SOUTH AFRICA'S CORPORATE FINANCE MAGAZINE

DealMakers®

VOLUME 24 • NO. 3

3RD QUARTER 2023 • M&A RANKINGS PLUS ALL CORPORATE FINANCE TRANSACTIONS • INCORPORATING CATALYST

ANSARADA

Great organisations begin with great organisation

"Our journey with Ansarada started awhile back; I think we were one of the first clients in South Africa. Data rooms are really important for us, because one of the things we've learned is that interesting things happen to interesting businesses – you have to be prepared. We really help those companies get funding ready, get investment ready; to set up their data rooms with Ansarada software in the early stage. Some of those businesses have gone on to do amazing exits."

Keet van Zyl, Co-founder and Partner, Knife Capital

"The way Ansarada is structured really creates order from what would otherwise be chaotic. There's been a lot of data rooms – 90 in the last 2 years – so it's really important to us to protect client data. We have a professional obligation to submit to privacy laws, so to have a secure platform which has cutting edge security, multi factor authentication, and can be relied upon to continue to evolve and meet threats that are out there, is critical to us."

Ed Paton, Partner, Hall & Wilcox

"We've done a lot of deals on Ansarada, and having everything in one central depository is something that we advise. Even me as the director working on a deal - and the analyst and the manager working on transaction – makes it a lot easier. Questions are logged and are answered effectively. It's incredibly useful."

Lucas Couper, Director & co-founder, Nash Advisory

"Deals have certainly changed. Technology is becoming more and more part of the job. Ansarada has always been pushing the innovation forward. Done recently with the implementation of the Workflow tool, being able to start early on in the process of your M&A deal in the preparation phase – already having your clients involved in uploading and not doing the work twice.

With the redaction tool with the AI pattern system... you can redact 100+ documents at the same time. One of our interns recently did 600-700 documents in a couple of minutes – in the past that's maybe a couple days' work! That's a huge amount of time saved. It's really been a game-changer for us."

Alexander Aerts, Investment Banking Vice President, Degroof Petercam

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MARYLOU GREIG

Editor's Note

The recent World Cup win by the boys in green and gold brought much needed relief, albeit for a fraction of time, from the daily bombardment of negative news that has become a way of life for South Africans. But like all good things, this hype has faded, and our attention is once again focused on making the best of, let's face it, a very difficult setting.

M&A activity is, by its very nature, resilient in tough times – rather, it is the type of deals completed that changes. Nevertheless, the industry has come under pressure. For the period from January to end-September 2023, deal activity declined 26% year-on-year, and almost 40% when compared with deal activity in 2021 (pg 6). Private Equity, an important driver in the dealmaking space, also declined – down 36% on the previous year. This issue carries an interesting article on unlocking private equity exits in the face of increasing uncertainty (pg 64).

It is becoming increasingly clear that South Africa's approach to foreign affairs will play an important role in determining investment and growth outcomes for the country. While investor interest is present, with a good supply of deals in the pipeline, the challenge is getting them across the line. Investor sentiment – weighted down by the macroeconomic environment, geo-political influences, and the impending local elections – is adopting a wait and see attitude.

A worrying trend (pg 21) is the exit of companies from Africa's largest stock exchange, the JSE. Over the past six years (excluding 2023), an average of 25 companies have delisted each year. For the year to end-September, 19 companies have delisted, with a further five set to do so within the coming months. New listings have all but dried up. Private equity has been identified as one reason for the loss of listings, providing financing in softly regulated private markets. In 2017, the JSE welcomed 21 new listings; in the year to September 2023, this figure had dropped to three. An article in this issue (pg 67) covers efforts by the JSE to encourage new listings, while secondary listings on A2X continue to increase, with 18 recorded for the period under review.

As the year end approaches, our energies have shifted to the 24th Ansarada Deal**Makers** Annual Awards, to be held on **13 February 2024**. The nominations for the subjective awards have started to come in, and I would like to take this opportunity to extend my gratitude to Nicky Newton-King, Phuthi Mahanyele-Dabengwa and James Formby, who constitute the Independent Panel, for their time and enthusiasm as they take on the difficult task of selecting the winners of 2023.

As we speed headlong towards the 'annual migration' that is the end of the year holidays, Deal**Makers** wishes you all a safe trip to wherever you may be headed. Enjoy the time with family and friends, as 2024 is likely to be another demanding year. ■

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Catalyst – the Private Equity and Venture Capital magazine

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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.

