DealMakers®

Volume 25: No 1

SOUTH AFRICA'S CORPORATE FINANCE MAGAZINE

1st Quarter 2024 M&A Rankings plus all Corporate Finance Transactions

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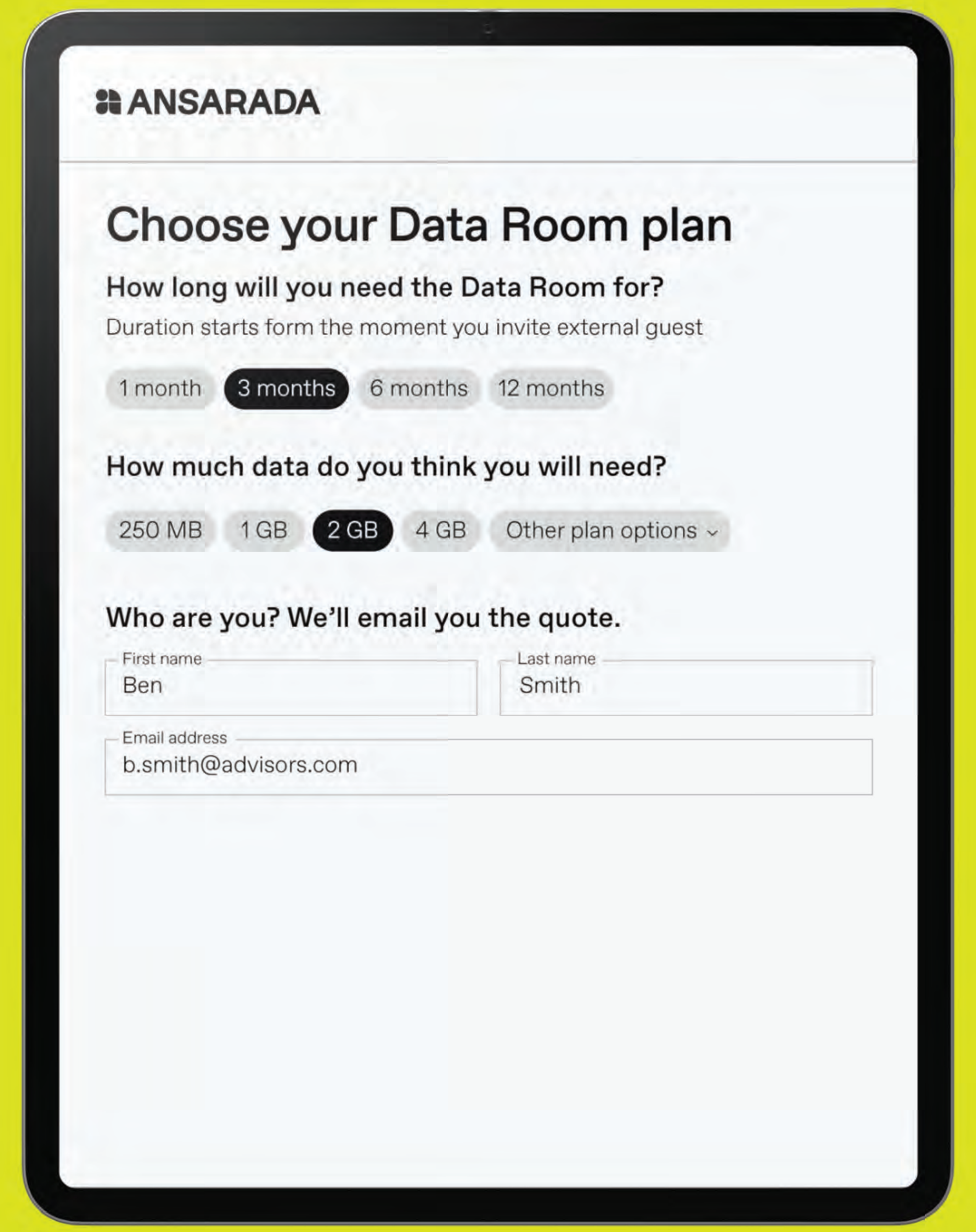

Editor's Note

At the time of going to print, South African citizens were counting down the weeks to the country's seventh and, arguably, most crucial democratic national elections. The country stands on a precipice, both politically and economically. While political fatigue is a real thing, the importance of each vote is critical if the country's trajectory is to be altered, and a return to its once-held position of economic prowess and choice as an attractive investment destination on the continent is to be achieved.

MARYLOU GREIG

On the sidelines, foreign and local capital are watching the elections carefully – it's a delicate balance between risk aversion and strategic agility. If a hoped-for stable election outcome is realised, this – combined with easing interest rates and more certainty around energy security – would be very positive for local equities, which are undervalued, relative to their potential for growth and shareholder returns. A falter in dealmaking confidence could result in missed opportunities.

M&A activity by exchange-listed companies in the first quarter of 2024 got off to a slow start with only 55 deals announced, valued at R216,3 billion. Among these were several big ticket transactions, namely the bid by Canal+ to acquire Multichoice (R35bn), Telkom's much-anticipated sale of its Swiftnet tower portfolio (6,8bn), and Sanlam's acquisition of Assupol (R6,5bn). However, the total deal value (which compares with R31,8bn in the same period in 2023) is skewed by the now failed bid by Mondi plc to acquire UK competitor, DS Smith, valued at R122,8bn.

A feature of the capital market in Q1 was the spinoff of We Buy Cars to Transaction Capital shareholders and the subsequent listing of the entity on the JSE. New listings on the exchange remain slow; not helped, in part, by the unfavourable market dynamics. For its part, the JSE intends to split its main board into two – a Prime Segment and a General Segment – as part of efforts to streamline regulations by removing some of the red tape to better suit the needs of smaller firms. Several new listings have been touted for later this year.

PowerFleet took an inward secondary listing on the bourse after its acquisition of MiX Telematics minorities in October 2023, and A2X Markets welcomed two UK-based mining companies: Neo Energy Metals as its first inward secondary listing in February, followed by Marula Mining in April.

I am pleased to report that our Deal**Makers** AFRICA Annual Awards, held for the first time in Lagos in March, were a great success, providing an opportunity to network and explore possibilities in West Africa with the region's dealmakers. The Pathfinders initiative, our fifth such event, continues to connect young professionals within the industry. Take a look at these photographs, and those of the Ansarada Deal**Makers** Annual Awards, which colour the pages within this issue. ■

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THE OVAL TABLE

Membership of the Oval Table, which is by invitation only, comprises seven of the corporate finance players and four corporate law firms; membership is held on a one-year cycle.

Representatives of the firms make up DealMakers' Editorial Advisory Board which meets half yearly.

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MERGERS & ACQUISITIONS ANALYSIS Q1 2024 (excludes unlisted M&A)

	Q1 2024			Q1 2023			Q1 2022			Q1 2021		
DEAL ACTIVITY	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**
Local Deals	47	(0)	65 406	64	(1)	30 165	80	(5)	50 890	92	(1)	80 146
Foreign Deals	8	(1)	150 913	5	(0)	1 650	14	(0)	30 925	8	(0)	5 626
	55	(1)	216 319	69	(1)	31 815	94	(5)	81 815	100	(1)	85 772

DEAL ACTIVITY (excluding failed deals)	**No.**	**Value R'm**	**No.**	**Value R'm**	**No.**	**Value R'm**	**No.**	**Value R'm**
Local Deals	47	65 406	63	29 957	75	48 377	91	80 146
Foreign Deals	7	28 067	5	1 650	14	30 924	8	5 626
	54	93 473	68	31 607	89	79 301	99	85 772

BEE AND PRIVATE EQUITY ACTIVITY Q1 2024 (includes listed and unlisted M&A)

	Q1 2024			Q1 2023			Q1 2022			Q1 2021		
BEE ACTIVITY	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**
Listed M&A	2	(0)	6 750	2	(0)	11 200	4	(0)	390	2	(0)	33 670
Unlisted M&A	2	(0)	undisclosed	4	(0)	1 000	2	(0)	undisclosed	3	(0)	undisclosed
	4	(0)	6 750	6	(0)	12 200	6	(0)	390	5	(0)	33 670

	Q1 2024			Q1 2023			Q1 2022			Q1 2021		
PE ACTIVITY	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**	**No.**	*****	**Value R'm**
Listed M&A	11	(0)	9 267	9	(0)	1 874	10	(2)	6 696	13	(0)	2 825
Unlisted M&A	10	(0)	490	15	(0)	1 959	28	(0)	60 793	26	(0)	2 677
	21	(0)	9 757	24	(0)	3 833	38	(2)	67 489	39	(0)	5 502

* No of failed deals

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BIGGEST DEALS Q1 2024

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R'M
Acquisition by ■	Mondi plc	DS Smith	£5,14bn	Mar 8	122 846
Acquisition by	Canal+ to MultiChoice minority shareholders	remaining 65% stake in MultiChoice	R35bn	Mar 5	35 052
Disposal by ■	South32 to Golden Energy and Resources pte and M Resources	Illawarra Metallurgical Coal	$1,05bn	Feb 29	20 160
Disposal by	Telkom SA SOC to Towerco Bidco a consortium of equity investors (an infrastructure fund managed by Actis and a vehicle owned by Royal Bafokeng Holdings)	Swiftnet	R6,75bn	Mar 22	6 750
Acquisition by	Sanlam Life (Sanlam) from Assupol minorities	Assupol	R6,5bn	Feb 2	6 500
Acquisition by	Mastercard from MTN	minority investment in MTN Group Fintech	$200m	Feb 6	3 760
Acquisition by ■	Anglo American from Vale SA	Serra da Serpentina orebody plus US$157,5m cash for a 15% stake in the Minas-Rio operation	$157,5m	Feb 22	2 961
Disposal by ■	Hammerson plc to Lone Star Real Estate Fund VI L.P.	Union Square shopping centre in Aberdeen, Scotland	£111m	Feb 26	2 653
Acquisition by	Sanlam Alliance Africa (jv 60:40) from Sanlam Maroc minorities	23,86% stake in Sanlam Maroc	R2,4bn	Jan 25	2 430
Acquisition by ■	Shaftesbury Capital	25-31 James Street, Covent Garden	£75,1m	Mar 11	1 802

■ Foreign Deal – not included for ranking purposes (unless local adviser's role verified)
— Failed deal – excluded for ranking purposes

BIGGEST BEE DEAL Q1 2024

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R'M
Disposal by	Telkom SA SOC to Towerco Bidco a consortium of equity investors (an infrastructure fund managed by Actis and a vehicle owned by Royal Bafokeng Holdings*)	Swiftnet	R6,75bn	Mar 22	6 750

* 30% stake by Royal Bafokeng Holdings

M&A Q1 2024 IN NUMBERS*

Sourced from DealMakers online

Of the 55 deals recorded in the first three months of 2024, SA-domiciled exchange-listed companies were involved in 9 cross border transactions

Africa	Australia	Europe	UK	US
5 deals	**1 deal**	**1 deal**	**1 deal**	**1 deal**
2 acquisitions 3 disposals	1 disposal	1 acquisition	1 acquisition	1 acquisition
• Industrial & Manunfacturing 1 • Insurance 1 • Retail 1 • Real Estate 1 • Telecomunications 1	• Financial Services 1	• Financial Services 1	• Real Estate 1	• Industrial & Manunfacturing 1

Sector analysis of deals (target)

Total Deals 55

Deals look by value category

Size of transaction	Q1 2024 No. of deals	Q1 2024 Value Rm	Q1 2023 No. of deals	Q1 2023 Value Rm	Q1 2022 No. of deals	Q1 2022 Value Rm
> R5bn	5	191 308	1	11 200	3	41 238
> R1bn	8	17 175	8	13 117	14	28 042
> R500m	5	3 764	4	2 893	8	5 472
> R200m	9	3 262	8	2 485	15	4 651
> R50m	10	728	17	1 731	19	2 159
> R20m	1	45	9	303	4	132
< R20m	5	37	10	86	18	121
Total no. of transactions	43	216 319	57	31 815	81	81 815
Total without value	12		12		13	
Grand total	55	216 319	69	31 815	94	81 815

* Includes failed deals

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	**Citigroup Global Markets**	**35 052**	**30,39%**
	Morgan Stanley	**35 052**	**30,39%**
3	Rand Merchant Bank	7 950	6,89%
4	Standard Bank	7 465	6,47%
5	Investec Bank	6 880	5,96%
6	Itai Capital	6 750	5,85%
	Rothschild & Co	6 750	5,85%
8	J.P. Morgan	6 500	5,64%
9	Java Capital	1 220	1,06%
10	Nedbank CIB	965	0,84%
11	PSG Capital	665	0,58%
12	Questco	100	0,09%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	**PSG Capital**	**4**	**20,00%**	**665**
2	Rand Merchant Bank	3	15,00%	7 950
	Standard Bank	3	15,00%	7 465
4	Investec Bank	2	10,00%	6 880
5	Citigroup Global Markets	1	5,00%	35 052
	Morgan Stanley	1	5,00%	35 052
	Itai Capital	1	5,00%	6 750
	Rothschild & Co	1	5,00%	6 750
	J.P. Morgan	1	5,00%	6 500
	Java Capital	1	5,00%	1 220
	Nedbank CIB	1	5,00%	965
	Questco	1	5,00%	100

SPONSORS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	**Rand Merchant Bank**	**38 094**	**45,40%**
2	Standard Bank	10 433	12,43%
3	Nedbank CIB	7 715	9,19%
4	Pallidus	6 500	7,75%
5	Investec Bank	4 950	5,90%
6	J.P. Morgan	3 760	4,48%
	Tamela	3 760	4,48%
8	PSG Capital	3 495	4,17%
9	Java Capital	3 074	3,66%
10	Questco	1 281	1,53%
11	Merrill Lynch	380	0,45%
12	BSM Sponsors	336	0,40%
13	One Capital	65	0,08%
14	AcaciaCap Advisors	60	0,07%
15	Exchange Sponsors	1	n/a

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	**PSG Capital**	**10**	**23,26%**	**3 495**
2	Standard Bank	5	11,63%	10 433
3	Rand Merchant Bank	4	9,30%	38 094
	Investec Bank	4	9,30%	4 950
	Questco	4	9,30%	1 281
6	Java Capital	3	6,98%	3 074
7	Nedbank CIB	2	4,65%	7 715
	Pallidus	2	4,65%	6 500
	BSM Sponsors	2	4,65%	336
	AcaciaCap Advisors	2	4,65%	60
11	J.P. Morgan	1	2,33%	3 760
	Tamela	1	2,33%	3 760
	Merrill Lynch	1	2,33%	380
	One Capital	1	2,33%	65
	Exchange Sponsors	1	2,33%	1

* Investment Advisers incorporate Financial Advisers and others claiming this category

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES (CONTINUED)

LEGAL ADVISERS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	**Webber Wentzel**	**57 673**	**24,70%**
2	Bowmans	50 492	21,63%
3	Werksmans	37 125	15,90%
4	DLA Piper South Africa	35 052	15,01%
	Herbert Smith Freehills South Africa	35 052	15,01%
6	Baker McKenzie	6 750	2,89%
7	ENS	6 641	2,84%
8	Allen & Overy (South Africa)	2 430	1,04%
9	Cliffe Dekker Hofmeyr	1 345	0,58%
10	Vani Chetty Competition Law	380	0,16%
11	Falcon & Hume	286	0,12%
12	White & Case (SA)	201	0,09%
13	Fluxmans	60	0,03%
14	Tugendhaft Wapnick Banchetti	undisclosed	n/a

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	**Webber Wentzel**	**11**	**25,00%**	**57 673**
2	Bowmans	8	18,18%	50 492
3	Werksmans	7	15,91%	37 125
4	ENS	4	9,09%	6 641
5	White & Case (SA)	3	6,82%	201
6	Baker McKenzie	2	4,55%	6 750
	Cliffe Dekker Hofmeyr	2	4,55%	1 345
8	DLA Piper South Africa	1	2,27%	35 052
	Herbert Smith Freehills South Africa	1	2,27%	35 052
	Allen & Overy (South Africa)	1	2,27%	2 430
	Vani Chetty Competition Law	1	2,27%	380
	Falcon & Hume	1	2,27%	286
	Fluxmans	1	2,27%	60
	Tugendhaft Wapnick Banchetti	1	2,27%	undisclosed

TRANSACTIONAL SUPPORT SERVICES

RANKINGS BY DEAL VALUE

No	Company	Deal Values R'm	Market Share %
1	**Standard Bank**	**35 052**	**54,85%**
2	SNG Grant Thornton	7 240	11,33%
3	PwC	6 750	10,56%
4	Oxford Partners	6 500	10,17%
5	Deloitte	3 901	6,10%
6	BDO	1 503	2,35%
7	Baker Tilly Greenwoods	965	1,51%
	EY	965	1,51%
	Valeo Capital	965	1,51%
10	Exchange Sponsors	60	0,09%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R'm
1	**Deloitte**	**3**	**20,00%**	**3 901**
	BDO	**3**	**20,00%**	**1 503**
3	SNG Grant Thornton	2	13,33%	7 240
4	Standard Bank	1	6,67%	35 052
	PwC	1	6,67%	6 750
	Oxford Partners	1	6,67%	6 500
	Baker Tilly Greenwoods	1	6,67%	965
	EY	1	6,67%	965
	Valeo Capital	1	6,67%	965
	Exchange Sponsors	1	6,67%	60


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GENERAL CORPORATE FINANCE Q1 2024

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Goldman Sachs	43 228	37,76%
	Morgan Stanley	43 228	37,76%
3	Java Capital	13 393	11,70%
4	PSG Capital	7 513	6,56%
5	Investec Bank	3 413	2,98%
6	Standard Bank	1 500	1,31%
7	Rand Merchant Bank	900	0,79%
8	Pallidus	750	0,66%
9	Nedbank CIB	224	0,20%
10	AcaciaCap Advisors	182	0,16%
11	Questco	83	0,07%
12	River Group	67	0,06%
13	Valeo Capital	7	0,01%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	PSG Capital	6	18,75%	7 513
2	Java Capital	4	12,50%	13 393
	Investec Bank	4	12,50%	3 413
4	River Group	3	9,38%	67
	Valeo Capital	3	9,38%	7
6	Goldman Sachs	2	6,25%	43 228
	Morgan Stanley	2	6,25%	43 228
	Standard Bank	2	6,25%	1 500
	Nedbank CIB	2	6,25%	224
10	Rand Merchant Bank	1	3,13%	900
	Pallidus	1	3,13%	750
	AcaciaCap Advisors	1	3,13%	182
	Questco	1	3,13%	83

SPONSORS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Investec Bank	44 882	42,94%
2	Questco	16 154	15,46%
3	Java Capital	15 941	15,25%
4	Rand Merchant Bank	9 700	9,28%
5	PSG Capital	7 868	7,53%
6	Absa CIB	3 870	3,70%
7	Tamela	2 306	2,21%
8	Standard Bank	1 460	1,40%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	PSG Capital	11	18,97%	7 868
	Investec Bank	6	10,34%	44 882
	Java Capital	6	10,34%	15 941
4	Questco	5	8,62%	16 154
	Nedbank CIB	5	8,62%	708
	Valeo Capital	5	8,62%	35
7	Merchantec Capital	3	5,17%	225
	River Group	3	5,17%	67

* Investment Advisers incorporate Financial Advisers and others claiming this category


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RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES (CONTINUED)

SPONSORS (Continued)

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
9	Pallidus	750	0,72%
10	Nedbank CIB	708	0,68%
11	Bridge Capital	228	0,22%
12	Merchantec Capital	225	0,21%
13	AcaciaCap Advisors	182	0,17%
14	One Capital	142	0,14%
15	River Group	67	0,06%
16	Valeo Capital	35	0,03%
17	Grindrod Bank	1	n/a

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
9	Rand Merchant Bank	2	3,45%	9 700
	Absa CIB	2	3,45%	3 870
	Tamela	2	3,45%	2 306
	Standard Bank	2	3,45%	1 460
	Bridge Capital	2	3,45%	228
14	Pallidus	1	1,72%	750
	AcaciaCap Advisors	1	1,72%	182
	One Capital	1	1,72%	142
	Grindrod Bank	1	1,72%	1

LEGAL ADVISERS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Webber Wentzel	54 737	72,71%
2	ENS	6 891	9,15%
	Werksmans	6 891	9,15%
4	Bowmans	3 720	4,94%
5	DLA Piper South Africa	1 322	1,76%
6	Norton Rose Fulbright South Africa	860	1,14%
7	Cliffe Dekker Hofmeyr	857	1,14%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Webber Wentzel	5	23,81%	54 737
2	ENS	4	19,05%	6 891
	Werksmans	4	19,05%	6 891
	Cliffe Dekker Hofmeyr	4	19,05%	857
5	DLA Piper South Africa	2	9,52%	1 322
6	Bowmans	1	4,76%	3 720
	Norton Rose Fulbright South Africa	1	4,76%	860

TRANSACTIONAL SUPPORT SERVICES

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R'm	Market Share %
1	Deloitte	17 659	49,39%
2	EY	11 368	31,79%
3	BDO	5 979	16,72%
4	PwC	750	2,10%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R'm
1	Deloitte	5	50,00%	17 659
2	EY	2	20,00%	11 368
	BDO	2	20,00%	5 979
4	PwC	1	10,00%	750


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GENERAL CORPORATE FINANCE ANALYSIS Q1 2021 – 2024

	Q1 2024		Q1 2023		Q1 2022		Q1 2021	
	No	Value R'm	No	Value R'm	No	Value R'm	No	Value R'm
Share Issues	14	3 396	21	212 591	19	15 930	19	7 155
Share Repurchases	28	62 986	33	109 208	23	33 219	21	18 693
Restructurings	1	129		none		none		none
Unbundlings	7	19 133	1	510	11	85 878	7	16 187
Open Market Transactions	7	38 582	4	13 205	3	3 141	8	28 488
Off Market Transactions	7	3 292	5	2 241	8	3 871	10	48 395
SA Exchange Listings	2	10 950	14	8 214	6	1 493	3	12 785
Total	66	138 468	78	345 969	70	143 532	68	131 703

BIGGEST TRANSACTIONS Q1 2024

NATURE TRANSACTION	COMPANY	DETAILS	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R'M
Open Market Disposal	British American Tobacco	436 851 457 (c.3,5% stake) in ITC	£1,5bn	Mar 13	35 700
General Repurchase	Prosus	54 089 254 shares at an average of €27,49 per share	€1,49bn	over 1st quarter	30 456
General Repurchase	Naspers	4 077 029 shares at an average of R3 130 per share	R12,7bn	over 1st quarter	12 773
General Repurchase	Anheuser-Busch InBev	8 828 561 shares at an average of €57,95 per share	€594,9m	over 1st quarter	12 197
JSE Listing (Secondary)	PowerFleet	107 923 479 shares at R99,77 per share	R10,77bn	Mar 26	10 768
Unbundling	Life Healthcare	special dividend of 600 cents per share	R8,8bn	Feb 28	8 800
Unbundling	Transaction Capital	pro rata distribution *in specie* of a 61,44% stake in We Buy Cars shares	R5,23bn	Feb 13	5 229
Specific Repurchase	Anheurser-Busch InBev	3 335 417 shares at $59,9625 per share	$200m	Mar 14	3 720
Unbundling	NEPI Rockcastle	capital repayment of 535,51893 cents per share	R2,23bn	Mar 5	2 226
Unbundling	Exxaro Resources	special dividend of R5,72 per share	R2bn	Mar 14	1 998

Company Listings Analysis 2017 - 2024*

* excludes convertible bonds, preference shares and other instruments

	Q1 2024	2023	2022	2021	2020	2019	2018	2017
JSE	1	4	5	8	5	5	12	21
A2X	1	64	18	8	8	11	10	5
CTSE	-	4	5	2	3	0	2	3
EESE	-	1	2	1	0	0	3	1
Total	2	73	30	19	16	16	27	30

Profit Warnings Sector Analysis Q1

Chemicals	1
Engineering	1
Financial Services	1
Forestry	1
Industrials	2
Insurance	1
Investment Services	1
Manufacturing	1
Media	1
Real Estate	3
Resources	14
Retail	7
Services	1
Technology	2
Telecom-munications	1
Transportation & Logistics	1

Company Delistings Analysis 2017 - 2024+

* excludes convertible bonds, preference shares and other instruments

\+ across all four SA exchanges

	2024	2023	2022	2021	2020	2019	2018	2017
Q1	2	3	12	11	4	10	8	5
Q2		10	6	4	8	5	5	5
Q3		8	6	7	4	6	5	18
Q4		6	3	4	5	5	0	5
Total		27	27	26	21	26	18	33

PACKAGE DELIVERED

RMB acted as financial adviser on the disposal of The Courier Guy, South Africa's top ecommerce courier, to Adenia Capital. This marks a successful exit for the selling shareholders.

