

DealMakers AFRICA



AFRICA'S CORPORATE FINANCE MAGAZINE

Vol 12: No 2



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from the editor's desk

The rapid pace at which Africa moves towards the fourth Industrial Revolution (4IR) will be a game changer for the continent. Hamstrung by massive infrastructure deficits, the World Bank estimates that Africa needs more than \$90bn a year to bridge the infrastructure gap; 4IR technologies such as artificial intelligence (AI) and the internet of things (IoT) will accelerate socio-economic development particularly in the fields of education, agriculture, healthcare and financial services.

While there are numerous exciting examples of how technology is transforming lives, it is important to remember that to truly transform society, governments need to ensure their people have access to the basics such as clean water and electricity.

Aligned to this, the continent has been a focal point for impact investing (page 5). Impact investing, the investment made into companies and funds with the intention to generate a measurable, beneficial social or environmental impact alongside a financial return, presents a multitude of underserved sectors where a social or environmental impact can be made, and has a high incidence of maturing frontier markets that offer high potential returns for those willing to bear with the political, economic and security risks present. Private equity deals across the continent continue to play a key role in assisting innovative and dynamic African companies providing both capital and experience. Deals expose investors to sectors such as infrastructure, technology, healthcare and education, and other segments of the economy which are not necessarily available when investing in the listed markets.

Analysis of H1 merger and acquisition data collected by DealMakers AFRICA (excluding South Africa) shows the total value of deals at \$87,39bn for the period. If foreign deals are excluded (see criteria pg 20) the value drops to \$15,33bn from 207 deals. By region, the most active was East Africa with 67 deals, of which 46 were recorded in Kenya with a value of \$794m. West Africa recorded 56 deals with Nigeria, unsurprisingly, the most active with 33 deals. By value, Central Africa led the tables at \$2,7bn off just nine deals – the majority of which involved mining and energy assets. Private equity deals, which are included in the regional numbers, were most prominent in Kenya, with 24 investments during the period followed by Nigeria (20) and Morocco (7).

DealMakers AFRICA had hoped to run H1 league table rankings for the regions East and West Africa. But, until such time as advisory firms submit deals and transactions on which they have worked, it is impossible to provide meaningful rankings showcasing the skills of the local advisory firms. We have, however, run an M&A pan-African league table for the period (page 4). •

MARYLOU GREIG

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DealMakers AFRICA M&A Analysis H1 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	2	0	0	4 372 975	2
	Chad	undisclosed	1	0	0	undisclosed	1
	DRC	1 142 066 474	4	0	0	1 142 066 474	4
	Republic of Congo	1 576 582 891	2	0	0	1 576 582 891	2
		2 723 022 340	9	0	0	2 723 022 340	9
East Africa	Burundi	1 504 869	1	0	0	1 504 869	1
	Kenya	794 166 376	46	493 000 000	4	1 287 166 376	50
	Rwanda	21 000 000	2	0	0	21 000 000	2
	Tanzania	14 681 273	12	533 473 852	2	548 155 125	14
	Uganda	undisclosed	6	0	0	undisclosed	6
		829 847 649	67	1 026 473 852	6	1 857 826 370	73
North Africa	Algeria	0	0	undisclosed	1	undisclosed	1
	Egypt	644 435 508	14	0	0	644 435 508	14
	Morocco	222 300 000	10	undisclosed	1	222 300 000	11
	Tunisia	undisclosed	1	69 100 000 000	2	69 100 000 000	3
		866 735 508	25	69 100 000 000	4	69 966 735 508	29
Southern Africa	Angola	undisclosed	1	0	0	0	1
	Botswana	345 717 174	10	undisclosed	1	345 717 174	11
	Lesotho	18 400 000	1	0	0	18 400 000	1
	Madagascar	undisclosed	2	0	0	undisclosed	2
	Malawi	35 482 565	3	0	0	35 482 565	3
	Mauritius	74 767 992	10	0	0	74 767 992	10
	Mozambique	4 963 984	5	12 736 771	1	17 700 755	6
	Namibia	105 204 708	9	6 871 573	1	112 076 281	10
	Swaziland	0	0	12 736 771	1	12 736 771	1
	Zambia	20 167 444	5	12 736 771	1	32 904 215	6
	Zimbabwe	311 914 043	3	12 736 771	1	324 650 814	4
		916 617 910	49	57 818 657	6	974 436 567	55
West Africa	Burkina Faso	18 623 361	2	0	0	18 623 361	2
	Cape Verde	undisclosed	1	0	0	0	1
	Côte d'Ivoire	35 589 719	4	0	0	35 589 719	4
	Gambia	undisclosed	1	0	0	0	1
	Ghana	14 135 223	7	0	0	14 135 223	7
	Guinea	21 000 000	1	0	0	21 000 000	1
	Mali	173 110	2	0	0	173 110	2
	Nigeria	1 063 948 772	33	0	0	1 063 948 772	33
	Sierra Leone	40 338 076	3	0	0	40 338 076	3
	Togo	undisclosed	2	0	0	0	2
		1 193 808 261	56	0	0	1 193 808 261	56
Africa General		8 800 000 000	1	1 876 000 000	2	10 676 000 000	3
		15 330 031 668	207	72 060 292 509	18	87 391 829 046	225

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.



Africa's Largest M&A Deals H1 2019 (Excluding South Africa)

REGION	COUNTRY	NATURE OF DEAL	DETAILS	INVESTMENT ADVISER (LOCAL AND FOREIGN)	LEGAL ADVISER (LOCAL AND FOREIGN)	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE (\$)
North Africa	Tunisia	Acquisition by ■	Saudi Aramco of a 70% stake in Saudi Basic Industries Corporation (SABIC) from the Public Investment Fund of Saudi Arabia		Abuhimed Alshaikh Alhaghani; Clifford Chance; ENSafrica	\$69.1bn	Mar 27	\$69.1bn
Africa		Acquisition by	Total of the Anadarko assets in Algeria, Ghana, Mozambique and South Africa from Occidental			\$8.8bn	May 5	\$8.8bn
Africa		Acquisition by ■	American Tower of Eaton Towers			\$1.85bn	May 30	\$1.85bn
Central Africa	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	\$1.14bn
Central Africa	Rep of Congo	Acquisition by	Lukoil of a 25% interest in the Marine XII license from New Age M12			\$800m	Jun 7	\$800m
Central Africa	Rep of Congo	Acquisition by	African Petroleum of 100% of PetroNor E&P (816m African Petroleum shares issued)			AS1bn	Mar 19	\$776.6m
North Africa	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	\$601.6m
East Africa	Tanzania	Acquisition by ■	Mexco Energi Global of Ophir Energy at \$7.5p per share	Standard Chartered Bank; Morgan Stanley; Lambert Energy Advisory	Sidley Austin LLP; Linklaters	£408.4m	Jan 30	\$533.5m
East Africa	Kenya	Acquisition by ■	Epsilon BidCo (Blackstone PE Funds) of up to 75% of Esel Propack	Morgan Stanley	Khatian & Co; Baker McKenzie; Trilegal; Simpson Thacher & Bartlett; Bowmans	\$310m - \$462m	Apr 22	\$462m
West Africa	Nigeria	Acquisition by	Olam International of Dangote Flour Mills			NGN130bn (\$361m)	Apr 23	\$361m
West Africa	Nigeria	Disposal by	Lafarge Africa to Cancellation of 100% of Lafarge South Africa	Standard Chartered Securities (Nigeria)	ENSafrica; Aliko Oyebode	\$316.3m	Jun 19	\$316.3m
Southern Africa	Botswana	Disposal by	MTN to Econet Wireless Zimbabwe of a 53% stake in Mascom	Standard Bank	Webber Wentzel	\$300m	Mar 7	\$300m
Southern Africa	Zimbabwe	Disposal by	MTN to Econet Wireless Zimbabwe of a 53% stake in Mascom	Standard Bank	Webber Wentzel	\$300m	Mar 7	\$300m
West Africa	Nigeria	Acquisition by	Transcorp Power Consortium of 100% of Adam Electricity Generation Company			NGN105.3bn	Apr 15	\$292.3m
East Africa	Kenya	Merger of	Commercial Bank of Africa and NIC Group	Faida Investment Bank; NIC Capital; CBA Capital	Bowmans; Isame, Kamau & Maema	\$266m	Jan 31	\$266m

