DealMakers AFRICA

Vol 11: No 1

TRANSACTION TABLE BY COUNTRY INCLUDING ADVISERS | BUSINESS IN AFRICA

from the editor's desk

The recent release of the International Monetary Fund's (IMF) latest Regional Economic Outlook projects growth at around 3.4% in 2018, which is good news - up on last year's growth of 2.8% - on the back of improved prices for commodities and stronger global growth. Tarnishing this outlook however, is the warning that around 40% of the low-income countries in sub-Saharan Africa are now in debt distress or at high risk of it. According to the IMF, six countries are in debt distress – Chad, Eritrea, Mozambique, the DRC, South Sudan and Zimbabwe, with another nine at high risk. African governments issued US$7,5bn in sovereign bonds in 2017, up ten-fold on 2016 and, says the IMF, plan to issue a further $11bn in the first half of 2018.

The free trade agreement signed in early 2018 by 44 African countries is seen generally as a positive move, and investors are cautiously optimistic but much will depend on implementation and how long it takes before the effects will be felt on the ground. Countries such as South Africa, Kenya and Egypt are said to be the most likely to benefit most, thanks to their large manufacturing bases and relatively robust infrastructure. Others are likely to be hampered by their poor infrastructure, corruption and ineffective customs documentation.

In East Africa there has been an increased interest in social infrastructure sectors such as education, student accommodation and healthcare, particularly from private equity firms (page 2). Deals are noticeably down and taking longer to close due to political events and generally slower growth in the region. Investors are looking for additional reassurances and, as is the case in SA, are taking a "wait and see" attitude. In Kenya, sectors most affected are manufacturing, retail, real estate and financial services – in part affected by the interest cap rate applied by the Kenyan government in 2016, in an attempt to regulate interest rates and so provide access to affordable credit for the masses and, in turn, stimulate economic growth. The outcome, however, has been negative and credit to SMEs in particular has reduced drastically; the legislation is now under review.

Legislative and regulatory uncertainties continue to be a major stumbling block in Africa and are among the most pressing concerns facing mining. Earlier this year, Tanzania introduced sweeping changes to the legal and regulatory regime governing its natural resources extractive industry and the Democratic Republic of Congo cancelled contract guarantees, and hiked a key royalty in sweeping last-minute changes to a mining law that will have immediate financial costs for every mining project in the country.

A new addition to DealMakers Africa, which I hope will add great value, is the inclusion of a regional analysis snapshot (page 7). The collation of M&A activity in Africa as a whole is difficult - not all exchanges have the systems in place, as does the Johannesburg Stock Exchange (JSE) in South Africa - to disseminate information to investors. The table is compiled from information provided by advisory firms in the various countries, company press releases, when available, and generally trolling through endless information on the World Wide Web which then needs to be verified. During the first three months of 2018, Kenya recorded the highest deal flow with 13 deals valued at US$73,1m, followed by Nigeria with 11 ($626,5m) and Ghana with 10 ($361,4m). The country with the highest value of deals for the quarter was Morocco with $1,05bn off two deals, namely the sale of a 53.37% stake in Saham Finaces to Sanlam Emerging Markets Ireland, a joint venture between South African companies Sanlam and Santam. •

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The ups and downs of transacting in Mozambique

EDMUND HIGENBOTTAM

Mozambique is a country with much fabled potential. It is endowed with ample arable land, a long coastline, water, energy, newly discovered natural gas and mineral resources offshore; three seaports and a relatively large potential of labour (with a growing population of 29 million, 2017). Further, Mozambique's strong ties to the continent's largest consumer, South Africa, underlines the importance of its economic, political and social development to the stability and growth of the African continent. However, despite the country's abundant resources, Mozambique is still ranked as one of the poorest countries, with more than half its population living below the poverty line. The country has a gross domestic product (GDP) of US$12,5bn and GDP per capita of $422 (2017), bringing it's ranking to amongst the lowest in the world (UNDP Human Development Index ranking of 181 out of 185 countries).

Higenbottam

Mozambique is still suffering from the effects of the 2016 $1,4bn hidden debt crisis. Real GDP growth decelerated from 3.8% in 2016 to 3.7% in 2017 as a result and was well below the 7% average GDP growth achieved between 2011 and 2015. Growth is expected to remain relatively flat at around 3% in the medium-term. The metical, which had significantly depreciated against the US dollar in 2016, strengthened by 28% in 2017. Key to this shift was a strong monetary policy which also helped inflation to slowly ease by mid-2017 and has since eased to below 5% in the first quarter of 2018 *(source: Trading Economics).* Strengthening prices for coal, aluminium and gas, coupled with a post-el Niño recovery in agriculture and progress in the political peace talks could steer the GDP growth rate to 5.3% in 2019 and 14% by the end of the decade according to the International Monetary Fund (IMF). Mozambique continues to be in default of its Eurobond and previous undisclosed loans. The government has launched discussions with creditors on a possible restructuring but this process will likely take time to bear fruit.

> Once gas production reaches its peak growth in 2025, Mozambique is set to become the third largest LNG exporter in the world after Qatar and Australia and the country's economy could grow up to nine times its current size by 2035.