Brunswick Deal of the Year 2023

Disposal by Life Healthcare of Alliance Medical Group to iCON Infrastructure

PLATINUM MEDAL AWARD

Life Healthcare's disposal of Alliance Medical Group took home the Brunswick Deal of the Year award. Advising on the deal were Goldman Sachs, Barclays Bank, Rand Merchant Bank, Standard Bank, Werksmans, Webber Wentzel, Deloitte and BDO.

After receiving several unsolicited proposals from third parties to acquire its European diagnostic and molecular imaging business, Life Healthcare announced its disposal of AMG just seven years after its acquisition from funds managed by M&G Investments and Talbot Hughes McKillop. The deal, valued at c.R21bn (including debt) will unlock significant value for shareholders with the company set to return c.R8,4bn to shareholders by way of a special dividend.

Local Advisers

Goldman Sachs, BARCLAYS, RMB, Standard Bank, WERKSMANS ATTORNEYS, WEBBER WENTZEL in alliance with Linklaters, Deloitte., BDO

COMMENT FROM THE INDEPENDENT PANEL:

Life Healthcare effectively managed a multi-jurisdictional process to unlock value for its shareholders, while at the same time, strengthening its balance sheet and allowing for further growth.

Other nominees for 2023 were:

Petronas' sale of its Engen stake to Vivo Energy

The local advisers to the deal were: Rothschild & Co, Standard Bank, Citigroup Global Markets, Morgan Stanley, Rand Merchant Bank, ENS, Werksmans, Webber Wentzel and EY.

Liberty Two Degrees buyout by Liberty

The local advisers to the deal were: Rand Merchant Bank, Java Capital, Standard Bank, Werksmans, Webber Wentzel and Mazars.

Catalyst Private Equity Deal of the Year 2023

Catalyst

Exit by Carlyle Group of Tessara to AgroFresh

PLATINUM MEDAL AWARD

Arie Maree (Ansarada), Jaco Smit (Tessara), Michael Avery (Catalyst), Bruce Steen (Carlyle) and DJ Schreuder (Tessara).

In 2018, Carlyle's sub-Saharan Africa Fund acquired a majority stake in Cape-based Tessara. In 2023 the private equity firm exited its investment through a competitive auction process. AgroFresh is an AgTech innovator and global leader in post-harvest produce freshness and packaging solutions; Tessara specialises in SO2 generating sheets to prevent fungal decay and are sold in over 22 countries on five continents. During its tenure, Carlyle focused on strengthening Tessara's R&D, new product innovation and on expanding the capacity of its manufacturing facilities.

COMMENT FROM THE INDEPENDENT PANEL:

The challenges of familiarising a foreign buyer with South Africa under very tight time deadlines was noted.

Other nominees for 2023 were:

RCL Foods' disposal of Vector Logistics to AP Møller

The local advisers to the deal were: Rand Merchant Bank, Baker McKenzie, White & Case (SA), Webber Wentzel and EY.

Capitalworks' exit of Robertson and Caine to Vox Ventures

The local advisers to the deal were: CMS, Werksmans, Webber Wentzel and PwC.

Local Advisers

BOWMANS THE VALUE OF KNOWING

WHITE & CASE

ENS ORIGINAL THINKING

WEBBER WENTZEL in alliance with Linklaters

EY Building a better working world

Exxaro BEE Deal of the Year 2023

Absa's eKhaya B-BBEE transaction

exxaro POWERING POSSIBILITY

Arie Maree (Ansarada), Molefi Nthoba and Jan-Hendrik du Plessis (Absa), Ling-Ling Mothapo (Exxaro), Mark Antoncich and Jason van Vuuren (Absa).

PLATINUM MEDAL AWARD

In March 2023, Absa announced the implementation of an R11,2bn Broad-Based Black Economic Empowerment deal allocating a 7% shareholding to staff and community beneficiaries. The deal is structured with a 4% evergreen Corporate Social Investment component (CSI Trust) and a 3% vesting staff element (ESOP). Staff employed by Absa's subsidiaries outside of South Africa will participate equally in a cash-equivalent staff scheme, equivalent to about 1% of the Absa Group's market capitalisation. The transaction will directly impact c.35,000 people employed by Absa and benefit a broader constituency across South Africa through the CSI Trust.

COMMENT FROM THE INDEPENDENT PANEL:

This transaction is noteworthy for its scale and likely impact on 35 000 Absa employees, primarily in South Africa, but also across the continent. The panel noted the evergreen nature of the CSI Trust and the relatively low gearing in the structure, which should allow benefits to flow to staff and beneficiaries.

Other nominees for 2023 were:

Heineken Beverages' Bokamoso transaction
The local advisers to the deal were: Rand Merchant Bank and Webber Wentzel.

Local Advisers

absa, OXFORD PARTNERS, J.P.Morgan, ENS ORIGINAL THINKING, pwc, KPMG

Business Rescue Transaction of the Year 2023

PLATINUM MEDAL AWARD

Cast Products South Africa

Cast Products South Africa (CPSA), the largest foundry group in South Africa and 85% owned by the Industrial Development Corporation of South Africa (IDC), was placed in voluntary business rescue by its board in December 2021. In the four years until it was placed in business rescue, the company lost c.R1,7m, excluding the losses that accumulated after the IDC acquired Scaw Metals from Anglo American in 2010 as a result of pressure from escalating input costs, particularly electricity and scrap metal. The restructuring and restoration of solvency has been finalised, and the BRP's are presently in the process of restructuring the Board and appointing a strategic management team to take the business forward. R1bn of liability has been restructured, the manufacturing capacity for South Africa has been retained, and corresponding jobs preserved under circumstances where the manufacturing industry is facing challenging economic times.

Arie Maree (Ansarada), Johan du Toit (Engaged Business Turnaround), Refilwe Ndlovu (Chrisyd Advisory Services) and Marylou Greig (DealMakers).

COMMENT FROM THE INDEPENDENT PANEL:

The panel noted that Cast Products must comply with the PFMA, increasing the complexity of a business rescue process which also spanned multiple jurisdictions. The BRP process was large in terms of scale, saving a heavy manufacturing business important for South Africa.

Other nominees for 2023 were:

DewCrisp Western Cape
The local advisers to the deal were: Engaged Business Turnaround and Werksmans.

Local Advisers

Engaged Business Turnaround
CHRISYD ADVISORY SERVICES
ORIGINAL THINKING

Ince Individual DealMaker of the Year 2023

Ferdi Vorster (Rand Merchant Bank)

Ferdi Voster (RMB) took home the coveted Ince DealMaker of the Year Award. Arie Maree (Ansarada), Ferdi Voster and Laban Nyachikanda (Ince).

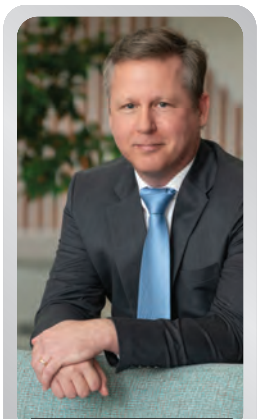
PLATINUM MEDAL AWARD

A member of the Rand Merchant Bank team, Ferdi advised Vivo Energy and Vitol on the acquisition of Engen from Petronas. He led the acquisition by Pick n Pay of Tomis and was involved as part of the RMB deal team that advised Life Healthcare on the sale of Alliance Medical, the buyout and delisting of Liberty Two Degrees, and RCL Foods' sale of Vector Logistics to A.P. Møller Capital. Ferdi also worked on the sale of a 68.3% stake in Tanzanian-listed Tanga Cement by AfriSam to German multinational, Heidelberg Cement, first announced in 2021 – a deal that has taken numerous twists and turns over a few years, in terms of regulatory approvals.

COMMENT FROM THE INDEPENDENT PANEL:

Ferdi has been a prodigious dealmaker over many years, and in 2023, either led or was actively involved in a number of transactions short-listed for Deal of the Year or PE Deal of the Year.

Other nominees for 2023 were:



Colin du Toit (Webber Wentzel)

Gareth Armstrong (Rand Merchant Bank)

Giles Douglas (Rothschild & Co)

Ryan Wessels (Bowmans)

DealMakers®

Mergers & Acquisitions

2023

ANSARADA
Headline Sponsor

ince
Individual DealMaker of the Year

BRUNSWICK
Deal of the Year

exxaro
POWERING POSSIBILITY
BEE Deal of the Year

A2X
Top Sponsors by Deal Value and Deal Flow

wtw
Top Legal Advisers by Deal Value and Deal Flow

CEDERBERG
Wine Sponsor

SANDTON CONVENTION CENTRE
Johannesburg | South Africa
Venue Sponsor

Listed M&A 2023

Investment Advisers by Deal Value

PLATINUM MEDAL AWARD

Platinum Medal Award for 1st place

1st by Deal Value - Rand Merchant Bank


Rand Merchant Bank

2nd by Deal Value - Standard Bank


Standard Bank

3rd by Deal Value - Goldman Sachs


Goldman Sachs

4th by Deal Value - Investec Bank


Investec Bank

Investment Advisers by Deal Flow

PLATINUM MEDAL AWARD

Platinum Medal Award for 1st place

1st by Deal Flow - Java Capital

Java Capital

2nd by Deal Flow - tie Nedbank CIB | Standard Bank

Standard Bank

Nedbank CIB

4th by Deal Flow - tie Investec Bank | Rand Merchant Bank

Rand Merchant Bank

Investec Bank

Sponsors by Deal Value

Sponsored by A2X

1st by Deal Value - Absa CIB

Absa CIB

2nd by Deal Value - PSG Capital

PSG Capital

3rd by Deal Value - Investec Bank

Investec Bank

4th by Deal Value - J.P. Morgan

J.P. Morgan

Sponsors by Deal Flow

Sponsored by A2X

1st by Deal Flow - Nedbank CIB


Nedbank CIB

2nd by Deal Flow- Java Capital


Java Capital

3rd by Deal Flow - Investec Bank


Investec Bank

4th by Deal Flow - PSG Capital


PSG Capital

Legal Advisers by Deal Value

Sponsored by wtw

1st by Deal Value - Bowmans

Bowmans

2nd by Deal Value - Webber Wentzel

Webber Wentzel

3rd by Deal Value - ENS

ENS

4th by Deal Value - Werksmans

Werksmans

Legal Advisers by Deal Flow

Sponsored by wtw

1st by Deal Flow - Cliffe Dekker Hofmeyr

Cliffe Dekker Hofmeyr

2nd by Deal Flow - ENS

ENS

3rd by Deal Flow - Webber Wentzel

Webber Wentzel

4th by Deal Flow - White & Case

White & Case

Transactional Support Services by Deal Value

1st by Deal Value - Deloitte

Deloitte

2nd by Deal Value - BDO

BDO

3rd by Deal Value - PwC

PwC

4th by Deal Value - EY

EY

Transactional Support Services by Deal Flow

1st by Deal Flow - Deloitte

Deloitte

BDO

2nd by Deal Flow - tie BDO | EY

EY

4th by Deal Flow - PwC

PwC

Black Economic Empowerment 2023

Legal Advisers by Deal Value and Deal Flow

1st by Deal Value and Flow - ENS

ENS

Unlisted M&A 2023

Legal Advisers by Deal Value and Deal Flow

1st by Deal Value and Flow - Webber Wentzel

Webber Wentzel

Special Recognition Award 2023

African Parks

Rewilding of rhino from the Platinum Rhino Conservation Enterprise

Every now and then DealMakers will announce a SPECIAL RECOGNITION award for a deal or a company that it feels warrants recognition for any multitude of reasons. In 2023 there was one such deal. The Independent Panel singled out this transaction for its importance for our wildlife. While not qualifying for Deal of the Year, they believed that its impact, in terms of protecting the white rhino species, is commendable and worthy of special recognition. In early 2023, African Parks announced that it would acquire the captive rhino breeding operation known as the Platinum Rhino Conservation Enterprise (previously Buffalo Dream Ranch) from John Hume, a South African conservationist, and would relocate and rewild over 2,000 captive-bred Southern white rhinos. The team at African Parks, headed by CEO and co-founder, Peter Fearnhead, were away doing what they do best - saving our wildlife - so were unable to attend the event. Their legal representatives on the deal, CMS-RM Partners, accepted the award on their behalf.

DealMakers ANNUAL AWARDS

AFRICA

LAGOS | NIGERIA

15 MARCH **2024**

Take a look at all the results and photos on the website at

www.dealmakersafrica.com/2023-dma-awards-march-2024

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SPECIAL AWARD

PSG CAPITAL

AFRICA OVAL TABLE

Standard Bank

Also trading as Stanbic Bank

STRATEGIC PARTNER

TSM NETWORK

CONSULTING & EVENTS

General Corporate Finance 2023

Investment Advisers by Transaction Value

1st by Transaction Value - Rand Merchant Bank

Rand Merchant Bank

2nd by Transaction Value - Morgan Stanley

Morgan Stanley

3rd by Transaction Value - Goldman Sachs

Goldman Sachs

Investment Advisers by Transaction Flow

PSG Capital

1st by Transaction Flow - tie Investec Bank | 0PSG Capital

Investec Bank

Morgan Stanley

3rd by Transaction Flow - tie Morgan Stanley | Java Capital

Java Capital

Sponsors by Transaction Value

1st by Transaction Value - Investec Bank

Investec Bank

2nd by Transaction Value - Rand Merchant Bank

Rand Merchant Bank

3rd by Transaction Value - J.P. Morgan

J.P. Morgan

Sponsors by Transaction Flow

1st by Transaction Flow - PSG Capital

PSG Capital

2nd by Transaction Flow - Investec Bank

Investec Bank

3rd by Transaction Flow - Java Capital

Java Capital

Legal Advisers by Transaction Value

1st by Transaction Value - Webber Wentzel

Webber Wentzel

2nd by Transaction Value - Cliffe Dekker Hofmeyr

Cliffe Dekker Hofmeyr

3rd by Transaction Value - ENS

ENS

Legal Advisers by Transaction Flow

1st by Transaction Flow - Webber Wentzel

Webber Wentzel

2nd by Transaction Flow - ENS

ENS

3rd by Transaction Flow - White & Case (SA)

White & Case (SA)

Transactional Support Services by Transaction Value

1st by Transaction Value - EY

EY

2nd by Transaction Value - PwC

PwC

3rd by Transaction Value - KPMG

KPMG

Transactional Support Services by Transaction Flow

1st by Transaction Flow - PwC

PwC

2nd by Transaction Flow - BDO

BDO

3rd by Transaction Flow - 7 firms tied


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Deal of the Year
Alliance Medical Group
2023
DealMakers of the Year
Deal Value
Rand Merchant Bank
2023
DealMakers of the Year
Deal Flow
Java Capital
2023
Individual DealMaker of the Year
Ferdi Vorster
2023
BEE Deal of the Year
Absa eKhaya
2023
Private Equity Deal of the Year
Carlyle/ Tessara
2023
Business Rescue Transaction of the Year
Cast Products South Africa
2023


DealMakers
ANSARADA
BRUNSWICK
A2X
Top Sponsor by Deal Flow
Catalyst
PRIVATE EQUITY
Deal of the Year

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/ LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Disposal by ■	Stromesa Court LLC (Marshall Monteagle plc) to Birtcher Anderson & Davis	7949 Stromesa Court Industrial Park in San Diego, California	Foreign - US	Industrial Suppliers	Foreign - US		Questco		SNG Grant Thornton; Grant Throntron (Guernsey)	$26,5m	Jan 2
Acquisiton by	Efora Energy from Force Fuel Properties and Force Fuel (in liquidation) (Labat Africa)	34 Flamink Road, Alrode Extension 5 in Alberton, Gauteng (including moveable assets)	Integrated Oil & Gas	Venture Capital	not listed	PSG Capital	PSG Capital			R3,8m	Jan 11
Acquisiton by	Sea Harvest Pelagic and Sea Harvest Aquaculture (Sea Harvest) from Terrasan Beleggings (Terrasan Group)	100% of Saldanha Foods and a 63,07% stake in Aqunion	Farming Fishing Ranching & Plantations	not listed	not listed	Standard Bank; Nedbank CIB	Standard Bank; Nedbank CIB	Webber Wentzel; Cliffe Dekker Hofmeyr	EY; Valeo Capital; Baker Tilly Greenwoods; BDO	R964,8m	Jan 22
Acquisition by	SPE Mid-Market Fund 1 Partnership (Sanlam and ARC Financial Services Investments [ARC]) from M Lawlor and the Lawlor Family Trust	Mayfair Gearbox Holdings	Life Insurance; Closed End Investments	not listed	not listed			ENS		undisclosed	Jan 22
Acquisiton by	Westcon-Comstor (Datatec)	Rebura	Computer Services	Foreign - UK	Foreign - UK		Pallidus			undisclosed	Jan 22
Acquisition by	Dis-Chem Distribution (Dis-Chem Pharmacies) from The Directors Adventures Trust	Columbia Falls Properties 7	Drug Retailers	not listed	not listed		Standard Bank		BDO	R478,59m	Jan 25
Acquisition by	Sanlam Alliance Africa (jv 60:40) from Sanlam Maroc minorities	23,86% stake in Sanlam Maroc	Life Insurance	Foreign - Morocco	Foreign - Morocco	CFG Finance	Standard Bank	Allen & Overy (South Africa); Webber Wentzel		R2,4bn	Jan 25
Disposal by	Ethos Fund VI (EPE Capital Partners) [Rohatyn Group] to Ellis South Africa (S&S Ellis managed by Sango Capital)	Neopak	Foreign – Mauritius	Closed End Investments	not listed			Baker McKenzie; Webber Wentzel		not publicly disclosed	Jan 26
Acquisition by	Standsrivier Vallei (York Timber) from Sappi Property (Sappi)	the Pine-valley Farms	Forestry	Paper	not listed		One Capital			R65,4m	Jan 29
Disposal by	Argent Industrial Investments (Argent Industrial) to Amnem Investments	13 Jack Pienaar Street, South Germiston	not listed	Industrial Suppliers	not listed		PSG Capital			R45,4m	Jan 30
Acquisition by	Sanlam Life (Sanlam) from Assupol minorities	Assupol	Life Insurance	not listed	Life Insurance	J.P. Morgan (SA); Standard Bank; Investec Bank	Standard Bank; Pallidus	Bowmans; Webber Wentzel; ENS	Oxford Partners	R6,5bn	Feb 2
Joint Venture	Standard Bank, Stanlib and Scatec	Lyra Energy	Banks; Foreign - Norway		not listed	Standard Bank		Bowmans		undisclosed	Feb 2
Acquisition by	Goldway Capital Investment (Senosi Group Investment, Dendocept and certain other shareholders) from MC Mining minorities	remaining 35,7% stake in MC Mining	Foreign - Australia	not listed	Coal	Adelaide Equity Advisors	BSM Sponsors	Falcon & Hume; Webber Wentzel; K&L Gates	BDO Corporate Finance (WA); SRK Consulting (Australasia)	R285,5m	Feb 2
Acquisition by	Mastercard from MTN	minority investment in MTN Group Fintech	Foreign - US	Telecommunications Services	not listed		Tamela; J.P. Morgan (SA)	Webber Wentzel	Deloitte	$200m	Feb 6
Acquisition by ■	Lesaka Technologies from Heineken International	Touchsides	Transaction Processing Services	Foreign - Netherlands	not listed	Rand Merchant Bank	Rand Merchant Bank	Werksmans; Webber Wentzel		undisclosed	Feb 6
Acquisition by	Sable Platinum (Sable Exploration and Mining) from IPace (Ironveld Mining and Pace SA jv)	2,5% of the unincorporated joint venture (Dense Medium Separation beneficiation plant)	General Mining	not listed	not listed		Exchange Sponsors			R1m	Feb 6
Acquisition by	Sirius Real Estate	two business parks, one in Köln and one in Göppingen, Germany	Real Estate Holding & Development	Foreign - Germany	Foreign - Germany		PSG Capital			€39,8m	Feb 12
Disposal by	EOH	Coastal and Environmental Services and Exigo Sustainability	not listed	Computer Services	not listed					R14m	Feb 12
Disposal by	Sabvest Capital to Turpaz Industries	16,57% stake in Sunspray Food Ingredients	Foreign - Belgium	Asset Managers and Custodians	not listed		Rand Merchant Bank	Werksmans		R80,6m	Feb 14