BDO · BOWMANS – The value of knowing · CDH Cliffe Dekker Hofmeyr – incorporating Kieti Law LLP, Kenya · ENS · EY – Building a better working world · Investec · Nedbank CIB · PSG Capital · RMB · Standard Bank · Webber Wentzel in alliance with Linklaters


Standard Bank
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Scatec
H1 HOLDINGS
AFRICA'S LARGEST RENEWABLE ENERGY PROJECT IS RE-ENERGISING HER COMMUNITIES.
Corporate and Investment Banking
Standard Bank, in partnership with British International Investment, acted as sole mandate and lead arranger and underwriter to provide R18bn* in funding for Scatec and H1 Holdings. The deal is one of the largest battery storage projects globally and aims to deliver 540MW of solar PV and 1.1GWh of battery energy storage (BESS) to the South African power grid, all from 100% renewable sources. It's a deal that's delivering clean energy, while driving growth in local communities.
To find out what happens when we believe in here, visit standardbank.com/cib
*Total project costs including VAT.
Kenhardt, South Africa
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MERGERS & ACQUISITIONS ANALYSIS Q1 - Q3 2023 (excludes unlisted M&A)

	Q3 2023			Q1 - Q3 2023			Q1 - Q3 2022			Q1 - Q3 2021		
DEAL ACTIVITY	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**
Local Deals	63	(0)	26 951	189	(2)	92 606	250	(15)	387 428	307	(11)	210 218
Foreign Deals	14	(0)	39 815	27	(0)	220 044	44	(1)	102 518	42	(2)	388 110
Total	77	(0)	66 766	216	(2)	312 650	294	(16)	489 946	349	(13)	598 328

DEAL ACTIVITY (excluding failed deals)	**No.**	**Value R´m**	**No.**	**Value R´m**	**No.**	**Value R´m**	**No.**	**Value R´m**
Local Deals	63	26 951	187	92 495	235	260 118	296	201 521
Foreign Deals	14	39 815	27	220 044	43	77 618	40	314 304
Total	77	66 766	214	312 539	278	337 736	336	515 825

BEE AND PRIVATE EQUITY ACTIVITY Q1 - Q3 2023 (includes listed and unlisted M&A)

	Q3 2023			Q1 - Q3 2023			Q1 - Q3 2022			Q1 - Q3 2021		
BEE ACTIVITY	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**
Listed M&A	2	(0)	380	6	(0)	12 230	13	(0)	25 069	11	(1)	53 037
Unlisted M&A	2	(0)	undisclosed	8	(0)	1 000	10	(0)	647	10	(0)	656
Total	4	(0)	380	14	(0)	13 230	23	(0)	25 716	21	(1)	53 693

	Q3 2023			Q1 - Q3 2023			Q1 - Q3 2022			Q1 - Q3 2021		
PE ACTIVITY	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**	**No.**	*****	**Value R´m**
Listed M&A	10	(0)	6 313	24	(0)	8 814	32	(3)	32 339	31	(0)	14 845
Unlisted M&A	15	(0)	3 665	50	(0)	28 273	83	(0)	89 671	78	(0)	5 554
Total	25	(0)	9 978	74	(0)	37 087	115	(3)	122 010	109	(0)	20 399