Looking at the overall business environment, Mozambique still lags in terms of the ease of doing business and competitiveness in comparison to its sub-Saharan Africa peers. It is ranked 136 out of 137 countries according to the World Economic Forum's (WEF) Global Competitiveness 2017 – 2018 Report. The five most problematic factors reported are access to financing, corruption, inefficient government bureaucracy, an inadequately educated workforce and policy instability *(source: World Economic Forum, 2017).* Transactions in Mozambique remain difficult in light of these factors, in addition to macroeconomic instabilities, low investor confidence and the lack of maturity of the capital market. The magnitude of these difficulties is further evidenced by the small number of deals completed in Mozambique in recent years. More than 50 times as many transactions were reported in South Africa as in Mozambique in the period 2013 to 2017 *(source: S&P Capital IQ).* South Africa's GDP is only 28 times as high *(source: SNL).*

Notwithstanding these difficulties, Verdant Capital completed the sale of Vanduzi, a Mozambique fresh vegetable producing business. Vanduzi is a major supplier of baby corn and specialty chillies to leading supermarkets in the UK, the Netherlands and South Africa.

Competing product into European markets is mainly sourced from Kenya and Thailand. Vanduzi's business is somewhat insulated by the fact that it exports one hundred percent of its products. The transaction represented Verdant Capital's third cross-border M&A transaction in 2017.

Several key sectors have been earmarked to drive the country's growth momentum including agriculture, manufacturing, resources and energy, infrastructure and tourism, with sectors such as resources and energy and manufacturing expected to play a significant role. The discovery of one of the largest gas reserves in the world in Mozambique's Rovuma basin in 2010 significantly transformed the global natural gas landscape. The country's gas industry has the potential to become a major driver of long-term growth, with the IMF estimating that LNG developments could bring over $200bn in GDP over 20 years. Once gas production reaches its peak growth in 2025, Mozambique is set to become the third largest LNG exporter in the world after Qatar and Australia and the country's economy could grow up to nine times its current size by 2035 *(source: Deloitte, 2016).* The manufacturing sector, despite its current relative marginalisation from global value chains, will also be key given the country's proximity to South Africa, its low labour costs and existing transport infrastructure and port access which create favourable conditions for the sector's expansion. The sector has been dominated by the Mozal aluminium smelting plant while the rest of the sector has significantly under-performed over the last decade. Notable major investments in the sector include Hyundai's $5,45m investment in a vehicle assembly plant in Machava and Matchedje Motor's $200m joint venture between the Mozambican government and China Tong Jian Investment Co in Matola, both unveiled in 2014. However, a lack of skilled labour and metical-dollar exchange rate forced Matchedje Motors to stop assembling vehicles and focus on repairs in 2017. The cement industry is also expanding with recent new entrants such as Cimentos da Beira, owned by UK-based owner, Ambrian and Limak Cement commissioning cement mills with annual production capacities of 800 000 tons in 2016 and 700 000 tons in 2018 respectively.

Given the rich reserves of raw materials and opportunities for synergies along the whole supply chain in key industrial sectors, Mozambique has significant growth potential. The question is: do the opportunities available outweigh the inherent challenges? •

Higenbottam is Managing Director of Verdant Capital, the IMAP Partner firm for sub-Saharan Africa.

M&A forecast set to rise in key sectors in Africa and the Middle East

MORNE VAN DER MERWE AND WILDU DU PLESSIS

Baker McKenzie's Global Transactions Forecast (Forecast), developed in association with Oxford Economics, predicts the value of M&A transactions in key sectors in Africa and the Middle East for the next few years. Sectors covered in the Forecast include financial institutions, technology and telecommunications, healthcare, industrials, manufacturing and transport, consumer goods and retail, and the energy sector. Overall, the predictions are very positive for M&A transactions in 2018 and 2019, with the exception of the financial sector in 2018 (the reasons for this are outlined below). Worth noting is the quadrupling of M&A value in the technology and telecommunications sector in 2018 and the influence of technology on M&A deals in all other sectors.

Financial services

For the financial sector, the Forecast predicts that the value of M&A in Africa and the Middle East will drop to US$9bn in 2018, down sharply from $29,5bn in 2017. This higher amount in 2017 was the result of one megadeal that inflated 2017's deal total: the $14bn merger of the National Bank of Abu Dhabi and First Gulf Bank. In 2019, the Forecast predicts deal activity in the region's financial sector will rise slightly to $10,3bn before dropping to $6,6bn in 2020.

The decrease in M&A in the financial services sector in Africa is due mainly to economic and political instability, a lack of diversification, the risk of corruption and generally poor business climates across the region. The willingness and ability of governments to reform their legislation so that it is more investor friendly, and to tackle bloated fiscal balances, is key to future growth in this sector. In addition, growth in financial services in Africa is dependent on investment in technology and innovation as financial services organisations such as banks and insurance companies look to upgrade their IT systems and find news way to grow their customer bases.

Globally, the Forecast anticipates that M&A values in the financial sector will rise to $616bn in 2018, up 25% from $462bn in 2017. In 2018, M&A in North America's financial sector is predicted to rise to $259bn, accounting for more than 40% of all sector transactions globally. Following North America is Europe with $195,7bn, Asia Pacific with $122,7bn, Latin America with $29,2bn and Africa and the Middle East with $9bn.


Van der Merwe


Du Plessis

The Forecast shows that ultra-low interest rates, tech enabled disruption and regulatory pressure, all of which have squeezed profitability and increased costs, have created an environment which will drive M&A activity across the global financial sector throughout 2018 and beyond.

One recurring theme across banks, insurers and asset managers is the challenge of upgrading legacy systems designed for the age before artificial intelligence and machine learning, and before the tech titans based in Silicon Valley and increasingly China, were targeting profitable financial services products using state-of-the-art digital technology.

Part of the solution to this challenge will come from fintechs, which bring their expertise in digital customer experience and new tech solutions that enable the incumbents to tackle old problems such as payment methods and swift product recognition matched to client needs. Most established financial institutions are fully aware of the enormity of the task of developing these upgrades internally, preferring to acquire or partner with fintechs as a means of survival.

