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from the editor's desk

The progress this year, chartered by The African Continental Free Trade Area (AfCFTA) particularly the launching of the operational phase in July, gives birth to the idea that it is the 'new dawn' for Africa. Its aim is to bring together 55 countries, six of which are among the world's fastest growing economies, to create a single market with a combined GDP of c.$3,2 trillion covering a market of c.1,27 billion people. The UN Economic Commission for Africa believes AfCFTA could lead to an increase in intra-African trade by between 15% and 25%, up from the current 16% which is critical for growth and job creation.

While there is a great deal of political enthusiasm, tough negotiations lie ahead. Countries still need to agree on which products and services will be tariff-free, and to agree on matters such as investment, competition, and intellectual property rights. January 2020 is set as the deadline to agree on which products will be tariff-free. In addition, apart from regional conflict and instability, more obvious obstacles such as poor infrastructure, corruption and inefficiency in government processes stand in the way, not helped by the fact that there are widely varying stages of development between countries. It is, however, a start.

Analysis of Q1-Q3 merger and acquisition data collected by **DealMakers AFRICA** (excluding South Africa) shows the total value of deals at $88,92bn for the period, up marginally on H1 numbers (just $1,5bn). If foreign deals are excluded (foreign deals are recorded when a company being acquired is based in a non-African country but has subsidiaries or assets in one or more African countries), the value drops to $16,58bn from 312 deals.

By region, the most active was East Africa with 103 deals, of which 70 were recorded in Kenya with a value of $886m. West Africa recorded 84 deals, with Nigeria (unsurprisingly) the most active with 50 deals. By value, Southern Africa led the tables at $5,1bn off 76 deals – Mozambique leading the region with $3,9bn off just six deals, attributed almost entirely to the acquisition by Total of the Anadarko assets (26.5% stake in Mozambique LNG) from Occidental. Another transaction worth noting, if not for its size in value, then for its impact on the inclusivity of the people of Mozambique, is the IPO and listing of Hidroeléctrica de Cahora Bassa on the BVM, the country's stock exchange (page 5).

Private equity deals, which are included in the regional numbers and whose values are, for the most part, undisclosed, were most prominent in Kenya, with 28 investments during the period – mainly in the medical space, followed by energy and fintech. Of Nigeria's 50 deals, half were private equity and of these, almost a third involved fintech/IoT deals.

DealMakers AFRICA will host the 2019 Annual Awards in Nairobi on March 3rd 2020, at which the work by advisory firms in East and West Africa will be celebrated. Once again, I am grateful to our event sponsors, Ansarada and Brunswick who, like us, champion the milestones achieved for the continent by this industry. •

MARYLOU GREIG

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DealMakers AFRICA M&A Analysis Q1 – Q3 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	5	0	0	1 142 066 474	5
	Republic of Congo	1 576 582 891	2	0	0	1 576 582 891	2
		2 723 022 340	**10**	**0**	**0**	**2 723 022 340**	**10**
East Africa	Burundi	1 504 869	1	0	0	1 504 869	1
	Ethiopia	undisclosed	1	0	0	undisclosed	1
	Kenya	886 365 358	70	771 981 347	5	1 658 346 705	75
	Rwanda	21 000 000	2	0	0	21 000 000	2
	Tanzania	412 281 273	19	533 473 852	2	945 755 125	21
	Uganda	21 500 000	10	0	0	21 500 000	10
		1 341 146 631	**103**	**1 305 455 199**	**7**	**2 648 106 699**	**110**
North Africa	Algeria	4 000 000	1	undisclosed	1	4 000 000	2
	Egypt	671 988 637	23	undisclosed	1	671 988 637	24
	Morrocco	243 041 072	12	0	1	243 041 072	13
	Tunisia	undisclosed	2	69 100 000 000	2	69 100 000 000	4
		919 029 709	**38**	**69 100 000 000**	**5**	**70 019 029 709**	**43**
Southern Africa	Angola	undisclosed	1	0	0	undisclosed	1
	Botswana	580 784 724	15	undisclosed	1	580 784 724	16
	Eswatini (Swaziland)	undisclosed	1	12 736 771	1	12 736 771	2
	Lesotho	27 057 635	4	0	0	27 057 635	4
	Madagascar	undisclosed	2	0	0	undisclosed	2
	Malawi	35 482 565	3	0	0	35 482 565	3
	Mauritius	74 767 992	13	0	0	74 767 992	13
	Mozambique	3 904 963 984	6	12 736 771	1	3 917 700 755	7
	Namibia	122 279 635	15	6 871 573	1	129 151 208	16
	Zambia	37 323 458	11	12 736 771	1	50 060 229	12
	Zimbabwe	331 914 033	5	12 736 771	1	344 650 804	6
		5 114 574 026	**76**	**57 818 657**	**6**	**5 172 392 683**	**82**
West Africa	Burkina Faso	18 623 361	2	0	0	18 623 361	2
	Cape Verde	undisclosed	1	0	0	undisclosed	1
	Côte d'Ivoire	35 589 719	4	0	0	35 589 719	4
	Gambia	undisclosed	1	0	0	undisclosed	1
	Ghana	62 625 791	11	0	0	62 625 791	11
	Guinea	24 850 000	3	0	0	24 850 000	3
	Mali	1 372 081	5	0	0	1 372 081	5
	Nigeria	1 122 928 260	50	0	0	1 122 928 260	50
	Senegal	277 000 000	2	0	0	277 000 000	2
	Sierra Leone	40 338 076	3	0	0	40 338 076	3
	Togo	undisclosed	2	0	0	undisclosed	2
		1 583 327 288	**84**	**0**	**0**	**1 583 327 288**	**84**
Africa General		**4 900 000 000**	**1**	**1 876 000 000**	**2**	**6 776 000 000**	**3**
		16 581 099 994	**312**	**72 339 273 856**	**20**	**88 921 878 719**	**332**