* No of failed deals

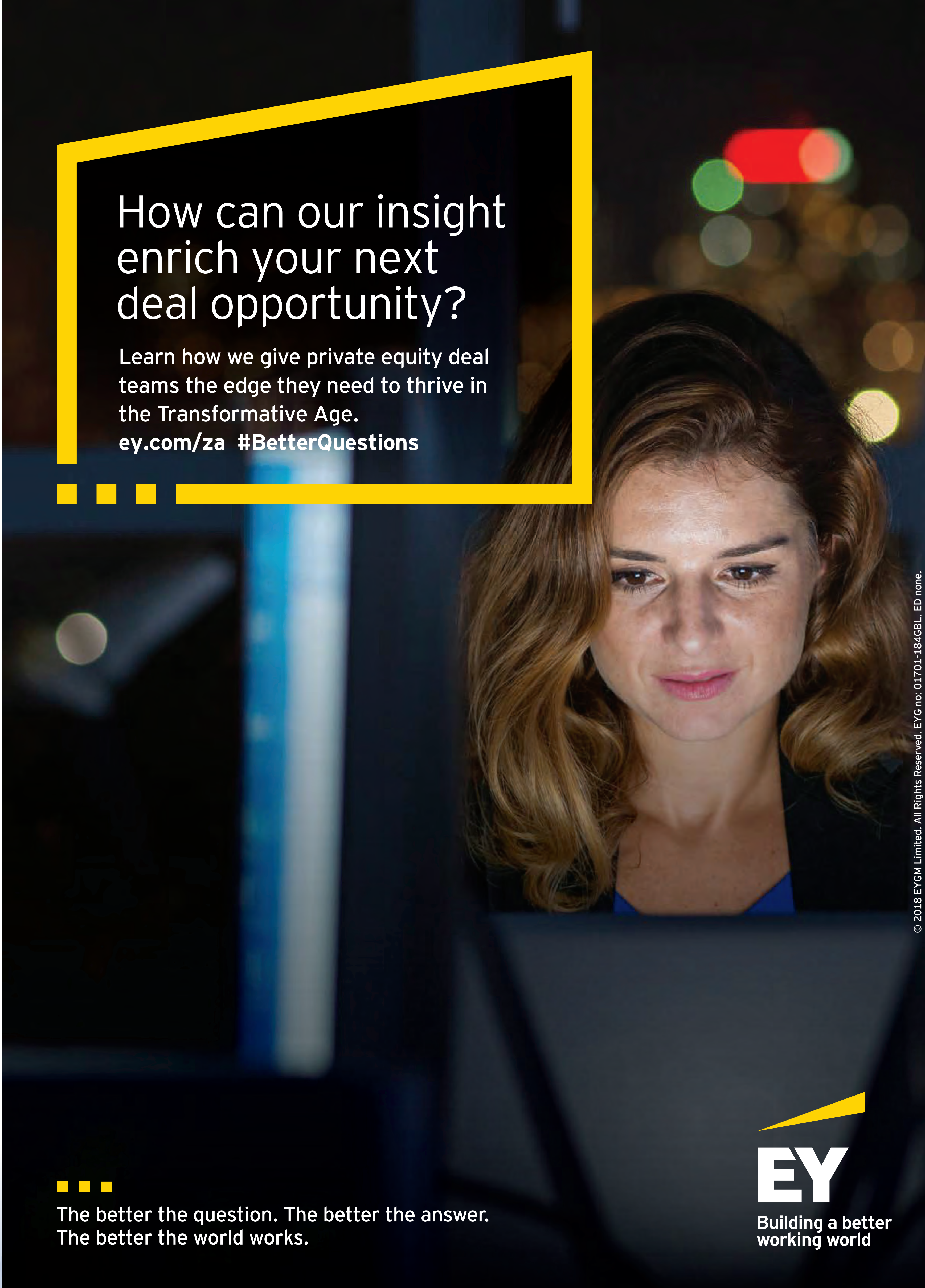
BIGGEST DEALS Q1 - Q3 2023

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R 'M
Disposal by ■	Glencore to Bunge	50% stake in Viterra for a 15% stake in the merged entity Bunge	$4,1bn	Jun 13	75 850
Disposal by ■	Steinhoff International to Tempur Sealy International	45% economic interest in the Mattress Firm	$4bn	May 9	73 600
Disposal by	Investec to Rathbones	all share combination of Investec Wealth & Investment and Rathbones for a 41,25% economic interest (29,9% voting rights) in the merged entity	£839m	Apr 4	18 626
Disposal by ■	Mondi plc to Sezar Invest (Sezar Group)	Mondi Syktyvkar	€775m	Sep 18	15 655
Acquisition by ■	Glencore from Norsk Hydro ASA	30% equity stake in Alunorte S.A. and a 45% equity stake in Mineracão Rio do Norte S.A.	$700m	Apr 28	12 810
Acquisition by ■	Fund managed by Blackstone from Industrials REIT minorities	Industrials REIT	£511m	Apr 14	11 937
Disposal by	Absa to the CSI Trust and Staff Trust	7% stake in Absa (4% and 3% respectively)	R11,6bn	Mar 31	11 600
Disposal by ■	Prosus to Rapyd	PayU's Global Payments Organisation	$610m	Aug 2	11 224
Acquisition by ■	Glencore from Pan American Silver	remaining 56,25% stake in Minera Agua Rica Alumbrera (MARA) Project	$475m	Jul 31	8 408
Acquisition by	Gold Fields from Osisko Mining	50% stake in the feasibility stage Windfall Project and a 50% up-front vested interest in the Urban Barry and Quévillon district exploration camps	C$600m	May 2	8 100

