard Bank Group |
| 2nd (tie) | StratLink and I&M Burbidge Capital |

**Standard Bank Group**

**Standard Investment Bank**

**StratLink**

**I&M Burbidge Capital**

**Legal Advisers by Deal Value**

| | |
|---|---|
| 1st | Bowmans |
| 2nd | BLM Avocats |
| 3rd | MMAKS Advocates |

**Legal Advisers by Deal Flow**

| | |
|---|---|
| 1st | Bowmans |
| 2nd | Anjarwalla & Khanna |
| 3rd | Kaplan & Stratton |

**Bowmans**

**Bowmans**


Anjarwalla & Khanna

Kaplan & Stratton

## 2018 League Tables – General Corporate Finance

**Financial Advisers by Transaction Value**

| | |
|---|---|
| 1st | Renaissance Capital |
| 2nd | Horizon Africa Capital |
| 3rd | Verdant Capital |

**Financial Advisers by Transaction Flow**

| | |
|---|---|
| 1st | Renaissance Capital |
| 2nd (tie) | Horizon Africa Capital and Verdant Capital |

Renaissance Capital

Horizon Africa Capital

**Legal Advisers by Transaction Value**

| | |
|---|---|
| 1st | Bowmans |
| 2nd | Trust Law Chambers |
| 3rd | MMC Africa Law |

**Legal Advisers by Transaction Flow**

| | |
|---|---|
| 1st | Bowmans |
| 2nd (tie) | Trust Law Chambers and MMC Africa Law |

Bowmans


MMC Africa Law

## West Africa Region

**Deal of the Year**: Merger of Cement Company of Northern Nigeria and Kalambaina Cement Company

*Advisers to the deal*:
Stanbic IBTC Capital, Union Capital Markets, G. Elias & Co and Jackson Etti & Edu

DealMakers WEST AFRICA

West Africa Deal of the Year

Standard Bank Group

### 2018 League Tables – Mergers & Acquisitions

**Financial Advisers by Deal Value**
1st Standard Bank Group
2nd Union Capital Markets
3rd (tie) Citi Global Markets, Chapel Hill Denham Advisory and Exotix Capital

**Financial Advisers by Deal Flow**
1st Standard Bank Group
2nd (tie) Palewater Advisory, Strand Hanson and SP Angel Corporate Finance

**Legal Advisers by Deal Value**
1st (tie) ACAS-Law and Linklaters
3rd G. Elias & Co

**Legal Advisers by Deal Flow**
1st G.Elias & Co
2nd Banwo & Ighodalo
3rd (tie) Linklaters, Templars and Olaniwun Ajayi

G. Elias & Co

### 2018 League Tables – General Corporate Finance

**Financial Advisers by Transaction Value**
1st IC Securities
2nd FBN Quest Merchant Bank
3rd Vetiva Capital Management

**Financial Advisers by Transaction Flow**
1st IC Securities
2nd (tie) FBN Quest Merchant Bank and Vetiva Capital Management

**Legal Advisers by Transaction Value**
1st Bentsi-Enchill Letsa & Ankomah
2nd (tie) Banwo & Ighodalo and Templars

**Legal Advisers by Transaction Flow**
1st Bentsi-Enchill Letsa & Ankomah
2nd Zoe Lexfields
3rd (tie) Banwo & Ighodalo and Templars


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Deal of the
Year
2018
Rubis Energie for KenolKobil


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Deal of the
Year
2018
CCNN/KCC merger





# New scramble for Africa: Structuring for business success

**DEEPA VALLABH**

Home to the fastest-growing middle class in the world, Africa is predicted to have a larger workforce than both China and India by the year 2034. Consequently, both public and private stakeholders from around the world are increasingly working towards strengthening their ties with the continent – a surge in foreign interest that has been aptly dubbed "the new scramble for Africa" in the most recent edition of *The Economist*.

This scramble is perhaps most evident from a diplomatic perspective, considering that the continent saw over 320 new embassies opening over the six-year period between 2010 and 2016. However, greater interest in strengthening ties from a military and commercial perspective has also become increasingly apparent – particularly from emerging economic giants such as China and India.


Vallabh

With foreign involvement in Africa reaching unprecedented levels, the continent is undeniably ripe with investment opportunity. Effectively realising the fruits of these opportunities, however, will demand a relatively high tolerance for risk and require the strategic navigation of several key challenges.

Leading these challenges is the high level of uncertainty that continues to plague many African countries. Associated risks such as political and social instability, a lack of infrastructure, major regulatory barriers and the lack of a skilled labour force, will therefore need to be mitigated by investors in order to obtain the potentially high rewards at stake.

This scramble is perhaps most evident from a diplomatic perspective, considering that the continent saw over 320 new embassies opening over the six-year period between 2010 and 2016.

Among these rewards is the prospect of high returns. According to the Overseas Private Investment Corporation and United Nations Conference on Trade and Development, Africa offers the highest return on direct foreign investment in the world.

African investments can however be extremely complex. This is because they are regulated by unique agreements and arrangements between the parties involved and are subject to country-specific regulatory approvals, which can lead to difficulties if not properly understood.

In order to ensure maximum efficiency and minimal risk when making such an investment, it is important that investors gain a thorough understanding of the regulatory and compliance processes that are involved. This includes being well-educated on the various options and structures that are available and how to minimise risk and increase efficiency in each structure.

Foreign investors wishing to invest in Africa have a number of options available to them, including the purchase of shares, the purchase of assets, or a merger. In the case of an equity purchase, given that an existing company is being invested in, extensive due diligence, well drafted warranties and indemnities are required. This process is not as simple as purchasing a newly formed company, as investors will now also need to access shareholder agreements and amended constitutional documents.

Asset purchases are generally easier as investors will not need to review a significant amount of historical data. There is, however, still a need for extensive warranties and potentially, interim support agreements with the sellers.

Lastly, for merger transactions, substantial due diligence is required and regulatory approval is critical given the extensive level of negotiation that takes place in determining the terms of the deal.

In terms of investment structures, joint ventures (JVs) are typically utilised when entering the African market, as they can be structured informally and therefore allow for greater flexibility. They are governed by JV agreements, which allow for negotiating power and flexibility, in comparison to more formally regulated and legislated structures.

There are three common forms of JV structures, namely the Private Joint Venture Company, the Partnership and the Unincorporated Joint Venture. It is important to remember that each of these structures also has its own pros and cons, which should be carefully considered on a case-by-case basis.