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 Q1 – Q3 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		ENSafrica; Abuhimed Alsheikh Alhagbani; Clifford Chance	$69,1bn	Mar 27	$69,1bn
Africa	Various	Acquisition by	Total of the Anadarko assets in Algeria, Ghana and South Africa from Occidental		Freshfields Bruckhaus Deringer; Bowmans	$4,9bn	May 5	$4,9bn
Southern Africa	Mozambique	Acquisition by	Total of the Anadarko assets in Mozambique (26.5% stake in Mozambique LNG) from Occidental		Freshfields Bruckhaus Deringer; Bowmans	$3,9bn	May 5	$3,9bn
Africa	Various	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)			A$1bn	Mar 19	$776,58m
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 ■	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	$533,47m
East Africa	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	$462m
West Africa	Nigeria	Acquisition by	Olam International of Dangote Flour Mills			NGN120bn	Apr 23	$333,8m
West Africa	Nigeria	Disposal by	Lafarge Africa to Caricement of 100% of Lafarge South Africa	Standard Chartered Securities (Nigeria)	ENSafrica; Aluko 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	Transorp Power Consortium of 100% of Afam Electricity Generation Company			NGN105,3bn	Apr 15	$292,3m
East Africa	Kenya	Acquisition by ■	Lagardére Travel Retail of International Duty Free		Bowmans	€250m	Jul 25	€250m

■ Foreign Deal - see ranking criteria

RANKING THE PAN-AFRICAN TOMBSTONE PARTIES (M&A) Q1 – Q3 2019

(EXCLUDING SOUTH AFRICA)

RANKINGS BY VALUE

FINANCIAL ADVISERS

No	Company	Values $'m	Market Share %
1	Standard Bank Group	959	29,17%
2	Standard Chartered Securities	316	9,62%
3	Absa	274	8,33%
	Raymond James	274	8,33%
5	CBA Capital	266	8,10%
	Faida Investment Bank	266	8,10%
	NIC Capital	266	8,10%
8	PSG	96	2,90%
9	VSA Capital	60	1,82%
10	KCB Capital	55	1,68%
	Pacifis Advisory	55	1,68%
	Standard Investment Bank	55	1,68%
13	IJG Advisory Services	53	1,62%
14	Barclays	50	1,52%
15	Delta Partners	42	1,29%
16	Rand Merchant Bank	35	1,08%
17	Capital Partners	22	0,66%
18	Deloitte	21	0,63%
19	Finesse Advisory Services	20	0,61%
	Imara Corporate Finance	20	0,61%

LEGAL ADVISERS

No	Company	Values $'m	Market Share %
1	Webber Wentzel	608	13,64%
2	Bowmans	582	13,05%
3	IKM Advocates	460	10,32%
4	ENSafrica	321	7,20%
5	Aluko Oyebode	316	7,09%
6	Bryan Cave Leighton Paisner	274	6,14%
	DLA Piper	274	6,14%
	Maddocks	274	6,14%
	Mayer Brown	274	6,14%
10	KN Law	193	4,32%
11	Walker Kontos	166	3,72%
12	Anjarwalla & Khanna	119	2,66%
13	Clyde & Co	57	1,27%
14	Cliffe Dekker Hofmeyr	56	1,25%
15	Miller & Company Advocates	55	1,24%
	Oraro & Company Advocates	55	1,24%
17	Ellis Shilengudwa	53	1,19%
	HD Bossau	53	1,19%
	Werksmans	53	1,19%
20	Dentons	36	0,82%
21	Eversheds Sutherland	35	0,78%
	PwC Legal	35	0,78%
23	Desai Law	23	0,52%
24	Sayarh & Menjra	21	0,46%
25	Ashurst LLP	20	0,45%
	Dube, Manikai & Hwacha Legal Practitioners	20	0,45%
27	Norton Rose Fulbright	16	0,35%
28	Tokunbo Orimobi	7	0,15%

RANKINGS BY FLOW (ACTIVITY)

No	Company	No	Market Share %	Values $'m
1	Standard Bank Group	9	11,84%	959
2	PSG	5	6,58%	96
	SP Angel Corporate Finance	5	6,58%	8
	Rothschild & Co	5	6,58%	3
5	Delta Partners	3	3,95%	42
	Capital Partners	3	3,95%	22
7	Absa	2	2,63%	274
	VSA Capital	2	2,63%	60
	Strand Hanson	2	2,63%	2
	Shard Capital Partners	2	2,63%	1
11	Standard Chartered Securities	1	1,32%	316
	Raymond James	1	1,32%	274
	CBA Capital	1	1,32%	266
	Faida Investment Bank	1	1,32%	266
	NIC Capital	1	1,32%	266
	KCB Capital	1	1,32%	55
	Pacifis Advisory	1	1,32%	55
	Standard Investment Bank	1	1,32%	55
	IJG Advisory Services	1	1,32%	53
	Barclays	1	1,32%	50

No	Company	No	Market Share %	Values $'m
1	Bowmans	16	15,38%	582
2	Webber Wentzel	9	8,65%	608
3	Anjarwalla & Khanna	8	7,69%	119
4	IKM Advocates	6	5,77%	460
5	Cliffe Dekker Hofmeyr	5	4,81%	56
6	ENSafrica	4	3,85%	321
	Norton Rose Fulbright	4	3,85%	16
8	DLA Piper	3	2,88%	274
	Walker Kontos	3	2,88%	166
	Matouk Bassiouny	3	2,88%	0
11	KN Law	2	1,92%	193
	Clyde & Co	2	1,92%	57
	Dentons	2	1,92%	36
	Eversheds Sutherland	2	1,92%	35
	Desai Law	2	1,92%	23
	Banwo & Ighodalo	2	1,92%	0
	Freshfields Bruckhaus Deringer	2	1,92%	0
	Michelmores	2	1,92%	0
19	Aluko Oyebode	1	0,96%	316
	Bryan Cave Leighton Paisner	1	0,96%	274
	Maddocks	1	0,96%	274
	Mayer Brown	1	0,96%	274
	Miller & Company Advocates	1	0,96%	55
	Oraro & Company Advocates	1	0,96%	55
	Ellis Shilengudwa	1	0,96%	53
	HD Bossau	1	0,96%	53
	Werksmans	1	0,96%	53
	PwC Legal	1	0,96%	35

Successful implementation of Mozambique's largest equity market transaction

JOEL RODRIGUES AND MIGUEL ALVES

In July 2019, Hidroeléctrica de Cahora Bassa, S.A. (HCB), concluded the sale of 4% of its share capital through an Initial Public Offering (IPO) on the Mozambique Stock Exchange – making it the largest equity capital markets transaction to ever occur in Mozambique at that time, amounting to MZN3.3 billion (~ $50 million).