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

BIGGEST BEE DEALS Q1 - Q3 2023

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R 'M
Disposal by	Absa to the CSI Trust and Staff Trust	7% stake in Absa (4% and 3% respectively)	R11,6bn	Mar 31	11 600
Disposal by	PPC South Africa (PPC) to PPC Employee share Ownership Trust	10% stake in PPC South Africa	R380m	Aug 7	380
Disposal by	Growthpoint to the CSI Trust	20 million Growthpoint shares (0,6%)	R250m	Jun 21	250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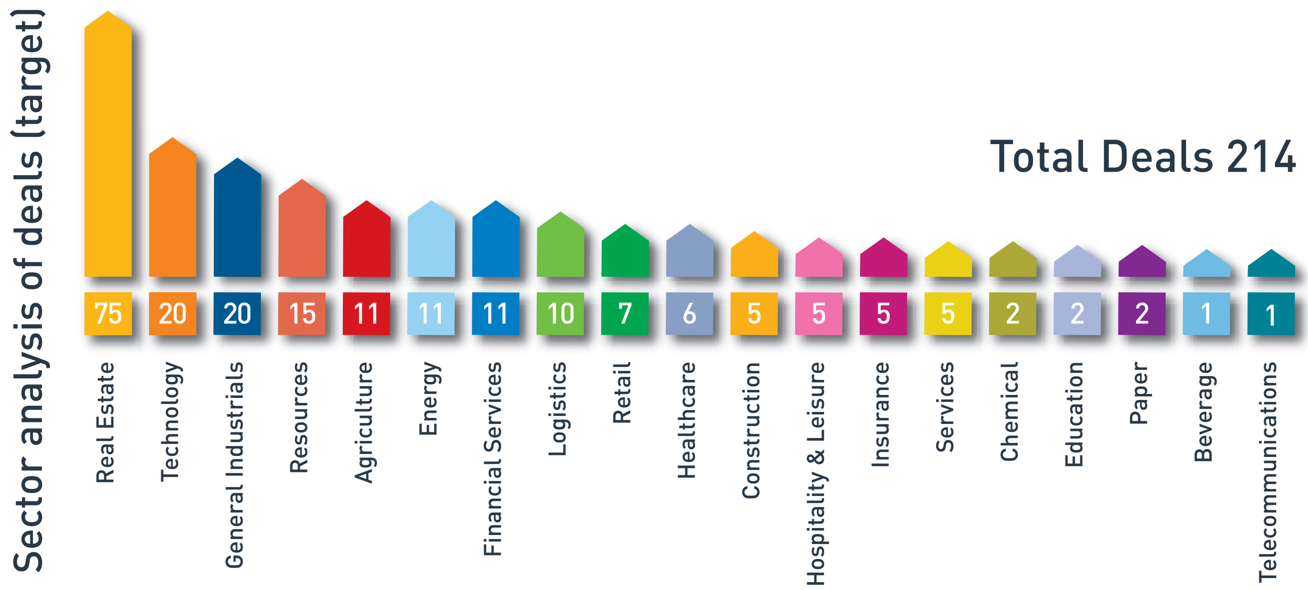
M&A Q1 - Q3 2023 IN NUMBERS

Sourced from DealMakers online

Of the 214 deals recorded in Q1-Q3 of 2023, SA-domiciled exchange-listed companies were involved in 40 cross border transactions

Africa	Asia	Australia	Canada	Europe	Latin America	UAE	US
10 deals	**1 deal**	**7 deals**	**1 deal**	**7 deals**	**2 deals**	**1 deal**	**11 deals**
3 acquisitions 4 disposals 3 joint ventures	1 joint venture	4 acquisitions 2 disposals 1 joint venture	1 acquisition	6 acquisitions 1 joint venture	2 acquisitions	1 acquisition	6 acquisitions 5 disposals
• Financial Services 2 • Logistics 1 • Telecommunications 1 • Real Estate 2 • Retail 1 • Hospitality & Leisure 1 • Resources 1 • Technology 1	• General Industrials 1	• Insurance 2 • Resources 1 • Services 1 • Technology 2 • Real Estate 1	• Resources 1	• Financial Services 1 • General Industrials 1 • Real Estate 4 • Energy 1	• Healthcare 2	• Services 1	• General Industrials 2 • Logistics 1 • Services 1 • Real Estate 5 • Retail 1 • Financial Services 1

* by companies with a primary listing in SA



Deals look by value category

Size of transaction	Q1 - Q3 2023 No. of deals	Q1 - Q3 2023 Value Rm	Q1 - Q3 2022 No. of deals	Q1 - Q3 2022 Value Rm	Q1 - Q3 2023 No. of deals	Q1 - Q3 2023 Value Rm
> R5bn	11	252 849	12	213 081	16	377 229
> R1bn	17	33 784	38	91 864	44	94 751
> R500m	20	13 297	19	13 579	33	23 754
> R200m	26	7 662	35	11 184	39	13 252
>R50m	39	3 892	61	6 855	50	5 573
>R20m	25	841	23	819	29	1 002
< 20m	24	214	42	354	35	264
Total no. of transactions	162	312 539	230	337 736	246	515 825
Total without value	52		48		90	
Grand total	214	312 539	278	337 736	336	515 825