Investors should utilise an extensive due diligence process to understand regulatory and sector specific requirements for the countries in which they wish to operate. Legal counsel with extensive Africa expertise is critical when investing into Africa, in order to ensure minimising of risk. •

***Vallabh is the Head of Cross-Border M&A in Africa & Asia at Cliffe Dekker Hofmeyr.***

# Navigating merger control complexities in Africa

**SHAWN VAN DER MEULEN**

*Merger control complexities in Africa can undermine the commercial value of a proposed transaction - we take a look at some of the potential stumbling blocks to doing business in Africa.*

Van der Meulen

As an acquisitive business or private equity fund manager, you've found the perfect pan-African business to buy, with operations in many countries. You've done your due diligence, the terms and price are agreed with the sellers, and now it's just getting those final conditions precedent (CPs) fulfilled to seal the deal. But then, you later realise that you need competition merger approvals in half a dozen countries before you can close the deal; some of which could take up to six months (or more!) and you haven't even started preparing the filings yet (which could themselves take weeks). If only you had known all of this sooner…

First, Africa is the "*new frontier*" for competition laws and merger control. New competition legislation and authorities are established on nearly a monthly basis. There are currently 21 countries in Africa (including Mauritius and the Seychelles) which have their own competition legislation and regulators. Many of these were put in place in the last five years. Countries are in the process of adopting new competition laws for the first time (such as

Ghana), or have very recently done so but are still establishing their new regulators (e.g. Mozambique, Nigeria, Comoros, Madagascar and the DRC). Others still may not have their own competition law regimes (yet), but are members of regional bodies such as the Community for Eastern and Southern Africa (COMESA), whose Competition Commission exercises regional jurisdiction over member states. Other regional authorities such as the East African Community (EAC), Economic Community of West African States (ECOWAS), Central African Economic and Monetary Community (CEMAC), and West African Economic Monetary Union (WAEMU) have been established and exercise some form of merger oversight. This rapidly evolving environment creates a regulatory minefield for M&A activity on the continent, particularly where the inadvertent failure to notify a merger could lead to substantial administrative penalties or even personal or criminal liability for directors.

Second, the thresholds for notifying a merger to all these regulators are inconsistent, sometimes illogical, very low or non-existent. This creates great complexity in analysing and deciding where to file a merger. For example, COMESA's merger control regime was ostensibly set up to be a "*one stop shop*" for merger control for all COMESA member states. In other words, instead of needing to obtain merger approvals in five or six countries, a single filing could be made to COMESA and this would cover all member states. While this has worked to some degree, due to inconsistencies between local and COMESA's filing thresholds, it often doesn't. On occasion, in practice, the thresholds for a COMESA filing are not satisfied, but the local thresholds in member states are still met. The result is that one has to file in multiple countries even though they are all COMESA member states, seemingly contrary to the purpose of COMESA. Kenya, which is a COMESA member, has taken the view that it requires a local merger notification even if one is filed with COMESA; although, moves are underway to address this. In addition, in some countries the thresholds for notification are very low, such as Botswana where the target firm threshold is a mere BWP10m (around R14m). Certain countries, such as the Kingdom of Eswatini (formerly Swaziland), have no thresholds at all, meaning that the acquisition of a business that has any presence or sales in that country - no matter how negligible - may be notifiable.

> Merger control in Africa is complex. Involving a competition law expert from the outset will allow parties to avoid or mitigate some of these common frustrations through adopting proactive strategies to manage risk and allow for the competition approval CPs to be fulfilled more quickly.

Third, and unfortunately, many regulators in Africa view merger control as a "business tax". Merger filing fees are often overlooked by parties and advisers when negotiating a transaction, but they can be significant. In some jurisdictions, the applicable merger filing fees are calculated as a percentage of the parties' *worldwide* turnover or assets, regardless of their turnover or assets in country, with inflated filing fee levels and "caps" (often in USD). This is the case for countries such as Eswatini and Tanzania, where the filing fees payable for the merger filing can easily exceed the total turnover generated by the parties in those countries. Tanzania has also taken an arbitrary and unjustified position that where an acquirer purchases a holding company which controls multiple subsidiaries in Tanzania, a separate merger filing is required for each subsidiary in Tanzania and, of course, the applicable filing fee based on the merger parties' *worldwide group* turnover or asset values must accompany every filing. These issues need to be considered when looking at the commercial value of a business in certain countries.

Finally, things in Africa often take time. While established and more experienced regulators such as South Africa, Namibia, Botswana and Zambia generally have quick turnaround times for investigating and approving mergers, newer authorities may have systemic problems that can cause delays. Some regulators investigate the mergers relatively quickly, but then there are serious delays at the final decision-making step. In many countries, the regulators' final decision-making bodies comprise "boards" of appointed officials. Delays can occur when the board only meets irregularly, a quorum for a decision cannot be reached at a scheduled meeting, or even that the board has been disbanded, with no replacement appointed for weeks. To avoid frustrations for all parties, other practical solutions need to be carefully considered and structured into the transaction to allow it to close. This may include ring-fencing arrangements for certain countries that can be raised and agreed with the regulators timeously, or seeking other forms of consent to implement the transaction pending a final approval.

Merger control in Africa is complex. Involving a competition law expert from the outset will allow parties to avoid or mitigate some of these common frustrations through adopting proactive strategies to manage risk and allow for the competition approval CPs to be fulfilled more quickly.

***Van der Meulen is a Partner in the Competition Practice at Webber Wentzel. He specialises in merger control (particularly for private equity clients) and has assisted parties with merger control filings in South Africa, Namibia, Botswana, Zimbabwe, Eswatini, Zambia, Malawi, Tanzania, Kenya, Ethiopia and COMESA.***

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# Startups key to driving smart agriculture in Africa

**DONNA LIEDEMANN**

According to a study on IoT in Agriculture by Frost & Sullivan, ICT solutions such as precision equipment and the Internet of Things (IoT) are overcoming challenges and changing the way traditional farming is conducted in Africa.


Liedemann

The study found startups are a key element to drive smart agriculture in Africa as they understand the dynamics of the continent and contribute to small business. These small businesses are a key element in eliminating poverty and improving crop yield. Mobile platforms and technology have seen the greatest adoption in Africa, due to the high capital cost of foreign technology.

Smart farming is the digitalisation of agricultural processes through the use of advanced IT equipment (sensors, geolocation systems, drones, and robotics) to make informed decisions about crop health, chemicals, and water requirements. Through the integration of information technology (IT), farmers can ensure efficient farm management by improving crop productivity and soil health, which will pave the way for long-term sustainable agricultural practices and the protection of the environment.