Rodrigues

Alves

HCB is the concessionaire company responsible for exploring the Cahora Bassa dam, one of the largest dams in Africa, with an energy generation capacity of 2,075 MW. The company was established in 1975, through a consortium between the Mozambican State and the Portuguese State. It sells energy under long-term power purchase agreements (PPAs), mostly to South African utility Eskom and the Mozambican EDM and, to a smaller extent, to ZESA in Zimbabwe.

The transaction carried a high level of importance, not simply because the decision to sell was announced in November 2017 by the President of Mozambique himself, on the occasion of the 10th anniversary of the Mozambique State taking majority control of the Company from the Portuguese State, but also because HCB is frequently referred to as Mozambique's crown jewel and a source of great pride as a financially healthy State-owned company and a large contributor to the country's finances.

The objectives of the IPO were mainly twofold: i) to enable every Mozambican individual, company or institution to participate in the capital of such a flagship company, and ii) to help the development of a still incipient and illiquid capital market in Mozambique. Success would then not only be measured by placement capacity, but also, through reach and inclusion i.e. the capacity to include individual shareholders from different parts of the country and different levels of income.

Due to the characteristics of the market and the complexity of the transaction, the IPO was a highly challenging task from the beginning, for several reasons:

- Mozambique remains mostly a rural and low-income country with very low levels of financial literacy. Less than a third of adults hold bank accounts, while most branches are located in urban areas and to the south. However, the majority of the population is located in the centre and north, in regions which present very low levels of banked population (on average 16%);
- The market had never been tested for a large-scale public offering and the few existing listed equities in Mozambique are highly illiquid. There was significant risk of attracting relevant demand, particularly in a period when deposits and fixed income securities provided double-digit returns;

- A public offering of this size and complexity was new for every stakeholder involved, and would require significant time and resources from the company, the players in the financial system and the regulators;
- The offer was to be restricted to Mozambican nationals only (both individuals and corporates), which brought significant "know your customer" (KYC) and compliance challenges to banks;
- The distribution strategy had to underpin the lack of banks' branch coverage in the country, but also taking into account anti-money laundering (AML) concerns and regulations;
- The concession of the infrastructure was expiring in 2032, and there was the need to extend the contract to make the transaction more attractive to prospective investors.

BCI and BIG, two local Mozambican banks acted as Global Coordinators (GCs) for the transaction, supporting the company throughout the process, which took almost 12 months of preparation. The timing of the offer was also very challenging; it occurred between two election processes in the country and just a few months after Cyclone Idai struck Mozambique – arguably the largest natural disaster in Africa, in the 21st century.

The company was able to negotiate a 15-year extension of the concession prior to the transaction, and created a new class of shares which were to be admitted on the stock exchange, and could only be traded by Mozambican investors – thus solving the eligibility criteria.

Taking into account the inclusion objectives of the IPO, the structure was designed in such a way that preference would be given to orders placed by individuals in the retail sector, and lastly to corporate and institutional investors. A specific segment was created to allow low income investors to invest from as little as MZN60 ($1), exempt from any bank commissions or stock exchange fees.

To reach the non-banked and people living in areas not covered by banks' branches, innovative subscription channels were developed, which included a mobile app and a USSD trading platform, inter-operating not only with the banking platform but also with mobile money schemes.

The uniqueness of the transaction, and the characteristics of the country, required the development of an unparalleled marketing strategy which included financial literacy campaigns, widespread advertisement through traditional media (TV, print, radio – including local languages) and social media, the development of a micro-website for the IPO and a dedicated and free call centre. A placement syndicate of 15 banks was also arranged, ensuring market share coverage of more than 98% of the country's customer deposits.

To reach the non-banked and people living in areas not covered by banks' branches, innovative subscription channels were developed, which included a mobile app and a USSD trading platform, inter-operating not only with the banking platform but also with mobile money schemes, enabling any individual to subscribe for shares from any mobile phone holding a registered Mozambican mobile number, without internet data or use of airtime, and without a bank account.

The results of the IPO were very successful, with demand higher than anticipated at 2.2x the initial offer size. A total of 19,210 orders were received from 16,787 investors, of which 99.2% were individual investors. The objectives of reach and inclusion were successfully achieved with orders received from all provinces in Mozambique, and over 92% of districts. Orders received from the innovative remote channels amounted to 36%. The impact on the stock exchange was also significant as the number of registered investors on the exchange almost tripled from less than 8,000 initially, to approximately 23,000 after the transaction. ●

Rodrigues is CEO of Banco BiG Moçambique, S.A. and Alves is an Executive Board Member – Banco Comercial e de Investimentos, S.A.

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Key considerations in the assessment of project bankability in Africa

KIERAN WHYTE, BRIDGETT MAJOLA, AND KIRA WHYTE

In recent years, there has been a global increase in the utilisation of Public Private Partnerships (**PPP**) in order to ensure the successful implementation of a number of infrastructure projects. However, a critical question remains around how to ensure the bankability of such projects and the role played by the various multilaterals, such as development banks, in acting as facilitators to attract private investment. In order to ensure the bankability of infrastructure projects, consideration should be given to social, economic, financial, technical, environmental and administrative factors, as well as the certainty of the legislative and regulatory environment in which the projects are to be implemented. Further, in the power and infrastructure sector, there is a general acknowledgement of the various interdependent risks and issues that need to be considered and appropriately allocated to ensure the sustainability and bankability of projects in these sectors.

Whyte

Majola

Key factors to consider

One of the key factors that should be considered when looking at the bankability of a project is the assessment of the right location for the project and ensuring that the necessary unrestricted ownership and/or access to the land is secured. Equally important is understanding the political environment in the project's location. This involves assessing the strategic importance of the project to the relevant host government. It is critical that the host government is invested in and committed to the project, and to fulfilling their obligations under their guarantees. There must be political will to completely support the project through the full project development and lifecycle. The institutional capacity within government should also be determined, as restrained capacity will result in delays and obstacles. The integrity of the procurement process, as well as the procedures, and any delays in acquiring land and necessary approvals should also be thoroughly investigated. In addition, clarity should also be sought on the availability and convertibility of funds, as well as evidence of unsustainable risk allocation, low operational performance, strained financial structures and inaccurate value-for-money inquiries.