* Investment Advisers include Financial Advisers and others claiming this category

■ Foreign Deal – not included for ranking purposes (unless local adviser's role verified)

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING			TOMBSTONE PARTIES				ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			ACQUIRER	SELLER	ASSET	INVESTMENT ADVISER*	SPONSOR	ATTORNEY/ LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Disposal by	Transaction Capital to Stockdale and Ellvest	7 864 930 (2% stake) in WeBuyCars	not listed	Consumer Lending	not listed	PSG Capital	PSG Capital	ENS; Werksmans; Goodwin	Deloitte	R140,7m	Feb 16
Acquisition by	SPE Mid-Market Fund 1 Partnership (Sanlam and ARC Financial Services Investments [ARC]) from S Bacher	S Bacher and Company	Life Insurance; Closed End Investments	not listed	not listed			Tugendhaft Wapnick Banchetti; ENS		undisclosed	Feb 19
Acquisition by ■	Anglo American from Vale SA	Serra da Serpentina orebody plus US$157,5m cash for a 15% stake in the Minas-Rio operation	General Mining	Foreign - Brazil	Foreign - Brazil		Rand Merchant Bank			$157,5m	Feb 22
Disposal by ■	Hammerson plc to Lone Star Real Estate Fund VI L.P.	Union Square shopping centre in Aberdeen, Scotland	Foreign - US	Retail REITs	Foreign - Scotland		Investec Bank			£111m	Feb 26
Acquisition by	Sirius Real Estate	a business park in Klipphausen near Dresden in Germany	Real Estate Holding & Development	Foreign - Germany	Foreign - Germany		PSG Capital			€13,75m	Feb 29
Disposal by ■	South32 to Golden Energy and Resources Pte and M Resources	Illawarra Metallurgical Coal	Foreign - Australia	General Mining	Foreign - Australia	BofA Securities		Herbert Smith Freehills		$1,05bn	Feb 29
Disposal by	Pepkor from Capitalworks Private Equity and TBCo management	The Building Company (BUCO)	not listed	Diversified Retailers	Foreign - Nigeria	Rand Merchant Bank	Investec Bank	Werksmans; Bowmans; Webber Wentzel		R1,2bn	Feb 29
Acquisition by	Hulamin Operations (Hulamin) from Bingelela Capital	remaining stake in Isizinda Aluminium	Aluminium	not listed	not listed					undisclosed	Mar 4
Acquisition by	Canal+ from MultiChoice minority shareholders	remaining 65% stake in MultiChoice	Foreign - France	not listed	Cable Television Services	Citigroup Global Markets (SA); Morgan Stanley (SA); JPMorgan Chase & Co; Bank of America Corp	Rand Merchant Bank	Webber Wentzel; DLA Piper South Africa; Herbert Smith Freehills South Africa; Werksmans; Bowmans; Bryan Cave Leighton Paisner	Standard Bank	R35bn	Mar 5
Acquisition by	Lighthouse Spanish Properties (Lighthouse Properties) from CBRE H20 Rivas Holding	Centro Comercial H20 and vacant plot of land in Rivas-Vaciamadrid, Spain	Real Estate Holding & Development; Retail REITs	Foreign - Spain	Foreign - Spain	Java Capital	Java Capital			€59,5m	Mar 7
Acquisition by ■	Mondi plc	DS Smith	Containers & Packaging	Foreign - UK	Foreign - UK	Rothschild & Co (Int); UBS (Int); Goldman Sachs International; Citigroup Global Markets (Int); J.P. Morgan Cazenove		Linklaters LLP; Slaughter and May		£5,14bn	Mar 8
Acquisition by ■	Shaftesbury Capital	25-31 James Street, Covent Garden	Diversified REITs	Foreign - UK	Foreign - UK		Java Capital			£75,1m	Mar 11
Acquisition by	Astoria Investments from RECM Worldwide Opportunities Prescient QI Hedge Fund (Prescient Management Company)	388 762 Leatt Corporation shares (6,25% stake)	AltX - Open End and Miscellaneous Investment Vehicles	Foreign - US	Foreign - US	Questco	Questco			$5,32m	Mar 12
Acquisition by	Capitec Bank	a further 57,03% stake in Avafin Holdings	Banks	Foreign - Poland	Foreign - Poland		PSG Capital	Bowmans		€26,3m	Mar 12
Disposal by	Investec Property (Investec) to Burstone and Flanagan and Gerard Frontiers	The Neighbourhood Square (50% stake each)	Diversified REITs; not listed	Banks	not listed	Investec Bank	Investec Bank; Merrill Lynch (SA)	Cliffe Dekker Hofmeyr; Vani Chetty Competition Law		R380m	Mar 13
Acquisition by	Caxton and CTP Publishers and Printers from Cognition minorities	remaining 24,48% stake in Cognition	Publishing	not listed	Computer Services		AcaciaCap Advisors	Fluxmans	Exchange Sponsors; BDO	R60m	Mar 14
Acquisition by	Standard Bank	stake in Planet42	Banks	not listed	not listed					R50m	Mar 14
Acquisition by	Shoprite Checkers from Resilient	remaining 60,94% stake in Resilient Africa (holding three retail malls in Nigeria)	Food Retailers & Wholesalers	Retail REITs	Foreign - Nigeria					R 1	Mar 15

* Investment Advisers include Financial Advisers and others claiming this category
■ Foreign Deal - not included for ranking purposes (unless local adviser's role verified)
═ Failed deal - excluded for ranking purposes

NATURE OF DEAL	PARTIES	ASSET	JSE LISTING: ACQUIRER	JSE LISTING: SELLER	JSE LISTING: ASSET	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: ATTORNEY/ LEGAL ADVISER	TOMBSTONE PARTIES: TRANSACTIONAL SUPPORT SERVICES	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Disposal by	Nutun Investments International (Transaction Capital) to Dove Bidco (Allegro Funds)	Nutun Australia	Foreign - Australia	Consumer Lending	Foreign - Australia		Investec Bank			A$58,3m	Mar 22
Acquisition by	Telemedia (Rex Trueform Group) from Telelet (Bretherick Family Trust)	Telelet Properties	Apparel Retailers	not listed	not listed		Java Capital			R51,5m	Mar 22
Disposal by	Telkom SA SOC to Towerco Bidco a consortium of equity investors (an infrastructure fund managed by Actis and a vehicle owned by Royal Bafokeng Holdings)	Swiftnet	not listed	Telecommunications Services	not listed	Rothschild & Co (SA); Rand Merchant Bank; Itai Capital FTI Capital Advisors (DIFC)	Nedbank CIB	Bowmans; Webber Wentzel; Baker McKenzie	PwC; SNG Grant Thornton	R6,75bn	Mar 22
Acquisition by	CA Sales Investments (CA Sales) from Mass Market Distribution	49% stake in Roots Sales	Diversified Retailers	not listed	not listed	PSG Capital	PSG Capital; Imara Capital Sercurities			R70m	Mar 25
Acquisition by	African Infrastructure Investment Managers (Old Mutual) from Actis	investment in Octotel and RSAweb	Life Insurance	Foreign - UK	not listed	Red Wind Capital		Webber Wentzel; Bowmans	Deloitte	undisclosed	Mar 25
Disposal by	Nampak to a consortium (RMB Corvest [FirstRand] and Dlondlobala Capital)	the liquid cartons business in South Africa, Nampak Zambia and Nampak Malawi	Banks; not listed	Containers & Packaging	not listed; Foreign - Malawi; Foreign - Zambia	PSG Capital	PSG Capital	Bowmans; Werksmans		R450m	Mar 26
Acquisition by	Sirius Real Estate	Vantage Point Business Village, a multi-let business park in Gloucestershire, UK	Real Estate Holding & Development	Foreign - UK	Foreign - UK		PSG Capital			£48,25m	Mar 27
Disposal by	Accelerate Property Fund to Cadastral Assets (T Sammons, M Hunt and H Jackson)	Cherry Lane Shopping Centre at 471 Fehrson Street, Pretoria	not listed	Retail REITs	not listed		Standard Bank			R60m	Mar 27
Acquisition by	Telemedia (Rex Trueform Group)	35% stake in Interactive Television Africa	Apparel Retailers	not listed	not listed					R18m	Mar 27
Disposal by	MTN to Telecel	operations in Guinea-Bissau and Guinea Conakry	Foreign - UK	Telecommunications Services	Foreign - Guinea-Bissau; Foreign - Guinea-Conakry					undisclosed	Mar 28
Disposal by ■	Deutsche Konsum REIT-AG	sub-portfolio of 14 retail properties	Foreign - Germany	Retail REITs	Foreign - Germany		PSG Capital			undisclosed	Mar 28
Disposal by †	TeleMasters to Sebenza Education and Empowerment Trust	30% stake in Catalytic Connections	not listed	AltX - Telecommunications Services	not listed		AcaciaCap Advisors			undisclosed	Mar 28
Disposal by	Cape Pointset Property Investments (Emira Property Fund) to New Order Investments 90	Makro Crown Mines	not listed	Diversified REITs	not listed		Questco			R337,5m	Mar 28
Disposal by	Cape Pointset Property Investments (Emira Property Fund) to Lynx Real Estate Developments	Market Square, Beacon Way, Plettenberg Bay	not listed	Diversified REITs	not listed		Questco			R354m	Mar 28
Disposal by	RMB Holdings to Divercity Urban Property Group	7,15% stake in Divercity Property Group	not listed	Diversified Financial Services	not listed		BSM Sponsors			R50m	Mar 28
Disposal by	Shoprite Checkers to FPG Holdings	property known as the Drakenstein Centre, corner Drakenstein and Wemmershoek Roads, Paarl	not listed	Food Retailers & Wholesalers	not listed			White & Case (SA); Werksmans		R201,4m	not announced
Disposal by	Sports Gaming Africa (Tsogo Sun)	Bet Gauteng	not listed	Casinos and Gambling	not listed			White & Case (SA)		undisclosed	not announced
Acquisition by	Shooters and Upstairs (Tsogo Sun) from EENL Fourie Transport CC	remaining 49% stake in Shooters and Upstairs	Casinos and Gambling	not listed	not listed			White & Case (SA)		undisclosed	not announced

* Investment Advisers include Financial Advisers and others claiming this category
■ Foreign Deal - not included for ranking purposes (unless local adviser's role verified)
† BEE deal

DEALMAKERS LEAGUE TABLE CRITERIA

1 – INCLUSION CRITERIA

1.1 A merger or acquisition results in new parties acquiring exposure to new revenue/earnings streams or an exposure to new growth opportunities that they did not have prior to the conclusion of the transaction in question. The economic substance of the entity shareholders are exposed to must change.

General Corporate Finance covers transactions where this is not the case, regardless of the mechanism used to implement the transaction. If there is no agreement concluded with a third party that achieves new economic exposure for the entity in question then the transaction falls under General Corporate Finance.

1.2 For a deal to qualify for ranking:
- at least one entity involved (buyer, seller or target) must be listed on one of SA's stock exchanges (JSE, A2X, 4AX or EESE); or
- the entity is a subsidiary (50% + 1 share) held by a South African Exchange listed firm; or
- if the entity is an associate (less than 50% + 1 share) and triggers an announcement on SENS by the listed company, then the transaction will be considered for inclusion in the ranking tables under the listed entities name.

1.3 For deals to be included in the database and used for ranking purposes, the following information must be provided for each submission:
- the name of the target and at least one party to the transaction.
- deal description.
- advisory role and client name.
- date of announcement.
- deal value. If this is not publicly disclosed, the value may be submitted confidentially and used for ranking purposes only; otherwise the deal will count only towards deal flow.

1.4 (i) Deals and transactions which are classified as affected transactions where the Takeover Regulations apply will be captured only when:
- a firm intention or other regulatory announcement has been issued accompanied by;
- a price; and
- a timetable or financial effects.

(ii) Any other deals and transactions submitted by advisory firms which are not classified as an affected transaction or where the Takeover Regulations do not apply will be captured only when submitted with proof of:
- the transaction i.e. front page of the contract;
- role undertaken; and
- price.

1.5 The acquisition and disposal of properties by SA Exchange listed property companies will be included for ranking purposes if:
- a category 2 announcement is issued and one side has an external financial adviser. Where large listed property companies use their own internal counsel, deals will be assessed on a case by case basis; or
- if below R200m, the deal will only be included if there is an external financial adviser to one party.
- If several transactions are announced simultaneously, these will be recorded separately (it is necessary to set this out because of complaints regarding the occasional multiplicity of property deals announced simultaneously but involving different principals). However, in the case of the acquisition of a property portfolio from a single vendor, the transaction will be recorded as a single deal unless adequate proof is provided demonstrating that the major shareholders of portions of the portfolio differ significantly one from the other.

1.6 Private equity deals will be considered as an M&A transaction if:
- the private equity entity is listed; or
- the target or stake acquired is a South African Exchange listed company; or
- the private equity entity is a subsidiary of a South African Exchange listed company and the deal is transacted 'on balance sheet' (proof of this must be provided). In addition, there must be external advisers to both parties. Where an in-house adviser is used, this adviser must provide a confirmatory letter from the other party.

1.7 Deals that are subsequently cancelled, withdrawn or which are deemed to have failed will not be included for ranking purposes. They will be recorded, nevertheless, for record purposes.
- An exception to this rule is where deals fail as a result of successfully conducted hostile defences. A hostile takeover is defined as one launched against the wishes of management and directors. Credit will be applied only to those acting on behalf of a successful defence.

1.8 Foreign deals defined by Deal**Makers** as deals between principals domiciled outside South Africa, but a least one has a dual listing in South Africa, will only qualify for ranking purposes if:
- SA subsidiaries of the contracting parties played a critical role in the deal process; or
- SA service providers can demonstrate the extent to which they played a role in the deal process.
- For any deal to be included for ranking purposes, the deal must have been initiated, managed and/or implemented by the SA service provider/providers. Where the deal is between internationally domiciled and/or listed companies, the deal will only qualify if the SA service provider, or the SA branch/arm of an international service provider, was the prime mover, manager or implementer of the transaction. Proof of the SA service provider's role (or the role of the SA branch of an internationally based service provider) will depend significantly on the allocation of fees earned in respect of such an international deal and Deal**Makers** may request appropriate verification before agreeing to the deal's inclusion for ranking purposes.

1.9 Deals transacted in Africa by SA Exchange listed companies will also be captured in the Deal**Makers** AFRICA and **Catalyst** magazine tables.

2 – EXCLUSION CRITERIA

2.1 Options will not be included until such time as these are exercised. No exceptions to this rule will be permitted.

2.2 Deals and transactions executed in the normal course of business (other than investment holding companies, permanent capital vehicles whose primary objective is to acquire businesses, SPACs and the like):
- Subject to the inclusion criteria, activity undertaken by companies in the normal course of their business will not be recognised by Deal**Makers** for inclusion in the ranking tables. If a dispute as to the interpretation of "normal course of business" arises, this will be dealt with in terms of adjudication.

2.3 Announcements made in respect of section 122(3)(b) of the Companies Act are deemed by Deal**Makers** as normal course of business and not included.

2.4 The sale by banks and financial institutions of stakes in property which have been developed and on sold will not be classified as an M&A transaction.

2.5 Foreign deals defined by Deal**Makers** as deals between principals domiciled outside South Africa will not qualify for rankings unless certain criteria are met (see inclusion criteria). In the case of property deals, the minimum value of R200m applies.

2.6 Deals announced in a listing document prior to a company's listing will be included only in the unlisted tables.

DEALMAKERS LEAGUE TABLE CRITERIA (continued)

3 – TREATMENT OF DEAL/ TRANSACTION VALUE

3.1 All deals and transactions (transactions is the word applied by DealMakers to General Corporate Finance activity) are dated for record purposes on the first announcement date (except for listings, for which the record date is the date of the actual listing). Refer to inclusion criteria 1.4 and 3.4 below.

3.2 Only equity value will be used and not the enterprise value. Deal**Makers** does not include debt.

3.3 Where discrepancies occur in the deal values claimed, Deal**Makers** reserves the right to challenge these, if necessary, by requesting clarity from the clients where this is appropriate.

3.4 Changes in the value at which deals are transacted will be adjusted when the annual rankings are computed.

3.5 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.

3.6 Only the value of the SA exchange listed partner's stake in a joint venture will be captured and credited to advisory parties.

3.7 The value of unbundlings will be treated as follows:
- if the asset being unbundled is listed then the market value will be used.
- if the asset(s) is unlisted then the value will only be applied when listed or when details are made available by way of a public announcement.
- if not to be listed then value must be provided by the client.

3.8 Earn-outs or future additional payments based on the ability of the asset acquired to achieve certain financial targets are not included. Should targets be met, the value will be added to the original transaction on date first captured.

3.9 No value will be credited to the listing of companies on a secondary SA exchange if already listed on the JSE and vice versa.

4 – ADVISER CREDITS

4.1 Credit for ranking purposes is recorded for roles performed in respect of:
- Investment advisers
- Sponsors
- Legal advisers
- Transactional Support Services (includes due diligence, independent expert and other financial and bespoke legal advice as well as reporting accountant work)
- PR

4.2 So as to achieve fairness, rankings are recorded in two fields:
- Deal Value
- Deal Flow (activity, or the number of deals)

4.3 Advisers that seek credit for involvement in such deals must be able to demonstrate unequivocally their involvement:
- by the appearance of the adviser name and/or logo on the announcement.
- advisers 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/roles. This may be in the form of a copy of the mandate, an email or letter.
- the same will apply to PR firms but credit will not be awarded on the basis of annual retainers but rather on the specific mandate.

4.4. The role of sponsor will be awarded only to specifically announced deals and transactions. Those deals announced in company results will not automatically be credited. The onus will be on the sponsor firm to provide proof of work carried out on the deal claimed. In addition, where a transactional sponsor is named in addition to the company sponsor, only the transactional sponsor will be given credit unless involvement of both parties can be demonstrated.

4.5 Where internationally-based service providers are acknowledged as having worked on a particular deal, it is a requirement that they produce acceptable evidence that a significant portion of the work involved was conducted by their South African office. Failure to provide this in the form, for example, of a letter or email from a client will result in Deal**Makers** not crediting that particular deal to that service provider.

4.6 Where advisers make use of other advisers (secondary advisers), and provided the work undertaken can be verified, secondary advisers will only be credited for ranking purposes to Legal Advisers working on capital markets transactions.

4.7 Advisers on the provision of debt are not included.

4.8 The full value of each deal is credited to each advisory firm providing a service in respect of that deal. However, if a deal involves more than one listed SA Exchange company, the transaction will be split so as to reflect each listed company's stake. Advisers will be credited accordingly.

4.9 Where an advisory firm is advising a member of a consortium, the full value of the deal will be credited – the value will not be pro-rated to the size of the stake of the party advised.

4.10 Where advisers act on both sides of any deal, the deal will be brought to account <u>only once</u>.

4.11 When there is a merger between two service providers, the merged entity may elect to include, as part of the annual rankings, one or the other party's transactions prior to the merger (but not both).

5 – GUIDELINES

5.1 Submissions for the quarter are due by the end of the first week in the following quarter.

5.2 For deals to be included in the database and used for ranking purposes, the following information <u>must</u> be provided for each submission:
- the name of the target and at least one party to the transaction; and
- deal description; and
- advisory role and client name; and
- date of announcement; and
- deal value. If this is not publicly disclosed, the value may be submitted confidentially and will be used for ranking purposes only.

5.3 All deals and transactions are checked by Deal**Makers**; any discrepancies that arise will be queried.

5.4 Complaints, queries, objections and adjudication:
- These must be lodged with Deal**Makers** not later than the end of the next following quarter, so in respect of Q1 by the end of Q2.
- In respect of Q4, these must be lodged by the close of business on January 21 or the closest business day. <u>No exceptions will be permitted</u>. This is to ensure that all advisers are aware of transactions to be used in the final ranking process.

5.5 The submission of additional deals for quarters prior must follow the same deadlines as in 5.4. In respect of Q4, these must be lodged by January 16 or the closest business day.

5.6 So as to avoid tendentious argument, Deal**Makers** has appointed an independent adjudicator before whom matters in dispute <u>may</u> be laid. The adjudicator's ruling will be final in each case and no further submissions will be accepted after a ruling has been made.
- Deal**Makers** is conscious that challenges may contain sensitive information. All challenges will be treated, therefore, as highly confidential. Challengers' identities will be protected at all times.
- Challenges may be made only through Deal**Makers**. Advisory firms on both sides may submit documentation supporting their arguments to Deal**Makers** who will pass on all information to the independent adjudicator.
- Deal**Makers** reserves to itself the right to challenge claims similarly.

5.7 All entities involved in deal-making and/or corporate finance transactions are asked to sign off a summary document prepared by Deal**Makers** to ensure that no clerical errors have occurred. No response will indicate acceptance.