Technology and telecommunications

This technology drive is why M&A activity in the technology and telecommunication sectors in Africa and the Middle East will more than quadruple in 2018, from 2017. The Forecast shows that M&A in the tech and telecoms sector was valued at $1,2bn in 2017. This is predicted to increase to $5,9bn in 2018 and a further $5,9bn in 2019, before decreasing to $3,9bn in 2020.

The Forecast notes that a more positive global economic outlook, the expansion of technology across industries, investment from emerging markets, and strong corporate balance sheets are the key factors in driving investment in tech M&A around the world, including in Africa.

Africa's growing telecoms infrastructure and access to online services and platforms continue to improve access to the online economy. Increased local demand for innovative products, services and solutions is driving offshore telecommunications and technology companies to target opportunities in Africa. As discussed, the growing financial services sector has also seen domestic banks make significant investments in technology to advance their innovation agenda. African tech companies are also targeting offshore investments in companies that will deepen their access to new technologies, markets and talent. The expansion of emerging technologies across industries, including agribusiness, automotive and of course fintech, will also drive M&A activity as we expect to see more cross-sector deals involving technology.

Globally, deal activity in the technology and telecommunications sector is also likely to accelerate. In 2018, M&A activity in the tech and telecom sector is forecast to rise significantly across all regions. North America will top the list with transactions totalling $243bn, followed by Asia Pacific with $108,3bn, Europe with $106bn, Africa and the Middle East with $5,9bn, and Latin America with $4,9bn.

Healthcare

Mergers & Acquisitions (M&A) deal value in the healthcare sector is also set to rise substantially. It is forecast to triple in Africa and the Middle East in 2018, from 2017 values. Healthcare M&A deals were valued at $1,6bn in 2017. This is expected to rise to $4,1bn in 2018, increasing again to $5,7bn in 2019.

The World Health Organisation's 2016 *World Health Statistics* reveals that many countries in Africa are still far from being able to offer universal health coverage, as measured by an index of access to 16 essential services. The demand for affordable healthcare is growing rapidly on the continent. Investors who are in it for the long-term and who understand individual markets and work with local partners and governments to improve access to public healthcare are doing well.

To create a more conducive environment for business, key African governments have begun introducing regulations to govern the sector. Tech is also disrupting this sector - a focus on technology-focused healthcare delivery models, which allow for easier access to medical advice and care, has begun easing the constraints of the traditional delivery model and driving investment in digital healthcare.

Globally, uncertainty in the wake of Brexit, the US presidential election and pending US tax reform cooled healthcare M&A activity in 2017. In 2018, however, current buoyant market conditions and clarity about the US's new corporate tax rate will lead to a rebound in deal activity, causing global healthcare M&A to rise to $418bn, up 50% from $277bn last year.

In 2018, healthcare M&A in North America is forecast to surge to $250,2bn, accounting for well over half of all healthcare transactions globally. Following North America is Europe with a projected $104,8bn of deal activity, followed by Asia Pacific with $55,1bn, Africa and the Middle East with $4,1bn and Latin America with $3,7bn.

Industrials, manufacturing and transport

The Forecast predicts that M&A activity in the Industrials, Manufacturing and Transport (IMT) sector will rise somewhat in the next few years. M&A transactions will be worth $2,9bn in Africa and the Middle East in 2018, up from $ 2,7bn in 2017. In 2019, deal value in the IMT sector will increase further to $3bn.

China's "One Belt, One Road" initiative to build trade and transport links across Asia and Africa, is likely to accelerate infrastructure spending throughout the region. Countries in Africa that will benefit from the "One Belt, One Road" initiative include Kenya, Tanzania, Ethiopia, Djibouti and Egypt. East Africa has an integral role in the initiative, owing to Djibouti's ports, Ethiopia's manufacturing, and the region's existing plans to connect rail, road and energy networks.

The Forecast shows rebound in global M&A transactions in the IMT sector in 2018, with global M&A rising to $531,4bn, up from $483bn in 2017.

In 2018, M&A activity in the IMT sector is forecast to be the highest in Asia Pacific, with transactions totalling $183,8bn, followed by North America with $162,9bn, Europe with $154bn, Latin America with $27,8bn, and Africa and the Middle East with $2,9bn.

Consumer goods and retail

The value of M&A transactions in the consumer sector in Africa and the Middle East is also expected to rise. The value of transactions is predicted to be $6,4bn in 2018 (up from $2,9bn in 2017) and will continue to rise in 2019, to $6,6bn, before dropping to $4,1bn in 2020.

The increase in growth in the middle class in countries such as Ghana and Tanzania has had an obvious uplift in consumer growth in Africa, surpassing previous levels. There appears to be more demand for foreign brands, online retail services and products. Again, the continued development of African technology and telecommunications industries, and the opportunities in e-commerce that this creates for retailers is assessed by some to be one of the key drivers of investment activity in Africa.

In terms of future global trends in the retail sector, Amazon's acquisition of Whole Foods, at $13bn, while far from the largest transaction in 2017, was significant because of its implications for the future of retail. The acquisition gives the tech giant a large physical presence in the grocery sector, through which it can use its expertise to re-cast how consumers shop for core lifestyle products such as food and drink, while at the same time exploiting increasing consumer demand for natural and organic produce.

As more of these new consumers go online to purchase everything from clothes and electronics to household supplies and organic vegetables, transactions in the consumer sector are likely to continue rising. Digitisation and consolidation within the industry drove global M&A activity in 2017, pushing transaction values to a total of $543,2bn.