■ Foreign Deal - see ranking criteria



RANKING THE PAN-AFRICAN TOMBSTONE PARTIES (M&A) H1 2019

(EXCLUDING SOUTH AFRICA)

RANKINGS BY VALUE

FINANCIAL ADVISERS

No	Company	Values \$'m	Market Share %
1	Standard Bank Group	951	36,37%
2	Standard Chartered Securities	316	12,10%
3	CBA Capital	266	10,18%
	Faida Investment Bank	266	10,18%
	NIC Capital	266	10,18%
6	PSG Capital	96	3,65%
7	KCB Capital	55	2,11%
	Pacifis Advisory	55	2,11%
	Standard Investment Bank	55	2,11%
10	IUG Advisory Services	53	2,03%
11	Absa	50	1,91%
	Barclays	50	1,91%
13	Delta Partners	42	1,62%
14	VSA Capital	30	1,15%
15	Red Cloud Klondike Strike	16	0,60%
16	RiverFort Global Capital	12	0,46%
17	SPARK Advisory Partners	12	0,46%
18	Brandon Hill Capital	8	0,32%
19	SP Angel Corporate Finance	7	0,27%
20	Beaumont Cornish	4	0,13%
21	River Group	2	0,08%
22	Strand Hansen	1	0,03%
23	Burj Finance	undisclosed	n/a
	CardinalStone Partners	undisclosed	n/a
	Ernst & Young Corporate Finance	undisclosed	n/a
	Gulfstone Capital	undisclosed	n/a
	Horizon Africa Capital	undisclosed	n/a
	I&M Burbidge Capital	undisclosed	n/a
	KPMG	undisclosed	n/a
	PwC	undisclosed	n/a
	Rothschild & Co	undisclosed	n/a
	SI Capital	undisclosed	n/a
	Theodore Partners	undisclosed	n/a

RANKINGS BY FLOW (ACTIVITY)

No	Company	No	Market Share %	Values \$'m
1	Standard Bank Group	5	11,11%	951
2	PSG Capital	4	8,89%	96
	SP Angel Corporate Finance	4	8,89%	7
4	Delta Partners	3	6,67%	42
5	Standard Chartered Securities	1	2,22%	316
	CBA Capital	1	2,22%	266
	Faida Investment Bank	1	2,22%	266
	NIC Capital	1	2,22%	266
	KCB Capital	1	2,22%	55
	Pacifis Advisory	1	2,22%	55
	Standard Investment Bank	1	2,22%	55
	IUG Advisory Services	1	2,22%	53
	Absa	1	2,22%	50
	Barclays	1	2,22%	50
	VSA Capital	1	2,22%	30
	Red Cloud Klondike Strike	1	2,22%	16
	RiverFort Global Capital	1	2,22%	12
	SPARK Advisory Partners	1	2,22%	12
	Brandon Hill Capital	1	2,22%	8
	Beaumont Cornish	1	2,22%	4
	River Group	1	2,22%	2
	Strand Hansen	1	2,22%	1
	SI Capital	1	2,22%	undisclosed
	Burj Finance	1	2,22%	undisclosed
	CardinalStone Partners	1	2,22%	undisclosed
	Ernst & Young Corporate Finance	1	2,22%	undisclosed
	Gulfstone Capital	1	2,22%	undisclosed
	Horizon Africa Capital	1	2,22%	undisclosed
	I&M Burbidge Capital	1	2,22%	undisclosed
	KPMG	1	2,22%	undisclosed
	PwC	1	2,22%	undisclosed
	Rothschild & Co	1	2,22%	undisclosed
	Theodore Partners	1	2,22%	undisclosed

LEGAL ADVISERS

No	Company	Values \$'m	Market Share %
1	Webber Wentzel	605	21,20%
2	Bowmans	582	20,39%
3	ENSafrica	316	11,08%
4	Aluko Oyeboode	316	11,08%
5	Iseme, Kamau & Maema	266	9,33%
6	KN Law	193	6,74%
7	Anjarwalla & Khanna	105	3,69%
8	Cliffe Dekker Hofmeyr	56	1,95%
9	Oraro & Company Advocates	55	1,94%
10	Miller & Company Advocates	55	1,94%
11	Ellis Shilengudwa	53	1,86%
12	HD Bossau	53	1,86%
13	Walker Kontos	50	1,75%
14	PwC Legal	35	1,23%
15	Eversheds Sutherland	35	1,23%
16	Desai Law Group	23	0,82%
17	Ashurst LLP	20	0,70%
18	Norton Rose Fulbright	16	0,55%
19	Dentons	16	0,55%
20	King & Wood Mallesons	3	0,12%
21	Al Tamimi & Company	undisclosed	n/a
	Armstrongs	undisclosed	n/a
	Baker McKenzie	undisclosed	n/a
	Banwo & Ighodalo	undisclosed	n/a
	Collins Newman	undisclosed	n/a
	Davis Polk & Wardwell	undisclosed	n/a
	DLA Piper	undisclosed	n/a
	Freshfields Bruckhaus Deringer	undisclosed	n/a
	Hilmi Law Firm	undisclosed	n/a
	Koya Kutu Solicitors	undisclosed	n/a
	LLSCA Counsel	undisclosed	n/a
	Matouk Bassiouny	undisclosed	n/a
	Michelmores	undisclosed	n/a
	Nyemaster Law Firm	undisclosed	n/a

No	Company	No	Market Share %	Values \$'m
1	Bowmans	12	20,00%	582
2	Webber Wentzel	4	6,67%	605
	Cliffe Dekker Hofmeyr	4	6,67%	56
4	Matouk Bassiouny	3	5,00%	undisclosed
	Norton Rose Fulbright	3	5,00%	16
6	ENSafrica	2	3,33%	316
	Anjarwalla & Khanna	2	3,33%	105
	Walker Kontos	2	3,33%	50
	Desai Law Group	2	3,33%	23
	DLA Piper	2	3,33%	undisclosed
11	Aluko Oyeboode	1	1,67%	316
	Iseme, Kamau & Maema	1	1,67%	266
	KN Law	1	1,67%	193
	Miller & Company Advocates	1	1,67%	55
	Oraro & Company Advocates	1	1,67%	55
	Ellis Shilengudwa	1	1,67%	53
	HD Bossau	1	1,67%	53
	Eversheds Sutherland	1	1,67%	35
	PwC Legal	1	1,67%	35
	Ashurst LLP	1	1,67%	20
	Dentons	1	1,67%	16
	King & Wood Mallesons	1	1,67%	3
	Al Tamimi & Company	1	1,67%	undisclosed
	Armstrongs	1	1,67%	undisclosed
	Baker McKenzie	1	1,67%	undisclosed
	Banwo & Ighodalo	1	1,67%	undisclosed
	Collins Newman	1	1,67%	undisclosed
	Davis Polk & Wardwell	1	1,67%	undisclosed
	Freshfields Bruckhaus Deringer	1	1,67%	undisclosed
	Hilmi Law Firm	1	1,67%	undisclosed
	Koya Kutu Solicitors	1	1,67%	undisclosed
	LLSCA Counsel	1	1,67%	undisclosed
	Michelmores	1	1,67%	undisclosed
	Nyemaster Law Firm	1	1,67%	undisclosed





Impact Investment in Africa: What it is and what it isn't

GIANLUCA STORCHI

Impact investing, a term formally coined in 2007, can be defined as investments that intentionally pursue a positive and measurable combination of social and environmental impact as well as financial returns. The scope of investments encompass various asset classes, sectors, and regions with the targeted financial returns ranging from below the market, including concessionary, to risk-adjusted market rates.