5.8 Unlisted SA and Africa deal tables have their own set of criteria.

5.9 Deal**Makers** does not accept responsibility for any errors or omissions.

UNLISTED DEALS Q1 2024 (Too few adviser credits to generate credible rankings this quarter)

NATURE OF DEAL	PARTIES	ASSET	TOMBSTONE PARTIES					ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			INVESTMENT ADVISER*	INVESTMENT ADVISER - FOREIGN	ATTORNEY/ LEGAL ADVISER	LEGAL ADVISER - FOREIGN	TRANSACTIONAL SUPPORT SERVICES		
Acquisition by ■	Blackrock	Global Infrastructure Partners		Perella Weinberg Partners; Evercore	Bowmans	Skadden, Arps, Slate, Meagher & Flom; Fried, Frank, Harris, Shriver & Jacobsen; Kirkland & Ellis; Debevoise & Plimpton; Clifford Chance		$3bn plus 1,2m Blackrock shares	Jan 12
Acquisition by ■	General Atlantic	Actis		Morgan Stanley & Co; J.P.Morgan Securities; Goldman Sachs; Campbell Lutyens		Paul, Weiss, Rifkind, Wharton & Garrison; Ashurst; Kirkland & Ellis		undisclosed	Jan 16
Acquisition by	Convergence Partners Digital Infrastructure Fund from Alviva	Datacentrix			Bowmans; Tugendhaft Wapnick Banchetti			not publicly disclosed	Jan 17
Acquisition by	Puma Energy	a 49% stake in MBHE Group						undisclosed	Jan 18
Acquisition by	Ukheshe International from Loita Transaction Services	EFT Corporation						undisclosed	Jan 19
Acquisition by	TotalEnergies Marketing South Africa from TotalEnergies Afrique	100% of TotalGaz Southern Africa			Webber Wentzel			undisclosed	Jan 22
Acquisition by	Hatfield Holdings and Hatfield Property Holdings from Peng Investments and Belgraveprop	Hatfield Haval dealership and the property on which it is situated						undisclosed	Jan 22
Acquisition by	The Compensation Fund	a stake in Rand Mutual Holdings			Werksmans			undisclosed	Jan 22
Acquisition by	Fairview Cheese Company	a majority stake in Meze Holdings (Meze Foods)			Werksmans			not publicly disclosed	Jan 22
Acquisition by	Alfeco Holdings	a stake in Pro Roof Industrial Park (owner of SA Steel Mills)						undisclosed	Jan 22
Acquisition by °	Units on Jorissen from Varsity Stay 2	the remaining 50% stake in student accommodation letting business Units on Jorissen			Adams & Adams			undisclosed	Jan 22
Acquisition by	African Business Expansion and Consulting from Dimension Data South Africa	Dimension Data Advanced Infrastructure						undisclosed	Jan 22
Disposal by	Carlyle to ASSA ABLOY Group	Amecor			Baker McKenzie (SA)			undisclosed	Jan 26
Acquisition by	Mack and Schuhle AG	a stake in Meridian Holdings						undisclosed	Jan 26
Acquisition by °	Barkophor Investments from Izandla Property Fund	Sasol DC (8th Avenue, Sasolburg, Free State)			Vani Chetty Competition Law			undisclosed	Jan 31
Acquisition by ■	Swire Renewable Energy	Altitec Blade Services (Altitec Trading)			ENS			undisclosed	Feb 1
Acquisition by	Vantage Capital Partners from founders	a significant minority stake in Procera (previously Blake & Associates)	PwC Corporate Finance		Werksmans; Webber Wentzel; Eversheds (SA); STBB		EY; Step Advisory	not publicly disclosed	Feb 2
Acquisition by	Evolution III Fund from IBL Energy and STOA	a stake in Energy Pulse (the majority shareholder of Equator Energy)			Bowmans			not publicly disclosed	Feb 6

* Investment Advisers include Financial Advisers and others claiming this category
■ Foreign transaction - not included for ranking purposes (except sponsors)
° Property deal - excluded for ranking purposes

UNLISTED DEALS Q1 2024

NATURE OF DEAL	PARTIES	ASSET	TOMBSTONE PARTIES					ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
			INVESTMENT ADVISER*	INVESTMENT ADVISER - FOREIGN	ATTORNEY/ LEGAL ADVISER	LEGAL ADVISER - FOREIGN	TRANSACTIONAL SUPPORT SERVICES		
Acquisition by	Swire Renewable Energy	Obelisk Energy Services			ENS			undisclosed	Feb 6
Acquisition by	Melomed hospital from minority shareholders	19.89% of Melomed Hospital at R27.00 per share			ENS		Mazars	R110,9m	Feb 9
Acquisition by	Reuel Khoza	a stake in Flanagan & Gerard						undisclosed	Feb 13
Acquisition by ■	Ozark Holdings (Sweet Oak Parent | Sababa Holdings)	Whole Earth Brands		Jefferies; Citi Group Global Markets	Bowmans	DLA Piper (US); Greenberg Traurig		$4,875 per share	Feb 13
Acquisition by	MCI	BYC Africa						undisclosed	Feb 20
Acquisition by	XS.com	Ubutyebi Financial Services						undisclosed	Feb 21
Acquisition by	South Sahara Trading DMCC (LA Group) from Na Pali Europe (Authentic Brands Group)	New Pier Trading			Webber Wentzel			undisclosed	Feb 22
Acquisition by	Adenia Partners, DEG, Proparco and South Suez	100% of The Courier Guy	Rand Merchant Bank		Webber Wentzel; ENS		PwC; EY	undisclosed	Mar 1
Acquisition by	Community Investment Holdings	a 25.1% stake in Air Liquide Large Industries South Africa						undisclosed	Mar 1
Acquisition by	Kerridge Commercial Systems	Omni Accounts Software			Bowmans			undisclosed	Mar 4
Investment by	Eisai	in RecoMed						undisclosed	Mar 6
Acquisition by	TotalEnergies and QatarEnergy from Africa Oil South Africa, Azinam and Ricocure	33% participating interest and a 24% interest respectively in Block 3B/4B offshore SA						undisclosed	Mar 6
Merger of	Aurous (Blyvoor Gold Resources and Gold Operations) and Rigel Resource Acquisition Corp	Aurous Resources	Rand Merchant Bank	Citigroup Global Markets	Bowmans; ENS	Sidley Austin; Milbank		$362m	Mar 11
Acquisition by	Swissquote	Optimatrade Investment Partners			Bowmans			not publicly disclosed	Mar 14
Acquisition by	nCino	DocFox		Keefe, Bruyette & Woods		Wilson Sonsini Goodrich & Rosati; Sidley Austin		undisclosed	Mar 18
Acquisition by	Norman Goodfellows	a substantial interest in Port2Port.wine						undisclosed	Mar 19
Investment by	RH Managers	in Herolim Private Hospital						R135m	Mar 19
Acquisition by	Hangar 18 from business rescue practitioners	Baywest Mall, Nelson Mandela Bay and Hemingways Mall, Ballito						R2,6bn	Mar 20
Disposal by	Actis to STOA and Thebe Investment Corporation	a stake in Octotel and RSAWeb			Webber Wentzel; ENS;			undisclosed	Mar 25
Investment by	HAVAÍC and other investors	in RNR (Right Now Response)						R12m	Mar 26
Acquisition by	Medu IV	a majority stake in Optron			Poswa		Kensington Capital	undisclosed	Mar 28
Acquisition by	Tourvest from various shareholders	a majority stake in African Ivory Holdings			Bowmans; Cliffe Dekker Hofmeyr			not publicly disclosed	not announced
Disposal by	Tönnjes C.A.R.D International to Imbani Plate Manufacturers and Suppliers	a majority stake in Uniplate Investment Holdings			Norton Rose Fulbright (SA); Fluxmans			undisclosed	not announced

* Investment Advisers include Financial Advisers and others claiming this category
■ Foreign transaction – not included for ranking purposes (except sponsors)

SHARE ISSUES

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
					INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Specific Issue	Kibo Energy	AltX - General Mining	500 000 000	£0,000322	River Group	River Group			£161 000	Jan 11
Specific Issue	Sea Harvest	Farming Fishing Ranching & Plantations	60 000 000	R10,00	Standard Bank	Standard Bank	Webber Wentzel	EY	R600m	Jan 22
Specific Issue	Orion Minerals	Gold Mining	118 611 109	R0,20					R23,7m	Feb 1
Private Placement	Spear REIT	Diversified REITs	37 553 852	R8,35	PSG Capital	PSG Capital			R313,6m	Feb 7
Private Placement	Copper 360	AltX - Industrial Metals and Mining	29 411 764	R3,39		Bridge Capital			R99,75m	Feb 19
Accelerated Bookbuild	Vukile Property Fund	Retail REITs	68 493 151	R14,60	Investec Bank	Investec Bank; Java Capital; IJG Securities	DLA Piper South Africa		R1bn	Feb 20
Specific Issue	Kibo Energy	AltX - General Mining	81 081 081	£0,00037					£30 000	Mar 5
Specific Issue	Jubilee Metals	AltX - Platinum & Precious Metals	9 000 000	£0,0211					£190 000	Mar 6
Specific Issue	Mantengu Mining	AltX - Industrial	4 970 288	R1,50		Merchantec Capital			R7,46m	Mar 7
Specific Issue	Astoria Investments	AltX - Open End and Miscellaneous Investment Vehicles	6 062 275	$0,738	Questco	Questco			$4,47m	Mar 12
Specific Issue (Cap Award)	Lighthouse Properties	Real Estate Holding & Development	23 583 311	R7,53	Java Capital	Java Capital			R177,6m	Mar 15
Bookbuild Issue	WeBuyCars	Specialty Retailers	40 000 000	R18,75	PSG Capital; Pallidus	PSG Capital; Pallidus	Cliffe Dekker Hofmeyr; Werksmans; ENS	Deloitte; PwC; BDO	R750m	Mar 19
Specific Issue (Cap Award)	Fortress Real Estate	Real Estate Holding & Development	22 820 986	R14,11		Java Capital; Nedbank CIB	DLA Piper South Africa		R322m	Mar 22
Specific Issue (conversion of Debt to Equity)	Kore Potash plc	General Mining	109 865 053	£0,0038		Questco			£417 487	Mar 28

SHARE REPURCHASES

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
					INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
General Repurchase	Novus	Forms & Bulk Printing Services	10 438 968	R4,36		Merchantec Capital			R45,5m	Jan 19
General Repurchase	Santova	Marine Transportation	4 105 303	R7,10 - R7,70	River Group	River Group			R30,86m	Jan 23
Odd-Lot Repurchase	Adcorp	Business Training & Employment Agencies	73 701	R4,01	Valeo Capital	Valeo Capital			R295 798	Jan 29
General Repurchase	PPC	Cement	46 612 939	R2,40 - R4,00		Questco			R145,3m	Jan 31
General Repurchase	Hudaco Industries	Industrial Suppliers	695 000	R159,99					R111,2m	Feb 1
General Repurchase	Argent Industrial	Industrial Suppliers	989 360	R14,57 - R15,65		PSG Capital			R15,1m	Feb 7
Repurchase (DRIP)	Sirius Real Estate	Real Estate Holding & Development	2 244 434	ave R21,47		PSG Capital			R48,19m	Feb 9
General Repurchase	Primeserv	Business Training & Employment Agencies	519 473	R1,28		Grindrod Bank			R667 033	Feb 21
General Repurchase	Adcock Ingram	Pharmaceuticals	1 700 000	ave R55,35					R94,1m	Feb 21
General Repurchase	City Lodge Hotels	Hotels & Motels	1 690 000	ave R4,44					R7,5m	Feb 23
General Repurchase	Santova	Marine Transportation	4 328 887	R7,43	River Group	River Group			R32,18m	Feb 27
Odd-Lot Repurchase	Coronation Fund Managers	Asset Managers and Custodians	65 699	R33,62	Valeo Capital	Valeo Capital	Cliffe Dekker Hofmeyr		R2,2m	Feb 27
Specific Repurchase	Coronation Fund Managers	Asset Managers and Custodians	141 105	R33,62	Valeo Capital	Valeo Capital	Cliffe Dekker Hofmeyr		R4,74m	Feb 27
General Repurchase	Woolworths	Diversified Retailers	758 485	undisclosed					undisclosed	Feb 28
General Repurchase	Brimstone Investment	Open End and Miscellaneous Investment Vehicles	1 500 000 N	ave R4,80					R7,2m	Mar 6
Specific Repurchase	Invicta	Industrial Engineering	762 492	R26,92		Nedbank CIB			R20,53m	Mar 7
General Repurchase	Curro	Education Services	21 201 450	R7,48 - R11,50		PSG Capital			R211,4m	Mar 7
General Repurchase	Southern Sun	Hotels & Motels	44 355 520	R4,80 - R5,05		Investec Bank			R220,3m	Mar 13

* Investment Advisers include Financial Advisers and others claiming this category

SHARE REPURCHASES (Continued)

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
					INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Specific Repurchase	Anheuser-Busch InBev	Brewers	3 335 417	$59,9625	Barclays; Citigroup Global Markets (Int); Deutsche Bank Securities; Goldman Sachs (Int)	Questco	Bowmans		$200m	Mar 14
General Repurchase	Astoria Investments	AltX - Open End and Miscellaneous Investment Vehicles	19 335	ave R5,63					R108 856	Mar 27
Specific Repurchase	Sanlam	Life Insurance	86 000 000	R100,00		Standard Bank	Norton Rose Fulbright South Africa		R860m	Mar 28
General Repurchase	PSG Financial Services	Diversified Financial Services	5 297 895	ave R14,81		PSG Capital			R78,46m	not announced
General Repurchase	Stadio	Education Services	319 784	ave R4,85		PSG Capital			R1,55m	not announced
General Repurchase	Glencore	General Mining	17 085 000	ave £4,58	UBS AG, London Branch	Absa CIB			£78,31m	over 1st quarter
General Repurchase	Prosus	Consumer Digital Services	54 089 254	ave €27,49	Goldman Sachs (SA); Morgan Stanley (SA); Goldman Sachs Bank Europe SE; Morgan Stanley Bank Europe SE	Investec Bank	Webber Wentzel; Allen & Overy (Dutch); Paul, Weiss, Rifkind, Wharton & Garrison (Hong Kong)		€1,49bn	over 1st quarter
General Repurchase	Naspers	Consumer Digital Services	4 077 029	ave R3 130	Goldman Sachs (SA); Morgan Stanley (SA); Goldman Sachs Bank Europe SE; Morgan Stanley Bank Europe SE	Investec Bank	Webber Wentzel; Allen & Overy (Dutch); Paul, Weiss, Rifkind, Wharton & Garrison (Hong Kong)		R12,7bn	over 1st quarter
General Repurchase	Anheuser-Busch InBev	Brewers	8 828 561	ave €57,95		Questco			€594,9m	over 1st quarter
General Repurchase	Hammerson	Retail REITs	5 317 013	ave £0,26	Morgan Stanley (Int)	Investec Bank			£1,41m	over 1st quarter

RESTRUCTURING

COMPANY	SECTOR	ASSET	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
			INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Copper 360	AltX - Industrial Metals and Mining	assets previously held by Cape Copper Oxide in exchange for 37 720 000 Copper 360 shares		Bridge Capital			R128,6bn	Feb 19

UNBUNDLING

COMPANY	SECTOR	ASSET UNBUNDLED	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
			INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Frontier Transport	Travel & Tourism	special dividend of R137,38 per share		Investec Bank			R400m	Jan 12
Novus	Forms & Bulk Printing Services	declaration of a special cash dividend of 50 cents per share		Merchantec Capital			R171,6m	Jan 26
Zeder Investments	Asset Managers and Custodians	special dividend of 20 cents per share	PSG Capital	PSG Capital; Tamela			R308m	Feb 6
Transaction Capital	Consumer Lending	pro rata distribution *in specie* of a 61.44% stake in We Buy Cars shares	PSG Capital	PSG Capital	ENS; Werksmans; Goodwin	BDO; Deloitte	R5,23bn	Feb 13
Life Healthcare	Health Care Facilities	special dividend of 600 cents per share		Rand Merchant Bank			R8,8bn	Feb 28
NEPI Rockcastle	Real Estate Holding & Development	capital repayment of 535,51893 cents per share		Java Capital			R2,23bn	Mar 5
Exxaro Resources	Coal	special dividend of R5,72 per share		Absa CIB; Tamela			R2bn	Mar 14

* Investment Advisers include Financial Advisers and others claiming this category

GENERAL CORPORATE FINANCE Q1 2024

COMPANY LISTINGS

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
A2X Listing (Secondary)	Neo Energy Metals	Open End and Miscellaneous Investment Vehicles	1 216 371 468	R0,15	AcaciaCap Advisors	AcaciaCap Advisors			R182,5m	Feb 27
JSE Listing (Secondary)	PowerFleet	Computer Services	107 923 479	R99,77	Java Capital	Java Capital	Webber Wentzel	EY; Deloitte	R10,77bn	Mar 26

MAJOR OPEN MARKET TRANSACTIONS

DESCRIPTION	COMPANY	SECTOR	DETAILS	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
Open Market Acquisition	Heriot REIT	AltX - Retail REITs	4 007 782 Safari shares at R5,50 per share		Valeo Capital			R22,84m	Jan 30
Open Market Disposal	Brimstone Investment	Open End and Miscellaneous Investment Vehicles	8 836 487 Equites Property Fund shares at an average price of R14,02	Nedbank CIB	Nedbank CIB			R123,9m	Feb 9
Open Market Disposal	British American Tobacco	Tobacco	436 851 457 (c.3,5% stake) in ITC					£1,5bn	Mar 13
Open Market Disposal	Brait	Diversified Financial Services	15 000 000 Premier Group shares at R60 per share	Investec Bank; Standard Bank; Rand Merchant Bank	Rand Merchant Bank; Perigeum Capital; Harney Westwood & Riegels			R900m	Mar 19
Open Market Disposal	Transaction Capital	Consumer Lending	8 145 000 We Buy Cars shares at R18,75 per share	PSG Capital	PSG Capital	ENS; Werksmans; Goodwin	Deloitte	R152,7m	Mar 19
Open Market Disposal	Grand Parade Investments	Diversified Financial Services	264 550 Spur Corporation shares					R7,9m	Mar 20
Open Market Disposal	Lighthouse Properties	Real Estate Holding & Development	263 577 7380 Hammersone plc shares	Java Capital	Java Capital			R1,67bn	over 1st quarter

OFF MARKET TRANSACTIONS

DESCRIPTION	COMPANY	SECTOR	DETAILS	TOMBSTONE PARTIES: INVESTMENT ADVISER*	TOMBSTONE PARTIES: SPONSOR	TOMBSTONE PARTIES: LEGAL ADVISER	TOMBSTONE PARTIES: TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
Off Market Disposal	Brimstone Investment	Open End and Miscellaneous Investment Vehicles	1 000 000 Phuthuma Nathi Investment shares (1,5% stake) to Zazi PN SPV	Nedbank CIB	Nedbank CIB	Cliffe Dekker Hofmeyr		R100m	Jan 2
Off Market Disposal	Ivlyn Local Investment	Drug Retailers	50 000 000 Dis-Chem Pharmacies shares at R28,50 to Coronation Asset Management	Investec Bank				R1,43bn	Jan 31
Off Market Disposal	SAUTA	Drug Retailers	3 000 000 Dis-Chem Pharmacies shares at R29,30 to Coronation Asset Management	Investec Bank				R87,9m	Jan 31
Off Market Disposal	Astral Foods	Farming Fishing Ranching & Plantations	9,8% stake (19 550 855 shares) in Quantum Foods		Nedbank CIB; One Capital	Webber Wentzel		R141,7m	Mar 6
Off Market Acquisition	Heriot REIT	AltX - Retail REITs	807 069 Safari shares at R5,60 per share from Reya Gola Investments		Valeo Capital			R4,5m	Mar 7
Off Market Disposal	Attacq	Diversified REITs	46 157 934 MAS shares at R16,75 per share	Java Capital	Java Capital			R773,15m	Mar 12
Off Market Acquisition	Coronation Fund Managers	Asset Managers and Custodians	42 467 760 (11,3%) We Buy Cars shares at R17,89 per share from Transaction Capital and IVDW	PSG Capital	PSG Capital	ENS; Werksmans; Goodwin	Deloitte	R760m	Mar 12

* **Investment Advisers include Financial Advisers and others claiming this category**

COMINGS & GOINGS

LISTINGS

EXCHANGE	COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
A2X Listing (Secondary)	Neo Energy Metals	Open End and Miscellaneous Investment Vehicles	Feb 20 2024	Feb 27 2024
A2X Listing (Secondary)	Pepkor	Diversified Retailers	Mar 20 2024	Apr 2 2024
JSE Listing (Secondary)	PowerFleet	Telecommunications Equipment	Oct 10 2023	Mar 26 2024
JSE Listing	We Buy Cars	Specialty Retailers	Jan 30 2024	Apr 11 2024

DELISTINGS

EXCHANGE	COMPANY	SECTOR	ANNOUNCEMENT DATE	SUSPENSION DATE	TERMINATION DATE	COMMENT
JSE Delisting	African Equity Empowerment Investments	Diversified Financial Services	Oct 16 2023	Apr 10 2024	Apr 16 2024	Repurchase offer (AEEI)
JSE Delisting	Deutsche Konsum REIT-AG	Real Estate Investment Trusts	Mar 26 2024	to be advised	to be advised	Voluntary termination - lack of growth in South African market
JSE Delisting	Fortress Real Estate Investments A shares	Real Estate Holding & Development	Oct 5 2023	Feb 21 2024	Feb 27 2024	Collapse of dual share structure via scheme of arrangement
JSE Delisting	Mix Telematics	Computer Services	Oct 10 2023	Mar 26 2024	Apr 3 2024	Scheme of arrangement (Powerfleet)
JSE Delisting	Textainer	Transportation Services	Mar 26 2024	Mar 11 2024	Mar 27 2024	JSE listing requirements following delisting from NYSE after Stonepeak merger