Whyte

When assessing the political environment, the evaluation and selection of the right stakeholders to assist with effective engagement of local communities is imperative. There may also be a security risk for the project as well as potential political risks if the affected communities do not (for the life of the project and not just the development phase) receive sustained economic benefits and the appropriate social benefits. As such, stakeholder opposition should be clarified and noted upfront and, to the extent applicable, mitigated.

Understanding the regulatory and policy regime is also essential when assessing a project's potential. In South Africa, for example, there is a strong regulatory regime which is aimed at facilitating and encouraging the use of PPPs for the promotion of investment in infrastructure projects. These include the Public Finance Management Act, and Treasury Regulation 16, the Municipal Finance Management Act, the Municipal Systems Act, the Municipal PPP Regulations, the Municipal Supply Chain Management Regulations, the Municipal Service Delivery and PPP Guidelines and the BBBEE Code of Good Practice. Uncertain legal frameworks and policies directly affect project bankability and reduce the interest of investors and stakeholders.

Project preparation and financial management is also an essential part of the bankability of a project. In this regard, the Development Bank of Southern Africa, the African Development Bank as well as other development finance institutions have established certain infrastructure and project preparation facilities. Regional bodies, such as the Economic Community of West African States and the Southern African Development Community, also have a role to play in developing and financing infrastructure and providing project preparation facilities to assist and facilitate cross-border infrastructure projects.

In all jurisdictions where projects are carried out, it is also important to understand how security is given and enforced, and if there are any applicable mandatory local content requirements. For example, the Nigerian Oil and Gas Industry Act requires that Nigerian citizens hold 51% of the equity shares in any company in the Oil and Gas sector taking place in Nigeria. Also, slow and delayed tender processes and/or bid rounds may cause further challenges, and could result in opportunistic regulation, termination and demands for re-negotiation.

Risk management

When managing the bankability of projects in Africa, the best risk management approaches include conducting thorough due diligence, as well as ensuring that the relevant transaction documentation has effective dispute resolution clauses. Further, when selecting stakeholders or partners for a particular project, one must ensure that the local partner is able to manage domestic issues as well as navigate complex financing structures. In this regard, it is important to spend some time testing that the partner has sufficient and in-depth sector knowledge, as well as experience.

Effective and continued community engagement is also central in ensuring successful projects. This would include assessing the access to land, and relocation issues that often affect local communities, and investigating the potential need to fund *inter alia* housing for any relocated communities, as well as to fund economic opportunities for such communities. (These have to be funded by the developers, the actual project companies or the Development Funding Institutions supporting such projects). In some instances, the establishment of training programmes and possible transfer of technology arrangements should be considered. Importantly, funds flow must be managed to ensure that those communities who are affected by the project receive a sustainable economic benefit from the project.

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In the African context, the ideal risk sharing protocol ensures that risk is allocated to the party who is in the most appropriate position to deal with it. For example, a private investor would not be best positioned to mitigate risks that arise from macro-economic problems, i.e. any fluctuations in exchange rates and resulting from inflation etc. Further, public stakeholders should not have to bear any risks owing to the poor performance of a PPP project.

Political risks also need to be mitigated by *inter alia* bilateral investment treaties, change of law provisions and/or Multilateral Investment Guarantees that protect investments against non-commercial risks in developing countries. Multilateral Investment Guarantees offer political risk insurance and credit enhancement guarantees. Post-completion monitoring and management protocols should also be established and committed to, and appropriate transaction delivery models should be adopted, taking into account the numerous variances. In this regard, it is important to remember that Africa is not one country, it consists of 54 independent countries all with their own vastly different legal and regulatory frameworks.

Governments in Africa are often wary of foreign investors, so it is therefore imperative for the relevant host governments to be on board with the project before commencement, to ensure that there is sufficient political will and support. It is critical that the relevant host government has a vested interest in the development and implementation of the project, to ensure that it remains committed to the project through its entire lifecycle and to their contractual undertakings such as making payments under a power purchase agreement. This will help to mitigate the risks of, for example, the project being terminated, the terms of the contract changing, local content laws being amended during the development of the project, or the expropriation or nationalisation of the project's assets. Stability, project sustainability and certainty in respect of all facets of a project are crucial – uncertainty will impact the bankability and the commercial terms of the transaction. ●

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Merger control process in Kenya and COMESA takes private equity firms' concerns into account

KERUBO OMBATI

Transactions with an international dimension accounted for 55.3% of merger notifications in Kenya in 2017/18, and a majority of these involved private equity firms, according to the annual report for this period from the Competition Authority of Kenya (CAK). This statistic underlines the important role that private equity fulfils in mergers and acquisitions in Kenya, and hence the necessity to address some of the concerns raised by private equity firms.

Merger control for transactions involving private equity firms has become increasingly complex as more of these firms are concentrating their investments in specific sectors, for instance, manufacturing, health and education. The scope of mandatory notification has also increased with more jurisdictions, particularly in Africa, establishing competition authorities.

Ombati

While each jurisdiction adopts a different approach to merger assessment, the key consideration for private equity firms in merger assessments is how control is viewed regarding the private equity firm's economic group and how turnover is calculated. The three main contentions that private equity firms have, particularly in Kenya, and in the region are:

- the requirements to file with both the Kenyan national regulator and regional regulators;
- the period within which transactions are assessed; and
- how the regulators define control.

Some of the concerns that private equity firms have over the merger control process in Kenya are being addressed – perhaps not in the exact manner that these firms would like, but constructively attended to nevertheless.

The recent East African Venture Capital Association (**EAVCA**) conference on merger control, organised in conjunction with Bowmans and held in Nairobi on 16 May 2019, proved to be an effective platform for members of EAVCA to raise their concerns directly with both the national and regional competition authorities, the CAK and the COMESA Competition Commission (CCC) respectively. Both were represented; the CAK by its head of mergers, Mr Raphael Mburu, and the CCC by its director and chief executive officer, Dr George Lipimile.