Impact investing arose as an evolution of concerns about the harmful effects business operations can have on society and the environment. In the past, the government was at the forefront of efforts to limit the negative consequences and externalities, such as pollution, generated by profit-seeking enterprises through corrective tax measures and legislation. From an investor's perspective, directing funds away from companies engaging in harmful activities was their way of expressing their socially and environmentally



Storchi

conscious values. While for the firm, ethical behaviour began to gain momentum when consumer preferences tilted towards ethically-produced goods and services, even as government pressure and shifting perspectives of industry leaders pushed companies toward more socio-economically responsible practices. This led to the adoption of principles designed to address Environmental, Social and Governance (ESG) risks including more effective waste management strategies, internal Corporate Social Responsibility (CSR) policies and triple bottom line accounting frameworks. However, impact investing goes beyond risk management and harm avoidance by carefully selecting and managing investments that generate positive impact to the environment and society with a focus on being able to quantify these effects.

From an investor's perspective,
directing funds away from companies
engaging in harmful activities was their
way of expressing their socially and
environmentally conscious values.

At the macro level, impact investing acts as an alternative mechanism to Foreign Direct Investment (FDI) and Official Development Assistance (ODA) in the promotion of

international economic development. On one hand, ODA is associated with government aid and aims to tackle poverty in poor and emerging countries by funding basic needs such as education, health and security with a significant grant element. On the other hand, FDI is carried out by profit-driven private companies from the developed world seeking investment opportunities in emerging markets that will generate high financial returns. Each proposition

has its own drawback. It can be argued that the official aid model targeting poor countries that began in the 1960s after decolonisation did not create productive incentives at the national level and may not have been effective in generating sustainable growth, whereas FDI that does not value the social and environmental impacts of business at par with financial returns may result in unwanted outcomes. Impact investing hovers along the middle ground in that it promotes market-driven solutions that seek both financial and non-financial returns.

Impact-driven investment was spearheaded by philanthropic organisations, foundations, development finance institutions and specialist impact fund managers but now appeals to a much larger, more diverse group. The traction this approach to investing has gained globally is a clear reflection of the commitment world leaders have made to address poverty, inequality, climate change, environmental degradation, prosperity, peace and justice through the 2030 agenda for sustainable development and its 17 Sustainable Development Goals (SDGs). UNCTAD estimates that developing economies alone will require investments of US\$3.3trn to US\$4.5trn per year¹ in key sectors to achieve the SDGs across their delivery period, which implies an investment gap of between US\$1.9trn and US\$3.1trn. A significant, coordinated effort by stakeholders will be necessary to achieve this target and impact investing plays a key role in this strategy.

According to the Global Impact Investing Network (GIIN), a nonprofit organisation that aims to increase the scale and effectiveness of impact investing around the world, the aggregate Assets Under Management (AUM) for the impact investing industry stood at US\$502bn at the end of 2018. While that figure is dwarfed by global AUM of over US\$70trn, the industry's growth is promising. The average impact investor's AUM in 2018 was US\$452m while the median value was a much lower US\$29m, suggesting that the investor landscape is characterised by a large proportion of organisations that manage small portfolios and a smaller proportion that manage very large ones. Over half of the AUM in impact investing are held by asset managers, just over a quarter are held by DFIs and the rest are borne by banks, pension funds, insurance companies, foundations, and family offices. With regard to the location of these investors, the vast majority are headquartered in developed economies – 58% in the US and Canada, 21% in Western, Northern and Southern Europe, and only 6% in sub-Saharan Africa. Despite this, sub-Saharan Africa is tied in second place with Latin America and the Caribbean for AUM allocation for impact investing, at 14%, behind the USA and Canada².

Why Africa?

The African continent has been a focal point of impact investing because it continues to battle with persistent socio-economic issues and has a high incidence of maturing frontier markets that offer high potential returns for those willing to bear with the political, economic and security risks present. Suffice it to say that Africa has a wealth of problems to tackle and so it follows that there are ample opportunities for development, where a dollar spent can generate significant financial, as well as socio-economic and environmental returns.

Within the industry, it is widely felt that impact investing is the silver bullet to most of the developing world's problems, but therein lies the problem.

What Impact Investment is not

Impact investment, despite its promising future, will not cure all of the world's ills. No singular solution or approach will be able to achieve all the SDGs and raise millions of people out of abject suffering. The elusive perfect recipe for lifting countries out of poverty is still very much under debate and investing purposefully for impact is just one, albeit critical, of the necessary ingredients. ●

Storchi, Senior Research Analyst, StratLink Africa.

With minor support from Julio De Souza, Dealmaker of Parklands.

¹ UNCTAD: World Investment Report 2014

² GIIN: 2019 Annual Impact Investor Survey



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The anatomy of a 'lawless' acquisition

DAVID A. ASIEDU

It is no secret that FinTech is growing at breakneck speed in Africa, at pace with over 60% growth in the past two years. The FinTech space attracted US\$132.8m of investors' money in 2018. Although the biggest markets are South Africa, Nigeria and Kenya, the current magic is happening in Ghana and in other 'next-big-thing' countries. FinTech is the Wild West of Ghana's booming economy. And it is 'lawless' territory. For a long time, there was little regulation. One simply partnered up with a (regulated) commercial bank, and you were good to go. It is only recently that the lawman has caught up. It was in this legal desert that we advised on an acquisition of a FinTech company.

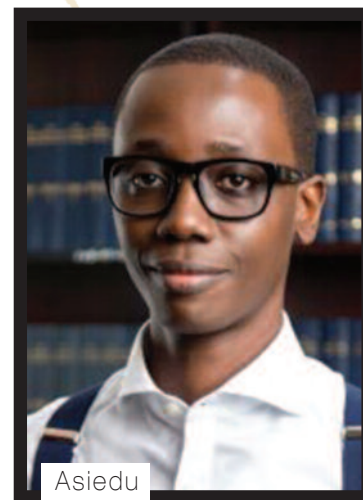
As an example, in H2 2018, the Ghanaian shareholder of Ace Corp (Ace) was looking to sell his 100% share to a foreign company, Acme Inc. (Acme). Acme was registered in the Cayman Islands. The deal was plain vanilla. No caiman-infested legal bogs. The issues involved foreign-equity rules, taxes, transfer of workers and filings with the relevant government agencies. No FinTech regulator to 'aggravate' the parties. Just the legal desert. Nothing to see here... except the (usual) aggressive closing date. But the lack of FinTech-specific regulations quickly became the main challenge in the deal.

When Acme learnt that Ace was not a registered payments system provider (PSP), it wanted to walk away from the deal. Then it discovered that this was no lapse. There was just no registration system in place for PSPs. No regulation for payment streams such as electronic money,

electronic platforms and payment systems. Deal back on. The parties could have shouted "joy!" and signed along the dotted line, but a bill had been put before parliament. It would bring the gunslingers of the FinTech gold rush under a new and powerful regime and lawman. It was expected to pass into law in mid-2019. The Ace-Acme deal was closing in December 2018 (when the post-deal company would be unregulated). And then, boom, the new law would hit Acme Ghana.

We set out advising on the prevailing law, but our work quickly turned into hybrid advice - looking partly at the scant available law, and partly into a crystal ball. The central bank was the new lawman coming to town. So we spent significant time with its officials, debating the coming law and gauging their interpretation of important provisions. It was a little bit of fun. And it foretold a little bit of the 'aggravation' the regulator would cause FinTech companies.