FOREIGN LISTINGS & DELISTINGS

COMPANY	SECTOR	TYPE	COUNTRY	ANNOUNCEMENT DATE	EFFECTIVE DATE
FOREIGN LISTINGS Renergen	AltX - Alternative Fuels	Secondary	US (ADR's | Nasdaq)	Jan 31 2023	n/a delayed Feb 2024
FOREIGN DELISTINGS Oando Plc	Oil Refining and Marketing	Primary	Nigeria (NGX)	Jun 23 2022	to be advised

SUSPENSIONS

COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE	COMMENT
Afristrat Investment	Diversified Financial Services	Aug 5 2022	Aug 5 2022	JSE listing requirements - annual report
Basil Read	Heavy Construction	Jun 20 2018	Jun 20 2018	Subsidiary - Basil Read Limited in voluntary business rescue (Jun 2018)
Buka Investments	AltX - Personal Products	Feb 24 2023	Feb 24 2023	JSE listing requirements - cash shell
Chrometco	AltX - General Mining	Jul 18 2022	Jul 18 2022	Listing requirements - prov report for 28 February 2022

SUSPENSIONS (Continued)

COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE	COMMENT
Conduit Capital	Full Line Insurance	Sep 21 2022	Sep 21 2022	Request of directors - subsidiary - Constantia Insurance Company placed in provisional liquidation
Efora Energy	Integrated Oil & Gas	Oct 12 2020	Oct 12 2020	JSE listing requirements - failure to submit annual financial statement
Labat Africa	Venture Capital - Transportation Services	Oct 24 2023	Nov 24 2023	JSE listing requirements. Financial statements
Oando	Oil Refining and Marketing	Mar 27 2024	Mar 7 2024	JSE listing requirements - failure to submit annual reports
PSV	AltX - Machinery: Industrial	Sep 1 2020	Sep 1 2020	JSE listing requirements - failure to submit prov report. Placed into BRP March 16 2020. BRP's have applied for liquidation
Rebosis Property Fund	Retail REITs	Aug 26 2022	Aug 6 2022	Voluntary Business Rescue - Aug 24 2022
Salungano Group	Coal	Aug 21 2023	Aug 21 2023	JSE Liisting requirments. Prov financial results
Soapstone Investments	AltX - Diamonds & Gemstones	Nov 21 2016	Nov 18 2016	Suspension of Diamondcorp - Guarantor on Notes
Tongaat Hulett	Sugar	Jul 19 2022	Jul 20 2022	JSE listing requirements. BRP announced Oct 27 2022

LIQUIDATIONS

COMPANY	SECTOR	ANNOUNCEMENT DATE	STATUS
Afristrat Investment	Diversified Financial Services	Oct 21 2022	Shareholder applied for urgent liquidation order on Oct 10 2022. Postponed. Hearing Jun 8 and 9 2023. Judgement reserved. Board announced liquidation application Mar 6 2024 - Company is commercially insolvent
allaboutXpert Australia (Adcorp)	Business Training & Employment Agencies	Dec 14 2022	Placed into voluntary administration on Dec 12 2022
Constantia Insurance Company (Conduit Capital)	Full Line Insurance	Sep 14 2022	Provisional liquidation order granted Sep 13 2022. Shares suspended Sep 21 2022
MV Fire Protection Services (previously Jasco Security and Fire Solutions) [Jasco]	Computer Services	Oct 19 2022	Placed in liquidation by Jasco Electronics

BUSINESS RESCUE PROCEEDINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE	STATUS
Ellies Holdings	Electrical Components	Jan 31 2023	Voluntary BR. John Evans appointed as BRP

NAME CHANGE

COMPANY	NEW NAME	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
Go Life International	Numeral	AltX - Pharmaceuticals	Nov 6 2023	Jan 3 2024

SHARE CONSOLIDATION

COMPANY	SECTOR	NUMBER OF SHARES	RATIO	NEW NO OF SHARES	ANNOUNCEMENT DATE	EFFECTIVE DATE
Mondi plc	Containers & Packaging	485 553 780	11 : 10	441 412 530	Dec 19 2023	Jan 29 2024

CHANGE IN SECTOR

COMPANY	SECTOR	NEW SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
Astoria Investments	Open End and Miscellaneous Investment Vehicles	Closed End Investments	not announced	Mar 18 2024
Collins Property Group	Real Estate Holding & Development	Industrial REITs	Feb 29 2024	Mar 18 2024

PROFIT WARNINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE
African and Overseas Enterprises	Apparel Retailers	Mar 14
African Rainbow Minerals	General Mining	Feb 28
Anglo American Platinum	Platinum & Precious Metals	Feb 8
ArcelorMittal South Africa	Iron & Steel	Jan 29
Balwin Properties	Real Estate Holding & Development	Mar 27
Cashbuild	Home Improvement Retailers	Feb 13
Caxton and CTP Publishers and Printers	Publishing	Feb 22
Ellies	Electrical Components	Feb 26
EOH	Computer Services	Mar 13
Exxaro Resources	Coal	Mar 7
Gemfields	Diamonds & Gemstones	Mar 22
Gold Fields	Gold Mining	Feb 13
Hyprop Investments	Retail REITs	Mar 12
Impala Platinum	Platinum & Precious Metals	Jan 31
Impala Platinum	Platinum & Precious Metals	Feb 8
Insimbi Industrial	AtlX	Feb 9
Italtile	Home Improvement Retailers	Feb 5
KAP	Diversified Industrials	Feb 15

COMPANY	SECTOR	ANNOUNCEMENT DATE
Motus	Specialty Retailers	Jan 18
MTN Group	Telecommunications Services	Mar 1
Murray & Roberts	Engineering and Contracting Services	Feb 29
Mustek	Computer Hardware	Feb 23
Northam Platinum	Platinum & Precious Metals	Feb 19
Outsurance Group	Full Line Insurance	Mar 7
Putprop	Real Estate Holding & Development	Feb 28
Randgold & Exploration	Gold Mining	Mar 26
Remgro	Specialty Finance	Mar 11
Rex Trueform	Apparel Retailers	Mar 14
Salungano	Coal	Mar 26
Sasfin	Investment Services	Mar 18
Sasol	Chemicals: Diversified	Feb 9
Sibanye-Stillwater	Platinum & Precious Metals	Feb 21
Super Group	Transportation Services	Feb 20
Thungela Resources	Coal	Feb 23
Truworths International	Apparel Retailers	Jan 29
Wesizwe Platinum	Platinum & Precious Metals	Mar 24
Woolworths	Diversified Retailers	Jan 23
Workforce	AltX - Business Training & Employment Agencies	Mar 20
York Timber	Forestry	Mar 15

CAUTIONARIES Q1 2024

COMPANY	FIRST CAUTIONARY	NO OF SUBSEQUENT CAUTIONARIES	ANNOUNCEMENT	TERMINATED
Afristrat Investment	12.5.2022	15	suspended 5/8/2022	
Astoria Investments	14.7.2023	6	12.3.2024	
Ayo Technology Solutions	4.4.2023	8	27.3.2024	
Brimstone Investment	13.12.2023		22.1.2024	
Chrometco	13.6.2022	16	suspended 18/7/2022	
Cognition	15.11.2023	3	14.3.2024	
Conduit Capital	21.6.2022	16	suspended 21/9/2022	
Ellies	31.1.2024	1	applied for BR 31/1/2024	
Hosken Consolidated Investments	30.11.2023	1	10.1.2024	
Ibex Investment	18.3.2024			

COMPANY	FIRST CAUTIONARY	NO OF SUBSEQUENT CAUTIONARIES	ANNOUNCEMENT	TERMINATED
Labat Africa	31.10.2023	2	1.2.2024	
Marshall Monteagle	13.12.2023	1		
MultiChoice	1.2.2024	3		
PSV Holdings	26.2.2020	38	suspended 1/9/2020	
Pick n Pay	22.2.2024	1		
Salungano	25.8.2023	5	suspended 21/8/2023	
Sea Harvest	13.12.2023		22.1.2024	
Transaction Capital	30.1.2024		13.2.2023	
TeleMasters	28.3.2024			
Telkom SA SOC	21.11.2023	2	22.3.2024	
Tongaat Hulett	19.4.2022	21	suspended 19/7/2022	
Trustco	16.1.2023	1		

DEALS THAT DIDN'T

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Acquisition by	Ellies from H von Broembsen, N von Broembsen, S von Broembsen and C Sykes	Magetz Electrical and Power on Wheels (t/a Bundu Power)	R207,6m	Feb 1 2023
Disposal by	Delta Property Fund to DMFT Property Developers	four properties situated in Kimberley, Bloemfontein, Klerksdorp and Polokwane	R50,8m	Apr 13 2023
Joint Venture ■	Mast Energy Developments (Kibo Energy plc) and an institutional investor-led consortium led by Proventure Holdings (UK)	joint venture on power projects (held 25,1%:74,9% respectively)	£33,6m	May 18 2023
Disposal by	Delta Property Fund to UBUD Development (PW Otto)	5 Walnut Road, Durban	R46m	May 30 2023
Disposal by	TBN Holdings (Trustco) to Finbond	49% stake in Trustco Finance Namibia	R60m	Jun 2 2023
Acquisition by	Telemedia (Rex Trueform) from Telelet	portfolio of eight properties (Telelet Properties)	R50m	Sep 21 2023
Acquisition by	Telemedia (Rex Trueform) from The Bretherick Family Trust	27 Landau Terrace, Melville	R1,5m	Sep 21 2023
Disposal by	Accelerate Property Fund to Alma Trading CC	Cherry Lane Shopping Centre at 471 Fehrson Street, Pretoria	R60m	Dec 7 2023

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Event held on 8 May 2024
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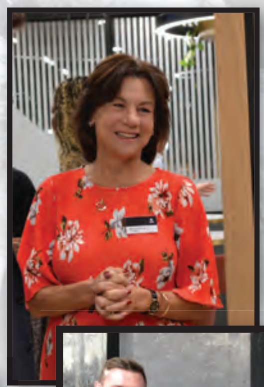

Our first DealMakers PATHFINDERS for 2024 was held in Johannesburg. Special thanks to our great hosts for the night, RMB and to the guest speaker for the event Craig Forbes.

Our Guest speaker is Craig Forbes – Managing Director at Forbes Capital.

Craig s a seasoned investment professional with 25+ years of experience having worked in South Africa, the UK and USA for some of the largest international investment banks.

He is a CA (SA) having graduated with a B. Com and PDGA from the University of Cape Town. Craig completed his articles with Deloitte & Touche before joining Rand Merchant Bank as a Transactor in Corporate Finance. He was co-head of the Corporate Finance division for six years where he was responsible for 60 professional staff across six offices in sub-Sahara Africa, UK and India.

In 2019, Craig moved into the client relationship business at RMB with strategic oversight on large M&A transactions and board member of FirstRand India.

At Forbes Capital, Craig is responsible for deal origination, capital allocation, risk management and ongoing management of the local and international investment portfolio. He is a director on all the African portfolio investments where the company is actively involved, which includes six investments across four different industries.

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Renewed appetite for M&A activity in 2024

Krishna Nagar

Last year ended with a flurry of M&A activity in South Africa, and the first quarter of 2024 has continued to show evidence of this renewed M&A appetite, nudged on by an emerging tailwind of optimism in the country, and a more constructive global backdrop.

Despite some risk being priced in, given the upcoming South African election, the base case is that we don't expect any significant economic impact to lead to subdued investor appetite. We believe that the election will have a neutral to positive outcome, once it is over.

In the near-term, we expect an improvement in GDP, as some of the major challenges facing our economy start to ease. Logistic and port problems have been so detrimental to South Africa's economic growth recently that even the smallest green shoots of improvement – such as recent executive appointments at parastatals, or improved momentum on public-private partnerships in respect of rail and ports – should create greater economic confidence.

We also expect the benefits of a greater supply of renewable energy to feed into the economy. If the energy challenges have indeed reached a turning point, it would prove a massive boost in confidence, from an economic perspective, influencing what people and businesses are prepared to commit.

And as M&A is driven by confidence, this could mean increased M&A activity over the next 18 months.

Globally, M&A activity has picked up after a slow period. This trend – fueled by factors such as improved financial markets; pent-up demand for deals; an expected easing of inflation; and anticipated rate cuts – could also translate to increased activity in South Africa. The first quarter of 2024 has seen good levels of M&A by volume and value. As such, the factors that drove activity at the end of 2023 are expected to remain, and possibly gain momentum during 2024.

International interest in South African businesses

Despite a mixed economic backdrop in South Africa, there is still an appetite for South African opportunities from global buyers, who are keeping a close eye across various sectors.

Recent examples of this include Varun Beverage Limited's (VBL) acquisition of South Africa's The Beverage Company. VBL is an Indian listed company that manufactures, bottles and distributes beverages across a number of markets, and is the largest bottler of PepsiCo's beverages globally, outside the United States and China. Furthermore, French media company Canal+ has made a formal offer to acquire Multichoice. These deals highlight that certain global investors are taking a decades-long view, looking past current difficulties to acquire strategically important businesses in the region.

Domestic consolidation in certain sectors

In recent years, South African corporates have de-levered, sought out efficiencies, and re-focused their efforts on domestic consolidation opportunities. Indeed, there is limited appetite from institutional shareholders to support corporates expanding offshore in a meaningful way; rather, they are looking closer to home for complementary and value-accretive deals. A good example is Sun International's proposed acquisition of Peermont Holdings to expand its South African portfolio.

Private equity (PE) activity and new emerging players in South Africa and Africa

While many of the PE incumbents in South Africa (and Africa) have struggled to generate returns over the last decade, impacting their future capital raising ambitions, there is still a healthy level of capital in many PE funds. These funds need to be deployed into targets in the region, across industries where growth (on a relative basis) can be delivered. Market leadership features high on the list of criteria. A case in point is the acquisition by Adenia of The Courier Guy, which showcases that certain niche sectors still see significant growth and expansion opportunities. In addition, fund managers continue to seek realisations and return capital to investors, which continues to drive deal flow in this segment. More deals are expected.

SA corporates focusing on their core businesses and more actively managing their portfolios

The last two themes have paved the way for PE buyers with capital to acquire assets that have received renewed focus and attention as standalone businesses. Actis / RBH potentially acquiring Swiftnet from Telkom, and Capitalworks' proposed acquisition of The Building Company are good examples.

This underlines the ongoing focus by corporates on balance sheet and capital structure optimisation. Together with a renewed focus on their core operations, this could lead to further spin-offs, conceptually similar to RCL Foods' proposed unbundling of its chicken business.

Sectors to watch

Some sectors are particularly well positioned for M&A activity.

Consumer & Retail – Aligned with the themes highlighted above – a combination of continued international interest, South African corporates refocusing on their core businesses, and consolidation in sub-sectors that have faced pressure from consumer weakness – greater PE activity is expected to drive deal flow in the coming 12-18 months.

Industrials – South Africa's industrial sector remains unloved by the market, at least for the moment; notwithstanding many businesses showing value when applying a 'through the cycle' view. This may lead to M&A activity in the form of strategic acquirers with strong balance sheets looking for opportunities to consolidate.

Resources - While the global economic climate is negatively affecting certain commodity prices, consolidation within the South African mining industry remains a focus for specific commodities. South African mining companies continue to look at broader Africa and international expansion; and sustained downward pressure on certain commodity prices is likely to result in the sale of non-core assets, the rebalancing of portfolios, and capital raising.

Renewables and energy infrastructure – South Africa's ongoing focus on renewable energy and infrastructure development could present attractive M&A opportunities for investors. We expect more deal flow in this segment to come to market during H2 2024.

Looking ahead to the next 18 months, the outlook for M&A activity in South Africa for the rest of this year and into 2025 appears cautiously optimistic, with a potential rise in deal volume compared with recent years. ■

Nagar is Co-head of Corporate Finance | Rand Merchant Bank.

RMB

Bridging Gaps: the art of infrastructure investment in South Africa

Anneline Sonpal

Malcom Mangunda

South Africa's infrastructure sector combines significant challenges with vast potential, making it a prime target for private equity investment.

As urbanisation and population growth accelerate, it is projected that there will be a R4,8 trn funding gap by 2030, underscoring both a critical concern and a compelling opportunity for investors. Over the past decade, the population has surged by 30%, intensifying the need for robust infrastructure development, and presenting an attractive prospect for private equity firms. Reflecting this urgency, infrastructure investments constituted over 36% of total private equity inflows in Southern Africa in 2022, according to the Southern African Venture Capital and Private Equity Association (SAVCA). This substantial share highlights the sector's importance, and its promise for significant returns.

Recognising the growing demand and attractiveness of infrastructure investments, we address three pivotal questions that have emerged from our decade-long experience with infrastructure private equity funds: How can we target plays to achieve growth with minimised risks in volatile markets? How can we creatively source competitive deals within these target plays? And what are our options when deals in our target plays are not available?

Where to play

Before delving into the strategies for success, it's crucial to understand "where to play" – that is, how to identify viable market sectors that offer the best investment opportunities. Investors should consider three factors: conducting a market opportunity analysis to check for end-user demand or government support; evaluating asset availability through recent venture capital deals; and assessing how these opportunities align with the firm's capabilities. These elements create a robust starting point for future strategic endeavours.

How to de-risk portfolio growth

To mitigate risks in portfolio growth, investors should focus on two main strategies: identifying value chains linked to global megatrends, and constructing scalable platforms.

- **Identifying value chains positively linked to trends:** This entails identifying viable investments by mapping and investigating value chains in infrastructure sectors bolstered by megatrends, such as the green economy, urbanisation, social development, agriculture and food security, and smart infrastructure and technology. These megatrends ensure continuous demand, fostering industry growth and reducing risks of demand fluctuations. For example, in the renewables sector, Singular has observed investments encompassing both photovoltaic manufacturing and energy services merged with site and construction management, as well as operations. In logistics, we have seen the establishment of an integrated logistics, ports services and cold storage platform.

- **Building platforms to de-risk growth**: Investors can further mitigate growth risks by using their existing competencies to sell similar products to new customer segments, thus achieving growth through market diversification. For example, expanding their addressable market presence from investments in companies that solely target the grid, to selling solar generation directly to consumer and industrial segments, allows firms to minimise risk. This proximity to core operations enables testing opportunities before making substantial investments, and capitalising on market opportunities early, requiring very little time to develop new products/services. Additionally, entering new value chains enhances financial stability by diversifying revenue and creating resilience against market shocks.

How to creatively source investment options

In the competitive landscape of infrastructure investing, innovative sourcing is essential to access new growth avenues.

- **Substituting imports for local production**: Investors can explore opportunities in local value chains that are overly reliant on imports. By partnering with key importers – especially from regions like China – to establish local production, firms not only fortify local industries, but also gain an early-mover advantage. This strategy can lead to competitive dominance, as previously imported goods are replaced with locally produced alternatives.

- **Influencing policy to unlock growth**: Additionally, investors can identify sectors that are ripe for growth, but are currently hindered by restrictive policies. By understanding policymakers' interests, and demonstrating how their investments align with those interests through a compelling case (e.g., through case studies or impact calculations), investors can advocate for beneficial changes. Such advocacy can open new growth avenues and secure an early-mover advantage. For instance, reforms that encourage renewable energy adoption can create a conducive environment for investing in solar and wind projects.

- **Identifying carveouts from non-infrastructure companies**: Targeting carveouts from sectors like retail, oil and gas, mining, manufacturing and pharmaceuticals offers strategic acquisition opportunities that are less competitive and potentially undervalued. These companies often possess extensive but underutilised infrastructure assets, presenting ripe opportunities. By systematically identifying these assets, from physical infrastructure to logistical capabilities, firms can integrate them into their existing operations, creating synergies and enhancing portfolio strength.

How to move outside of your core sectors

Diversification is critical, particularly as current sectors begin to saturate, and given the dynamic nature of infrastructure investments tied to external developments (e.g. rise of the internet, shifted investments to new areas like data centres). Investors should consider investing in emerging sectors to spread risks. While this requires significant time and resource investment to build new competencies, the benefits of diversification can lead to early-mover advantages and increased funding by addressing critical infrastructure gaps. However, expanding into less familiar sectors can dilute a firm's focus, unless managed with a clear strategy. The aim should be to select sectors where the firm can use its existing strengths or acquire new competencies that complement its core operations.

Closing Thoughts

Investing in South Africa's infrastructure sector offers lucrative opportunities, but demands strategic foresight and adaptability. By de-risking portfolio growth, sourcing investments creatively, and diversifying into emerging sectors, investors can thrive in this dynamic market. As South Africa progresses, wise investors can play a pivotal role in driving development while earning substantial rewards. ■

Sonpal is a Partner and Mangunda an Associate | Singular Group.

Singular

Business Crimes and Forensic Services are a must-have for businesses to thrive

Lionel van Tonder

In today's interconnected world, companies face a relentless adversary: business crime.

Corruption, misrepresentation, cybercrime and money laundering activities pose a significant threat that amounts not only to financial losses, but also potential fines, reputational damage, and even criminal sanctions. To navigate this shaky landscape, companies need to prioritise two crucial elements: understanding the nature of business crimes, and harnessing the power of forensic services.

The scope of the problem

Globalisation and technological advancements have opened new doors for perpetrators of commercial crime. Often, they operate in the shadows, making them exceptionally difficult to define and measure. Unlike traditional theft, business crimes are often meticulously concealed, leaving companies exposed to hidden vulnerabilities and delayed consequences.

Effectively combatting business crime requires a proactive, multi-pronged approach. A specialised field like forensic services combines legal expertise with investigative acumen. By thoroughly examining financial records, digital trails and internal communications, a team of seasoned forensic investigators can bring hidden criminal activity to light, protecting business assets and safeguarding organisations.

Businesses can gain a holistic understanding of potential threats and vulnerabilities by integrating lawyers and forensic investigators from diverse departments like litigation, corporate, finance, and technology.

Tailored solutions and proactive strategies

The benefits of forensic services extend far beyond compliance with legislation. Experienced investigators can delve deep into a business's operations, identifying red flags and implementing safeguards before significant damage is inflicted. Early detection is crucial, for the longer a crime goes unnoticed, the greater the potential losses and reputational harm.