In 2018, M&A activity in the consumer sector is predicted to rise across all regions. North America will lead the pack, with transactions totalling $304,4bn, followed by Europe with $178,6bn, Asia Pacific with $125,9bn, Latin America with $17,3bn, and Africa and the Middle East with $6,4bn.

Energy

Finally, M&A value in the energy sector in Africa and the Middle East was $4,4bn in 2017. This is predicted to rise to $4,5bn in 2018. M&A deal value will rise again in 2019, to $5,2bn before dropping to $3,3bn in 2020.

In Africa, greenfield investment continues in the energy sector, particularly in renewables, which is forecast to grow in coming years. The extent of the power deficit across Africa is well known and increasing electricity generation, whether on-grid or off-grid, across the continent is the focus of a number of initiatives. The African Development Bank's New Deal on Energy for Africa has set as its target, universal access to electricity across Africa by 2025. According to AfDB, to achieve this, 160GW of new on-grid generation and some 75 million new off-grid connections will be needed, through a mix of conventional and renewable energy sources. Complementary initiatives by Power Africa, the EU and other multilateral and development finance institutions will also play a greater role.

The increase in growth in the middle class in countries such as Ghana and Tanzania has had an obvious uplift in consumer growth in Africa, surpassing previous levels. There appears to be more demand for foreign brands, online retail services and products.

In South Africa, uncertainty surrounding the country's future energy policy, the delay in the publication of the Integrated Resource Plan, anticipated additional political changes, as well as financial and governance concerns at the State-owned electricity supply company, Eskom, have all resulted in an uncertain energy landscape and a loss of potential direct foreign investment in the electricity sector.

It is hoped that under the leadership of new South African president Cyril Ramaphosa, investors in the sector will receive the clarity they are looking for, which will act as a catalyst for renewed investor confidence.

Globally, North America will continue to lead M&A activity in the energy sector in 2018, although we forecast transaction values to drop slightly to $227,7bn, down from $242,5bn in 2017. In Europe, energy M&A is forecast to rise by more than 30% to $56,6bn, followed by Asia Pacific with $50,4bn, Latin America with $13,4bn, and the Middle East and Africa with $4,5bn.

The Forecast noted that the global energy sector was expected to undergo greater diversification in years to come as companies prepared for advances in technology and renewables. •

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Public-private collaboration vital to stimulate further cross-border African M&A activity

DEEPA VALLABH AND ROXANNA VALAYATHUM

With cross-border merger and acquisition (M&A) activity having become a key source of foreign direct investment (FDI) in Africa, it is crucial that both the public and private sector collaborate to implement structural reforms and develop investment-friendly policies that facilitate further deal flow across the continent.

While much of the growth of African markets in recent years has occurred through these deals, they continue to pose a wide range of challenges. An uncertain and rapidly shifting regulatory landscape, coupled with relatively young and growing economies, all create a testing environment.

What are the current challenges impeding cross-border M&A activity?

A lack of access to updated data, uncertain investment policies, over-regulation of certain sectors and the undue restriction of foreign investment, or overburden by governments, are all challenges that continue to plague cross-border African deals. Furthermore, corruption and bribery are then often impediments to progressing transactions and investments.

Vallabh

To effectively and efficiently manage cross-border deals in Africa, the ever-shifting and nuanced legal, political, economic and social landscapes across each of the 55 independent countries in Africa need to be recognised. The potential pitfalls that such instability and uncertainty may have on M&A transactions needs to be predicted too.

What can be done to resolve these challenges?

Growth in the region is contingent on both public and private sector involvement. From a public sector perspective, governments need to undergo structural reform and develop policies that allow for increased foreign investment and a freeing up of restrictions on economic trade between countries within Africa.

As ambitious as it may seem, it is anticipated that the recent signature by 44 of the 55 member states of the new free trade agreement called the African Continental Free Trade Area will boost intra-African trade. This will be realised by creating a single continental legal regime for all relevant trade disciplines which will ultimately assist in integrating Africa into the global economy.

Valayathum

In order to continue growing investor confidence, governments and judiciaries should focus on maintaining and upholding the safety of their people and the rule of law, which includes among other things, judicial process and judicial independence. Governments should also focus on improving infrastructure across the region, such as electricity and connectivity.

From a private sector perspective, companies wishing to invest and grow within Africa should then try to negate the policy uncertainty that arises within the region through cooperation with governments and state-owned enterprises and companies.

What role can specialist advisory firms play in overcoming these challenges?

The ability to offer clients flexible and practical solutions to the complexities that may arise due to constant changes to legislation is a key skill that is required in negotiating these deals. Due to the untested nature of new legislation and new structures, a close and thorough understanding of the political and social sensitivities in each of the various jurisdictions is crucial to ensuring that appropriate solutions are offered to clients with key insights into the commercial practicalities in each jurisdiction.

In addition, the intricacy required in terms of deals in Africa means that M&A practitioners need to ensure that they are knowledgeable on all facets of the deals that they are advising on, have strong project management skills and can find solutions which include conducting more comprehensive due diligence investigations outside of the usual methodology of reviewing the target information, which is often lacking. Deep sectoral knowledge and insight into the local business culture is also key to ensure success.

What transactions have occured despite these challenges?

Despite the challenges that exist, there have been a number of large cross-border transactions that Cliffe Dekker Hofmeyr's (CDH) Corporate & Commercial practice has advised on over the years; the most recent of which is the restructure of MultiChoice Africa Limited's investments across approximately 42 jurisdictions in Africa.