Potential for delays a worry for private equity investors

One merger control issue that crops up often in Kenyan private equity transactions is the possibility of delays in receiving merger approval. When a proposed transaction affects Kenya and at least one other COMESA member state, and the CCC merger notification thresholds are met, there are two sets of merger approvals required, that of the CAK and that of the CCC.

This is an arrangement unique to Kenya, which unlike other COMESA members, requires the CAK to be involved in cross-border transactions. For merger parties, this means two sets of applications and two sets of filing fees. However, Kenya proposes to introduce new merger rules which, if approved in their current form, will designate the CCC as a one-stop shop for regional merger filings, and will remove the requirement to make a submission to both the CCC and CAK for transactions with a regional element that meets the CCC thresholds.

In the meantime, a partial solution is being proposed to deal with the delays that tend to accompany the current dual-application process. This solution can be seen as something of a compromise.

Private equity and venture capital firms in Kenya have previously requested that the CAK consider an expedited approval process for private equity transactions. As the industry has pointed out, private equity transactions are often run under time pressure, and the possibility of delays due to a duplicated approvals process adds to the parties' anxiety.

The CAK has said it is not amenable to an expedited process for a single industry but, as we heard at the EAVCA conference, it is willing to help parties save time by holding pre-notification meetings. Both the CAK and CCC said they were open to such meetings – via telephone and video conference if necessary – to offer guidance on the merger control aspects of private equity transactions. The idea is that by the time the parties are ready to file, they will have a clear picture of how to present their merger submission, decreasing the likelihood of delays in review of their merger applications.

Assessing turnover another conundrum

An additional request from the private equity industry in Kenya has been for the CAK to reconsider the way it proposes to assess the turnover or asset values of private equity acquiring firms.

Currently, and in the draft Competition (General) Rules, 2018, the CAK proposes using the so-called 'general partner' rules to assess turnover and asset values. This means that control of a private equity fund is seen as vesting with the general partner, thus bringing the overall turnover of the wider private equity group into consideration for purposes of turnover or asset value (i.e. all other funds controlled by the same general partner).

The industry, on the other hand, says private equity firms are structured differently to other businesses: each fund within a group may be uniquely structured, having its own differentiated structure to suit its particular purpose. Private equity firms would therefore like to see the CAK assessing each transaction on its own merits, based on the structure of the fund in question. Specifically, where management and control of a fund forming part of a larger equity group is distinct from other funds in its group, the merger assessment should focus on the fund as an independent entity, distinct from its wider group.

The CAK does not appear to be taking a hard line on this request and has expressed the willingness to consider each transaction on its merits. The two authorities' willingness to save time by holding pre-notification meetings, together with the opportunity for case-by-case assessment on the merits of each merger, is a step in the right direction.

It is to be hoped that these developments will have a positive impact on international private equity-related transactions, which currently make up a significant portion of M&A transactions in Kenya. ●

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DEALMAKERS AFRICA Q3 2019 (excludes South Africa)

◆	COUNTRY	TRANSACTION TYPE	DETAILS	TOMBSTONE PARTIES: FINANCIAL ADVISER	FOREIGN FINANCIAL ADVISER	LEGAL ADVISER	FOREIGN LEGAL ADVISER	ESTIMATED TRANSACTION VALUE	ANNOUNCEMENT DATE
EAST AFRICA									
M&A	Ethiopia	Investment by	Women-Owened Business Investment Fun (RENEW and the Impact Angel Network(IAN)) in Travel Ethiopia					undisclosed	Aug 21
M&A	Kenya	Investment by	a consortium of investors including SunFunder, DWM and SIMA in d.light					$18m	Jul 1
M&A	Kenya	Joint Venture	Super Group and Co-operative Bank of Kenya : a strategic partnership to grow a leasing business and provide leasing solutions					undisclosed	Jul 1
M&A	Kenya	Acquisition by	Sterling Capital of a 20% stake in Afvest					undisclosed	Jul 9
M&A	Kenya	Investment by	Toyota Tsusho, Kouros, To:org, Tao Capital, James Sandler, Prelude Ventures, Caterpillar Ventures and Total Energy ventures in Powerhive					$9,3m	Jul 9
M&A	Kenya	Investment by	Lateral Capital and Kenyan Cornerstone Group in Lynk					undisclosed	Jul 13
M&A	Kenya	Acquisition by	DOB Equity and AHL Venture Partners of a stake in Crop Nutrition Laboratory Services (Cropnuts)			Bowmans; Michelmores		undisclosed	Jul 17
M&A	Kenya	Investment by	Energy Access Ventures and ElectriFI in Solarise Africa					undisclosed	Jul 18
M&A	Kenya	Acquisition by	Qatar Petroleum of a 25% stake in blocks L11A, L11B and L12 offshore, from Eni (13.75%) and Total (11.25%)			Freshfiels Bruckhaus Deringer; Bowmans		undisclosed	Jul 23
M&A	Kenya	Acquisition by	AJ Capital and Investment of a majority stake in Insurance for All					undisclosed	Jul 24
M&A	Kenya	Acquisition by ■	Lagardére Travel Retail of International Duty Free			Bowmans		€250m	Jul 25
M&A	Kenya	Investment by	GMS coLABS (Gray Matters Capital) in Taimba					$100 000	Jul 26
M&A	Kenya	Acquisition by	DPO Group of Payfast			ENSafrica		undisclosed	Jul 30
M&A	Kenya	Investment by	Inqo Investments and a syndicate of investors in South Lake Medical Centre	Shard Capital Partners				$950 000	Aug 6
M&A	Kenya	Investment by	Angel investors (Esther Dyson, Nijhad Jamal, Aadil Mamujee, Selma Ribica and Shakir Merali), ShakaVC, Chandaria Capital and Villgro Kenya in Ilara Health					$735 000	Aug 7
M&A	Kenya	Acquisition by	FinnFund, Proparco and The Danish SDG Investment Fund of a stake in Maarifa Education Group (Africa Education Holdings)					$21m	Aug 14
M&A	Kenya	Acquisition by	PowerGen Renewable Energy of Rafiki Power					undisclosed	Aug 19
M&A	Kenya	Disposal by	Centum Investment Company of King Beverage to Danish Brewing Company			KN Law		undisclosed	Aug 19
M&A	Kenya	Investment by	DOB Equity, Global Innovation Fund and Unilever in Mr Green Africa					undisclosed	Aug 19
M&A	Kenya	Acquisition by	Zaad (Zeder Investments) of 40% stake in East African Seed Company with an option to acquire a further stake	PSG Capital; Maitri Capital		Cliffe Dekker Hofmeyr; Anjarwalla & Khanna		undisclosed	Aug 28
M&A	Kenya	Acquisition by	Oikocredit of a stake in Credit Bank					Ksh1bn	Aug 29
M&A	Kenya	Acquisition by	Equity Group of a controlling stake in Banqué Commerciale du Congo (BCDC)	Stanbic Bank Kenya		Anjarwalla & Khanna		undisclosed	Sep 6
M&A	Kenya	Acquisition by	Olea Insurance Solutions of a 40% stake in Koolridge Insurance Brokers					undisclosed	Sep 23
GCF	Kenya	Financing by	FMO and the European Investment Bank of two new solar photovoltaic plants (Radiant and Eldosol projects)					$106m	Sep 24
M&A	Kenya	Acquisition by	CcHub of iHub					undisclosed	Sep 26
M&A	Tanzania	Acquisition by	RIU Hotels & Resorts of the entire issue shares capital of Renco (Zanzibar) - owner of the Diamonds La Gemma Dell'Est and Star of the East resort			Clyde & Co Dar es Salaam		$56,5m	Jul 4
M&A	Tanzania	Investment by	AgDevCo in Africado					undisclosed	Jul 15
M&A	Tanzania	Acquisition by	EXEO's Agri-Vie Fund II of a minority stake in PPHL	Africa Insight Advisors		Cluver Markotter; Clyde & Co		undisclosed	Jul 16
M&A	Tanzania	Acquisition by	PowerGen Renewable Energy of Rafiki Power					undisclosed	Aug 19
M&A	Tanzania	Disposal by	Katoro Gold of Reef Miners (Inweru and Lubando gold projects) to Lake Victoria Gold	Strand Hanson				$1m	Aug 22
M&A	Tanzania	Acquisition by	Vodacom from Mirambo Holdings of a 26,25% stake in Vodacom Tanzania	Absa CIB				$224,1m	Sep 3
M&A	Tanzania	Acquisition by	Huaxin Cement Company of Maweni Limestone (ARM Cement Tanzania (under administration))			IKM Advocates; Walker Kontos		$116m	Sep 27
M&A	Uganda	Acquisition by	Surya Capital of Rainbow International School Uganda from Midland Group					$20m	Jul 15
M&A	Uganda	Investment by	the RENEW and Impact Angel Network woman-focused investment fund in Kijani Baby					undisclosed	Jul 17
M&A	Uganda	Investment by	African Rivers Fund (XSML) in Ice Industries					undisclosed	Jul 19
M&A	Uganda	Investment by	Yield Uganda Investment Fund (Pearl Capital Partners) in Clarke Farm					$1,5m	Sep 23