AI is the new frontier in the battle against business crime. Its ability to analyse vast datasets and recognise complex patterns makes it a potent weapon against sophisticated financial manipulation and cybercrime.

For instance, imagine a financial institution implementing AI-powered anomaly detection algorithms. These algorithms, constantly analysing transactional patterns, might flag seemingly insignificant deviations that humans could miss. This early warning could expose a promising fraud scheme, saving the company millions and keeping its reputation intact.

AI is a brilliant tool, but it is important to remember that it is not foolproof. Malicious actors can also wield this technology for nefarious purposes, making it vital to implement robust regulatory frameworks and ethical considerations. Ultimately, successful fraud prevention requires a balanced approach, leveraging AI alongside traditional forensic methods and human oversight.

The fight against business crime necessitates a comprehensive strategy that goes beyond reactive investigations. Businesses must adopt a culture of integrity and compliance, prioritising employee education, transparent ethical policies, and robust whistleblowing channels. By empowering employees to speak up, and actively preventing these crimes from taking root, a business can build a more resilient and trustworthy environment.

Business crimes are an ever-evolving threat, necessitating constant vigilance and adaptation. Businesses must be armed with the right tools and expertise to navigate this perilous landscape. By integrating a sophisticated understanding of business crime with the power of forensic services and ethical AI implementations, companies can effectively mitigate risks, protect their assets, and maintain their well-earned reputation. In the face of an insidious adversary, proactive defence and unwavering commitment to integrity are the cornerstones of success in the fight against the silent scourge of business crime. ■

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Know what your business is worth, even if not ready to sell

Andrew Bahlmann

In times of uncertainty and volatility, when the business landscape is fraught with challenges, and opportunities seem elusive, business owners face a daunting task – navigating through the storm and steering their companies towards stability and growth. Amidst the chaos, getting a business valuation may seem like a low priority, especially if you're not actively considering selling your business. However, what many business owners fail to realise is that a comprehensive valuation can provide much-needed clarity and insight, serving as a strategic compass to help guide your business through turbulent waters.

In this article, we explore why getting a business valuation is essential, especially in times of uncertainty, and how it can empower you to make informed decisions and chart a course towards resilience and success.

Gaining clarity amidst uncertainty

Knowing where you stand is crucial as a business owner. A business valuation offers a clear, objective assessment of your company's financial health, performance and potential, cutting through the noise and providing a beacon of clarity amidst the uncertainty.

By crunching the numbers and analysing key metrics, a valuation reveals the true value of your business, helping you understand its strengths, weaknesses, and opportunities for improvement.

1. Mitigating risks and identifying opportunities
Uncertainty often brings with it a host of risks and challenges, from economic downturns to industry disruptions and changing consumer behaviours. A comprehensive valuation helps you to identify and mitigate these risks by highlighting potential vulnerabilities and areas of concern. At the same time, it uncovers hidden opportunities for growth and innovation, enabling you to capitalise on emerging trends and market shifts.

2. Building resilience and adaptability
In turbulent times, adaptability is key to survival. A business valuation provides valuable insights into your company's ability to weather storms and adapt to changing circumstances. By understanding your business's strengths and weaknesses, you can proactively implement strategies to enhance resilience and agility, ensuring that your company remains competitive and sustainable in the face of uncertainty.

3. Securing stakeholder confidence and trust
Whether it's investors, lenders or business partners, stakeholders value transparency and reliability. A business valuation demonstrates your commitment to sound financial management and responsible stewardship of resources, instilling confidence and trust among stakeholders. By providing an objective assessment of your company's value and potential, a valuation enhances your credibility, making it easier to secure financing, attract investors and forge strategic partnerships.

4. Preparing for the future
Uncertainty is inevitable, but preparation is key to success. A business valuation serves as a strategic tool to prepare your business for the future, enabling you to develop contingency plans, scenario analyses and strategic initiatives that mitigate risks and capitalise on opportunities. By understanding your business's true worth and potential, you can make informed decisions that position your company for long-term success and sustainability.

Getting a business valuation is not necessarily about preparing for a sale; it's about equipping yourself with the knowledge, insights and strategies needed to navigate uncertainty and chart a course towards resilience and success. ■

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Megan Landers

Corporate restructures: some exchange control considerations

Developed countries continuously seek growth and expansion into new markets, and Africa seems to be the right fit. For that reason, South Africa's more sophisticated financial and banking sector allows foreign investors to see South Africa as a gateway into Africa; they want to invest in Africa through South Africa. On the other hand, some innovative South African companies want to expand and grow their businesses, but they realise that the South African market is too small. Those South African companies are again looking at developed countries for growth and expansion into new markets. For these reasons, one must consider the consequences of cross-border investment, whether inbound or outbound.

The Exchange Control Regulations govern the South African exchange control regime. While control over South Africa's foreign currency reserves, as well as the accruals and its spending, is vested in the National Treasury, the Regulations are enforced by the Financial Surveillance Department (FinSurv) of the South African Reserve Bank (SARB), with the assistance of authorised dealers (the South African banks). As the name suggests, authorised dealers are authorised by FinSurv to deal in foreign exchange transactions. Their authority is limited to the transactions under the Regulations, read with the Authorised Dealer Manual. For any other transaction, South African residents must obtain SARB approval.

Key exchange control considerations for mergers and acquisitions between South Africa and foreign persons and entities are highlighted below.

The South African share acquisition

When a foreign person or entity acquires shares in a South African company, those shares are regarded as "controlled securities", which are strictly controlled by the Authorised Dealers. Authorised Dealers exercise control over the shares owned by a foreign person or entity by placing a "non-resident" endorsement on them. While the requirement of endorsement applies equally to South African listed and unlisted companies, in practice, only unlisted companies' shares owned by foreign persons or entities are endorsed as "non-resident". Without the endorsement, the South African company will not be allowed to repatriate dividends to its foreign shareholders offshore, and they may not transfer the proceeds from the sale of controlled securities by the foreign person or entity abroad, nor credit it to a Non-Resident Rand account.

The foreign share acquisition

When a South African entity acquires shares in a foreign entity, it requires the prior written approval of the Authorised Dealer (or SARB for investments exceeding R5bn per entity per calendar year). For statistical purposes, the South African entity must acquire at least 10 per cent of the voting rights of the foreign entity. Once approved, the South African entity may increase its equity interest and/or voting rights, but when its interest dilutes, it must be reported to FinSurv via the Authorised Dealer. A South African entity investing offshore should also note that passive real estate investments focused on achieving long-term appreciation of asset values with limited day-to-day management of the asset itself are excluded from this dispensation. Where the Authorised Dealer is in doubt and/or the conditions noted above are not met, it will refer the South African entity's request to invest offshore to FinSurv for approval.

When the South African entity decides to sell the shares in a foreign entity, the net sale proceeds must be repatriated to South Africa within 30 days from the date of the sale, under advice to FinSurv via the Authorised Dealer. In the specific instance where the South African entity sells its shares in a foreign entity to a South African third party, FinSurv's prior written approval is required.

"Loop" structures

Before 1 January 2021, South African individuals and entities required the prior written approval from FinSurv to invest in South Africa through a foreign structure. For example, a "loop" structure is where a foreign trust with South African resident beneficiaries holds shares in a South African company (South Africa – Foreign Trust – South Africa). Another typical example is a foreign company with South African shareholders and a South African subsidiary.

Now, South African individuals and entities with authorised foreign assets may invest in South Africa through a foreign structure, provided that the investment is reported to the Authorised Dealer when the transaction is finalised, and it must be accompanied by an independent auditor's written confirmation (or suitable documentary evidence) that the transaction is concluded on an arm's length basis and for a fair and market-related price.

Once reported, the South African target entity must submit annual progress reports to FinSurv via the Authorised Dealer.

Remember

Exchange control compliance should form part of every legal and regulatory due diligence check for any cross-border merger or acquisition, as South African residents may face hefty penalties for contraventions of the Regulations. Therefore, exchange control compliance must form part of the legal and regulatory due diligence check to ensure that unregularised transactions are regularised by FinSurv. ■

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Enhancing accountability: a closer look at the 'Two-Strike Rule'

Jaynisha Chibabhai

Remuneration plays a pivotal role in the corporate landscape, influencing not only the retention, motivation and performance of executives, but also shaping the overall governance framework of companies.

The recent Companies Amendment Bill [B27B – 2023] (Bill), a legislative initiative aimed at, *inter alia*, promoting equity between directors and senior management on the one hand, and shareholders and workers on the other, introduces significant changes to the remuneration disclosure requirements for public and state-owned companies. One such notable reform is the introduction of the 'Two-Strike Rule', as defined and discussed below.

Understanding the 'Two-Strike Rule' and its alignment with global practices

The 'Two-Strike Rule' aims to enhance transparency and accountability in executive remuneration. Arguably, the rule alters the dynamics of remuneration governance, particularly for non-executive directors (NEDs) serving on remuneration committees (RemCom).

The move to implement the 'Two-Strike Rule' brings South African legislation in line with global peers, particularly Australia, which previously adopted a similar rule. There are, however, some noteworthy distinctions between the Australian and proposed new South African rules.

In Australia, the 'Two-Strike Rule' entails that board members of a company will be required to stand for re-election if the company's remuneration report (Rem Report) receives a 'no' vote of 25% or more at two successive annual general meetings (AGM). The first strike is triggered when the company's Rem Report receives a 'no' vote of 25% or more at an AGM. The company's subsequent Rem Report in the following year must explain how the shareholders' concerns have been taken into account. The second strike occurs should the company's subsequent Rem Report receive a 'no' vote of 25% or more at the next AGM (Second AGM), resulting in a 'spill resolution' to be put to shareholders at the Second AGM. A successful 'spill resolution'[1] would initiate a 'spill meeting', in which the company's directors (except the managing director, who may continue to hold office indefinitely) would need to stand for re-election.

In South Africa, the Bill proposes that, if the Rem Report (including the background statement, remuneration policy and implementation report) is not approved by ordinary resolution (more than 50% of votes cast by shareholders) at a company's AGM, the RemCom must, at the Second AGM, present an

[1] The term "spill" refers to the effect of the 'Two-Strike Rule'; that is, to have board members stand for re-election.

explanation on the manner in which the shareholders' concerns have been taken into account. NEDs serving on the RemCom must stand for re-election as members of the RemCom at this Second AGM, at which the explanation is presented. If, at this Second AGM, the Rem Report in respect of the previous financial year is also not approved by ordinary resolution, the NEDs on the RemCom may continue to serve on the board as NEDs, provided that they successfully stand for re-election at the Second AGM. However, there is a crucial caveat – these NEDs will not be eligible to serve on the RemCom for a period of two years thereafter (Suspension Period). The abovementioned provisions do not apply to members of the RemCom who have served for a period of less than 12 months in the year under review.

Legislative perspectives and amendments

Following representations by the business community, Trade, Industry and Competition Minister Ebrahim Patel, who is responsible for overseeing the Companies Act, provided a concession by reducing the Suspension Period from three years to two. Despite this, the introduction of the new re-election requirement to the board adds a layer of complexity, making it a more rigorous provision, compared to the Bill's predecessor [B27 – 2023].

A necessary addition or an undesirable imposition on governance

The 'Two-Strike Rule' introduced in the context of executive remuneration has several key benefits. Firstly, it empowers shareholders by allowing them to express their views on the remuneration structure of executives, ensuring that their interests are actively considered. Secondly, the 'Two-Strike Rule' promotes accountability by encouraging companies to tie executive pay to performance, with the prospect of a vote against the Rem Report incentivising directors to align their decisions with the company's long-term success, and shareholder value. Lastly, the 'Two-Strike Rule' contributes to improved transparency through comprehensive disclosure of remuneration policies and practices. This heightened transparency enables shareholders to make well-informed decisions, and holds companies accountable for their remuneration choices.

However, the 'Two-Strike Rule' also poses some potential drawbacks. Firstly, there is apprehension about the 'Two-Strike Rule' fostering a short-term focus on immediate results to secure shareholder approval, rather than incentivising the pursuit of long-term strategic goals. Secondly, the compliance requirements of the 'Two-Strike Rule' pose a significant administrative burden for companies, involving extensive time and resources for comprehensive disclosure and adjustments to Rem Reports. Lastly, the requirement for certain NEDs to stand for re-election to the board raises concern about the overall attractiveness of directorship roles, potentially impacting the pool of candidates willing to take on such positions.

Remuneration is a multifaceted area that undergoes continuous evolution, influenced by market dynamics. By placing greater emphasis on shareholder involvement and detailed reporting, the Bill seeks to address concerns related to executive remuneration practices. While the 'Two-Strike Rule' aligns South African legislation more closely with international peers, its nuanced provisions and potential implications warrant close attention. The coming months will likely see robust discussions and adjustments as stakeholders navigate this new terrain, in pursuit of a more transparent and accountable corporate environment. ■

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Enter at your own risk

Doron Joffe

Asanda Lembede

Unilateral mistakes in signing agreements when using unconventional methods.

The growth of the global economy has fostered an environment for cross-border transactions to thrive. However, in many instances where parties are concluding agreements in cross-border transactions, differences in location and time may give rise to the need for remote contract execution mechanisms to conclude the deal.

Over the years, with the advancement of technology, we have seen a deviation from conventional methods of concluding contracts to the use of electronic contracts, smart contracts, and the holding of written contracts in escrow, which may be used for written contracts where a party to the contract is not available to sign the contract on the closing date, but signs a signature page prior to the closing, which is then attached to the rest of the contract.

What happens when a pre-signed signature page is attached to an agreement that contains material terms that the signatory had not agreed to be bound to?

As a point of departure, a party's signature is evidence that the party agrees to be bound by the terms of the contract, in line with the caveat subscriptor rule. However, what recourse can be sought where the pre-signed signature page is attached to a version of the contract that contains material terms that the party had not agreed to be bound to? This article explores the consequences of a party's unilateral mistake, and the contract law principle of iustus error as confirmed by the Supreme Court of Appeal ("SCA") in Ruth Eunice Sechoaro v Patience Kgwadi (2023).

The Sechoaro case

In this case, Kgwadi ("Respondent") had married her since deceased ex-husband ("Mr Kgwadi") in community of property in May 1987, and said marriage was dissolved in October 1991. As a result of the divorce, they concluded a settlement agreement which did not deal with the division of a property that formed part of their joint estate. In its judgment, the divorce court had granted Mr Kgwadi 14 days to apply to the court for variation of the settlement agreement. At the time of their divorce, the Respondent and Mr Kgwadi were joint owners of an immovable property in Boksburg (Property). Since the settlement agreement did not deal with the division of the property, they verbally agreed that each of them would be entitled to half of the value of the Property. It was verbally agreed that Mr Kgwadi would pay the Respondent 50% of the value of the Property upon its sale; however, Mr Kgwadi never did. In September 2010, Mr Kgwadi remarried Ruth Sechoaro (Sechoaro), to whom he bequeathed 50% of his estate.

In March 2012, the Respondent was severely injured in an accident and remained in hospital for six months.

During her stay, a messenger from a law firm (whom the Respondent assumed to be representing Mr Kgwadi) presented her with a document entitled, 'variation agreement', the terms of which were that, *inter alia*, the parties now agreed to amend the settlement agreement relating to the Property, and that she forfeited her 50% share in the Property to Mr Kgwadi at no value (the Variation Agreement), which the Respondent signed.

Mr Kgwadi passed away in 2014, and an executor of his estate was appointed (the Executor). The Executor and the Respondent attempted to sell the Property; however, the Respondent was informed that she was not entitled to 50% of the proceeds of the sale of the Property due to the Variation Agreement. The Respondent launched an application in the High Court to challenge the enforceability of the Variation Agreement on, amongst others, the grounds that she signed the Variation Agreement without any intention to be bound by its terms. The High Court found in favour of the Respondent. Sechoaro subsequently applied to the High Court for leave to appeal, which was dismissed. She subsequently applied to the SCA for leave to appeal.

The SCA had to consider whether the Respondent's unilateral mistake (error) in signing the Variation Agreement under a misunderstanding of its contents is reasonable (iustus) and excusable. The court, in its application of the iustus error principle, found this to be the case on the premise of the following:

- Based on the facts, it is common cause that the Respondent was reasonable in not expecting the agreement she had signed to contain a term that forfeited her 50% share in the Property at no value;

- Mr Kgwadi's decision to present a Variation Agreement – which contained a clause that was materially different to what had been agreed with the Respondent – 20 years after the initial settlement agreement, was done deliberately to deceive the Respondent;

- Mr Kgwadi must reasonably have known, contrary to the clause in the Variation Agreement, that the Respondent would not have agreed to that agreement; thus, when he received the signed agreement, he was aware of her mistake and was the cause of it; and

- The Respondent acted consistently under her assumption that the Variation Agreement did not contain a clause that bound her to forfeit her 50% share in the Property at no value.

The doctrine of iustus error

As a principle, iustus error has been developed by our courts over time, and functions as a corrective measure that provides that a party will not be bound where they mistakenly gave their consent, where that mistake is reasonable and excusable. In Du Toit, the court held that where prior to the agreement, the mistaken party created an impression that directly contradicts the provisions of the agreement, the other party must draw the mistaken party's attention to the discrepancy. Where a party continues to rely on the mistaken party's discrepancy, this reliance is said to be unreasonable, and the error iustus.

Lessons learnt

Commercial agreements are commonplace in trade and will continue to exist for as long as trade does. To ensure that contracting is efficient, inexpensive and speedy during cross-border trade, entities must develop mechanisms that allow for agreements to be concluded by individuals while they are in different locations across the globe.

While the practice of escrowing pre-signed signature pages or entire agreements for release on the agreed closing date is becoming more common, contracting parties must ensure that the final agreement and its terms align with what the parties had negotiated to be bound to. Where a dispute arises, it may not suffice to say that by virtue of the mistaken party's signing the agreement, they are bound to its terms, irrespective of their mistake. Failure to draw the mistaken party's attention to their mistake, and further relying – unreasonably – on a mistaken party's consent to be bound will make the error iustus, and the terms of that agreement will not be binding. ■

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Technology's central role in post-merger integration

Jonathan Milde

Jacqueline Govers

In post-merger integration (PMI), technology issues have become as critical as the financial and people considerations that are traditionally emphasised.

Technology and data platforms are increasingly vital in facilitating the multi-year integration process, accelerating business synergies, and realising the transaction's broader ambitions.

Companies that fail to adequately address technology and data in PMI jeopardise near-term business continuity and impede efforts to achieve the merger's longer-term objectives, including promoting competitiveness through efficiency and innovation.

The solution is for companies to adopt a technology-centric PMI approach. This begins with establishing joint leadership of integration initiatives across business and technology functions, and aligning their strategic priorities. They should be supported by robust governance, the right operating model, and a data-driven culture to guide decision-making.

Tech's critical role throughout the integration process

Technology and data play essential roles throughout the three horizons of the integration process.

Horizon 1 (Up to Day 100). In the initial phase, the merged company should prioritise business continuity. From the first day of combined operations, business activities should proceed as usual, with technology performing at or above pre-merger levels. Employees of both organisations should start to have a cohesive experience as one company.

Technology plays a crucial role in enabling this collaboration by establishing integrated operations, such as cross-company connectivity, communication and access tools that allow people to work together.

Unified cybersecurity measures are also essential. Our research shows that a significant increase in cyber and phishing attacks occurs immediately following a merger.

In certain mergers, particularly those involving highly digitised businesses, companies should consider opportunities to adopt temporary technological solutions that will help teams to rapidly realise high-value business objectives (e.g. a common, centralised data scheme to merge data quickly).

Understanding and governing data dispersed across both organisations is fundamental to establish a reliable source of truth that enables critical reporting and promotes business intelligence for the new entity. The merged company should make these capabilities a priority, as they will help to unlock early synergies.

Horizon 2 (Day 100 through Years 2–3). In this phase, the focus moves to integrating business processes and operations. For technology functions, this involves merging platforms and organisations to enable standardised processes, operating efficiently with the combined talent pool, and promoting technology synergies. Concurrently, tech teams must engineer future business products that support the merged company's strategy, and lay the groundwork for business synergies now and during Horizon 3. For data functions, the goal is to harmonise data schemas and connect them to integrated reporting, analytics, and advanced data-driven use cases (such as AI, automation and digital applications).

Horizon 3 (Years 2–3 through Years 4–5). The focus here expands to the broader business ambition, aiming to achieve the merger's strategic benefits on a larger scale. Technology and data teams should work in partnership with business teams to transform processes and enhance capabilities, strategically channelling investments into:

- **Transforming Business Processes.** Utilise data and AI to drive decision-making and automate operations.

- **Revamping Operating Models.** Transform the technology and business operating model to boost organisational productivity, establishing a fully-integrated delivery model in which business teams are supported by top-tier technical capabilities.

- **Enabling Growth.** Provide technology that supports both organic and inorganic growth. Examples include data platforms that allow seamless integration with external partners (such as for controlled data sharing) or scalable tools that enable the rapid incubation of new technologies.

Tech's enablement of broader enterprise synergies

Our analysis found that, in most mergers, technology and data directly drive approximately 10% of synergies, while supporting the realisation of up to 85% of business synergies across various cost categories.

In typical integrations, the technology function must fulfil its own synergy targets. These usually include optimisation in tech procurement (for example, licences, cloud, and support services); rationalising demand by combining tech environments, providers, and delivery portfolios; and consolidating organisational structures and talent.

Technology's role in facilitating broader enterprise synergies is even more critical. It drives synergies by enabling business units to boost revenue; for example, through transformed processes and better decision-making powered by data and AI. It also aids in reducing costs through automation and

Chris Barrett

Claudio Di Vittorio

product-centred ways of working. At the same time, it provides integrated, accessible data – a single source of truth – that all business users can access to improve decision-making.

How to move tech to the centre of PMI

To move technology to the centre of integration planning and management, companies should take several actions.

- **Joint Business-Tech Leadership.** Establish collaboration between business and technology leaders to jointly develop the integration agenda and inform decisions from the outset, throughout the three horizons.