Agriculture is the main source of food and income in Africa, and it is essential to improve the way in which farming is done through sustainable farming practices, to ensure food security between now and 2050. Mobile connectivity and applications are driving digital transformation in the agricultural sector, allowing farmers to have access to market-related information and digital financial services.

The study also notes the need for critical infrastructure as a vital element in transforming the agricultural sector in Africa. While the usage of advanced technology in Africa's agricultural sector is still in a nascent phase, Frost & Sullivan estimates the number of Internet of Things (IoT)-connected devices will grow by 1.8% between 2017 and 2020 for the Middle East and Africa (MEA) region, reaching 1.37 million in 2020.

Africa's challenges in the agricultural sector include slow growth, low crop productivity and dependency on natural rainfall. With emerging trends in precision agriculture, cloud performers, IoT and data analytics, farmers — with the help of technology — can observe and collect data to improve production output, reduce costs and conserve resources.

Precision agriculture is the application of technology for farm management that relies on specialised equipment, software, and IT services. This allows access to real-time data on crop, soil, and air conditions; weather and rain predictions; and labour costs through various technologies (sensors, satellites, and drones). Precision agriculture will then assist the farmer to use the right amount of water and fertiliser inputs; reduce costs and estimate yields; remotely monitor crops, equipment and livestock; as well as run statistical predictions on their crop and livestock.

Emerging trends in precision agriculture include crop management, which is an innovative agricultural practice enabled by the IoT network and technology to detect crops with deviations from normal growth, which helps determine the field sections requiring human intervention. Sensors are placed in the fields, allowing farmers to have a detailed outlook of soil conditions, such as temperature, acidity, moisture content, and surrounding air.

Drones are used to inspect farmlands and generate crop data, while robots are equipped with sensors and cameras and can pick up information such as the nutrient content of plants/crops and the health and moisture of the soil. Automated systems will also allow farmers to make immediate decisions, such as identifying fields requiring treatment and determining the best quantity of water, fertilisers, and pesticides per requirements.

Smart farming implementation increases agriculture while uplifting and empowering farmers as they confidently sow, irrigate, harvest and apply chemicals at the right time. Innovation also leads to greater farmer inclusion and drives the youth to become more engaged in the IT sector. Integrating communication technology aids in streamlining production and harvesting processes; this leads to increases in output and enriches the small farm holder.

Agriculture is the main source of food and income in Africa, and it is essential to improve the way in which farming is done through sustainable farming practices, to ensure food security between now and 2050.

Mobile platforms and applications have been the key technologies revolutionising the agricultural sector and paving the way for advanced technological practices. With increasing connectivity, especially in rural areas, farmers now have increased access to farming information that is leading to increased crop output.

Most farmers in rural areas do not have access to credit and insurance. The majority also do not have a track record enabling them to qualify for microloans and insurance. However, insurance and a credit record for small farmers are possible through partnerships with farming cooperatives, smart agriculture providers, and non-government and government organisations. Limited access to telecoms, roads and storage along with poor road transportation and inadequate storage infrastructure with fragmented value and supply chains are some of the bottlenecks that hinder the viability and scalability of small-scale farmers on the continent.

Currently, technologies are being used individually to address a particular challenge. However, the study notes that in the medium to long term, there will be increased data analysis driving precision agriculture and increased stakeholder collaboration, creating a new digital ecosystem for the agricultural sector.

Across all stages of the agriculture value chain, agricultural data is valuable for government departments, insurers, commodity traders, and developers of machine learning systems. Frost & Sullivan predicts that there will be a growing number of IoT startup companies providing new solutions to the farming sector, especially in Southern and East Africa.

Smart agriculture is the key to unlocking agricultural potential in many African countries due to the periodic rainfall, limited funding, waste, and insufficient road and support infrastructure. Startups remain the key driver for smart agriculture in Africa as they support small farmers with cost-effective and efficient solutions to overcome these challenges.

***Liedemann is Corporate Communications Officer at Frost & Sullivan Africa.***

# How Ugandan businesses could benefit from Islamic banking

**SOPHIE NYOMBI**

Nyombi

Many Ugandan businesses are eagerly watching developments in the area of Islamic banking, which could offer a welcome alternative to conventional banking services for Muslims and non-Muslims alike.

The cost of credit tends to be high in Uganda, where conventional banks are known for their high interest rates and bank charges. Islamic banking, on the other hand, does not allow the charging of interest (known as Riba). Such practices are considered unjust enrichment and are prohibited under Islamic laws (Sharia) and principles, on which Islamic banking anywhere in the world must be based.

Instead of charging or paying interest, Islamic banking works mainly on a partnership basis, where the financial institution enters into a profit-sharing contract with a customer. Profits and sometimes losses are shared at a pre-agreed ratio, depending on the type of contract. In a Mudarabah partnership, for instance, the financier will bear all losses incurred. In a Musharakah partnership, both the financial institution and the customer will share the profits and losses.

Given this risk-sharing approach, it is not surprising that Islamic banking transactions are typically subject to thorough due diligence before any agreement is entered into. Financial institutions scrutinise potential investments very closely and will not entertain any transaction that is speculative or prohibited under Islamic law. Responsible investment is a key principle of Islamic banking, which prohibits any investment that supports industries or activities considered harmful to people or society as well as prohibited in Islam, such as gambling, liquor, tobacco, arms, certain foods such as pork or any kind of speculative investment.

## Legal framework already in place

With its emphasis on social justice and partnership, Islamic banking could be a potentially valuable source of funding for Ugandan entrepreneurs and small businesses that have been unable to access conventional funding.

Aware that Islamic banking could assist in extending financial inclusivity in Uganda, the government has put the necessary legal and regulatory framework in place, based on Sharia laws and principles. The Financial Institutions Act 2004 was amended in 2016 to make provision for Islamic banking and, in February 2018, the Financial Institutions (Islamic Banking) Regulations were passed into law. Under the regulations, an existing commercial bank may apply for a licence to operate Islamic banking 'windows' and fully fledged Islamic banks may be licensed.

Although quite a number of Uganda's 24 commercial banks have expressed interest in offering Islamic banking services, none has yet introduced a window for Islamic financing. In addition, the Central Bank has not licensed a fully Islamic financial institution.

## Stringent governance requirements

There is an extensive governing framework that must be followed before Islamic financial services can be offered. According to the regulations, the Central Bank must have a central Sharia advisory council and commercial banks are required to have Sharia advisors and boards. Board members must have certain qualifications in order to serve and, at this point, there may be no Ugandans who qualify for such positions.