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	Investec Bank	21 661	24,49%
2	Java Capital	15 102	17,07%
3	Absa CIB	11 600	13,11%
	Oxford Partners	11 600	13,11%
5	Blackacres Capital	7 656	8,65%
	Deloitte	7 656	8,65%
7	Rand Merchant Bank	3 556	4,02%
8	Standard Bank	3 070	3,47%
9	Nedbank CIB	1 676	1,90%
10	Merrill Lynch	1 240	1,40%
11	Questco	1 024	1,16%
12	River Group	803	0,91%
13	Valeo Capital	609	0,69%
14	PwC Corporate Finance	566	0,64%
15	PSG Capital	530	0,60%
16	Merchantec Capital	55	0,06%
17	Vunani Corporate Finance	26	0,03%
18	Benchmark International	20	0,02%
19	Grindrod Bank	11	0,01%
20	Macquarie Advisory and Capital Markets South Africa	undisclosed	n/a
	Novitas Capital Advisors	undisclosed	n/a
	Transcend Capital	undisclosed	n/a

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Java Capital	10	18,18%	15 102
2	Investec Bank	6	10,91%	21 661
3	Standard Bank	5	9,09%	3 070
4	Nedbank CIB	4	7,27%	1 676
	Questco	4	7,27%	1 024
6	Blackacres Capital	3	5,45%	7 656
	Deloitte	3	5,45%	7 656
	Merrill Lynch	3	5,45%	1 240
	Rand Merchant Bank	3	5,45%	3 556
10	PSG Capital	2	3,64%	530
11	Absa CIB	1	1,82%	11 600
	Oxford Partners	1	1,82%	11 600
	River Group	1	1,82%	803
	Valeo Capital	1	1,82%	609
	PwC Corporate Finance	1	1,82%	566
	Merchantec Capital	1	1,82%	55
	Vunani Corporate Finance	1	1,82%	26
	Benchmark International	1	1,82%	20
	Grindrod Bank	1	1,82%	11
	Macquarie Advisory and Capital Markets South Africa	1	1,82%	undisclosed
	Novitas Capital Advisors	1	1,82%	undisclosed
	Transcend Capital	1	1,82%	undisclosed

SPONSORS

RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	PSG Capital	75 270	34,98%
2	Absa CIB	32 818	15,25%
3	Investec Bank	32 156	14,94%
4	Java Capital	22 352	10,39%
5	J.P. Morgan	19 700	9,15%
6	Nedbank CIB	10 751	5,00%
7	Rand Merchant Bank	8 604	4,00%
8	Questco	4 516	2,10%
9	Standard Bank	4 069	1,89%
10	Merrill Lynch	1 334	0,62%
11	River Group	803	0,37%
12	Vunani Sponsors	756	0,35%
13	Valeo Capital	609	0,28%
14	One Capital	550	0,26%
15	Merchantec Capital	511	0,24%

RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Java Capital	18	15,65%	22 352
2	Nedbank CIB	17	14,78%	10 751
3	Investec Bank	15	13,04%	32 156
4	Questco	11	9,57%	4 516
5	PSG Capital	10	8,70%	75 270
	Standard Bank	10	8,70%	4 069
7	Rand Merchant Bank	7	6,09%	8 604
8	Merchantec Capital	5	4,35%	511
9	Absa CIB	3	2,61%	32 818
	J.P. Morgan	3	2,61%	19 700
	Merrill Lynch	3	2,61%	1 334
	Vunani Sponsors	3	2,61%	756
	Grindrod Bank	3	2,61%	242
14	Exchange Sponsors	2	1,74%	129
	AcaciaCap Advisors	2	1,74%	18

* Investment Advisers incorporate Financial Advisers and others claiming this category


CIB
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38 B
36 B
34 B
32 B
2024
2026
2028
2030
2032
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Corporate adviser and JSE sponsor to Nedbank Group for share repurchases and odd-lot offer – R5bn
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Joint financial adviser and joint JSE sponsor to Nampak Limited for rights offer – R1bn
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RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES (CONTINUED)

RANKINGS BY DEAL VALUE

LEGAL ADVISERS

No	Company	Deal Values R´m	Market Share %
1	ENS	27 586	28,51%
2	Cliffe Dekker Hofmeyr	16 561	17,12%
3	Webber Wentzel	15 850	16,38%
4	Bowmans	12 558	12,98%
5	Vani Chetty Competition Law	7 208	7,45%
6	Herbert Smith Freehills South Africa	4 333	4,48%
7	White & Case (SA)	3 853	3,98%
8	Werksmans	3 805	3,93%
9	Norton Rose Fulbright South Africa	1 594	1,65%
10	Baker McKenzie	1 359	1,41%
11	Fasken	1 318	1,36%
12	Glyn Marais	250	0,26%
13	Livingston Leandy	200	0,21%
14	Fluxmans	108	0,11%
15	Mouyis Cohen	51	0,05%
16	Honey Attorneys	39	0,04%
17	Clyde & Co	26	0,03%
	Smith Tabata Buchanan Boyes	26	0,03%
19	Caveat Legal	20	0,02%
20	Fairbridges Wertheim Becker	undisclosed	n/a
21	Alchemy Law	undisclosed	n/a
22	Nortons	undisclosed	n/a
23	Poswa	undisclosed	n/a