- **Prioritisation.** Define clear decision-making principles and prioritisation guidelines, adopting an iterative approach in mapping success criteria during each part of the integration. The focus should be on pragmatic achievements during each horizon, rather than aiming for perfection.

- **Governance.** Bring technology and data under formal governance and steering mechanisms by establishing a dedicated team in the integration management office.

- **Operating Model.** Create an integrated operating model with multi-disciplinary product teams, jointly staffed by highly-skilled business and technology personnel. This model should promote clear accountability within teams, with business personnel defining the direction and tech personnel responsible for determining how to achieve the goals.

- **Data-Driven Culture.** Foster data-driven decision-making by encouraging and celebrating fact-based choices across the three horizons.

These actions can enable companies to avoid complexities and delays that would hinder business integration and the realisation of synergies. They are neither complex nor expensive, but require early implementation to prevent costly repercussions in the future. Ultimately, adopting the right technology strategy at the outset of an integration is critical to ensure that the merger's goals are fully achieved. ■

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M&A in the digital age: how technology elevates legal strategy


Safiyya Patel

Forget bidding wars and boardroom battles – the new frontier of mergers and acquisitions (M&A) is a data-driven battlefield. Success in today's fast-paced market depends more on the smart use of legal technology and artificial intelligence (AI) than it does on having million-dollar muscles.

M&A has always been a high-stakes game, but the emergence of these new dealmakers is changing the game by turning tiresome due diligence procedures into opportunities to find hidden treasures and spot potential hazards. However, this is certainly not an attempt to replace legal experts. AI is becoming the ideal sidekick, allowing legal teams to put less effort into the details, and freeing them up to concentrate on what really counts – providing outstanding value, developing winning strategies, and assisting clients with unmatched accuracy and insight as they navigate the maze of intricate transactions.

Historically, M&A lawyers often found themselves balancing strategic thinking with time-consuming, process-driven work. Technology is changing that dynamic. By streamlining contract drafting and editing, accelerating document review, and centralising communication and transaction management, legal technology unlocks crucial lawyer time. This enables lawyers to focus on strategic considerations and value-adding activities like deal negotiation and structuring, opportunity identification, risk identification and mitigation, proactive issue resolution, and solution design.

AI and legal technology tools amplify the abilities of exceptional lawyers to achieve excellent client outcomes.

Consider the due diligence phase, which is a crucial information-gathering exercise in any deal. In the past, lawyers would spend countless hours manually reviewing contracts, financial statements, and other critical documents. Now, AI-powered tools can accelerate this process, enabling faster identification of potential risks, deviations, red flags, or missing information. AI may even surface potential deal synergies or hidden liabilities that might otherwise be missed. This frees legal teams to focus on analysing the discovered findings, rather than the raw data itself.

Beyond due diligence, secure collaboration portals streamline the M&A process. These portals enable lawyers to communicate and engage with clients and the other side for due diligence and contract negotiations, all from a central place. This secure exchange of documents and real-time communication enhances efficiency and transparency.

Smart drafting tools move beyond static templates, offering dynamic clause libraries that capture a firm's accumulated knowledge and best practices. AI-powered drafting assistance enables lawyers to review and edit their drafts faster. Some tools can also analyse contracts to ensure consistency with the negotiated deal terms or playbooks, reducing risk and streamlining the overall process. By streamlining foundational work, lawyers can focus their deep experience and human judgment on the high-priority, complex and nuanced issues of greatest concern to their clients.

Centralised transaction management platforms serve as the mission control for deals, facilitating faster closings. Transaction dashboards offer at-a-glance views of deal progress, highlighting milestones and proactively surfacing potential bottlenecks. Dynamic closing checklists prevent critical steps from being overlooked, and integrated eSignature capabilities expedite the signing process. By keeping tasks organised and streamlined, lawyers regain precious time for strategic planning and decision-making. Beyond efficient execution, this focus on data transparency and workflow management can offer valuable post-deal analysis, aiding firms to refine future M&A processes.

Aalia Manie

The rise of technology in M&A is accelerating. Innovative legal technology not only enhances efficiency and accuracy, but also allows lawyers to offer more personalised and nuanced advice. By automating, analysing and collaborating more effectively, legal teams can leverage powerful tools to provide clients with the tailored, insightful and strategic guidance they expect in the dynamic and complex world of M&A. Those unwilling to adapt may find themselves outpaced, unable to compete with the enhanced value that technology enables. ■

AI-powered drafting assistance enables lawyers to review and edit their drafts faster. Some tools can also analyse contracts to ensure consistency with the negotiated deal terms or playbooks, reducing risk and streamlining the overall process.

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Trouble in paradise: removal of a Director

Tessa Brewis

Jamie Oliver

When a director's actions are not aligned with the company's best interests, it can lead to reputational risks for the company itself, as well as the other directors involved.

In the decision of Denton v Overstreet (CT01531ADJ2023) (1 February 2024), the Companies Tribunal took a decisive stand on the removal of a director as a result of a breach of their fiduciary duties towards the company.

The procedure to remove a director has not always been clear, as the courts, as well as the Companies Tribunal, have not been consistent in their application and interpretation of the legal principles governing a director's removal. The decision of *Denton v Overstreet (CT01531ADJ2023) (1 February 2024)* (Denton case) provides some clarity, at last.

Companies Act: statutory removal of a Director

The provisions relating to the removal of a director have been codified in Sections 71(1), 71(2) and 71(3) of the Companies Act 71 of 2008 (Companies Act).

Prior to the Companies Act coming into force, a director's duties were regulated in terms of the common law. The Companies Act codifies and extends the common law principles, in that Section 76 of the Companies Act provides for an increased standard of conduct expected from directors, compelling them to act honestly, in good faith, and in a manner which they reasonably believe to be in the best interests of, and for the benefit of, the company.

Directors are entrusted with a fiduciary duty to use their authority and perform their roles honestly, in the company's best interests, and with the expected level of care, skill and diligence. In terms of Section 77(2)(a) of the Companies Act, should they fail to meet these obligations, a director may incur personal liability for any loss, damages or costs sustained by the company as a consequence of any breach of their fiduciary obligations, and it may be necessary to remove them from their position.

The Companies Act outlines procedures for the removal of directors by the board of directors of a company, the Shareholders of the company, and removal by an authorised judicial body. The board's ability to remove a director is restricted to the 'closed list' of specific grounds, which include the director's ineligibility, disqualification or incapacity, or neglect of their fiduciary duties. Conversely, the shareholders and the relevant authorised judicial bodies are not constrained by a 'closed list' of specific grounds for director removal under the Companies Act, and rather have an 'open list', which is in line with the basic corporate governance principles that directors are appointed at the discretion of the shareholders.

Removal in terms of sections 71(1) and 71(2): procedural importance

Section 71(1) of the Companies Act provides that "*a director shall be removed by an ordinary resolution adopted at a shareholders meeting by the persons entitled to exercise voting rights in the election of that director*". The judiciary and the Companies Tribunal have long since emphasised the importance of following the correct procedural steps to remove a director, which are as follows –

- a shareholders' meeting must be convened to vote on the director's removal. Section 61(3) of the Companies Act provides that the board can convene a shareholders' meeting if a formal request is submitted to the company. Should the board neglect its obligation to call a meeting, the shareholders' recourse is to petition a court, under Section 61(12) of the Companies Act, to compel the board of the company to schedule the meeting;

- it is mandatory to notify the director concerned of the proposed shareholders' meeting and provide them with the proposed resolution for their removal. The period of notice should match the one that a shareholder is entitled to when a shareholders' meeting is called. The shareholders may not vote on the resolution to remove the director unless such director was notified of the shareholder meeting;

- the reasons for the director's removal must be provided to the affected director in sufficient detail; and

- the director must be afforded the reasonable opportunity to make representations on their impending removal.

Any deviation or failure to apply the Companies Act's procedures could result in the review and potential reversal of the director's removal by the authorised judicial body.

Removal in terms of section 71(3): procedural importance

The board and shareholders have the power to dismiss a director, only if there are at least three directors in the company. As seen in the Denton case, where a company has fewer than three directors, the board cannot remove a director; instead, the removal procedure must be facilitated by the Companies Tribunal.

In the Denton case, the Companies Tribunal sanctioned the director's removal in terms of Section 71(3) because the director concerned was found to not have acted in the company's best interests. The director concerned was removed in terms of Section 71(3), as the Companies Tribunal found that the director's non-deliverance of promised funding to the company, post utilisation of the company's services and connections, jeopardised its financial well-being and thus amounted to a breach of the concerned director's fiduciary duties towards the company.

In the Denton case, the Companies Tribunal sanctioned the director's removal in terms of Section 71(3) because the director concerned was found to not have acted in the company's best interests. The director concerned was removed, in terms of Section 71(3), as the Companies Tribunal found that the director's non-deliverance of promised funding to the company, post utilisation of the company's services and connections, jeopardised its financial well-being and thus amounted to a breach of the concerned director's fiduciary duties towards the company.

Therefore, it is imperative for directors to meticulously follow and align their actions with the provisions of the Companies Act, in order for their actions not to be construed as a breach of their fiduciary obligations towards the company, resulting in removal from the office of director.

Additional considerations

In following the procedure set out herein, to remove a director from office, certain additional considerations should be borne in mind, such as the following:

- Per the Companies Act, all director elections, appointments and removals are to be timeously filed with, and processed by, the Companies and Intellectual Property Commission.
- From a labour law perspective, if a director is also an employee of the company, removal of said director can involve certain nuances that should be considered in order to mitigate any claims against the company. A suitably qualified legal professional should be approached to facilitate the removal of a director, especially if it becomes apparent that there will be an intersection in the law that applies to the removal of a director. ■

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Private credit's rapid rise

Exchange control amendments fall short

AIIM leads strategic acquisition of Octotel

FROM THE EDITOR'S DESK

A column, published in Business Day by eminent professor of economics and head of the research institute at Investec Wealth & Investment, Brian Kantor, caught my eye. His analysis, that private equity principals are the new titans of Wall Street, starts to lift the lid on the Pandora's box of what he calls "high-fee paying, internally valued and illiquid private investment strategies."

So let's lift the local lid off the secretive Private Equity (PE) world to examine what's really inside the black box. The PE industry, often veiled in a cloak of exclusivity and high returns, presents itself as the 'Holy Grail' for savvy investors seeking to diversify and enhance their portfolios. But is this image rooted in reality, or is it merely a well-crafted illusion?

For starters, the investment industry is no stranger to the fanfare that accompanies success. When a fund performs well, its managers shout it from the rooftops, employing every medium at their disposal to ensure the world knows about their achievement. Conversely, underperformers are swiftly swept under the rug, their existence barely acknowledged. In such an environment, the PE sector proclaims itself a beacon of higher returns and lower correlations, a purported panacea for the risk-averse investor. Yet, if this were the case, why does the South African PE industry manage a relatively modest R200bn? This discrepancy begs the question: Is the PE sector truly delivering on its promises, or is it time for a re-evaluation of its value proposition and business model?

Transparency, or the lack thereof, is a glaring issue within PE. Unlike their more transparent cousins, the unit trusts and ETFs of this world, which lay bare their performance data and investment fees for all to see, PE funds often operate in the shadows. My own efforts to unearth performance data have been met with disappearing online fact sheets and a conspicuous absence of crucial information on investment returns and fees. This opacity raises eyebrows and suspicions alike. Why the secrecy, unless there's something to hide?

The Southern African Venture Capital and Private Equity Association's (SAVCA) 2023 report, while rich in 60 pages of industry analysis, astonishingly omits any concrete data on performance and fees. This omission could be interpreted as a strategic move to drown the public in information while withholding what truly matters, or perhaps it's an unfortunate oversight. Either way, it does nothing to quell concerns about the integrity of PE fund performance, a topic that has garnered scrutiny in the United States as well.

Given the lucrative remuneration structures within PE, where managers enjoy hefty fees and a share of the profits, it seems only fair to demand a level of transparency and accountability akin to that found in the unit trust industry. After all, with great compensation should come great responsibility, especially when managing the retirement savings of the public.

It's time for the PE industry to step out from behind the curtain and show us the money. Only through reliable, regular and transparent reporting can we truly assess the value and performance of PE as an asset class. Until then, investors and pension funds will continue to tread cautiously, armed with a healthy dose of scepticism. ◆

Michael Avery

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Catalyst

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Private credit wave rolls across Africa

The market for private credit or private debt has ballooned in recent years, and Catalyst caught up with Edmund Higenbottam, principal at Verdant Capital, to find out what's driving this, and whether that balloon is at risk of popping.

Verdant Capital is a leading investment bank and investment manager, operating on a pan-African basis and specialising in private capital markets. It boasts offices in Johannesburg, Ebene, Accra, Harare, Kinshasa and Frankfurt, and Higenbottam was instrumental in establishing its hybrid fund.

"It's a fund of about US$40 million or R800 million, and we invest sectorally, in financial services, alternative credit and digital finance, with a broad mandate in terms of the investment types that we make," explains Higenbottam.

"In terms of the investment sizes, we do junior debt with credit enhancements, all the way through to structures which are preferred equity or senior equity."

In recent years, a quiet transformation has been reshaping the private equity industry. This change is led by the robust growth of private credit, an asset class that, until recently, was overshadowed by more traditional forms of credit, such as bank loans and public bonds. Today, the market for private credit in the United States has swelled to rival the size of the publicly-traded, junk-rated corporate bond market, reaching an estimated $1,3 to $1,6 trillion.

Private credit refers to debt that is privately originated and is not traded on any public market. This financing option encompasses a variety of debt types, including direct lending, opportunistic debt, distressed debt, and real estate financing. It typically involves loans that are not mediated by banks and are often unrated by major credit rating agencies.

Edmund Higenbottam

Private credit presents a different appeal to both borrowers and investors. For borrowers – especially those backed by private equity firms – private credit offers certainty of execution, less complexity in deal structuring, and a relationship-driven approach that allows for more bespoke financing solutions.

Until recently, private credit and mezzanine debt was a niche asset class globally.

"It's almost like the unsexy bit of private equity," reckons Higenbottam, "and the Barbarians at the Gate, where the big buyout shops had all the glory and all the reward; but I think that's actually changed."

Higenbottam sheds light on why this market segment has not only survived, but thrived, even amidst rising interest rates – a scenario that traditionally signals caution for credit markets.

According to Higenbottam, the resilience of private credit can be attributed to its structural advantages over syndicated markets. The personalised, relationship-based nature of private credit deals provides more direct communication and flexibility between lenders and borrowers. This setup often leads to better outcomes in terms of default rates and recovery rates during economic downturns, as was evident during the COVID-19 pandemic.

"15 years ago, private credit was just mezzanine. But now we see a variety of different strategies sectorally, also in terms of layers in the capital stack. The big asset class in private credit today is senior and stretch seniors, not mezzanine anymore. And that, in itself, is very interesting. To some extent, that's the funds competing with the banks."

Higenbottam touches on one of the main drivers of this tectonic shift in private equity markets: changes in bank regulation.

Largely, the air inflating the ballooning private credit market has been by design of the regulators. Post the 2008 global financial crisis, regulators wanted to squeeze out a lot of the riskier stuff from the banks' capital structures and into the so-called shadow banking market, which includes things like Business Development Companies (BDCs) and private credit funds.

"The surprising thing, to some extent, is that private credit has continued to grow even as interest rates have surged, defying many people's expectation that this nascent market would suffer once the era of "loose" money came to an end. Instead, the market for private credit in the US now rivals the size of the market for publicly-traded, junk-rated corporate bonds"

BDCs are publicly traded entities, focused on lending to and investing in private businesses. Established to promote investment in small and mid-sized firms, BDCs open doors to private credit markets. A standout advantage of BDCs is their inherent liquidity. Unlike traditional private credit funds, which often have multi-year lockup periods, BDCs are listed on major stock exchanges and can be traded daily. This grants investors the ability to modify their positions in response to market changes, personal financial needs, or altered investment tactics.

The surprising thing, to some extent, is that private credit has continued to grow, even as interest rates have surged, defying many people's expectation that this nascent market would suffer once the era of "loose" money came to an end. Instead, the market for private credit in the US now rivals the size of the market for publicly-traded, junk-rated corporate bonds.

Higenbottam believes that the regulators have been correct in forcing this sort of credit extension into the hands of private investors and away from banks, who are responsible to depositors as much as shareholders.

"I do think that there are massive societal issues of deposit-taking institutions with implicit sovereign guarantees playing in risky asset classes, and we saw that in the great crash in 2007, 2008. We're living in a world today where regulation of deposit money banks in the US and in Western Europe is relatively tight, and so it should be."

In Africa, specifically, private credit has grown while the rest of the asset class has contracted, and

Higenbottam believes it's because private credit has developed a track record as a higher return asset class than equity funds, with less volatility between the vintages, less variance between the managers, and less volatility around tenor.

"And that's also been an issue in private equity in Africa; it's not just returns, and [returns] being perhaps a little bit underwhelming… there's been term extension, there's been limited control over tenor, so private credit has grown," explains Higenbottam.

He concedes that private credit globally has moderated with rising interest rates.

"We see that with some of the firms' funds with a global mandate or global emerging market or a global south mandate, we've seen liquidity in some of those, particularly the senior funds, become less liquid. We've seen little outflows, whereas in the last few years, they've had big inflows."

For investors, private credit offers attractive yields and a diversification option that is less correlated with broader market fluctuations. These investments are typically structured with floating rates, providing a hedge against rising interest rates, while delivering consistent income. Additionally, the illiquid nature of these loans commands a premium, albeit at the cost of reduced liquidity.

However, the illiquidity of private credit also contributes to its stability. Since these assets are not marked-to-market as frequently as publicly traded securities, they do not exhibit the same volatility, providing a buffer during market dips, but also masking potential underperformance until a financial distress event occurs.

As banks respond to the competitive threat posed by private credit, some have begun to establish their own direct lending platforms. Nonetheless, the direct lending market is expected to continue expanding, driven by the ongoing need for refinancing as large volumes of syndicated loans reach maturity.

There is a rumbling in the market that, globally, regulators might start to take a closer look at the private debt market and this regulatory arbitrage question between the banks and private credit. But despite potential regulatory scrutiny as the market grows, the fundamentally conservative structure of many private credit investments – like those structured within (BDCs) – places them on a more stable footing. BDCs, for instance, are limited in how much leverage they can incur, offering a built-in protection against over-leveraging.

While some believe that the balloon doesn't appear to be in danger of popping any time soon, driven by its ability to offer reliable returns and structural advantages that benefit both borrowers and lenders, worrying signs lurk on the horizon, especially in the US.

Currently, corporate interest costs as a percentage of net income are just 9.1%, the lowest since 1956. By comparison, this percentage was as high as 60% during the Global Financial Crisis.

Why is it so low right now?

Most businesses have locked in debt at fixed rates, making them temporarily immune to rising interest rates. However, over US$1 trillion of debt is maturing within the next 12 months, which will be refinanced at much higher rates. Therefore, businesses will soon feel the pain of higher rates.

As the market continues to mature and evolve, private credit faces its sternest challenge yet. ◆

AIIM targets fibre bullseye

In a landmark private equity deal set to further the consolidation of the South African telecommunications sector, African Infrastructure Investment Managers (AIIM) – one of Africa's premier infrastructure-focused private equity fund managers – has spearheaded a significant acquisition.

Along with partners, STOA (a prominent impact investor in infrastructure and energy) and Thebe Investment Corporation, AIIM announced their agreement to acquire Octotel, a leading fibre network operator in South Africa, from Actis, a global leader in sustainable infrastructure investment.

Vuyo Ntoi

This transaction not only signals a pivotal moment for Octotel, but also includes a strategic acquisition of a minority stake in RSAWeb, a focused ISP in South Africa, enhancing the consortium's foothold in the digital infrastructure value chain. The move comes as part of a broader strategy to solidify a commanding presence in the region's rapidly growing digital sector.

Octotel, recognised for its robust fibre-to-the-home (FTTH) and fibre-to-the-business (FTTB) services, has played a significant role in propelling the digital infrastructure in the Western Cape. Since its inception in 2016, Octotel has expanded to an impressive network that reaches over 350,000 homes and businesses, significantly up from 195,000 homes and 56,000 businesses when Actis acquired the platform in 2020.

Vuyo Ntoi, co-managing director of AIIM, highlighted the strategic rationale behind the acquisition, noting Octotel's stable revenue streams and substantial market potential.

"Octotel is not only a dominant player in the Western Cape, but also presents an attractive growth trajectory supported by low unemployment and a growing population in the region," Ntoi explained during an interview with Michael Avery, editor of Catalyst Private Equity magazine, on Classic Business.

Under the new ownership, Octotel is poised for further expansion, with plans to extend its network reach and enhance service offerings. Ntoi elaborated on the potential areas of growth, "There is significant runway for expansion, especially in under-served regions and lower LSM segments, where the demand for reliable internet connectivity presents a substantial market opportunity."

The acquisition also aims to leverage synergies between Octotel and RSAWeb, creating a more integrated service offering that can cater to a broader customer base. "Having a stake in RSAWeb allows us to have better insight into end-customer dynamics, which will inform our strategy for Octotel and help maximise the impact of our combined assets," Ntoi added.

The completion of this transaction is subject to customary regulatory approvals, including scrutiny from the Competition Commission. However, given Octotel's current market position and the competitive landscape, the consortium is optimistic about a smooth approval process.

This is despite the fact that in a recent financial presentation, Remgro CEO Jannie Durand expressed significant concerns about the prolonged timelines for regulatory approvals in South Africa, particularly pointing out the inefficiencies of competition authorities. Durand's comments come amidst ongoing struggles by Remgro's majority-owned subsidiary CIVH to secure approval for a substantial fibre deal with Vodacom. This situation underscores the broader issue of regulatory delays undermining investor confidence and stalling business growth within the country.