Product implementation also requires adherence to Sharia principles and is not merely an exchange of paperwork and terms. Implementing products involves having the right intention, following a prescribed sequence of steps and the correct timing.

It is to be hoped that Ugandan commercial banks are readying themselves for the introduction of Islamic banking and that it will not be too long before they launch their Islamic banking operations. After all, Islamic finance is one of the fastest-growing areas of finance worldwide.

### Benefits could extend beyond Muslim customers

Islamic banking is practised in over 70 countries – 34 of which are non-Muslim countries and growing at an average of 19% a year. Uganda, where an estimated 13% of citizens are Muslims, is a late starter in the field and has some ground to catch up. Up to now, without sources of funding consistent with their faith, the country's Muslim population has had no choice but to use conventional banks whose principles do not align with Islamic law.

However, it is not only Muslims who stand to benefit. There is a misconception in the Ugandan market that Islamic banking is exclusively for Muslims. Not so. Other religions, from Christianity and Judaism to Buddhism, all prohibit financial exploitation of the poor (Riba) and gambling. More needs to be done to make the general public aware of the principles of Islamic finance and its potential benefits for all citizens and the Ugandan economy. •

*Nyombi is a Senior Associate with Bowmans in Kampala, Uganda.*



# Investing in Africa: Why Egypt?

**MARYLOU GREIG**

This is the first in a series of articles exploring investment opportunities in the different African regions.

Egypt is emerging as one of the best reform stories in the EEMEA. The catalyst to this was the approval by the International Monetary Fund (IMF) of financial assistance in November 2016, in the form of an Extended Fund Facility (EFF) arrangement for c.$12bn. The focus of the EFF programme has been to improve the functioning of the foreign exchange markets, bring down the budget deficit and government debt, and raise growth to create jobs. .

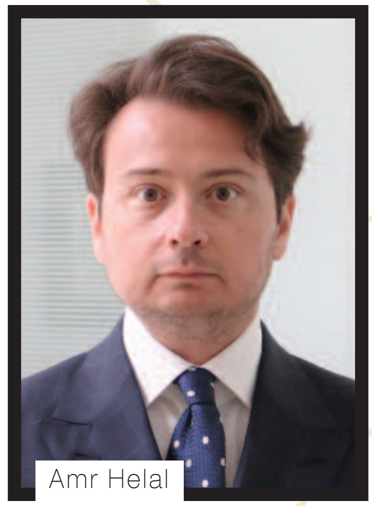
The Egyptian authorities' economic reform programme has made substantial progress, as evident in the success achieved in the macroeconomic stabilisation and recovery of growth. In 2018, Egypt received $7,9bn in Foreign Direct Investment and the improvement in the economic and fiscal situation has triggered a 450-fold increase in foreign ownership of local debt from $0,1bn in H2 2016 to $17bn by mid-2018. The current account deficit has narrowed to 2,4% of GDP, from 5,6% in the previous year. GDP growth rose from 4,2% in 2016/17 to 5,3% in 2017/18 and growth is projected to rise further to 6% over the medium term as ongoing structural reforms are fully implemented and translate into stronger private investment. The unemployment rate has declined to single digits and is at its lowest since 2011. A number of regulatory reforms, including the Investment Law and the Companies Law, have been implemented with the aim of improving Egypt's ranking in international reports, and to help bring the economy to its full potential.

The effect of these economic reforms has been positive for merger and acquisition (M&A) activity in the country. CEO of Renaissance Capital (North Africa), Amr Helal, confirms this: "Increased activity has been driven by government reform and the IMF programme resulting in structural adjustments necessary for macro-stability and confidence in the economy; these have filtered positively through to the economy resulting in a renewed interest in Egypt as an investment destination".

Dr Khaled Moussa, one of the founding partners of TMS Law Firm, says Government was courageous in taking steps to amend legislation. These reforms have led to noticeable improvements in investors' confidence and put Egypt on the right path towards stability and development. The Investment Law provides a new framework for the government to offer investors more investment-related incentives and guarantees. The new law aims to attract new investments, consolidate many investment-related rules, and streamline procedures.


Dr Khaled Moussa

Around the same time, says Moussa, amendments to the Company Law effectively introduce a new type of company in order to promote and ease investment in Egypt. These new amendment laws introduced a new type of company whereby an individual, whether a natural or juristic person, could solely establish a company. In addition it allowed for more corporate governance rules and minority protections were strengthened by increasing corporate transparency. These amendments, he adds, were made with the aim of making the business environment more attractive, and competitive; a response to market needs and important to multinationals looking to invest in Egypt.


Amr Helal

The local M&A market is deep and fairly mature with good regulatory oversight. Deals, he says, occur largely in the mid-cap market (less than $50 million) and can take between nine to 12 months depending on the complexity of the transaction. “Sectors most active are consumer facing including, for example, education, healthcare and fast moving consumer goods. More recently, there has been an increased interest in fintech and non-banking financial services which have seen exponential growth”, says Helal. The larger cap deals tend to be in oil and gas and the banking sector, driven by strategic acquisitions, but these are few and far between.

Private equity remains one of the players in the M&A market. Regional players have dominated this space over the past three to five years with targets essentially in the mid cap range. While Helal says there is no shortage of opportunities at this level, international private equity funds have been less prevalent, finding it difficult to identify target sizes of plus $100 million.

The pipeline for initial public offerings (IPOs) is full for 2019/2020, driven, says Helal, partly by the Government privatisation programme which is part of the agreement in terms of the IMF’s reform programme. Other IPOs planned are in the oil and gas, banks and financial services sectors, reflecting heathy opportunities for investors.

The Egyptian Stock Exchange (EGX) has played its role in developing and updating the Egyptian capital markets as part of the reform process. The level and quality of disclosures has been increased as have communication channels between listed companies and investors. Earlier this month, the proposed increase in the tax on stock exchange transactions was suspended in a bid to improve competitiveness of the Egyptian capital market, compared with neighbouring markets.  Moussa says the increased focus by Government on capital markets, the amendment in 2018 to the Capital Market Law was approved by parliament earlier this year, will deepen Egypt’s financial markets making them more attractive to foreign investment. The amendment introduced the biggest changes since its enactment in 1992, addressing several vital topics and for the first time introducing new regulation for the futures market. The subsequent decree issued by the Financial Regulatory Authority (FRA) has further provided for regulatory framework to ensure the market stability through more advanced corporate governance and additional protections to the investors and minorities in both listed companies and companies operating in the financial sector.