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

■ Foreign transaction – refer ranking criteria

DEALMAKERS AFRICA Q3 2019 (excludes South Africa)

◆	COUNTRY	TRANSACTION TYPE	DETAILS	TOMBSTONE PARTIES: FINANCIAL ADVISER	FOREIGN FINANCIAL ADVISER	LEGAL ADVISER	FOREIGN LEGAL ADVISER	ESTIMATED TRANSACTION VALUE	ANNOUNCEMENT DATE
WEST AFRICA									
GCF	Côte d'Ivoire	Loan by †	AgDevCo to DekelOil Cote D'Ivoire					€7,2m	Jul 22
GCF	Côte d'Ivoire	Loan by	Africa Agriculture Trade and Investment Fund to Oragroup					€20mn	Aug 19
GCF	Ghana	Convertible bond notes	Aker Energy notes issues to Africa Finance Corporation to finance the development of the Deepwater Tano Cape Three Points block					$100m	Jul 16
M&A	Ghana	Acquisition by	Danone of the remaining 49% stake in Fan Milk from Abraaj					undisclosed	Jul 31
M&A	Ghana	Disposal by	Liberty to Stanbic Africa (Standard Bank) of STANLIB Ghana					R185m	Jul 31
M&A	Ghana	Investment by	Verod Capital and Red Bull in DTRT Apparel					undisclosed	Aug 15
GCF	Ghana	Investment by	ElectriFi in PEG Africa (debt funding)					$5m	Sep 3
GCF	Ghana	Financing by †	The Netherlands Development Finance Company (FMO) to Niche Confectionery (credit facility)					$8,82m	Sep 17
M&A	Guinea	Disposal by	Stellar Africa Gold of the Balandougou Gold Project to Rida Mining					$3,85m	Aug 22
M&A	Guinea	Acquisition by	High Power Exploration of a 95% stake in the Nimba iro-ore deposit					undisclosed	Sep 5
M&A	Mali	Acquisition by	Desert Gold Ventures of a 55% controlling stake in two properties, Keniebandi East and Koussili West (exercise of option)					C$250 000 plus 250 000 Desert Gold shares	Jul 24
M&A	Mali	Joint venture by	Altus Strategies and Glomin Services (20%:80%) - Lakanfla and Tabakorole gold projects	SP Angel				$450 000	Aug 22
M&A	Mali	Disposal by	Altus Strategies of the Sebessounkoto Sud and Djelimangara gold projects to Desert Gold Ventures					$557 592	Aug 28
M&A	Nigeria	Investment by	Y Combinator. Fifty Years, Better Ventures, KdT Ventures, Hack VC and Techammer in 54gene (seed round)					$4,5m	Jul 2
GCF	Nigeria	Listing of	Airtel Africa - 3,758,151,504 shares at NGN363 per share	Barclays Securities Nigeria; Quantum Zenith Capital & Investments	J.PMorgan Cazanove; BofA Merrill Lynch; Citigroup; Absa; Barclays; BNP Paribas; Goldman Sachs International; HSBC; Standard Bank	Abdullahi Ibrahim & Co; Olaniwun Ajayi	Freshfields Bruckhaus Deringer; AZB & Partners; Linklaters	NGN15,417bn	Jul 9
M&A	Nigeria	Acquisition by	IDG Capital, Sequoia China, Source Code Capital, Meituan-Dianping, GSR Ventures and Opera in Opay					$50m	Jul 10
M&A	Nigeria	Acquisition by	Canal+ (Vivendi) of ROK					undisclosed	Jul 15
M&A	Nigeria	Acquisition by	VFD Group of a astake in Abbey Mortgages Bank via a private placement of 2,261,538,462 shares at NGN1.05 per share	Greenwich Trust; Kairos Capital		Tokunbo Orimobi		NGN2,2375bn	Jul 16
M&A	Nigeria	Acquisition by	InsuResilience Investment Fund of a 39.25% stake in Royal Exchange General Insurance Company					undisclosed	Jul 18
M&A	Nigeria	Acquisition by	BIC of 100% of Lucky Stationery Nigeria					undisclosed	Jul 25
M&A	Nigeria	Investment by	Lamar Holdings in TechAdvance					$1m	Aug 8
M&A	Nigeria	Investment by	Goldman Sachs, Asia Africa Investment and Consulting, Tlcom Capital, Y Combinator and the IFC in Kobo360					$20m	Aug 14
M&A	Nigeria	Acquisition by	Norfund of a stake in Sundry Foods from Silk Invest African Food Fund					undisclosed	Aug 15
M&A	Nigeria	Acquisition by	LandWey of a 25% stake in Vistafront					undisclosed	Aug 16
GCF	Nigeria	Loan by	Africa Finance Corporation to 9mobile					$230m	Aug 26
M&A	Nigeria	Acquisition by	Ignite Investments of up to 500 00 Forte Oil shares at NGN66.25 per share (mandatory take-over offer)	Stanbic IBTC Capital		Sefton Fross		NGN33,12m	Aug 28
M&A	Nigeria	Acquisition by	Imperial Logistics from UAC of Nigeria of a further 8% stake in MDS Logistics					$2,4m	Aug 28
M&A	Nigeria	Acquisition by	WPP of a 24.9% stake in Algorithm Media					undisclosed	Sep 6
M&A	Nigeria	Investment by	Startupbootcamp, Haresh Swani and Ragnar Meitern in Kuda (pre-series A round)					$1,6m	Sep 11
M&A	Nigeria	Investment by	GreenTec Capital in Save N Flex					undisclosed	Sep 13
M&A	Nigeria	Disposal by	Momentum Metropolitan to Verod Capital Management of Metropolitan Life Insurance Nigeria					undisclosed	Sep 17
M&A	Nigeria	Acquisition by	CcHub of iHub					undisclosed	Sep 26
GCF	Nigeria	Financing by	Overseas Private Investment Corporation to Union Bank of Nigeria (ten-year term loan)					$200m	Sep 30
M&A	Senegal	Disposal by	Avenira of its interests in the Baobab Phosphate Project and Novaphos to a consortium of its major shareholders					$3m	Jul 1
M&A	Senegal	Acquisition by	Resolute Mining of Toro Gold (Mako gold mine)	Raymond James		DLA Piper (Australia); Bryan Cave Leighton Paisner; Mayer Brown; Maddocks		$274m	Jul 31