Other noteworthy transactions include advising Novare Equity Partners (Novare) in setting up its second property private equity fund, Novare Africa Property Fund II; advising JCDecaux on its acquisition of Continental Outdoor Media entities in at least 14 African countries for approximately R2bn; and advising Metorex on the sale by Metorex shareholders to Jinchuan Group. This major investment by a Chinese entity in the resources sector in Zambia and the Democratic Republic of Congo was the most substantial M&A transaction in the resources field in sub-Saharan Africa in 2011 with a transaction value of R9,11bn . •

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DEALMAKERS AFRICA : M&A ANALYSIS Q1 2018

REGIONAL ANALYSIS

Region	Country	US$ Value	No of deals
Central Africa	DRC	260 562 500	3
	Gabon	400 000	1
		260 962 500	4
East Africa	Tanzania	130 800 000	3
	Kenya	73 129 530	13
	Uganda	21 727 183	2
	Mauritius	6 400 000	2
		232 056 713	20
North Africa	Morocco	1 050 000 000	2
	Egypt	964 000 000	6
	Libya	450 000 000	1
	Tunisia	undisclosed	1
		2 464 000 000	10

Region	Country	US$ Value	No of deals
Southern Africa	Zambia	411 858 074	4
	Zimbabwe	116 471 625	3
	Angola	70 000 000	1
	Namibia	29 441 443	7
	Botswana	25 344 339	3
	Mozambique	1 500 000	1
	Lesotho	undisclosed	1
		654 615 481	20
West Africa	Nigeria	626 500 000	11
	Ghana	361 350 000	10
	Gambia	60 000 000	1
	Cote d'Ivoire	5 000 000	4
	Burkina Faso	282 231	1
	Mali	160 397	2
	Senegal	undisclosed	1
	West Africa	undisclosed	1
		1 053 292 628	31

DEALMAKERS AFRICA CRITERIA

This section has been added to expand DealMakers' coverage to include transactions worked on by South African industry service providers across the continent. It has been introduced in response to numerous requests made by various companies over a long period. In order to ensure its effectiveness, all firms involved in transactions of this nature are urged to provide appropriate details.

1. Entities that seek credit for involvement in M&A work and other financial transactions must demonstrate the involvement, if necessary by reference to one or several of the principals.
2. The full value of each deal is credited to each entity providing a service in respect of that deal.
3. Rankings are recorded in respect of South African:
   - Investment Advisers (includes Financial Advisers and others claiming this category)
   - Sponsors
   - Legal Advisers
   - Reporting Accountants
4. So as to achieve fairness, rankings are to be recorded in two fields:
   - Deal Value US$
   - Deal Flow (number of deals)
5. All deals and transactions are dated for record purposes on the 1st announcement date (except for listings, for which the record date is the date of the actual listing).
6. M&A deals that are subsequently cancelled, withdrawn or which are deemed to have failed will nevertheless be included for ranking purposes and companies/units that have worked on these will be credited with them for ranking purposes provided they are able to demonstrate the work was undertaken and effected.
7. Where advisers make use of other advisers (secondary advisers), and provided the work was undertaken and this can be verified, secondary advisers will be credited for ranking purposes.
8. Schemes of arrangement, rights issues and share repurchases are valued for record purposes at the maximum number of shares and value that can be purchased or issued until such time as the results are announced.
9. All deals and transactions are checked by DealMakers; any discrepancies that arise will be queried.
10. Entities that claim involvement in a deal or transaction on which their name and/or company logo does not appear on the published announcement recording their specific role will be asked to provide confirmation from the principals regarding their role.
11. All entities involved in deal-making and/or corporate finance transactions will be asked to sign off a summary document prepared by DealMakers to ensure that no clerical errors have occurred.
12. DealMakers does not accept responsibility for any errors or omissions.

AFRICA RANKING CRITERIA

- For a transaction to qualify for the Africa tables and rankings, one of the parties or the asset has to be based in an African country other than SA.
- The Africa tables include all transactions, from mergers and acquisitions to listings and project financing.
- Only M&A and JV activity (including SA company deals involving African assets) have been used for ranking purposes.
- Property deals will only be used for ranking purposes if the deal value is above US$16m.
- Proof of the firm's involvement must be provided to claim the deal.
- As many global organisations operate under specific names in certain countries, we have grouped each company under the global brand name and not under the country specific name.
- All transaction values have been converted into US$ (using the exchange rate at the date of announcement) for ranking purposes.

Should you wish to submit your firm's advisory transactions within Africa, please contact Vanessa on reception@gleason.co.za.

TRANSACTION ACTIVITY IN AFRICA (See ranking criteria)

RANKING THE TOMBSTONE PARTIES Q1 2018

RANKINGS BY VALUE

INVESTMENT ADVISERS*

No	Company	Values $'m	Market Share %
1	Investec Bank	1 050	34,96%
2	Barclays Africa	500	16,65%
3	Pangaea Securities	380	12,65%
4	Standard Bank Group	260	8,66%
	Treadstone Resource Partners	260	8,66%
6	BMO Capital Markets	185	6,16%
	Taurum International	185	6,16%
8	Palewater Advisory	100	3,33%
9	Java Capital	25	0,84%
	PSG Capital	25	0,84%
11	CardinalStone Partners	18	0,60%
12	I&M Burbridge Capital	14	0,46%
13	finnCap	1	0,02%
	RFC Ambrian	1	0,02%
15	Afaya Partners	undisclosed	n/a
	Macquarie Capital	undisclosed	n/a
	SP Angel	undisclosed	n/a

RANKINGS BY FLOW (ACTIVITY)