The deal was done; structured on the prevailing law, but flexible enough to embrace the coming law. The client gave over his 100% stake in Ace to Acme. In exchange, Acme issued an agreed number of its shares to our client. And the Ghanaian company was renamed "Acme Ghana". Handshakes and champagne!



Asiedu

The primary existing law on foreign investment, generally, also cast its influence on the deal. A foreign shareholder of a company incorporated in Ghana is required to inject a specified minimum amount of money, in cash or in kind or a mix of both, as its capital contribution to the company before the company can operate.

So what were some of the rules in the crystal ball (which Acme Ghana would have to comply with in no time)?

- (1) FinTech would be strictly regulated by the central bank,
- (2) As a PSP, Acme Ghana would be required to register with the regulator within nine months of the law passing.
- (3) Acme Ghana would have to be at least 30% Ghanaian-owned, and
- (4) Acme Ghana would be subject to the governance (and management structure) oversight of the regulator.

The view from the crystal ball ruffled the scales of the deal a bit. Acme was buying all the shares in Ace. However, in a short while (nine months after the 'FinTech' bill became law) Acme would be compelled to relinquish 30% of its shares to a Ghanaian national. The outgoing shareholder expressed an interest in being that future 30% shareholder. Purchase price adjusted; number of Cayman Island shares adjusted. More handshakes. More champagne.

The primary existing law on foreign investment, generally, also cast its influence on the deal. A foreign shareholder of a company incorporated in Ghana is required to inject a specified minimum amount of money, in cash or in kind or a mix of both, as its capital contribution to the company before the company can operate. Being the sole shareholder of Acme Ghana, Acme had to inject at least US\$500,000 into Acme Ghana as capital. This was different from (and had nothing to do with) the price paid for the shares. And it got more complicated. Under the coming 'FinTech' law, the regulator would have the power to set a mandatory minimum capital requirement for PSPs, which could compel Acme to put even more money into Acme Ghana. The deal was done in December 2018, and the new 'FinTech' law passed five months later. By February 2020, Acme Ghana must be compliant with the new law.

FinTech has reflected the positive trajectory of the Ghanaian economy. The Bank of Ghana's statistics show impressive year-on-year growth in the FinTech space since 2012. A snapshot of fortunes of mobile money illustrates this point. There were just under four million registered mobile money accounts (cumulative) in 2012. By 2015, the number had jumped to just over 13 million, and 2018 saw a surge to 33 million. Q1 2019 recorded a 16.88% growth over Q1 2018. As to the total annual value of mobile money transactions, the approximate figures were US\$111m (2012), US\$7bn (2015), and US\$42bn (2018), respectively. Q1 2019 recorded a 26.75% growth over Q1 2018 in terms of the value of transactions. ●

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Taking Centre Stage – the Rise of Compliance Due Diligence in Africa

DARRYL BERNSTEIN

The African continent is one of the most challenging regions in which to do business, from a compliance standpoint, according to Baker McKenzie's new report, Taking Center Stage: The Rise and Rise of M&A Compliance Due Diligence (CDD). The report surveyed more than 300 global corporate leaders and legal advisers throughout the world who are involved in mergers & acquisitions (M&A) and joint venture (JV) transactions. It showed that while 29% of respondents were looking to grow their businesses via M&As and JVs in Africa, 48% of respondents thought that it was the most challenging region in which to do business. From the commentary, it was found that many countries in Africa were considered to have opaque legislative and regulatory frameworks, less predictable legal processes, and less consistent enforcement.

According to the report, pre-transactional or pre-acquisition CDD, which is fundamentally the examination of both the regulatory obligations and risks facing an organisation and how this organisation manages them, is an essential component of any major transaction and is demanded by investors and buyers, especially for cross-border M&As and JVs. The key areas normally



covered by CDD include anti-money laundering, bribery and corruption, antitrust regulations, trade and export controls, environmental, employment and human rights laws, and cybersecurity and data protection. While clearly some businesses will have more inherent risks in specific areas, a holistic solution that assesses each area was found to be optimum, as compliance risks could cause untold damage to a company's reputation and/or bottom line if not properly addressed. This is particularly true in an era of much greater global and local regulatory enforcement.

The report noted that increasingly, dealmakers were recognising that US Foreign Corrupt Practices Act (FCPA) enforcement, the UK Bribery Act, and various local anti-corruption efforts mean that consideration of compliance risks before the deal is done, as well as post-acquisition compliance assessment and remediation, is a must. Companies operating in Africa must therefore ensure they are not only compliant with local laws but also are aware of the extraterritorial legislation that may impact their operations and business outside of their regional headquarters.

Further, the report found that increasingly for buyers, proper CDD has exposed risk that simply makes deals untenable. In fact, 26% of respondents say that more than half of their recent deals have failed or been abandoned due to discovery of compliance issues or risks over the past three years. An additional 41% say that more than a quarter of their deals faced similar fates. Without investing in CDD, many of these companies may have ended up in transactions that could have left them vulnerable, possibly destroying value in both the acquirer and acquired organisations. Many of those that walked away say their CDD discoveries acted as a key stop-loss mechanism. For these reasons and others, due diligence is today given considerably more time and resources, by a large margin, than other tasks in the M&A process.



Bernstein



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Equally large is the percentage of respondents in the report who say due diligence is the most challenging part of the M&A process. It seems the understanding around the importance of due diligence is well ingrained, but there is still a gap between people's expectations of the challenge and how much time and resources are dedicated to it. Despite recognition of the need for prioritising compliance, only 51% of respondents said they had a set of standard protocols or procedures specifically to address compliance issues in M&A or JVs. A further 56% wish they had dedicated more time to conducting compliance due diligence. Further, most respondents agree that improvements are being made to CDD within their organisations — but this journey is far from complete. While 60% say their CDD programs are more effective today than two years ago, more than a third of businesses (35%) believe these programs do not yet reach effective standards.

Further, the report noted that weak CDD leaves parties exposed to unnecessary and avoidable risks that could negatively impact pricing, profitability and even call into question the fundamental rationale of the deal. It also creates possible post-acquisition civil and criminal liability that could threaten the very viability of the newly acquired asset or newly formed venture, not to mention the burden and cost of a potential investigation and monetary penalties.

In Africa, particular areas of interest to law enforcement and other regulatory authorities include the appointment of third parties, whether as agents, distributors or other general contractors, as well as the integration of newly acquired operations. Companies who rely on the support of third parties in their regional business operations, whether these third parties are procuring local

Despite recognition of the need for prioritising compliance, only 51% of respondents said they had a set of standard protocols or procedures specifically to address compliance issues in M&A or JVs.

licenses, rendering services or obtaining and maintaining business, need to be aware that the unlawful conduct of such third parties can become grounds for prosecutions of the companies that appoint them. Similarly, a failure to integrate newly acquired business following mergers and acquisitions also results in significant fines and penalties arising out of the historic conduct of these new business units.

Compliance diligence has become an absolute necessity in the context of due diligence carried out either on the appointment of a new third party in a high risk environment, or in the context of an intended acquisition, as is making sure that there is a comprehensive integration plan in place following a corporate acquisition. Conducting ongoing risk assessments should not be overlooked and businesses should be periodically kicking the tyres to ensure operations are running smoothly.

Additionally, in the current opaque environment, an entity's links to parties potentially involved in misconduct are not always easily ascertainable. A thorough due diligence review of business partners and, in certain circumstances, customers, is critical. Given the potentially significant damage to a company's reputation by affiliation, companies should screen their business partner and customer lists against organisations that have been implicated in recent corruption scandals, and indirect beneficiaries should be scrutinised.