TRANSACTIONAL SUPPORT SERVICES

No	Company	Deal Values R´m	Market Share %
1	PwC	12 664	34,60%
2	KPMG	11 600	31,69%
3	EY	3 982	10,88%
4	BDO	3 568	9,75%
5	Deloitte	2 334	6,38%
6	Mazars	1 966	5,37%
7	Valeo Capital	378	1,03%
8	Merchantec Capital	36	0,10%
9	Nexia SAB&T	33	0,09%
10	Exchange Sponsors	26	0,07%
11	Galbraith Rushby	20	0,05%

RANKINGS BY DEAL FLOW (ACTIVITY)

LEGAL ADVISERS

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Cliffe Dekker Hofmeyr	23	21,70%	16 561
2	ENS	14	13,21%	27 586
3	Webber Wentzel	11	10,38%	15 850
	White & Case (SA)	11	10,38%	3 853
5	Vani Chetty Competition Law	9	8,49%	7 208
	Werksmans	9	8,49%	3 805
7	Bowmans	5	4,72%	12 558
8	Herbert Smith Freehills South Africa	4	3,77%	4 333
	Baker McKenzie	4	3,77%	1 359
10	Norton Rose Fulbright South Africa	2	1,89%	1 594
	Fasken	2	1,89%	1 318
12	Glyn Marais	1	0,94%	250
	Livingston Leandy	1	0,94%	200
	Fluxmans	1	0,94%	108
	Mouyis Cohen	1	0,94%	51
	Honey Attorneys	1	0,94%	39
	Clyde & Co	1	0,94%	26
	Smith Tabata Buchanan Boyes	1	0,94%	26
	Caveat Legal	1	0,94%	20
	Alchemy Law	1	0,94%	undisclosed
	Fairbridges Wertheim Becker	1	0,94%	undisclosed
	Nortons	1	0,94%	undisclosed
	Poswa	1	0,94%	undisclosed

TRANSACTIONAL SUPPORT SERVICES

No	Company	No of Deals	Market Share %	Deal Values R´m
1	BDO	7	23,33%	3 568
2	EY	5	16,67%	3 982
3	PwC	4	13,33%	12 664
	Deloitte	4	13,33%	2 334
5	Valeo Capital	3	10,00%	378
6	Merchantec Capital	2	6,67%	36
7	KPMG	1	3,33%	11 600
	Mazars	1	3,33%	1 966
	Nexia SAB&T	1	3,33%	33
	Exchange Sponsors	1	3,33%	26
	Galbraith Rushby	1	3,33%	20

GENERAL CORPORATE FINANCE Q3 2023 Q1 - Q3

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES

INVESTMENT ADVISERS*

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R´m	Market Share %
1	J.P. Morgan	209 855	20,30%
2	Rothschild & Co	206 145	19,94%
3	Rand Merchant Bank	200 598	19,40%
4	Morgan Stanley	191 647	18,54%
5	Goldman Sachs	186 744	18,06%
6	Investec Bank	15 490	1,50%
7	Nedbank CIB	5 214	0,50%
8	Standard Bank	4 710	0,46%
9	Java Capital	4 225	0,41%
10	One Capital	3 151	0,30%
11	Citigroup Global Markets	1 488	0,14%
12	PSG Capital	1 487	0,14%
13	Valeo Capital	1 182	0,11%
14	Vunani Corporate Finance	1 129	0,11%
15	Moore Corporate Finance	311	0,03%
16	Bridge Capital	153	0,01%
17	Questco	148	0,01%
18	River Group	54	0,01%
19	Bravura Capital	50	n/a

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R´m
1	Investec Bank	11	15,49%	15 490
2	Morgan Stanley	7	9,86%	191 647
	Java Capital	7	9,86%	4 225
4	Goldman Sachs	6	8,45%	186 744
	Nedbank CIB	6	8,45%	5 214
	PSG Capital	6	8,45%	1 487
7	River Group	5	7,04%	54
8	J.P. Morgan	4	5,63%	209 855
	Rand Merchant Bank	4	5,63%	200 598
10	Standard Bank	3	4,23%	4 710
11	Valeo Capital	2	2,82%	1 182
	Vunani Corporate Finance	2	2,82%	1 129
	Questco	2	2,82%	148
14	Rothschild & Co	1	1,41%	206 145
	One Capital	1	1,41%	3 151
	Citigroup Global Markets	1	1,41%	1 488
	Moore Corporate Finance	1	1,41%	311
	Bridge Capital	1	1,41%	153
	Bravura Capital	1	1,41%	50