No	Company	No	Market Share %	Values $'m
1	PSG Capital	2	10,53%	25
	I&M Burbridge Capital	2	10,53%	14
3	Investec Bank	1	5,26%	1 050
	Barclays Africa	1	5,26%	500
	Pangaea Securities	1	5,26%	380
	Standard Bank Group	1	5,26%	260
	Treadstone Resource Partners	1	5,26%	260
	BMO Capital Markets	1	5,26%	185
	Taurum International	1	5,26%	185
	Palewater Advisory	1	5,26%	100
	Java Capital	1	5,26%	25
	CardinalStone Partners	1	5,26%	18
	RFC Ambrian	1	5,26%	1
	finnCap	1	5,26%	1
	Afaya Partners	1	5,26%	undisclosed
	Macquarie Capital	1	5,26%	undisclosed
	SP Angel	1	5,26%	undisclosed

LEGAL ADVISERS

No	Company	Values $'m	Market Share %
1	ENSafrica	1 050	29,24%
2	Sherman & Sterling	934	26,01%
3	Chibesakunda & Co	380	10,58%
4	King & Wood Mallesons	260	7,24%
	Norton Rose Fulbright	260	7,24%
6	Fasken Martineau	185	5,15%
	McMillan LLP	185	5,15%
	Webber Wentzel	185	5,15%
9	Bowmans	73	2,04%
10	Cliffe Dekker Hofmeyr	25	0,70%
11	Banwo Ighodalo	18	0,50%
	Hogan Lovells	18	0,50%
	Olaniwun Ajayi	18	0,50%
14	Baker McKenzie	undisclosed	n/a
	Naciri, Allen & Overy	undisclosed	n/a

No	Company	No	Market Share %	Values $'m
1	Bowmans	4	21,05%	73
2	Cliffe Dekker Hofmeyr	2	10,53%	25
3	ENSafrica	1	5,26%	1 050
	Sherman & Sterling	1	5,26%	934
	Chibesakunda & Co	1	5,26%	380
	King & Wood Mallesons	1	5,26%	260
	Norton Rose Fulbright	1	5,26%	260
	Fasken Martineau	1	5,26%	185
	McMillan LLP	1	5,26%	185
	Webber Wentzel	1	5,26%	185
	Banwo Ighodalo	1	5,26%	18
	Hogan Lovells	1	5,26%	18
	Olaniwun Ajayi	1	5,26%	18
	Baker McKenzie	1	5,26%	undisclosed
	Naciri, Allen & Overy	1	5,26%	undisclosed

* Investment Advisers incorporating Financial Advisers and others claiming this category

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TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
		TOMBSTONE PARTIES					
Angola							
Acquisition by	ALROSA of an 8,2% stake in Catoca					$70m	Jan 12
Botswana							
Acquisition by	Curro of Baobab School	PSG Capital	PSG Capital			undisclosed	Feb 20
Acquisition by	Breckwick (CA Sales) from Winchester Properties of warehouses and offices in Gaborone and Francistown	PSG Capital	PSG Capital; African Alliance			BWP243m	Mar 1
Acquisition by	Strata-X of prospecting licenses PL016-2018 and 017-2018					undisclosed	Mar 20
Burkina Faso							
Acquisition by	Pegasus Metals of Scorpion Minerals (whichs holds the rights to acquire a 70% joint venture interest in the Dablo-Pd-Pt-Au-Ni-Cu exploration project)					A$0.36	Jan 10
Cote d'Ivoire							
Acquisition by	Amethis of a minority stake in Afriwara					undisclosed	Jan 17
Acquisition by	Manas Resources of up to 85% of the Gonsan Project					undisclosed	Jan 23
Acquisition by	Manas Resources of up to 80% of the Bouaké Nord Project					undisclosed	Jan 23
Acquisition by	Volcanic Gold Mines of 100% of JOFEMA Mineral Resources					$5m plus shares	Mar 5
DRC							
Disposal by	Armadale Capital of its 80% stake in Mines d'Or de Kisenge (which holds the Mpokoto Gold Project) to Weghsteen Capital Advice	finnCap	finnCap; Beaufort Securities			$562 500	Jan 12
Disposal by	Tiger Resources of its shares in its subsidiaries and its interests in the Kipoi Project, Lupoto Project and La Patience permit to Sinomine Fuhai (Hong Kong) Overseas Resource Investment Co	Treadstone Resource Partners; Standard Advisory Asia		Norton Rose Fulbright; King & Wood Mallesons	KPMG	$260m	Jan 22
Acquisition by	Prospect Resources of 100% of the Tombolo Copper / Cobalt Project (PEPM1787) from TSM Enterprises					undisclosed	Feb 2
Egypt							
Merger of	Groupe SEB and the Zahran Group's small electrical appliances and cookware businesses					undisclosed	Jan 8
Acquisition by	UPP Capital Investment (Union Properties) of a 5,68% stake in Palm Hills Development					undisclosed	Jan 11
Joint venture by	Archer Daniels Midland and Cargill (50%:50%) - to provide soybean meal and oil to customers in Egypt					undisclosed	Feb 26
Disposal by	Eni of a 10% stake in the offshore Sharouk concession to Mubadala Petroleum			Sherman & Sterling		$934m	Mar 11
Acquisition by	MM Group for Industry & Int. Trade S.A.E of 100% of Itisalat International Egypt; United Retail Company and DTR Trading					undisclosed	Mar 18
Acquisition by	UPP Capital Investment (Union Properties) of an additional 5,55% stake in Palm Hills Development (total stake now 16.51%) from Aaber Investments					$30m	Mar 20
Gabon							
Acquisition by	Trek Metals of Select Exploration (which holds 100% of the Kroussou Zinc-lead Project) from Battery Minerals					$400 000	Jan 11
Gambia							
Acquisition by	a subsidiary of Petroliam Nasional Berhad (PETRONAS) of a 40% stake in each of of the offshore petroleum licences, Blocks A2 and A5 through a farm-in agreement with FAR					$60m	Feb 26
Ghana							
Acquisition by	Kudobuzz of AdGeek					undisclosed	Jan 3
Acquisition by	IronRidge Resources of 100% of the Saltpond exploration license and Cape Coast application from Joy Transporters	SP Angel	SP Angel			undisclosed	Jan 17
Acquisition by	ExxonMobil of an 80% stake in the Deepwater Cape Three Points blocks					undisclosed	Jan 18
Acquisition by	Old Mutual Alternative Investments (Old Mutual) of a minority stake in Amandi IPP power plant					undisclosed	Feb 5
Disposal by	Afrimax of Busy Internet Ghana to AI Technologies					undisclosed	Feb 9
Acquisition by	AquaVenture of an Abengoa Water subsidiary that holds a 56% economic interest in Befesa Desalination Developments Ghana					$26m	Feb 15
Acquisition by	Aker Energy (50:50 jv between Aker ASA and TRG AS) of a 50% participating interest in the Deepwater Tano Cape Three Points block from a subsidiary of Hess Corporation					$100m	Feb 19
Share issue (IPO) ●	Digicut Production & Advertising : 35,672,632 shares at GHC0.08 per share	SIC Brokerage; Gold Coast Brokerage	SIC Brokerage; Gold Coast Brokerage	Zoe Lexfields	CFY Partners	GHS2,853m	Mar 1
Acquisition by	Grit Accra (Grit Real Estate Income) from Greenline Development of an office complex known as 5th Avenue Corporate Offices, Accra		PSG Capital; Perigeum Capital; Axys Stockbroking			$14,35m	Mar 15