The positive feedback from mainly South African attendees at the recent Renaissance Capital North Africa Investor Conference, held in Cape Town, suggests that investors are looking for new ideas on how to fit into the appealing reform story. Removing the constraints that have weighted on higher investment and job creation in the past has helped Egypt grow faster. Investment reforms have, says Moussa, enabled Egypt to gain market share in the region. Investors will be keenly watching to see whether Egypt sticks to its reform agenda once the IMF programme ends in November 2019. ●

# DEALMAKERS AFRICA Q1 2019 (excludes South Africa)

| ◆ | COUNTRY | TRANSACTION TYPE | DETAILS | TOMBSTONE PARTIES: FINANCIAL ADVISER | FOREIGN INVESTMENT ADVISER | ATTORNEY/LEGAL ADVISER | FOREIGN LEGAL ADVISER | ESTIMATED TRANSACTION VALUE | ANNOUNCEMENT DATE |
|---|---|---|---|---|---|---|---|---|---|
| **EAST AFRICA** | | | | | | | | | |
| M&A | Kenya | Acquisition by | Shalina Healthcare of a stake in Pharmaceutical Manufacturing Company | | | | | undisclosed | Jan 6 |
| M&A | Kenya | Disposal by | Fanisi Capital of Hillcrest International Schools to GEMS Education | | | | | KSH2,6bn | Jan 9 |
| M&A | Kenya | Acquisition by | Goodlife Pharmacy of certain assets of Maghreb Pharmacy | | | | | undisclosed | Jan 9 |
| GCF | Kenya | Open market acquisition by | Africinvest of an additional 49,3m Britam shares, increasing its total stake to 16.26% | | | | | undisclosed | Jan 9 |
| M&A | Kenya | Joint venture | Lancet Laboratories and Cerba HealthCare : Cerba Lancet Africa (49%:51%) | | | | | undisclosed | Jan 10 |
| M&A | Kenya | Acquisition by | Africinvest Azure (AfricInvest and Catalyst Principal Partners SPV) of a stake in Prime Bank | Theodore Partners | | Walker Kontos; Bowmans | | undisclosed | Jan 11 |
| M&A | Kenya | Acquisition by ■ | African Infrastructure Investment Managers a member of Old Mutual Alternative Investments (Old Mutual) of a minority stake in BBOXX's operation | | | | | $31m | Jan 13 |
| GCF | Kenya | Financing of | M-Tiba from The French Development Agency | | | | | KSH150m | Jan 17 |
| M&A | Kenya | Acquisition by | Goodwell Investments of a stake in Copia | | | | | undisclosed | Jan 21 |
| GCF | Kenya | Financing of | FarmDrive : pre-seed round investment in convertible notes by Engineers Without Borders Canada (EWB Canada); AK Impact Investors; 1 to 4; the ADAP Seed Fund 2; Sanu Capital and The Lakes Charitable Foundation | | | | | undisclosed | Jan 21 |
| M&A | Kenya | Acquisition by | Everstrong Power of a stake in the 80MW Heavy Fuel Oil Athi River Power Plant (Gulf Energy) | | | | | undisclosed | Jan 22 |
| M&A | Kenya | Acquisition by | Ramco Plexus of a 73,6% stake in Sintel Security Print Solutions | | | | | undisclosed | Jan 29 |
| M&A | Kenya | Merger of | Commercial Bank of Africa and NIC Group | Faida Investment Bank; NIC Capital; CBA Capital | | Bowmans; Iseme, Kamau & Maema | | share swop | Jan 31 |
| M&A | Kenya | Merger of | Telkom Kenya and Airtel Networks Kenya mobile, enterprise and carrier services business in Kenya under a JV company called Airtel-Telkom | | | Anjarwalla & Khanna; Davis Polk & Wardwell | | undisclosed | Feb 8 |
| M&A | Kenya | Acquisition by ■ | Heritour (Heritage Group 85% and Geoffrey Kent 15%) of Abercrombie & Kent | | Barclays Bank | | | undisclosed | Feb 12 |
| M&A | Kenya | Acquisition by | BRCK of Surf | | | | | undisclosed | Feb 15 |
| M&A | Kenya | Investment by | Proparco in mSurvey | | | | | undisclosed | Feb 19 |
| M&A | Kenya | Acquisition by | Enko Africa Private Equity Fund of a minority stake in Software Technologies from TBL Mirror Fund BV | I&M Burbidge Capital | | | | undisclosed | Mar 5 |
| M&A | Kenya | Joint venture by | Actis and Shapoorji Pallonji Real Estate - residential real estate platform | | | | | undisclosed | Mar 5 |
| GCF | Kenya | Convertible loan by | InfraCo Africa to Gigawatt Global for the development of the Samburu Solar and Transmara Solar projects | | | | | $2,2m | Mar 6 |
| M&A | Kenya | Investment by | The Investment Fund for Developing Countries in Sidian Bank (Tier 2 capital) | | | | | $12m | Mar 7 |
| GCF | Kenya | Financing of | Cytonn Investments - loan facility by State Bank of Mauritius (SBM Bank Kenya) to complete The Alma in Ruaka (a mixed-use residential development) | | | | | KSH650m | Mar 18 |
| M&A | Kenya | Acquisition by | Simba Cement of 100% of Cemtech Company | | | | | undisclosed | Mar 20 |
| M&A | Kenya | Acquisition by | mPharma of a majority stake in Haltons from Fanisi Capital | | | Bowmans | | undisclosed | Mar 28 |
| GCF | Kenya | Debt financing | Premier Credit from various international investors | Verdant Capital | | | | $7m | not announced |
| M&A | Rwanda | Disposal by | Borelli Tea (McLeod Russel) of 100% of Gisovu Tea Company and 50% of Pfunda Tea Company to Rwanda Tea Investments (Luxmi Tea and The Wood Foundation Africa) | | | | | $13,2m + $7,8m | Feb 22 |
| M&A | Tanzania | Acquisition by | Tigo (Millicom) of a 14.9% stake in Zanzibar Telecom (Zantel) (total stake will then be 99.9%) from the Zanzibar Government | | | | | undisclosed | Jan 4 |
| M&A | Tanzania | Disposal by | Woodbois (Obtala) of Magole Agriculture, Magole Land, Ilama Processing Company and Wami Agricultural Company (its Tanzania agricultural assets) to Envision Consulting | | | | | $2,5m | Jan 10 |
| M&A | Tanzania | Disposal by | Bharti Airtel of an additional 9% stake in Airtel Tanzania to the Tanzanian Government (total stake now 49%) | | | | | undisclosed | Jan 11 |
| M&A | Tanzania | Acquisition by | Azania Bank of Bank M (under administration) | | | | | undisclosed | Jan 15 |
| M&A | Tanzania | Acquisition by ■ | Medco Energi Global of Ophir Energy at 57.5p per share | | Standard Chartered Bank; Morgan Stanley; Lambert Energy Advisory | | Sidley Austin LLP; Linklaters | £408,4m | Jan 30 |
| GCF | Tanzania | Financing of | Africado - secured loan by Finnfund | | | | | €2,5m | Feb 5 |
| M&A | Tanzania | Acquisition by ■ | Heritour (Heritage Group 85% and Geoffrey Kent 15%) of Abercrombie & Kent | | Barclays Bank | | | undisclosed | Feb 12 |
| M&A | Tanzania | Acquisition by | Eurus Energy of a 25% stake in Windlab Africa | | | | | $10m | Feb 26 |
| M&A | Tanzania | Acquisition by | Kibo Energy from Sanderson Capital Partners of a 2,5% stake in Mbeya Development | River Group | | | | £1,66m | Mar 5 |
| M&A | Tanzania | Acquisition by | Exim Bank Tanzania of 100% of UBL Bank (Tanzania) | | | | | undisclosed | Mar 6 |
| M&A | Uganda | Investment by | AgDevCo and Centurion Agricultural Partners in Nakifuma Farming Company | | | | | undisclosed | Feb 14 |
| GCF | Uganda | Loan to | Kikagati Power Company from The Emerging Africa Infrastructure Fund | | | Clifford Chance; Mukumbya Musoke Advocates | | $27m | Mar 5 |
| M&A | Uganda | Investment by | Shaka VC in PinkTie | | | | | undisclosed | Mar 6 |