Companies should also ensure that their compliance with local content law is legitimate and upholds the purpose of the framework, and that the local criminal offense of "fronting" is not committed (the feigned use of a black economic empowerment partner to obtain contracts without actual value-add by the partner).

As the report indicates, CDD is critical to pricing a transaction, completing a transaction and ensuring its long-term success. While corporates' efforts and expenditures continue to increase in these areas, the figures suggest more work can, and will, be done. As such, organisations doing business in Africa should prioritise a practical, risk-based compliance assessment of all their operations in Africa, tailored to the company's operation and following best practices. ●

Bernstein is Head of Dispute Resolution at Baker McKenzie in Johannesburg.



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DEALMAKERS AFRICA Q2 2019 (excludes South Africa)									
TOMBSTONE PARTIES									
◆	COUNTRY	TRANSACTION TYPE	DETAILS	FINANCIAL ADVISER	FOREIGN INVESTMENT ADVISER	ATTORNEY/LLEGAL ADVISER	FOREIGN LEGAL ADVISER	ESTIMATED TRANSACTION VALUE	ANNOUNCEMENT DATE
EAST AFRICA									
M&A	Burundi	Acquisition by	Diamond Trust Bank Kenya of an additional 16.34% of Diamond Trust Bank Burundi from the International Finance Corporation					Ksh152,3m	Jun 2
GCF	Ethiopia	Capital raise by ■	Vasari Beverages for expansion of existing beverage operations in Ethiopia and new acquisitions in Africa and Asia		Rand Merchant Bank			\$100m	Jun 18
M&A	Ghana	Disposal by	OLX (Naspers) to Jiji of the OLX businesses in Ghana, Kenya, Tanzania and Uganda					undisclosed	Apr 3
M&A	Kenya	Disposal by	OLX (Naspers) to Jiji of the OLX businesses in Ghana, Kenya, Tanzania and Uganda					undisclosed	Apr 3
M&A	Kenya	Acquisition by	Actus Education of a stake in Riara Group of Schools					undisclosed	Apr 7
GCF	Kenya	Funding by †	DEG to Kevian Kenya to fund expansion					€10m	Apr 7
GCF	Kenya	Acquisition by ■	Foundation Capital, Visa and existing shareholders of a stake in Branch International (plus debt of \$100m)					\$70m	Apr 7
GCF	Kenya	Financing by ■	Foundation Capital, Visa and existing shareholders of Branch International (plus equity of \$70m)					\$100m	Apr 7
M&A	Kenya	Acquisition by	Devenish Nutrition of a 42% stake in Sidai Africa					\$2,25m	Apr 10
M&A	Kenya	Acquisition by	East African Breweries of an additional 4% stake in Serengeti Breweries					undisclosed	Apr 10
M&A	Kenya	Disposal by	Sanlam of a stake in Sanlam Investments East Africa					Ksh730m	Apr 15
M&A	Kenya	Acquisition by	Founders Factory Africa of a stake in LipaLater					undisclosed	Apr 15
M&A	Kenya	Acquisition by	Swiss Reinsurance Company of 50 million Britam shares from Jimnah Mbaru					undisclosed	Apr 17
M&A	Kenya	Acquisition by	KCB Group of 100% of National Bank of Kenya (share swap offer of 1 KCB share for every 10 NBK shares - offer values NBK at Ksh3.801 per share)	Pacifis Advisory; Standard Investment Bank; KCB Capital		Oraro & Company Advocates; Miller & Company Advocates; Bowmans		Ksh5,6bn	Apr 18
M&A	Kenya	Acquisition by ■	Epsilon BidCo (Blackstone PE Funds) of up to 75% of Essel Propack		Morgan Stanley	Bowmans	Khaitan & Co; Baker McKenzie; Trilegal; Simpson Thacher & Bartlett	\$310m - \$462m	Apr 22
M&A	Kenya	Asset swap by	Equity Group of a 6.27% stake to Atlas Mara in return for a 62% stake in Banque Populaire du Rwanda; 100% of African Banking Corporation Zambia; 100% of African Banking Corporation Tanzania and 100% of African Banking Corporation Mozambique	Stanbic Bank Kenya		Anjarwalla & Khanna		Ksh10,7bn	Apr 30
M&A	Kenya	Acquisition by	Menengai Group of Aquamist	Horizon Africa Capital				undisclosed	May 2
M&A	Kenya	Investment by	Africa Healthcare Master Fund in MYDAWA					\$3m	May 7
GCF	Kenya	Share issue (debt conversion) by	Express Kenya: converted debt owed to Airport Trade Centre and Diniz Holdings in shares at Ksh6.5 per share	Dyer & Blair Investment Bank				Ksh42m and Ksh38m respectively	May 10
M&A	Kenya	Acquisition by	TPG Growth of the Abraaj Growth Markets Health Fund (to be renamed The Evercare Health Fund)					undisclosed	May 13
GCF	Kenya	Loan by	Standard Chartered Bank to The Kenya Tea Development Agency to purchase 95,000 metric tonnes of fertiliser					Ksh3,5bn	May 14
GCF	Kenya	Capital raise by ■	Carepay International in Series A funding to expand into Nigeria and Tanzania					\$45m	May 20
M&A	Kenya	Acquisition by	National Cement Company of ARM Cement (under administration)	Absa; Barclays Plc; Barclays Kenya		Bowmans; Walker Kontos		\$50m	May 21
M&A	Kenya	Acquisition by	Tenlot of an 85% stake in Kenya Charity Sweepstakes					undisclosed	May 21
M&A	Kenya	Merger of	Colourprint, Digital Hub, Kul Graphics, Printfast (Kenya), The print Exchange and The Rodwell Press			Bowmans		undisclosed	May 23
M&A	Kenya	Acquisition by	Vodacom and Safaricom joint venture from Vodafone of the intellectual property rights to M-Pesa mobile financial services platform			Cliffe Dekker Hofmeyr		\$13,4m	May 23
M&A	Kenya	Acquisition by	Echotel International of an 80% stake in iWayAfrica Kenya					undisclosed	May 24
GCF	Kenya	Investment by ■	DILA Capital, Shell Foundation, Engie RDE Fund, EcoEnterprise Fund, EDFIMC, Endeavour Catalyst, CoCapital, Triodos, Alpha Mundi and others in Sistema.bio					\$12m	May 27
M&A	Kenya	Acquisition by	Sanlam of a further 24,12% stake in Sanlam General Insurance					Ksh881m	May 31
M&A	Kenya	Acquisition by	Diamond Trust Bank Kenya of an additional 16.34% of Diamond Trust Bank Burundi from the International Finance Corporation					Ksh152,3m	Jun 2
M&A	Kenya	Investment by ■	Warburg Pincus in Inspired			Bowmans	Freshfields Bruckhaus Deringer; Rodrigo, Elias & Medrano; Brigard Urrutia; Stephenson Harwood; Rebaza, Alcazar & De Las Casas	undisclosed	Jun 3
M&A	Kenya	Acquisition by	International Finance Corporation of a stake in Kenya Mortgage Refinance Company					\$2m	Jun 3
GCF	Kenya	Financing by †	AgDevCo to a consortium of macadamia processors and exporters which includes Afrimac					\$5m	Jun 6
M&A	Kenya	Acquisition by	Anglo American Agriculture of Consolidated Marine Contractors; Camarco Properties; Kenya Marine Contractors; Touchwood Investments and Camarco Supply Base from Camarco	VSA Capital				\$30m	Jun 10
M&A	Kenya	Investment by	Chandaria Capital in Savannah Brands (seed funding)					undisclosed	Jun 11
M&A	Kenya	Disposal by	Centum Investment to Coca-Cola Sabco East Africa (CCBA) of a 53.9% stake in Almasi Beverages and a 27.6% stake in Nairobi Bottlers			KN Law; Bowmans		Ksh 19,5bn	Jun 12
M&A	Kenya	Merger of	Cloud9xp and HeartBeat Ventures					undisclosed	Jun 12
M&A	Kenya	Acquisition by	Creadev of a stake in Twiga					Ksh500m	Jun 12
M&A	Kenya	Joint Venture	Vivo Energy and Kuku Foods East Africa: to accelerate the roll-out of KFC restaurants in East Africa					undisclosed	Jun 20