◆ 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

DEALMAKERS AFRICA Q3 2019 (excludes South Africa)

◆	COUNTRY	TRANSACTION TYPE	DETAILS	TOMBSTONE PARTIES: FINANCIAL ADVISER	FOREIGN FINANCIAL ADVISER	LEGAL ADVISER	FOREIGN LEGAL ADVISER	ESTIMATED TRANSACTION VALUE	ANNOUNCEMENT DATE
SOUTHERN AFRICA									
M&A	Botswana	Acquisition by	Funds advised by Global Natural Resource Investments (additional stake) and Resource Capital Fund VII of a stake in the Khoemacau group of companies					$85m	Jul 18
M&A	Botswana	Disposal by	Jindal Steel & Power of 97.44% of Jindal BVI to Maatla Energy					$150m	Aug 13
M&A	Botswana	Acquisition by	Shumba Energy of an 80% stake in Coal Petroleum					undisclosed	Aug 28
M&A	Botswana	Disposal by	Liberty Holdings Botswana (Liberty) to a Vunani Capital-led consoritum (Vunani) of STANLIB Botswana	Vunani Corporate Finance		Webber Wentzel		not publicly disclosed	Sep 4
M&A	Botswana	Disposal by	EOH of Twenty Third Century Systems	Rothschild & Co		Webber Wentzel		$1	not announced
M&A	Eswatini (Swaziland)	Acquisition by	Coca-Cola Beverages Africa (CCBA) of a 60% stake in Eswatini Beverages					undisclosed	Aug 26
M&A	Lesotho	Investment by	One Thousand & One Voices (1K1V) in The Rosehip Company					undisclosed	Jul 9
M&A	Lesotho	Acquisition by	Labat Africa from L Vava and M Osman of a 70% stake in Zarenka					R57,5m	Sep 13
M&A	Lesotho	Disposal by	Batla Investment and Alluvial Ventures of a stake in Kolo Holdings which holds dimaond mining rights and equipment in Lesotho			ENSafrica		not publicly disclosed	not announced
M&A	Mauritius	Acquisition by	Amethis of a stake in VLH (Rogers Group)					undisclosed	Sep 4
M&A	Mauritius	Acquisition by	Godrej Consumer Products of an additional 5% stake in Godrej West Africa and Darling Trading Company (total stake now 95%					undisclosed	Sep 19
M&A	Mauritius	Acquisition by	CSSAF Mauritius of 50% of SMD Technologies and SMD Global			Webber Wentzel		undisclosed	not announced
GCF	Mozambique	Rights issue by	Vervejas de Mocambique - 36,762,972 shares at MZN212.00 per share	Standard Bank				MZN7,794bn	Jul 22
GCF	Mozambique	Listing of	Hidroelectrica de Cahora Bassa - 2,060,661,944 shares at MZN3.00 per share	Banco BIG Mocambique; Banco Comercial e de Investimentos; BancABC; Banco Mais; Banco Unico; Barclays; BIM; BNI; Capital Bank; CPC; EcoBank; FNB; Moza; Societe Generale; Standard Bank; YW Capital		Sal & Caldeira; Latham & Watkins		MZN6,182bn	Aug 12
M&A	Namibia	Acquisition by	Allegrow Fund (Eos Capital) of stakes in EcoTech, EcoValves and EcoGroup Admin					undisclosed	Jul 5
M&A	Namibia	Acquisition by	Qatar Petroleum of a 30% participating stake in Block 2913B and a 28.33 participating interest in Block 2912 from Total					undisclosed	Aug 27
M&A	Namibia	Acquisition by	Capricorn Investment Group of 30% stake in Paratus Africa Group					undisclosed	Aug 28
M&A	Namibia	Acquisition by	Imperial Logistics of a 65% stake in Geka Pharma					R80m	Aug 28
M&A	Namibia	Acquisition by	Standard Bank Namibia (Standard Bank) from shareholders of a 50,91% stake in MobiCash Payment Solutions (Mobipay)					N$53,2m	Sep 9
M&A	Namibia	Disposal by	Namdeb (De Beers [Anglo American]and Namibian Government jv) to Lewcor (Namibian-owned consortium) of the Elizabeth Bay Mine and associated marine assets	Standard Bank				N$120m	Sep 13
GCF	South Africa	Financing by †	UK Climate Investments of H1 Holdings					R253m	Aug 19
M&A	Zambia	Investment by	Seed Capital and Business Development facility of the Dutch Good Growth Fund in Rent to Own	Open Capital Advisors				€1m	Jul 8
M&A	Zambia	Acquisition by	Castillo Copper of Zed Copper (hold exclusive rights to acquire five assets in the Lufilian Arc region)					A$50 000 plus 31,25m Castillo Copper shares	Jul 10