◆ M&A represents pure mergers and acquisitions, GCF covers transactions where this is not the case

■ Foreign transaction – see ranking rules

# DEALMAKERS AFRICA Q1 2019 (excludes South Africa)

| | | | | TOMBSTONE PARTIES | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| ◆ | COUNTRY | TRANSACTION TYPE | DETAILS | FINANCIAL ADVISER | FOREIGN INVESTMENT ADVISER | ATTORNEY/LEGAL ADVISER | FOREIGN LEGAL ADVISER | ESTIMATED TRANSACTION VALUE | ANNOUNCEMENT DATE |
| **WEST AFRICA** | | | | | | | | | |
| M&A | Burkina Faso | Acquisition by | SEMAFO of Savary Gold (share swop 0.0336 SEMAFO shares for each Savary Gold share - 7,26m SEMAFO shares to be issued) | Red Cloud Klondike Strike | | Norton Rose Fulbright Canada; Dentons Canada | | C$20,9m | Feb 11 |
| M&A | Cape Verde | Acquisition by | Loftleidir Cabo Verde of a 51% stake in Cabo Verde Airlines (TACV) | | | | | undisclosed | Mar 1 |
| GCF | Côte d'Ivoire | Debt financing | Société Ivoirienne de Raffinage : syndicated facility including Africa Finance Corporation, Deutsche Bank, ICBC Standard Bank, United Bank for Africa, NSIA Bank and Bridge Bank | | | Norton Rose Fulbright; Bilé-Aka, Brizoua-Bi & Associes | | €577m | Jan 8 |
| M&A | Côte d'Ivoire | Acquisition by | Endeavour Mining of an additional 5% stake in the Ity mine (total stake increased to 85%) | | | | | $15m | Jan 11 |
| M&A | Côte d'Ivoire | Acquisition by | Roxgold of a portfolio of 11 exploration permits including the Séguéla gold project from Newcrest West Africa | | | | | $20m | Feb 11 |
| GCF | Ghana | Financing of | Kuapa Kokoo by AgDevCo through a trade finance facility | | | | | $3m | Jan 14 |
| M&A | Ghana | Acquisition by | mPharma of a majority stake in Haltons from Fanisi Capital | | | Bowmans | | undisclosed | Mar 28 |
| M&A | Nigeria | Acquisition by | AFIG Fund II (Advanced Finance and Investment Group) of a 29.9% stake in NEM Insurance from existing shareholders | CardinalStone Partners; PwC Nigeria | | Koya Kuti Solicitors; Banwo & Ighodalo | | undisclosed | Jan 17 |
| M&A | Nigeria | Acquisition by | Coca-Cola of the remaining 60% stake in Chi Nigeria | | | | | undisclosed | Jan 30 |
| GCF | Nigeria | Private placement by | Consolidated Hallmark Insurance : 1,130,000,000 ordinary shares at 65 kobo per share | | | | | NGN734,5m | Feb 5 |
| M&A | Nigeria | Acquisition by | Indorama Netherlands of 100% of Bevpak (Nigeria) from Church Street Trustees as trustees of the SI Trust, BTI Overseas and Capital Alliance Private Equity II | | | | | undisclosed | Feb 7 |
| M&A | Nigeria | Investment by | Quantum Capital Partners and other investors in Team Apt (series A round) | | | | | $5,5m | Feb 28 |
| M&A | Nigeria | Investment by | Argentil Principal Investment Portfolio in Chocolate City Lounge (additional investment) | | | | | undisclosed | Mar 1 |
| M&A | Nigeria | Acquisition by | Chocolate City Lounge of a 70% stake in 7th Heaven Bistro 7 | | | | | undisclosed | Mar 1 |
| M&A | Nigeria | Acquisition by | ID Africa of NET Newspaper | | | | | undisclosed | Mar 4 |
| GCF | Nigeria | Financing of | OneFi by Lendable (debt facility) | | | | | $5m | Mar 8 |
| GCF | Nigeria | Financing of | Access Bank - Syndicated loan (Tier II capital) provided by BIO; Blue Orchard Microfinance; CDC Group; DEG; FinnFund; Oikocredit and European Financing Partners | | | | | $162,5m | Mar 12 |
| M&A | Nigeria | Investment by | Danone Communities in Impact Water | | | | | undisclosed | Mar 20 |
| M&A | Nigeria | Investment by | Verod Capital Management and Persistant Energy Capital in Daystar Power | | | | | $10m | Mar 21 |
| M&A | Nigeria | Investment by | Cox Enterprises, Techstars and Ajayi Solutions in Farmcrowdy | | | | | $1m | Mar 21 |
| M&A | Nigeria | Acquisition by | OneFi of AmplifyPay | | | | | undisclosed | Mar 21 |
| M&A | Nigeria | Acquisition by | Microtraction of a stake in Sendbox | | | | | undisclosed | Mar 21 |
| M&A | Nigeria | Disposal by | Anheuser-Busch InBev to Kensington Distillers and Vintners of the 1960 Rootz brand and manufacturing plant (to be housed in newly formed Monument Distillers Nigeria) | | | | | undisclosed | Mar 22 |
| M&A | Nigeria | Investment by | Tofino Capital in SeamLessHR | | | | | $150 000 | Mar 25 |
| M&A | Togo | Acquisition by | The SUNU Group of a majority stake in Banque Populaire pour Epargne et le Crédit (BPEC) from Cauris Croissance | | | | | undisclosed | Mar 4 |
| **SOUTHERN AFRICA** | | | | | | | | | |
| M&A | Botswana | Acquisition by | Letlole La Rona of an industrial property situated on Lot 64260, Block 3 Industrial, Gaborone | | | Armstrongs | | undisclosed | Jan 14 |
| GCF | Botswana | Repurchase and delisting of | African Energy Resources: buy-back of 108,212 shares. Secondary listing terminated 16 February 2019 | Transaction Management Services | | | | undisclosed | Jan 19 |
| M&A | Botswana | Acquisition by | Ecsponent of Pink Orchard | | | | | R185m | Jan 23 |
| M&A | Botswana | Disposal by | Basil Read Mining (Basil Read) to Thiess Botswana and Bothakga Burrow Botswana of a 28% interest in Majwe Mining Joint Venture | | | | | BWP85m | Feb 8 |
| M&A | Botswana | Acquisition by ■ | Heritour (Heritage Group 85% and Geoffrey Kent 15%) of Abercrombie & Kent | | Barclays Bank | | | undisclosed | Feb 12 |
| M&A | Botswana | Asset swap ■ | Robor and Macsteel: steel tube and pipe businesses of Macsteel (to Robor) in return for a 49% stake in Robor (to Macsteel) | | | Collins Newman | Webber Wentzel | undisclosed | Feb 13 |