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

† Debt/funding transaction – excluded for ranking purposes – refer ranking criteria

■ Foreign transaction – refer ranking criteria

DEALMAKERS AFRICA Q2 2019 (excludes South Africa)									
TOMBSTONE PARTIES									
◆	COUNTRY	TRANSACTION TYPE	DETAILS	FINANCIAL ADVISER	FOREIGN INVESTMENT ADVISER	ATTORNEY/LLEGAL ADVISER	FOREIGN LEGAL ADVISER	ESTIMATED TRANSACTION VALUE	ANNOUNCEMENT DATE
GCF	Kenya	Investment by	TLG Capital in Platcorp Holdings (debt funding)					\$10m	Jun 27
M&A	Kenya	Disposal by	Tiso Blackstar to Lebashe Investment of Africa Investment Holdings (which holds 24.5% of Cooper Communications [Nigeria]; 32.27% of Multimedia Group [Ghana] and 49% of Radio Africa [Kenya])	PSG Capital; Delta Partners		Cliffe Dekker Hofmeyr		R200m	Jun 27
M&A	Kenya	Acquisition by	Havaic of an undisclosed stake in Mpost					undisclosed	Jun 10
GCF	Rwanda	Mezzanine loan by †	AgDevCo to Minimex					\$3m	Apr 8
M&A	Rwanda	Investment by	The Rise Fund in Zipline					undisclosed	May 17
M&A	Tanzania	Disposal by	OLX (Naspers) to Jiji of the OLX businesses in Ghana, Kenya, Tanzania and Uganda					undisclosed	Apr 3
M&A	Tanzania	Acquisition by	East African Breweries of an additional 4% stake in Serengeti Breweries					undisclosed	Apr 10
M&A	Tanzania	Acquisition by	Zanzibar Gold of the Mkuvia Gold Property and the Fakawi Gold Property					undisclosed	Apr 26
M&A	Tanzania	Investment by	DOB Equity in Jibu Tanzania					undisclosed	May 7
M&A	Tanzania	Investment by	DOB Equity in Zanrec					undisclosed	May 24
M&A	Uganda	Disposal by	OLX (Naspers) to Jiji of the OLX businesses in Ghana, Kenya, Tanzania and Uganda					undisclosed	Apr 3
M&A	Uganda	Acquisition by	Founders Factory Africa of a stake in Digest Africa					undisclosed	Apr 15
M&A	Uganda	Investment by	GOJEK and Allianz X in SafeBoda (series b round)					undisclosed	May 7
M&A	Uganda	Acquisition by °	Gateway Delta of the Metroplex Shopping Centre					undisclosed	Jun 25
WEST AFRICA									
M&A	Burkina Faso	Acquisition by	Arrow Minerals of Boromo Gold					\$2,9m	Jun 26
M&A	Côte d'Ivoire	Acquisition by	IronRidge Resources of Marlin Minerals, Booster Minerals and CAPRI Metals (Vavoua Projects)	SP Angel Corporate Finance	SP Angel Corporate Finance			£464 567	Jun 12
M&A	Côte d'Ivoire	Disposal by	Vodacom to Synergy Communications (Convergence Partners) of the Vodacom Business Africa's operations in Nigeria, Zambia and Cote d'Ivoire					undisclosed	Jun 21
M&A	Gambia	Acquisition by	Sonatel of a 91.6% stake in Xoom Wireless					undisclosed	Apr 29
M&A	Ghana	Acquisition by	Founders Factory Africa of a stake in Kudigo					undisclosed	Apr 15
M&A	Ghana	Disposal by	Adcock Ingram to Equatorial Cross Acquisitions of a 25,10% stake in Ayrtton Drug Manufacturing					undisclosed	Jun 12
M&A	Ghana	Disposal by	Vodacom to Vodafone Ghana of the Vodacom Business Africa's operation in Ghana					undisclosed	Jun 21
M&A	Ghana	Disposal by	Tiso Blackstar to Lebashe Investment of Africa Investment Holdings (which holds 24.5% of Cooper Communications [Nigeria]; 32.27% of Multimedia Group [Ghana] and 49% of Radio Africa [Kenya])	PSG Capital; Delta Partners		Cliffe Dekker Hofmeyr		R200m	Jun 27
M&A	Ghana	Acquisition by °	Growthpoint Investec Africa Properties from AttAfrica of a 97,5% stake in Achimota Retail Centre in Accra					undisclosed	Jun 28
GCF	Guinea	Loan by	The Emerging Africa Infrastructure Fund to Guinea Alumina Corporation					\$40m	May 30
M&A	Guinea	Disposal by	Avocet to JV partner Managold (Managem) of its remaining interests in the Tri-K gold project (30% stake in Manacet SA)					\$21m	Jun 18
M&A	Mali	Acquisition by	Cache Exploration of a 100% mineral interest in the Kokoyon property gold project					2,5m Cache shares plus C\$210 000	May 2
M&A	Mali	Acquisition by	Oklo Resources of a 65% stake in the Sari Project from Ecosud Sarl (holds an option for the remaining 35%)					€15 245	Jun 12
M&A	Nigeria	Disposal by	MDaaS Global of a stake in MDaaS to 12 investors					\$1m	Apr 2
M&A	Nigeria	Disposal by	Nampak to AR Packaging of Nampak Cartons Nigeria					undisclosed	Apr 3
M&A	Nigeria	Investment by	Partech, Michael Seibel, Khosla Ventures and YC in Kudi (Series A)					\$5m	Apr 4
M&A	Nigeria	Disposal by	Oando plc to Helios Investment Partners of a 25% interest in Axxela (formerly Oando Gas & Power)					\$41,5m	Apr 5
GCF	Nigeria	Listing of ■	Jumia Technologies AG on the New York Stock Exchange (ADR's): 78,408,247 ADS's (equating to 156,816,494 ordinary shares) at \$25.46		Morgan Stanley; Citigroup Global Markets; Berenberg Capital Markets; RBC Capital Markets; Stifel, Nicolaus & Company; Raymond James & Associates; William Blair & Company			\$2bn	Apr 12
GCF	Nigeria	Debt funding by †	African Development Bank to Infrastructure Credit Guarantee Company comprising of a subordinated loan (\$10m) and a risk sharing facility (\$5m)					\$15m	Apr 12
GCF	Nigeria	Private placement by ■	Jumia Technologies AG: Mastercard Europe subscribed for 7,763,976 ordinary shares (3,881,988 ADSs) at \$14.50					€50m	Apr 15
GCF	Nigeria	Initial public offering by ■	Jumia Technologies AG: 15,525,000 ADSs (equating to 31,050,000 ordinary shares) at \$14.50		Morgan Stanley; Citigroup Global Markets; Berenberg Capital Markets; RBC Capital Markets; Stifel, Nicolaus & Company; Raymond James & Associates; William Blair & Company			\$225m	Apr 15
GCF	Nigeria	Financing by	Africa Finance Corporation of Thor Exploration for the construction and ramp-up of its 100% owned Segilola Gold project					\$63m	Apr 15
M&A	Nigeria	Acquisition by	Transcorp Power Consortium of 100% of Afam Electricity Generation Company					NGN105,3bn	Apr 15
M&A	Nigeria	Acquisition by	Founders Factory Africa of a stake in Schoolable					undisclosed	Apr 15
M&A	Nigeria	Acquisition by	Founders Factory Africa of a stake in Eazyhire					undisclosed	Apr 15
M&A	Nigeria	Acquisition by	Olam International of Dangote Flour Mills					NGN130bn (\$361m)	Apr 23
M&A	Nigeria	Investment by	Venture Platform in Trove					undisclosed	May 2