Trevor Van Zyl

Durand highlighted the need for a more conducive business environment, with reduced bureaucratic hurdles. His frustrations are particularly poignant as Remgro and Vodacom prepare to defend their position in a three-week tribunal hearing scheduled for the upcoming months. The Competition Commission had previously advised against the deal, suggesting a block on Vodacom's attempt to acquire a 30% stake in CIVH's subsidiary, Maziv, which owns Vumatel and Dark Fibre Africa.

Speaking to shareholders, Durand emphasised that the protracted approval process injects a high degree of uncertainty into the market, affecting investor confidence and potentially impacting job creation.

Both AIIM and its partners are committed to driving not just economic, but also social and environmental benefits through their investments. Octotel has already made significant strides in this area, providing free internet connections to over 150 schools and transitioning its vehicle fleet to less polluting alternatives. This aligns with the broader objectives of the consortium to support sustainable and inclusive economic growth in South Africa.

> "The completion of this transaction is subject to customary regulatory approvals, including scrutiny from the Competition Commission. However, given Octotel's current market position and the competitive landscape, the consortium is optimistic about a smooth approval process."

Looking ahead, as digital connectivity becomes increasingly critical for both personal and professional purposes, this transaction positions AIIM and its partners at the forefront of South Africa's digital transformation. "Joining forces with AIIM, STOA and Thebe marks an exciting chapter for Octotel and RSAWeb," said Trevor Van Zyl, CEO of Octotel. "Together, we are poised to accelerate our mission of delivering cutting-edge connectivity solutions, bolstering economic growth, and fostering innovation across the region."

This acquisition not only signifies a robust vote of confidence in South Africa's digital infrastructure, but also demonstrates a clear commitment to enhancing connectivity and fostering long-term economic development in the region. The strategic move by AIIM and its partners is evidence that pockets of growth in Southern Africa, like telecommunications and broadband connectivity, continue to attract elevated levels of deal activity. ◆

Adenia's ascent

As the European private equity world's eyes increasingly turn towards Africa – a continent rich in potential, yet historically underserved by global capital – one name was featured more than others at the recent AVCA conference in Sandton: Adenia Partners.

From its inception in 2003, with a modest €10 million fund, Adenia has now *spectacularly* closed its fifth fund, Adenia Capital V, at a hard cap of $470 million. This landmark fund was not just a financial success, but a testament to the growing confidence in Africa's economic opportunity set — and it was significantly oversubscribed, with global investors clamouring to participate.

Founded two decades ago, Adenia began as a vision to harness Africa's vast entrepreneurial potential through substantial financial injections. Today, it boasts a pan-African presence, with seven offices strategically positioned across the continent. Adenia Capital V marks a milestone moment as Adenia's first entirely pan-African fund, indicating a matured, continent-wide strategy poised to tap into diverse market opportunities from North to South and East to West.

Adenia's investment philosophy revolves around making control investments in medium-sized African companies that not only promise robust returns, but also have significant room for operational and environmental, social and governance (ESG) enhancements. The firm remains sector-agnostic, engaging in a wide array of industries, including financial services, agribusiness, renewable energy, consumer goods, telecommunications, healthcare, education, business services, light manufacturing and specialty distribution. This diverse investment approach reflects a deep understanding of the continent's varied economic drivers, and a commitment to fostering sustainable development across sectors.

Reflecting on the growth, Alexis Caude, Managing Partner at Adenia, highlighted the journey from a €10 million initial fund to the current $470 million giant, emphasising the firm's consistent approach and expanded footprint across Africa:

"It is incredible to look back on Adenia's journey over the last two decades," Caude remarked, underscoring the firm's strategic evolution and deepening market penetration.

Alexis Caude

The latest fund, AC(V), dwarfs its predecessors in scale and scope, showing Adenia's rising trajectory on the private equity landscape. Notably, the firm's ability to attract over 60% of its capital from returning investors, including major development finance institutions like DEG, EIB and IFC, signals a strong vote of confidence in Adenia's management and strategy. The remaining 40% of the fund's commitments from new backers – including notable players like the

US International Development Finance Corporation and large African institutional investors, such as South Africa's Public Investment Corporation – indicate a broadening investor base and a deepening trust in Adenia's capabilities.

Adenia has not wasted time putting the capital to work, and early investments from Fund V include strategic forays into renewable energy with Enfin, a South African solar financing solutions provider, and logistics with The Courier Guy, a well-known leader in delivery services, also in South Africa.

It has also announced the acquisition of 12 subsidiaries of Air Liquide in West and Central Africa and the Indian Ocean, highlighting the firm's capacity to engage and execute significant, complex transactions with global industry leaders.

On the exit front, Adenia Partners made four times its money when it successfully exited its investment in Ademat, an industrial company based in Côte d'Ivoire.

> "Adenia has not wasted time putting the capital to work. Early investments from Fund V include strategic forays into renewable energy with Enfin, a solar financing solutions provider in South Africa, and logistics with The Courier Guy, a well-known leader in delivery services in the same country."

In 2016, Adenia acquired Ademat and immediately embarked on a comprehensive transformation programme to enhance the company's operational efficiency and environmental, social and governance (ESG) standards. Key initiatives included the introduction of innovative management tools and an automated maintenance management system, significantly improving the company's service delivery and operational reliability.

Adenia also implemented a strategic ESG action plan, which featured improvements in job quality, such as biannual bonuses and above-average salary reviews. Ademat invested €700,000 in a new facility, tripling its storage capacity and enhancing worker safety and amenities. These improvements aligned Ademat's operations with international ISO standards and introduced effective recycling protocols for its products, setting a benchmark in sustainability practices within the industry.

The firm's strategic focus on operational excellence and sustainable practices not only strengthened Ademat's market position, but also attracted a slew of interested PE and financial buyers, leading to a highly successful exit in 2021.

Adenia's successful strategy in Côte d'Ivoire underscores the potential of private equity to act as a catalyst for significant business transformation and sustainable development in emerging markets.

Africa's promise is being unlocked by the likes of Adenia, which stands as an exemplar of the sort of innovation and enduring partnerships that are seeing private equity withstand the economic downturn better than many other asset classes. ◆

Budget introduces important tax changes for private equity

Two significant tax proposals impacting private equity (PE) funds were tabled in the 2024 budget review.

Michael Rudnicki and Wally Horak

One relates to the unintended impact of the "connected person" rule, as defined in the Income Tax Act, 1962 (the Act), on limited partners of an *en commandite* partnership; and the other, the potential prejudice to tax exempt entities, such as South African pension funds, who lend monies to related parties, such as portfolio companies of an *en commandite* partnership.

The 'connected person' definition

In terms of paragraph (c) of the definition of "connected person" in section 1 of the Act, members of a partnership are 'connected persons' in relation to each other and to any connected person in relation to such a partner. Treasury acknowledges that the wide definition has an unintended impact on limited partners in an *en commandite* partnership.

For example, the transfer pricing rules apply in respect of cross border transactions between connected persons. If a non-resident limited partner (or a connected person in relation to such a partner) should enter into a transaction with one of the underlying South African resident investee companies of the PE fund, that transaction could be subject to the transfer pricing rules if the PE fund held 20% of the shares in that company. Furthermore, if the PE fund should make a foreign investment and holds more than 50% of the shares or voting rights in the foreign company, the tax resident limited partners will be exposed to the controlled foreign company (CFC) attribution rules, even if each of the limited partners held an interest of less than 10% of the shares (which would otherwise be an excluded interest in the CFC). These implications were not envisaged by the legislature.

Michael Rudnicki

Treasury proposes that where the limited partner is a 'qualifying investor' (a defined term in the Act, which essentially refers to the limited partners), the definition of 'connected person' will be reviewed to temper the impact.

Interest deduction limitation rules applied to pension funds

Section 23M of the Act limits the deduction of interest incurred on loans, principally from creditors in a 'controlling relationship' with a debtor, where such interest is not subject to tax in the hands of the creditor. Creditors, such as pension funds, are exempt from tax on their income[1].

A 'controlling relationship' arises where:

> *"a person, whether alone or together with any one or more persons that are connected persons in relation to that person… directly or indirectly hold at least 50 per cent of the equity shares or can exercise at least 50 per cent of the voting rights or participation rights in a company".*

In terms of the 'controlling relationship' definition, should a pension fund be a limited partner in a PE fund and the PE fund holds 50% of the equity shares in a portfolio company within the private equity fund, the pension fund could not lend money to that portfolio company since it would, **together with the other partners of the PE fund**, hold 50% of the shares and would thus be in the aforesaid relationship.

Wally Horak

The effect of an arrangement as described above is that interest incurred by the portfolio company on debt advanced by the pension fund will be limited, in terms of its deductibility, to 30% of 'adjusted taxable income' of the portfolio company, commonly referred to as Tax EBITDA.

Chapter 4 of the Revenue Trends and Tax Proposals for 2024 acknowledges an unintended consequence of the provisions of section 23M for pension funds in relation to loans to related parties. Government proposes to consider this matter further, with the possibility of including amendments in the 2024 Taxation Law Amendment Bill.

Rudnicki and Horak are tax executives | Bowmans.

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THE VALUE OF KNOWING

1 https://hbr.org/2007/12/the-truth-about-private-equity-performance

South Africa's Exchange Control Amendments fall short of industry needs

On 26 February this year, following the 2024 Budget Review, the South African Reserve Bank (SARB) published draft amendments to exchange controls, in response to vigorous lobbying by stakeholders in South Africa's tech startup industry.

Adrian Dommisse

In this article, I summarise the current landscape for a high-growth technology company seeking to raise funding from offshore investors, primarily dealing with the South African exchange controls that must be navigated.

Adrian Dommisse

Before delving into the details, a spoiler alert: those of us excited by the strategic opportunities presented by the liberalisation of exchange controls have been left disappointed by the draft amendments. Upon close examination, there appears to be a persistent misalignment between the legislature and the operational realities and global ambitions of high-growth firms aiming to establish themselves globally.

The Position Today

Currently, a South African company can restructure to be wholly-owned by an offshore holding company which is, in turn, owned by the original set of shareholders. I'll refer to this as the "Permitted Loop" structure throughout this article. This arrangement was made possible by significant liberalisation of exchange controls in January 2021. Prior to this, South Africans had to establish complex 'mirror structures' to legally have an international presence, which brought operational complexities and made explaining these structures to shareholders and investors challenging.

However, even the Permitted Loop has its challenges:

- The Offshore Holding company must purchase the South African company at market value.
- The Offshore Holding company must pay this market value in cash to the South African shareholders.
- Setting up an Offshore Holding company is only ever permitted for the purpose of raising growth funding from offshore sources.
- The Offshore Holding company still cannot take transfer of the intellectual property held by the South African company (without permission).

Let's consider a realistic example from our firm's clients. Client X is thrilled that an international investor wants to invest $5m. However, the investor is wary of South Africa's unstable exchange rate history, complex exchange control rules, and ongoing debates about property ownership, including potential expropriation without compensation. The investor's simple solution is for Client X to set up an offshore holding company. Yet, my client must then explain that a substantial portion of their investment must be used by the offshore holding company to buy out the current South African shareholders, who must face the dreaded capital gains tax implications. Furthermore, even if everything goes according to plan, the holding company ends up owning a South African company whose real value lies in technology software (intellectual property) still locked within South Africa, with all its associated risks.

So, the industry has tirelessly explained to SARB that if it truly wants South African companies to grow using international investment, we need three simple changes:

- Allow the Offshore Holding company to "pay" for the South African company via a share-for-share swap, meaning SA selling shareholders receive shares in the offshore holding company instead of cash.
- Let the SA selling shareholders defer their capital gains tax until they sell their shares in the offshore holding company, aligning with the treatment of similar restructures within South Africa.
- Permit the SA company holding valuable intellectual property to transfer this IP to the holding company, structured as a sale at a genuine fair market value, on loan account—again, already allowed for companies within South African borders.

These proposals were detailed extensively by a coalition of dedicated lawyers, bankers, investors and entrepreneurs making up the industry lobby groups. We documented case studies, wrote motivations benefiting South Africa, and even drafted proposed changes to the law.

The Draft Amendments to Exchange Controls

Unfortunately, the response from the government was less rewarding than hoped. The draft proposals published for comment by SARB can best be described as adhering to an outdated command-and-control economic model. The new laws stipulate that you can grow your business globally as long as all your offshore activities remain South African tax and exchange control assets.

> "Unfortunately, the response from the government was less rewarding than hoped. The draft proposals published for comment by SARB can best be described as adhering to an outdated command-and-control economic model."

The published draft laws state explicitly that the government aims to allow the establishment of offshore entities "from a domestic base." SARB quickly clarified their intention: any offshore company set up for the purpose of raising funding must not only be a SA tax resident, but it must also be "incorporated" and effectively managed and controlled from South Africa. The entity established offshore will then have extensive reporting obligations to SARB, including the status of foreign operations, reporting all agreements entered into, all funds raised and introduced, and providing their financial statements to FinSurve.

The underlying issue, which requires sensitive navigation, is the reluctance of international investors to invest directly into companies based in South Africa, thereby becoming entangled in the South African tax and exchange control systems. This reluctance stems from a substantial trust deficit regarding the South African government's capacity to foster an environment conducive to growing investments.

This concern prompted us to propose a more straightforward mechanism for establishing an offshore holding company through share-for-share swaps. However, the response from the SARB was less accommodating than hoped. They continue to disallow share-for-share swaps, opting instead to permit the setup of an offshore subsidiary that must remain a South African tax resident. Additionally, we advocated for a simplified process to transfer intellectual property offshore, but the regulations continue to prohibit such movements.

In summary, the three main requests from the industry were not only ignored, but were also replaced with alternatives that starkly misalign with both the industry's and the economy's needs. While failure to effect change in legislation is not unusual, what stands out here is the government's apparent lack of understanding – or empathy – for the needs of its constituents. Rather than adapting to facilitate growth, it has entrenched its stance on exchange control policies. I fear that this approach may accelerate divestment and deter new investments, rather than encourage economic expansion. ◆

Dommisse is Founding Director | Dommisse Attorneys Inc.

Unlocking South Africa's economic potential through strategic partnerships with Chinese incubators

South Africa grapples with a trio of pervasive economic challenges: entrenched poverty, glaring inequality, and staggeringly high unemployment rates, which disproportionately affect the nation's youth. With a formal unemployment rate of 32% and youth unemployment nearly doubling that figure, the urgent need for innovative solutions cannot be overstated.

Krish Chetty

Incubators have emerged as vital entities in nurturing entrepreneurial ventures, but South Africa's efforts in this domain are dwarfed by the sheer scale and success of China's thriving incubation system. By meticulously examining and adapting lessons from China's innovation ecosystem, South Africa can drastically enhance its incubation strategies, unlocking the potential for sustainable growth and economic development.

This article draws from research into partnership strategies between South African and Chinese incubators. The recommendations focus on reimagining the South African incubator sector and strategically leveraging commitments made by the Chinese government to share knowledge and expertise with the African continent, paving the way for transformative collaboration.

Krish Chetty

Streamlining Engagement through an Incubator Association

Establishing a unified Incubator Association is essential to collaborate with Chinese counterparts and showcase South African capabilities effectively. This association would act as a bridge between the two countries, navigating the complexities of cross-cultural business practices and facilitating meaningful partnerships.

Moreover, it would serve as a platform for knowledge sharing within the South African incubation community, enabling the refinement of strategies for successful collaboration with China. By presenting a united front and leveraging the collective expertise of South African incubators, this association can position the country as an attractive destination for Chinese investment and collaboration. Presently, the South African incubator sector is disparate and unorganised, making it difficult to leverage its collective expertise.

Establishing a Shared Data Repository

One of the key initiatives that could revolutionise the South African business landscape is the adoption of a shared data platform akin to those employed in China following its 13th Five-Year Plan. If the South African innovation ecosystem could tap into China's data repository, accessing valuable insights, such information could be a catalyst for local innovation. Such a binational public-private partnership would foster new business creation and development by making a wealth of data – including governmental, geographic, environmental, legal, scientific and statistical information – readily accessible to entrepreneurs in both countries.

By recognising the pivotal role of data in driving economic innovation and empowering businesses with the insights they need to succeed, South Africa can create an environment that fosters growth and unlocks new opportunities for collaboration and investment.

Leveraging AI for Business Matching

Building on the idea of a shared data platform, there is a further need to leverage data about our business practices, interests and goals. One of the most significant barriers to effective international collaboration is the knowledge gap about potential partners. To overcome this challenge, implementing an AI-driven online business matching platform could be a game-changer. This platform would connect companies based on their capabilities, needs and complementary strengths by leveraging advanced algorithms and machine learning techniques.

> "One of the key initiatives that could revolutionise the South African business landscape is the adoption of a shared data platform akin to those employed in China following its 13th Five-Year Plan."

This innovative solution would transcend geographical and cultural barriers, enabling South African and Chinese businesses to find the perfect match for their collaborative endeavours. By harnessing the power of technology to facilitate robust and meaningful partnerships, South Africa can position itself at the forefront of the global innovation landscape.

Revitalising the Development Finance Ecosystem

Entrepreneurs in South Africa often face significant hurdles when accessing finance and navigating the complex bureaucratic processes associated with business registration. The current paradox of a system that readily offers consumer credit but hesitates to fund business ventures must be urgently addressed.

South Africa must embrace a more risk-tolerant approach to development finance to create an environment that truly supports entrepreneurial expansion and innovation. This approach requires a comprehensive re-evaluation of the financial ecosystem, including introducing targeted initiatives to support early-stage ventures, streamlining regulatory processes, and cultivating a culture that values and encourages entrepreneurship.

By taking bold steps to revitalise its development finance landscape, South Africa can unlock the potential of its vibrant entrepreneurial community and create a thriving ecosystem that drives economic growth and job creation.

To achieve sustainable economic growth and address its pressing challenges, South Africa must adopt a holistic approach that combines valuable lessons from China's incubation success with targeted initiatives tailored to its unique context. South Africa can lay the foundation for a thriving innovation landscape through the preceding recommendations.

These strategic partnerships with Chinese incubators will not only provide access to invaluable expertise and resources, but also position South Africa as a hub for entrepreneurial excellence and a prime destination for international investment. The path to prosperity lies in the power of innovation and collaboration. By taking advantage of these opportunities, South Africa can embark on a transformative journey that will reshape its economic landscape and provide a beacon of hope for its youth. ◆

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PRIVATE EQUITY DEALS Q1 2024

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Acquisition by	Convergence Partners Digital Infrastructure Fund from Alviva	Datacentrix	Bowmans; Tugendhaft Wapnick Banchetti	not publicly disclosed	Jan 17
Acquisition by	SPE Mid-Market Fund 1 Partnership (Sanlam and ARC Financial Services Investments [ARC]) from M Lawlor and the Lawlor Family Trust	Mayfair Gearbox Holdings	ENS	undisclosed	Jan 22
Disposal by	Carlyle to ASSA ABLOY Group	Amecor	Baker McKenzie (SA)	undisclosed	Jan 26
Acquisition by	Barkophor Investments from Izandla Property Fund	Sasol DC (8th Avenue, Sasolburg, Free State)	Vani Chetty Competition Law	undisclosed	Jan 31
Joint Venture	Standard Bank, Stanlib and Scatec	Lyra Energy	Standard Bank; Bowmans	undisclosed	Feb 2
Acquisition by	Vantage Capital Partners from founders	a significant minority stake in Procera (previously Blake & Associates)	PwC Corporate Finance; Werksmans; Webber Wentzel; Eversheds (SA); STBB; EY; Step Advisory	not publicly disclosed	Feb 2
Acquisition by	Evolution III Fund from IBL Energy and STOA	a stake in Energy Pulse (the majority shareholder of Equator Energy)	Bowmans	not publicly disclosed	Feb 6
Acquisition by	SPE Mid-Market Fund 1 Partnership (Sanlam and ARC Financial Services Investments [ARC]) from S Bacher	S Bacher and Company	Tugendhaft Wapnick Banchetti; ENS	undisclosed	Feb 19
Disposal by	Pepkor to Capitalworks Private Equity and TBCo management	The Building Company (BUCO)	Rand Merchant Bank; Investec Bank; Werksmans; Bowmans; Webber Wentzel	R1,2bn	Feb 29
Acquisition by	Adenia Partners, DEG, Proparco and South Suez	100% of The Courier Guy	Rand Merchant Bank; Webber Wentzel; ENS; PwC; EY	undisclosed	Mar 1
Acquisition by	Astoria Investments from RECM Worldwide Opportunities Prescient QI Hedge Fund (Prescient Mangement Company)	388 762 Leatt Corporation shares (6,25% stake)	Questco	$5,32m	Mar 12
Acquisition by	Standard Bank	stake in Planet42		R50m	Mar 14
Investment by	RH Managers	in Herolim Private Hospital		R135m	Mar 19
Disposal by	Nutun Investments International (Transaction Capital) to Dvo Bidco (Allegro Funds)	Nutun Australia	Investec Bank	A$58,3m	Mar 22
Disposal by	Telkom SA SOC to Towerco Bidco a consortium of equity investors (an infrastructure fund managed by Actis and a vehicle owned by Royal Bafokeng Holdings)	Swiftnet	Rothschild & Co; Rand Merchant Bank; Itai Capital; FTI Capital Advisors (DIFC); Nedbank CIB; Bowmans; Webber Wentzel; Baker McKenzie; PwC; SNG Grant Thornton	R6,75bn	Mar 22
Acquisition by	African Infrastructure Investment Managers (Old Mutual), STOA and Thebe Investment Corporation from Actis	investment in Octotel and RSAweb	Red Wind Capital; Webber Wentzel; Bowmans; ENS; Deloitte	undisclosed	Mar 25
Disposal by	Nampak to a consortium (RMB Corvest [FirstRand] and Dlondlobala Capital)	the liquid cartons business in South Africa, Nampak Zambia and Nampak Malawi	PSG Capital; Bowmans; Werksmans	R450m	Mar 26
Investment by	HAVAÍC and other investors	in RNR (Right Now Response)		R12m	Mar 26
Acquisition by	Medu IV	a majority stake in Optron	Poswa; Kensington Capital	undisclosed	Mar 28