SPONSORS

RANKINGS BY TRANSACTION VALUE

No	Company	Transaction Values R´m	Market Share %
1	Investec Bank	913 052	62,57%
2	Rand Merchant Bank	209 821	14,38%
3	J.P. Morgan	207 974	14,25%
4	Absa CIB	72 075	4,94%
5	Java Capital	15 668	1,07%
6	Nedbank CIB	7 785	0,53%
7	Standard Bank	7 341	0,50%
8	PSG Capital	7 183	0,49%
9	Merrill Lynch	3 998	0,27%
10	Bridge Capital	3 301	0,23%
11	One Capital	3 151	0,22%
12	Valeo Capital	3 033	0,21%
13	Questco	1 334	0,09%
14	Merchantec Capital	1 272	0,09%
15	Vunani Sponsors	1 129	0,08%
16	Pallidus	542	0,04%
17	Grindrod Bank	111	0,01%
18	Deloitte	105	0,01%
19	AcaciaCap Advisors	102	0,01%
20	Tamela	95	0,01%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

No	Company	No of Transactions	Market Share %	Transaction Values R´m
1	Investec Bank	27	15,98%	913 052
2	PSG Capital	26	15,38%	7 183
3	Java Capital	23	13,61%	15 668
4	Nedbank CIB	16	9,47%	7 785
5	Rand Merchant Bank	9	5,33%	209 821
	Questco	9	5,33%	1 334
7	Standard Bank	8	4,73%	7 341
8	AcaciaCap Advisors	6	3,55%	102
9	Absa CIB	5	2,96%	72 075
	One Capital	5	2,96%	3 151
	Merchantec Capital	5	2,96%	1 272
	River Group	5	2,96%	54
13	J.P. Morgan	4	2,37%	207 974
	Valeo Capital	4	2,37%	3 033
15	Pallidus	3	1,78%	542
16	Merrill Lynch	2	1,18%	3 998
	Bridge Capital	2	1,18%	3 301
	Vunani Sponsors	2	1,18%	1 129
	Grindrod Bank	2	1,18%	111
	Tamela	2	1,18%	95

* Investment Advisers incorporate Financial Advisers and others claiming this category

GENERAL CORPORATE FINANCE Q1 - Q3 2023

RANKING THE SOUTH AFRICAN TOMBSTONE PARTIES (CONTINUED)

RANKINGS BY TRANSACTION VALUE

SPONSORS (Continued)

No	Company	Transaction Values R ´m	Market Share %
21	River Group	54	n/a
22	Exchange Sponsors	52	n/a
23	Bravura	50	n/a
24	BSM Sponsors	37	n/a

LEGAL ADVISERS

No	Company	Transaction Values R ´m	Market Share %
1	Webber Wentzel	904 445	58,23%
2	ENS	212 471	13,68%
3	Bowmans	206 313	13,28%
4	Cliffe Dekker Hofmeyr	199 105	12,82%
5	DLA Piper	16 237	1,05%
6	Werksmans	4 903	0,32%
7	Norton Rose Fulbright South Africa	2 421	0,16%
8	Alchemy Law	2 250	0,14%
	Nortons	2 250	0,14%
10	White & Case (SA)	1 206	0,08%
11	Smith Tabata Buchanan Boyes	619	0,04%
12	Clyde & Co	510	0,03%
13	Solaris Law	155	0,01%
14	Themis Commercial Legal Advisers	151	0,01%
15	CMS	105	0,01%
16	Glyn Marais	50	n/a

TRANSACTIONAL SUPPORT SERVICES

No	Company	Transaction Values R ´m	Market Share %
1	EY	206 297	90,23%
2	PwC	11 334	4,96%
3	Moore	3 301	1,44%
4	Deloitte	2 421	1,06%
5	BDO	2 008	0,88%
6	Merchantec Capital	719	0,31%
7	Crowe JHB	510	0,22%
	Exchange Sponsors	510	0,22%
9	De Vos Richards Abed	480	0,21%
10	Valeo Capital	466	0,20%
11	Mazars	429	0,19%
12	PKF	151	0,07%

RANKINGS BY TRANSACTION FLOW (ACTIVITY)

SPONSORS (Continued)

No	Company	No of Transactions	Market Share %	Transaction Values R ´m
21	Deloitte	1	0,59%	105
	Exchange Sponsors	1	0,59%	52
	Bravura	1	0,59%	50
	BSM Sponsors	1	0,59%	37