◆ M&A represents pure mergers and acquisitions, GCF covers transactions where this is not the case

■ Foreign transaction – see ranking rules

# DEALMAKERS AFRICA Q1 2019 (excludes South Africa)

TOMBSTONE PARTIES

| ◆ | COUNTRY | TRANSACTION TYPE | DETAILS | FINANCIAL ADVISER | FOREIGN INVESTMENT ADVISER | ATTORNEY/LEGAL ADVISER | FOREIGN LEGAL ADVISER | ESTIMATED TRANSACTION VALUE | ANNOUNCEMENT DATE |
|---|---|---|---|---|---|---|---|---|---|
| M&A | Botswana | Disposal by | MTN to Econet Wireless Zimbabwe of a 53% stake in Mascom | Standard Bank | | | | $300m | Mar 7 |
| M&A | Botswana | Acquisition by | Medscheme (AfroCentric Investment) of an additonal 25% stake in AFA Botswana | | | | | undisclosed | Mar 12 |
| GCF | Mauritius | Listing of | ENL (La Sablonniere) of 374,996,326 ordinary A shares @ Rs43.00 each | BDO & Co | | ENSafrica \| Mauritius | | MUR16,1bn | Jan 23 |
| M&A | Mauritius | Acquisition by | African Development Partners II (Development Partners International) of a stake in International Facilities Services | | | PwC Legal; Eversheds Sutherland (South Africa) | | $35m | Feb 5 |
| M&A | Mauritius | Investment by | Inside Capital Partners in Latitude Hotels | | | | | undisclosed | Feb 15 |
| M&A | Mauritius | Investment by | Africa Healthcare Fund and Polaris of an equity stake in Africa Healthcare Network (series A capital raise) | | | | | undisclosed | Mar 8 |
| M&A | Mozambique | Disposal by | New Energy of its 50% stake in Balama Resources (which holds the Caula graphite and vanadium project) to fellow shareholder, Auspicious Virtue Investment which will then hold 100% | | | | | A$7m | Feb 8 |
| M&A | Mozambique | Disposal by | Eni of a 25.5% participating interest in offshore Block A5-A to Qatar Petroleum | | | | | undisclosed | Mar 11 |
| M&A | Mozambique | Acquisition by | RA International of a 49% stake in Royal Food Solutions | | | | | undisclosed | Mar 20 |
| M&A | Namibia | Disposal by | Aveng to Infinity Partners of Aveng Water and Aveng Namibia Water | | | Baker McKenzie | | R95m | Jan 18 |
| M&A | Namibia | Acquisition by | Bidvest from minority shareholders of the remaining 34% stake (72 102 636 shares) in Bidvest Namibia | Standard Bank; EY; IJG Advisory Services; PSG Wealth Management Namibia | | Ellis Shilengudwa; HD Bossau | | N$756,1m | Mar 3 |
| M&A | Namibia | Acquisition by | International Cement Group of 100% of Schwenk Namibia | | | | | $19,34m | Mar 11 |
| GCF | Zambia | Financing of | Vertigo Properties - Stanbic Bank Zambia provided a loan facility for the completion of the Pinnacle Mall in Lusaka | | | | | undisclosed | Feb 8 |
| M&A | Zambia | Acquisition by | Zambian Property Holdings (Grit Real Estate Income) from Paxton Investments of a 25% additional stake in Mukuba Mall in Kitwe | | | | | $8,19m | Mar 5 |
| M&A | Zambia | Acquisition by | Jubilee Metals from Glencore of the Sable Zinc Refinery in Kabwe | RiverFort Global Capital; SPARK Advisory Partners | | | | £9,16m | Mar 21 |
| M&A | Zambia | Acquisition by | Coca-Cola Beverages Africa of Fairy Bottling Zambia | | | | | undisclosed | Apr 2 |
| M&A | Zimbabwe | Disposal by | MTN to Econet Wireless Zimbabwe of a 53% stake in Mascom | Standard Bank | | | | $300m | Mar 7 |