◆ 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

DEALMAKERS AFRICA Q3 2019 (excludes South Africa)

◆	COUNTRY	TRANSACTION TYPE	DETAILS	TOMBSTONE PARTIES: FINANCIAL ADVISER	FOREIGN FINANCIAL ADVISER	LEGAL ADVISER	FOREIGN LEGAL ADVISER	ESTIMATED TRANSACTION VALUE	ANNOUNCEMENT DATE
GCF	Zambia	Loan by †	International Finance Corporation to Stanbic Bank Zambia					ZMW200m	Jul 15
GCF	Zambia	Loan by †	International Finance Corporation to Protea Hotels Zambia to build and open a conference centre in the outskirts of Lusaka					$9m	Jul 23
M&A	Zambia	Disposal by °	Hyprop Investments (Mauritius) (Hyprop Investments) and AttAfrica (Attacq and Hyprop Investments jv) to Growthpoint Investec Africa Properties (Growthpoint and Investec Asset Management jv) of Manda Hill Shopping Centre					undisclosed	Aug 5
M&A	Zambia	Acquisition by	Path Investments of FineGems Extraction	Shard Capital Partners				shares equal to 50% of Path	Aug 19
M&A	Zambia	Acquisition by	Finnfund of a stake in Yalelo					$6m	Sep 16
M&A	Zambia	Disposal by	Zambeef of the Sinazongwe Farm to Chenguang Biotech (Zambia) Agri-Dev					$10m	Sep 17
M&A	Zimbabwe	Joint venture by	Alrosa and Zimbabwe Consolidated Diamond Company (70%:30%) : to develop diamond deposits in Zimbabwe					undisclosed	Jul 16
M&A	Zimbabwe	Acquisition by	Padenga Holdings of 9,036 Dallaglio Investments shares (50.1%)	Imara Corporate Finance Zimbabwe; Finesse Advisory Services		Dube, Manikai & Hwacha Legal Practitioners		$20m	Aug 5
NORTH AFRICA									
M&A	Algeria	Investment by	Tell Venture Automative and other investors in temtem					$4m	Sep 26
M&A	Egypt	Acquisition by ■	Funds advised by CVC Capital Partners-led consortium of a 30% stake in GEMS Education			Bowmans (Comesa Filing)	Allen & Overy; Clifford Chance	undisclosed	Jul 10
M&A	Egypt	Acquisition by	Investec Asset Management (Investec) from Abraaj Private Equity of a controlling stake in Spinneys Egypt	Pharos Investment Bank		Eversheds Sutherland		undisclosed	Jul 14
M&A	Egypt	Acquisition by	United Oil & Gas of Rockhopper Egypt from Rockhopper Exploration					$16m	Jul 23
M&A	Egypt	Acquisition by	Match Group of Harmonica					undisclosed	Aug 7
M&A	Egypt	Acquisition by	RiseUp of MenaBytes					undisclosed	Aug 20
M&A	Egypt	Acquisition by	Mediterrannean and Africa Investments Holdings (MEDAF) of a 26% stakle in Al-Thoraya Oil Refining Company					undisclosed	Sep 1
M&A	Egypt	Investment by	Numa Capital in Doctoorum					undisclosed	Sep 9
M&A	Egypt	Acquisition by	Ebtikar [jv between MM Group for Industry and International Trade (MTI) and B Investments Holdings] of a 9.1% stake in Masary (total stake now 54.9%)					EGP40m	Sep 19
M&A	Egypt	Investment by	Beco Capital, 4DX Ventures, Endure Capital, 500 Startups, Outlierz Ventures and other loval investors in MaxAB (seed capital)					$6,2m	Sep 25
M&A	Egypt	Disposal by	EOH of Triclinium Clinical Development (TCD Mena)	Rothschild & Co		Webber Wentzel		not publicly disclosed	not announced
M&A	Egypt	Disposal by	EOH of Focus.One	Rothschild & Co		Webber Wentzel		not publicly disclosed	not announced
M&A	Morocco	Acquisition by	Tana Africa Capital of a minority stake in Palmagri	Deloitte; Capital Partners		Dentons; Sayarh & Menjra		MAD200m	Sep 24
M&A	Morocco	Disposal by	EOH of Conso Systems	Rothschild & Co				not publicly disclosed	not announced
M&A	Tunisia	Acquisition by	Catana Group of an additional 20% stake in Haco (total stake now 50%)					undisclosed	Jul 9
CENTRAL AFRICA									
M&A	DRC	Acquisition by	Equity Group of a controlling stake in Banqué Commerciale du Congo (BCDC)	Stanbic Bank Kenya		Anjarwalla & Khanna		undisclosed	Sep 6

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