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

■ Foreign transaction - refer ranking criteria

° Property deals - excluded for ranking purposes - refer ranking criteria

† Debt/funding transaction - excluded for ranking purposes - refer ranking criteria

DEALMAKERS AFRICA Q2 2019 (excludes South Africa)									
TOMBSTONE PARTIES									
◆	COUNTRY	TRANSACTION TYPE	DETAILS	FINANCIAL ADVISER	FOREIGN INVESTMENT ADVISER	ATTORNEY/LLEGAL ADVISER	FOREIGN LEGAL ADVISER	ESTIMATED TRANSACTION VALUE	ANNOUNCEMENT DATE
M&A	Nigeria	Disposal by	Verod Capital Management of its entire 100% stake in Rotoprint					undisclosed	May 14
GCF	Nigeria	Listing of	MTN Nigeria Communications: 20,354,513,050 shares at NGN99 each	Stanic IBTC Capital; Chapel Hill Denham		Banwo & Ighodalo; ENSafrica		NGN2tln	May 16
M&A	Nigeria	Acquisition by	Ellah Lakes of 100% of Telluria					1,88bn Ellah Lakes shares	Jun 3
M&A	Nigeria	Investment by	Fund for Agricultural Finance in Nigeria (Sahel Capital) in Ladgroup					undisclosed	Jun 10
GCF	Nigeria	Financing by †	FinnFund of Start sight Power Utility (long-term senior debt)					\$5m	Jun 10
M&A	Nigeria	Disposal by	Jumia Technologies of Jumia House					undisclosed	Jun 14
GCF	Nigeria	Share issue by	Ellah Lakes of 1,880,000,000 shares to shareholders of Telluria					undisclosed	Jun 17
M&A	Nigeria	Disposal by	Lafarge Africa to Caricement of 100% of Lafarge South Africa	Standard Chartered Securities (Nigeria)		ENSAfrica; Aluko Oyebode		\$316,3m	Jun 19
M&A	Nigeria	Investment by	Novastar Ventures, Yamaha Motor Co, Breakthrough Energy Ventures, Zrosk Investment Management and Goodwell Investments' uMunthu Fund in MAX.ng					\$7m	Jun 20
M&A	Nigeria	Disposal by	Vodacom to Synergy Communications (Convergence Partners) of the Vodacom Business Africa's operations in Nigeria, Zambia and Cote d'Ivoire					undisclosed	Jun 21
M&A	Nigeria	Investment by	Breakthrough Energy Ventures, Norfund, EDFI ElectriFI and All On in Arnergy					\$9m	Jun 24
M&A	Nigeria	Investment by	Growth Capital in DrugStoc					undisclosed	Jun 27
M&A	Nigeria	Disposal by	Tiso Blackstar to Lebashe Investment of Africa Investment Holdings (which holds 24.5% of Cooper Communications [Nigeria]; 32.27% of Multimedia Group [Ghana] and 49% of Radio Africa [Kenya])	PSG Capital; Delta Partners		Cliffe Dekker Hofmeyr		R200m	Jun 27
M&A	Sierra Leone	Acquisition by	Trustco Resources (Trustco) from Germinate Sierra Leone of a further 9% stake in Meya Mining (Mauritius) (exercise of option)					R290m	Apr 2
M&A	Sierra Leone	Acquisition by	International Finance Corporation of an initial 3.57% stake in Sierra Rutile					\$20m	Jun 6
GCF	Sierra Leone	Financing by †	Development Bank of Southern Africa of Joule Africa's final stage development of the Bumbuna II 143 MW hydropower project					\$4,9m	Jun 11
M&A	Sierra Leone	Merger of	Goldtree and Natural Habitats Europe Africa: Goldtree (Phatisa through the African Agricultural Fund (49.99%), FinnFun (22.51%) and Natural Habitats Europe Africa (27.5%))			Michelmores		undisclosed	Jun 25
M&A	Togo	Disposal by	The International Finance Corporation and investment funds managed by the IFC Asset Management Company of a 14.1% stake in Ecobank Transnational to Arise			Norton Rose Fulbright		undisclosed	Jun 17
SOUTHERN AFRICA									
M&A	Angola	Disposal by	Vodacom to Internet Technologies Angola of the Vodacom Business Africa's operation in Angola					undisclosed	Jun 21
M&A	Botswana	Acquisition by	Kalahari Metals (Metal Tiger) of 100% of Kitlanya - holder of five recently granted exploration licences in the Kalahari Copper belt - from Resource Exploration and Development	Strand Hansen				\$700 000	Apr 10
GCF	Botswana	Private placement by	Tlou Energy : 29,066,650 shares at BWP0.75 per share					BWP21,8m	Apr 16
M&A	Botswana	Acquisition by	African Battery Metals of an 18.26% stake in Kalahari Key Minerals Exploration (which holds 100% of the Molopo Farms Complex Project) plus an option to earn up to 40% direct project interest	SP Angel Corporate Finance; SI Capital				\$194 810 plus \$500 000	May 13
M&A	Botswana	Disposal by	Gem Diamonds of 100% of Gem Diamonds Botswana to Pro Civil			Webber Wentzel; Desai Law Group		\$5,4m	Jun 20
GCF	Lesotho	Financing by	The European Investment Bank to the Lesotho Government for the Lowlands Water Development Project					€82m	Apr 26
M&A	Lesotho	Acquisition by	Halo Labs of Bophelo Bioscience & Wellness					\$18,4m	Jun 17
M&A	Madagascar	Acquisition by	Adenia Partners of 100% of Newpack					undisclosed	Apr 23
M&A	Madagascar	Disposal by	Adenia Partners of its stake in Socolait					undisclosed	Apr 26
M&A	Malawi	Acquisition by	MetalNRG of up to a 75% stake in the Thambani Exclusive Prospecting License (earn in) from Mkango Resources	SP Angel Corporate Finance				\$2m	Apr 29
M&A	Malawi	Acquisition by	EXMceuticals of MM (Operations)					\$30m	May 7
M&A	Malawi	Disposal by	Paladin Energy of its 85% interest in the Kayelekera uranium mine to Hylea Metals			King & Wood Mallesons		A\$5m	Jun 24
M&A	Mauritius	Disposal by	Phatisa of its 85% stake in Meridian to Ma'aden Marketing and Distribution Company	Rothschild & Co		DLA Piper; Baker McKenzie (SA)		undisclosed	Apr 23
M&A	Mauritius	Acquisition by	HWIC Asia Fund of 85% of Eagle Insurance Company at MUR 122 per share					MUR 829,6m	Apr 29
M&A	Mauritius	Acquisition by	Inside Equity Fund of a stake in Renewworld					\$1,5m	May 3
M&A	Mauritius	Acquisition by	Emerging Capital Partners of a substantial stake in Inter Africa Transport Forex					undisclosed	Jun 12
M&A	Mauritius	Disposal by	Air Mauritius of 342,732 shares in Pointe Coton Resort Hotel to Airports of Mauritius					MUR111,3m	Jun 17
GCF	Mauritius	Share issue by	Air Mauritius of 50m non-voting convertible and redeemable preference shares to Airports of Mauritius					MUR500m	Jun 17
M&A	Mauritius	Acquisition by °	Gateway Delta of the Metroplex Shopping Centre					undisclosed	Jun 25
M&A	Mozambique	Joint Venture	Gemfields and Mwiriti (75%:25%); to explore and progress opportunities arising from 12 greenfield licences held by Mwiriti					undisclosed	Jun 26
M&A	Mozambique	Disposal by	Outotec to SPS Holdings of the Outotec fabrication and manufacturing businesses in South Africa and Mozambique					undisclosed	May 10
M&A	Namibia	Acquisition by	Liberty Life Namibia (Liberty Group) of Specialist Administration Services					undisclosed	Apr 16
M&A	Namibia	Acquisition by	White Metal Resources of three Exclusive Prospecting Licences (7028, 7029 and 7030) in the Kalahari Copper belt from Altan Minerals and Investments					\$75 000 plus 7m White Metal shares and a 5% stake in Aloe Two Hundred and Thirty Seven	May 13