## NORTH AFRICA

| ◆ | COUNTRY | TRANSACTION TYPE | DETAILS | FINANCIAL ADVISER | FOREIGN INVESTMENT ADVISER | ATTORNEY/LEGAL ADVISER | FOREIGN LEGAL ADVISER | ESTIMATED TRANSACTION VALUE | ANNOUNCEMENT DATE |
|---|---|---|---|---|---|---|---|---|---|
| M&A | Egypt | Acquisition by | Azimut Group of 100% of Rasmala Egypt Asset Management | | | | | undisclosed | Jan 8 |
| M&A | Egypt | Acquisition by | Veon of the remaining 42.31% of Global telecom not already held from shareholders at EGP5.30 per share (1,997,639,608 shares) | | | | | EGP10,59bn | Feb 5 |
| M&A | Egypt | Joint venture by | ENOC Group and Proserv Egypt - ENOC Misr | | | | | undisclosed | Feb 18 |
| M&A | Egypt | Acquisition by | Kaumeya Language Schools (NBK Capital Partners) of 100% of King Integrated American School | | | Matouk Bassiouny | | undisclosed | Feb 26 |
| M&A | Egypt | Acquisition by | Inpector Capital of Scimitar Production Egypt | | | | | undisclosed | Mar 21 |
| M&A | Egypt | Acquisition by | SPE AIF I of a stake in Future Pharmaceutical Industries | | | | | undisclosed | Mar 26 |
| GCF | Morocco | Open market acquisition by | Argan Invest (FinanceCom) of 391,390 shares in Balima at MAD96.45 - shares sold by Société de Crédit du Maghreb (SFCM) | | | | | MAD37,75m | Jan 2 |
| M&A | Morocco | Acquisition by | CDG Capital Private equity of a minority stake in SCE Chemicals | | | | | undisclosed | Feb 15 |
| M&A | Morocco | Acquisition by | Maroc Telecom of Tigo Chad from Millicom | | | | | undisclosed | Mar 14 |
| M&A | Tunisia | Acquisition by ■ | Saudi Aramco of a 70% stake in Saudi Basic Industries Corporation (SABIC) from the Public Investment Fund of Saudi Arabia | | | ENSafrica | Abuhimed Alsheikh Alhagbani; Clifford Chance | $69,1bn | Mar 27 |

## CENTRAL AFRICA

| ◆ | COUNTRY | TRANSACTION TYPE | DETAILS | FINANCIAL ADVISER | FOREIGN INVESTMENT ADVISER | ATTORNEY/LEGAL ADVISER | FOREIGN LEGAL ADVISER | ESTIMATED TRANSACTION VALUE | ANNOUNCEMENT DATE |
|---|---|---|---|---|---|---|---|---|---|
| M&A | Cameroon | Disposal by | Altus Strategies of 100% of Aucam Resources (which holds 100% of Aucam SA, the holder of Birsok and Mandoum licenses) to Canyon Resources | SP Angel | | | | £3,4m | Feb 11 |
| M&A | Chad | Acquisition by | Maroc Telecom of Tigo Chad from Millicom | | | | | undisclosed | Mar 14 |
| M&A | DRC | Acquisition by | China Molybdenum of 100% of BHR Newwood DRC which holds the remaining 30% of TF Holdings which holds an 80% stake in the Tenke Fungurume copper and cobalt mine | | | | | $1,14bn | Jan 18 |
| GCF | DRC | Debt financing | Groupe Jambo | Verdant Capital | | | | $7m | not announced |
| M&A | Rep of Congo | Acquisition by | African Petroleum of 100% of PetroNor E&P (816m African Petroleum shares issued) | | | | | A$1bn | Mar 19 |

◆ M&A represents pure mergers and acquisitions, GCF covers transactions where this is not the case

# DealMakers AFRICA LEAGUE TABLE CRITERIA

1. DealMakers AFRICA tracks M&A and other corporate finance activity across the African continent. Transactions are recorded by country and region.
2. DealMakers AFRICA records the following advisory roles
   a. Investment / financial / corporate advisor
   b. Legal advisor
3. DealMakers AFRICA records transactions in two category types:
   a. Mergers & Acquisitions (M&A). This is defined as resulting in new parties acquring exposure to new growth opportunities that they did not have prior to the conclusion of the transaction in question.
   b. General Corporate Finance (GCF). This includes –
      i. IPO's and share issues
      ii. Share repurchases
      iii. Unbundlings
      iv. Project funding/debt facilities
4. Transactions are recorded at announcement date except in the following cases:
   a. Rights issues are recorded at shareholder approval date.
   b. Listings are recorded at date of listing.
   c. If a deal has not been publicly announced but a company has approved the disclosure of the deal to DealMakers AFRICA, the signature date will be used.
   d. DealMakers AFRICA tables record deals by calendar year – January to December.
5. Transaction classification (Foreign vs Local)
   a. Local deals involve the acquisition or disposal by a company headquartered in an African country (other than South Africa) or an asset that is based in an African country (other than South Africa).
   b. Example : A UK-based firm buys a gold mine in Ghana. This is a local deal as the asset is based in Ghana, regardless of who made the purchase or sale.
   c. Foreign deals are recorded when a company being acquired is based in a non-African country, but has subsidiaries/assets in one or more African countries and the sale agreement requires local input to complete the deal – e.g. competition clearance.
6. Advisory credit
   a. Firms advising on local deals will get both deal value and deal flow credit.
   b. Local advisory teams will get deal flow credit for foreign deals.
   c. If the advisory firm's role is not listed on the company announcement, proof must be submitted to DealMakers AFRICA.
   d. If an advisory firm advises both parties to a deal, advisory credit will only be given once.
   e. Advisors to advisors will not be credited other than in the case of bookrunners to IPO's, rights issues and listings.
   f. Companies with offices in multiple countries – deal credit will be awarded under the local entity trading name, but the rankings for the region will be made under the group global name (this applies only to regional group offices and not to member affiliations).
7. Additional notes :
   a. Deal values are recorded in the currency announced and converted to US$ for ranking purposes using the exchange rate on the recorded date.
   b. Schemes of arrangements/offers will be included at the maximum consideration until such time as the results are released, at which point the database will be updated.
   c. Acquisition or disposal of properties by property companies – only deals with a minimum value of $10m will be included for ranking purposes (smaller deals will be included for information purposes only and to showcase the advisory firms scope of work, but will not count towards the rankings).
   d. Debt/funding transactions – only transactions valued at $20m and above will be included for ranking purposes (smaller deals will be included for information purposes only and to showcase the advisory firms scope of work, but will not count towards the rankings).
   e. Any deal that has failed, will be recorded in the tables for information purposes only and will not be included for rankings.
   f. Advisory firms are asked to submit their list of deals by the end of the first week after the close of each quarter. These lists will be checked against our databases and any queries or discrepancies dealt with. Firms will be asked to check and sign off on a final list of transactions credited to them before publishing.
8. DealMakers AFRICA does not accept responsibility for any errors or omissions.

## RANKINGS

DealMakers AFRICA will publish transactions for all African countries, but at this stage rankings will only be published for EAST, WEST Africa and pan-Africa regions.

Two types of rankings will be published for each region

- M&A by deal value and deal flow.
- GCF by transaction value and transaction flow.