● Non-ranking transaction

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TOMBSTONE PARTIES

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Ghana (Continued)							
Acquisition by	Grit Accra (Grit Real Estate Income) from CADS Contract and Services of a 50% stake in an office complex known as the CADS II Building, in North Dzorwulu in Accra, Ghana		PSG Capital; Perigeum Capital; Axys Stockbroking			$36m	Mar 26
Acquisition by	Gold Fields from Asanko Gold Ghana (Asanko Gold) of a 45% stake in Asanko Gold Mine (to form a jv with AGG where each hold a 45% stake in AGM)	Taurum International; BMO Capital Markets	JPMorgan	Fasken Martineau; Webber Wentzel; McMillan LLP		$185m	Mar 29
Kenya							
Acquisition by	Mr Price from Deacons (East Africa) of the Mr Price Franchised Business in Kenya			Bowmans		undisclosed	Jan 17
Disposal by	Actis of its 79.5% stake in Mentor Management to Turner & Townsend	I&M Burbridge Capital				undisclosed	Feb 6
Acquisition by	BitPesa of TransferZero					undisclosed	Feb 8
Acquisition by	Ascent Rift Valley Fund in partnership with SFC Finance, of a majority stake in Auto Spring East Africa					undisclosed	Feb 12
Acquisition by	Seaboard Corporation of Unga Group	I&M Burbridge Capital		Bowmans		KES1,397bn	Feb 20
Acquisition by	Universal Group of a 70% stake in Ai Records					undisclosed	Mar 5
Acquisition by	Funguo Investments of a 51% stake in Feastfoods					undisclosed	Mar 7
Acquisition by	Uqalo of a stake in Big Square			Bowmans		$4m	Mar 7
Acquisition by	Stanbic Africa of an additional 59m shares (15%) of Stanbic Holdings		SBG Securities	Bowmans		KES5,605bn	Mar 15
Acquisition by	stake in Karuturi Global's Kenyan operations (plus debt)					undisclosed	Mar 19
Acquisition by	Kuramo Capital Management of a majority stake in GenAfrica Asset Managers from Centum Investment Company					undisclosed	Mar 21
Disposal by	Centum Investment Company of its remaining 25% stake in Platcorp to Suzerain Investment					undisclosed	Mar 21
Rights issue by ●	Sidian Bank					KES1,5bn	Mar 26
Acquisition by	STANLIB Fahari-i-REIT of Starling Park Properties					undisclosed	Mar 28
Lesotho							
Acquisition by	Puma Energy Africa of 100% of Total Lesotho			Cliffe Dekker Hofmeyr		undisclosed	not announced Q1
Libya							
Acquisition by	Total of Marathon Oil Libya from Marathon Oil					$450m	Mar 2
Mali							
Acquisition by	RosCan Minerals of the Kandiole-North permit from Touba Mining					C$103 000	Jan 18
Financing by ●	The Emerging Africa Infrastructure Fund, Banque Ouest Africaine de Développement, FMOBanque Nationale de Développement Agricole, GuarantCo, Green AfricaPower and Akuo Energy of the Akuo Kita Solar Power Plant					€78m	Jan 29
Acquisition by	RosCan Minerals of the Kandiole-West permit from Touba Mining					C$100 000	Mar 2
Mauritius							
Acquisition by	Ocorian of ABAX					undisclosed	Feb 6
Acquisition by	Blue Label Telecoms of a 60% stake in AV Technology					$6,4m	Feb 23
Morocco							
Disposal by	Laureate Education of Université Internationale de Casablanca to KPMT Holdings Pédagogique	Macquarie Capital; Afaya Partners		Baker McKenzie; Naciri, Allen & Overy		undisclosed	Jan 11
Acquisition by	Sanlam Emerging Markets Ireland (jv held jointly by Sanlam and Santam) from MH Elalamy and GL El Yacoubi of the remaining 53,37% stake in Saham Finances	Investec Bank	JPMorgan; Investec Bank; Deutsche Securities	ENSafrica		$1,05bn	Mar 8
Mozambique							
Acquisition by	Triton Minerals of the remaining 20% interest in Grafex					$1,5m	Feb 21
Namibia							
Acquisition by	Desert Lion Energy Corp of the Helikon Lithium Project					C$2,1m	Jan 9
Acquisition by	Walkabout Resources of up to a 75% interest in EPL5691 through a staged earn-in					A$260 000	Jan 11
Acquisition by	Weatherly International of an additional 65% stake in China Africa Resources Namibia from Hong Kong East China Non-Ferrous Mineral Resources	RFC Ambrian	RFC Ambrian			$600 000	Feb 5