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

† Debt/funding transaction - excluded for ranking purposes - refer ranking criteria

° Property deals - excluded for ranking purposes - refer ranking criteria

DEALMAKERS AFRICA Q2 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	Namibia	Acquisition by	White Metal Resources of Exclusive Prospecting Licence 7071 in the Kaoka Belt from Taranis Resources and Investment					\$12 500 plus 4,5m White Metal shares and a 5% stake in Aloe Two Hundred and Thirty Eight	May 13
M&A	Namibia	Acquisition by	Tullow Namibia (Tullow Oil) of Calima Energy's interest in the PEL 90 licence (Block 2813B)					\$2m	May 23
M&A	Namibia	Acquisition by	Broadway Gold Mining of an 85% stake in four Exploration Prospecting Licences (6074, 6075, 6257 and 6999) west of Tsumeb					\$50 000 plus 3m Broadway shares	Jun 3
M&A	Namibia	Acquisition by	Heat Exchange of Valco Pipes					undisclosed	Jun 6
M&A	Namibia	Acquisition by	Mergence Unlisted Investment Managers on behalf of the Government Institutions Pension Fund of a majority stake in 6MW Momentous Solar One plant from Solar					undisclosed	Jun 13
M&A	Namibia	Acquisition by	Allegrow (Eos Capital) from Avbob Mutual Assurance Society of a majority stake in Avbob Namibia					undisclosed	May 31
GCF	Zambia	Loan by †	The Africa Agricultural and Trade Investment Fund to Mount Meru Millers Zambia					\$5m	Apr 9
M&A	Zambia	Disposal by	Vodacom to Synergy Communications (Convergence Partners) of the Vodacom Business Africa's operations in Nigeria, Zambia and Cote d'Ivoire					undisclosed	Jun 21
M&A	Zambia	Investment by	GreenTec Capital in WidEnergy Africa					undisclosed	Jun 24
M&A	Zimbabwe	Disposal by	Vast Resources of its 50.01% stake in Ronquill Enterprises (which holds the remaining 25.01% economic interest in the Pickstone Peerless Gold Mine and associated assets - primarily the Eureka Gold Mine)	Beaumont Cornish				\$3,5m	Apr 8
M&A	Zimbabwe	Acquisition by	Contango of a 70% stake in Monaf Investments (whichs holds Consolidated Growth Holdings interest in the Lubu Coalfield)	Brandon Hill Capital				£6,45m	Apr 9
NORTH AFRICA									
M&A	Algeria	Disposal by ■	Jumia Technologies of Jumia House					undisclosed	Jun 14
M&A	Egypt	Investment by	Algebra Ventures, Endure Capital and including 500 Startups, Flat6Labs and angel investor in Brimore (seed funding)					\$800 000	Apr 2
M&A	Egypt	Acquisition by	Bank Audi sae (Egypt) of the Egyptian branch of Bank of Athens	Ernst & Young Corporate Finance		Freshfields Bruckhaus Deringer; Matouk Bassiouny & Hennawy		undisclosed	May 5
M&A	Egypt	Disposal by	BP of its interests in Gulf of Suez oil concessions to Dragon Oil					undisclosed	Jun 3
M&A	Egypt	Acquisition by	Helios Investment Partners Lorax Capital Partners (Egyptian-American Enterprises Fund) of 96.7% of Misr Hytech Seed International	Gulfstone Capital		Norton Rose Fulbright; Matouk Bassiouny; DLA Piper; Nyemaster Law Firm; Al Tamimi & Company		undisclosed	Jun 3
M&A	Egypt	Acquisition by	Hassan Allam of Bioworks AG (Germany)					undisclosed	Jun 10
M&A	Egypt	Investment by	Vostok Ventures, BECO Capital, MSA, Endeavor Catalyst, OTF Jasoor Ventures, Sawari Ventures, Arzan VC, Bluestone, Autotech Michael Lahyani in Swvl (Series B funding)					\$42m	Jun 20
M&A	Egypt	Acquisition by	Prime Holding of Pharos Securities Brokerage and Pharos Investment Banking from Pharos Holding					undisclosed	Jun 26
M&A	Egypt	Acquisition by	Egyptian International Pharmaceutical Industries of a 9.77% stake (4,78m shares) in Medical Union Pharmaceuticals from Egy Lease					undisclosed	Jun 28
M&A	Morocco	Investment by	CDG Capital Private Equity in Oncorad					undisclosed	Apr 22
M&A	Morocco	Disposal by	Mediterrania Capital Partners of a 40% stake in Cash Plus to Groupe Richbond					undisclosed	May 2
M&A	Morocco	Acquisition by	Corfem of a 30% stake in Prochimag Sarl					MAD13m	May 14
M&A	Morocco	Acquisition by	Glen Invest of a stake in Ma-Navette from Maroc Numeric Fund	Burj Finance		LLSCA Counsel; Hilmi Law Firm		undisclosed	Jun 13
M&A	Morocco	Disposal by ■	Jumia Technologies of Jumia House					undisclosed	Jun 14
M&A	Morocco	Disposal by	Avocet to JV partner Managold (Managem) of its remaining interests in the Tri-K gold project (30% stake in Manacet SA)					\$21m	Jun 18
M&A	Morocco	Acquisition by	CDC of a 5% stake in BMCE Bank of Africa					\$200m	Jun 20
M&A	Morocco	Investment by	SEAF Morocco Growth Fund in SOS Credit					undisclosed	Jun 24
M&A	Morocco	Disposal by	Amethis to Mouncef Belkhatay of its stake in Dislog Group					undisclosed	Jun 25
M&A	Tunisia	Acquisition by	Nebras Power Investment Management of a 60% stake in Carthage Power Company					undisclosed	Apr 29
M&A	Tunisia	Disposal by ■	Jumia Technologies of Jumia House					undisclosed	Jun 14
CENTRAL AFRICA									
M&A	DRC	Acquisition by	Gladiator Resources of 100% of Kisenge (resulting in a 72% stake in the Mpokoto Gold Project) from African Royalty Company					A\$25 000 plus 390m GLA shares (approx. A\$780 000)	Apr 1
M&A	DRC	Investment by	XSML in SOS Medecins de Nuit (follow on investments)					undisclosed	May 20
M&A	DRC	Acquisition by	AVZ Minerals of a 5% stake in Dathcom Mining which holds 100% of the Manono Lithium and Tin Project concession					\$5,5m	Jun 24
M&A	Rep of Congo	Acquisition by	Lukoil of a 25% interest in the Marine XII licence from New Age M12					\$800m	Jun 7
AFRICA									
M&A	Africa	Acquisition by	Total of the Anadarko assets in Algeria, Ghana, Mozambique and South Africa from Occidental					\$8,8bn	May 5
M&A	Africa	Acquisition by	American Tower of Eaton Towers					\$1,85bn	May 30
M&A	Africa	Acquisition by	Marubeni Corporation and existing investors of a stake in Azuri Technologies					\$26m	Jun 3

◆ M&A represents pure mergers and acquisitions, GCF covers transactions where this is not the case
† Debt/funding transaction – excluded for ranking purposes – refer ranking criteria
■ Foreign transaction – refer ranking criteria

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 acquiring 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.