● Non-ranking transaction

DEALMAKERS AFRICA Q1 2018 (excl SA)

TRANSACTION TYPE	DETAILS	INVESTMENT ADVISER	SPONSOR	ATTORNEY/ LEGAL ADVISER	REPORTING ACCOUNTANT	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
		TOMBSTONE PARTIES					
Namibia (Continued)							
Acquisition by	Eos Capital of majority stakes in Heat Exchange Products and Namibia Aqua Mechanica					undisclosed	Feb 15
Disposal by	Tower Property Fund to Oryx Properties of a 27,8% stake in Tower International	Java Capital	Java Capital	Cliffe Dekker Hofmeyr		R300m	Mar 1
Acquisition by	Montero Mining and Exploration of a 95% stake in the Uis Lithium-Tin Tailings Project from Namib Base Minerals and Namibia Silica					$1,425m	Mar 6
Acquisition by	Desert Lion Energy of Exclusive Prospecting Licence 5555 and 5718					C$360 000	Mar 13
Nigeria							
Investment by	Amaya Capital, Omidyar Network and CRE venture Capital in Rensource					$3,5m	Jan 29
Disposal by	Naspers and AB Kinnevik of Konga					undisclosed	Feb 2
Acquisition by	Old Mutual Alternative Investments (Old Mutual) of a stake in Starsight Power Utility					undisclosed	Feb 5
Share Swap	Reservoir Capital and Kainji Power (which holds a 2,1% stake in mainstream Energy Solutions). Following the deal Reservoir will own 60% of Kainji Power and Kainjui Power beneficiaries will jointly control 76,7% of Reservoir.					undisclosed	Feb 6
Acquisition by	Milost Global of a stake in Resort Savings & Loans Plc (plus $150m debt funding)	Palewater Advisory				$100m	Feb 26
Acquisition by	UFF-NAIC Agriculture Fund of a fully integrated maize and soya beans farm in Panda					undisclosed	Mar 12
Investment by	Sahel Capital in Coscharis Farms					undisclosed	Mar 21
Acquisition by	Teleology of 9mobile	Barclays Africa				$500m	Mar 22
Investment by	Tlcom Capital and other investors in Terragon					$5m	Mar 26
Investment by	Alta Semper in HealthPlus	CardinalStone Partners		Olaniwun Ajayi; Hogan Lovells International; Banwo Ighodalo		$18m	Mar 27
Disposal by	AB Kinnevik of its stake in iROKO					undisclosed	Mar 29
Senegal							
Acquisition by	Enko Education of West African College of the Atlantic in Dakar					undisclosed	Feb 23
Tanzania							
Acquisition by	Swala (PAEM) of a 40% stake in PAE PanAfrican Energy from Orca Exploration					$130m	Jan 2
Disposal by	Rift Valley Resources of the Kitongo Gold Project tenements					$550 000	Mar 13
Disposal by	Rift Valley Resources of prospecting licence PL 11016/2017					$250 000	Mar 13
Tunisia							
Acquisition by	Mediterrania Capital Partners of a stake in Groupe Scolaire René Descartes					undisclosed	Jan 11
Uganda							
Disposal by	Black Mountain Resources of the Namekara Vermiculite Mine					retirement of A$5,5m in debt	Feb 19
Acquisition by	Sanlam Emerging Markets (Sanlam) of the non-controlling interests in the Soras Group		Deutsche Securities			R207m	Mar 8
West Africa							
Acquisition by	ENGIE of Afric Power and Tieri					undisclosed	Jan 15
Zambia							
Acquisition by	Zambian Transmission (CDC Group) of Copperbelt Energy	Pangaea Securities	Pangaea Securities	Chibesakunda & Co		$380m	Jan 23
Acquisition by	Midnight Sun Mining Corp of the remaining 40% interest in Zambian High Light Mining Investment from Kam Chuen Resource					C$30m	Feb 20
Acquisition by	BQ Metals of up to 72,5% of the Pangeni Project in the Zambian Copper Belt					$4,8m	Feb 27
Acquisition by ◦	SA Corporate Real Estate of an indirect investment in Phase 3B, Zambia		Nedbank CIB			R38,5m	Feb 27
Zimbabwe							
Acquisition by	Ballasore Alloys of 70% of Zimbabwe Alloys					$90,73m	Jan 9
Acquisition by	Simbisa Brands of FoodFund	IH Advisory; Deloitte	IH Securities	Kantor Immerman	EY	initial 127,75m Simbisa shares	Feb 14
Acquisition by	Chimata Gold of 19% of Zimbabwe Lithium Company (Mauritius) which has exclusive development rights for the Kamativi Lithium Tailings Deposit, in exchange for shares totalling 19% of Chimata					share swop	Feb 14

◦ Non-ranking transaction – property