LEGAL ADVISERS

No	Company	No of Transactions	Market Share %	Transaction Values R ´m
1	Webber Wentzel	13	25,49%	904 445
2	ENS	8	15,69%	212 471
3	White & Case (SA)	6	11,76%	1 206
4	Cliffe Dekker Hofmeyr	5	9,80%	199 105
5	DLA Piper	3	5,88%	16 237
	Alchemy Law	3	5,88%	2 250
	Nortons	3	5,88%	2 250
8	Bowmans	2	3,92%	206 313
9	Werksmans	1	1,96%	4 903
	Norton Rose Fulbright South Africa	1	1,96%	2 421
	Smith Tabata Buchanan Boyes	1	1,96%	619
	Clyde & Co	1	1,96%	510
	Solaris Law	1	1,96%	155
	Themis Commercial Legal Advisers	1	1,96%	151
	CMS	1	1,96%	105
	Glyn Marais	1	1,96%	50

TRANSACTIONAL SUPPORT SERVICES

No	Company	No of Transactions	Market Share %	Transaction Values R ´m
1	BDO	3	15,79%	2 008
2	EY	2	10,53%	206 297
	PwC	2	10,53%	11 334
	Moore	2	10,53%	3 301
	Merchantec Capital	2	10,53%	719
	Valeo Capital	2	10,53%	466
7	Deloitte	1	5,26%	2 421
	Crowe JHB	1	5,26%	510
	Exchange Sponsors	1	5,26%	510
	De Vos Richards Abed	1	5,26%	480
	Mazars	1	5,26%	429
	PKF	1	5,26%	151

GENERAL CORPORATE FINANCE ANALYSIS Q1 - Q3 2023

	Q3 2023		Q1 - Q3 2023		Q1 - Q3 2022		Q1 - Q3 2021	
	No	Value R´m	No	Value R´m	No	Value R´m	No	Value R´m
Share Issues	12	6 094	48	222 011	51	27 436	58	601 179
Share Repurchases	28	58 133	98	260 138	79	159 012	77	75 494
Restructurings		none	2	919 718		none	3	90 844
Unbundlings	9	23 772	16	35 954	35	454 032	19	55 897
Open Market Transactions	3	3 569	11	17 380	11	90 874	19	613 106
Off Market Transactions	4	2 308	10	8 392	13	4 511	21	269 493
SA Exchange Listings	6	1 182	23	12 544	21	7 311	16	39 554
Total	**62**	**95 058**	**208**	**1 476 137**	**210**	**743 176**	**213**	**1 745 567**

BIGGEST TRANSACTIONS Q1 - Q3 2023

NATURE TRANSACTION	COMPANY	DETAILS	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE	VALUE R´M
Restructuring	Prosus/Naspers	removal of cross-holding structure	R713,5bn	Jun 27	713 573
Restructuring	AngloGold Ashanti	distribution in specie to shareholders of new AngloGold Ashanti plc shares pro rata to their existing shareholding (419 612 543 shares)	R206,15bn	May 12	206 145
Specific Issue (conversion of Depositary Receipts)	Richemont	72 853 307 'A' shares at R2 698,00 each	R196,56bn	Mar 17	196 558
General Repurchase	Prosus	43 151 886 shares at an ave €71,14 each	€232,2m	over 1st quarter	58 167
General Repurchase	Prosus	32 107 380 shares at an ave €71,14 each	€2,16bn	over 2nd quarter	43 901
General Repurchase	Prosus	25 190 737 shares at an ave €62,98 each	€1,5bn	over 3rd quarter	30 978
General Repurchase	Glencore	229 121 746 shares at an ave £5,12 each	£1,19bn	over 1st quarter	25 418
General Repurchase	Naspers	6 102 689 shares at R3 201,24 each	R19,56bn	over 2nd quarter	19 563
General Repurchase	Naspers	6 008 753 shares at R3 016,75 each	R19,55bn	over 1st quarter	19 547
Unbundling	Glencore	special cash distribution of $0,08 per share	$1bn	Aug 8	18 696

Q1 - Q3 2023 IN NUMBERS

Sourced from DealMakers online

Company Listings Analysis 2017 - 2023*

* excludes convertible bonds, preference shares and other instruments

	Q1-Q3 2023	2022	2021	2020	2019	2018	2017
JSE	3	5	8	5	5	12	21
A2X	18	18	8	8	11	10	5
CTSE	3	5	2	3	0	2	3
EESE	0	2	1	0	0	3	1
Total	24	30	19	16	16	27	30

Q3 Profit Warnings Sector Analysis

Company Delistings Analysis 2017 - 2023*•

* excludes convertible bonds, preference shares and other instruments

• across all 4 SA exchanges

	2023	2022	2021	2020	2019	2018	2017
Q1	3	12	11	4	10	8	5
Q3	9	6	4	8	5	5	5
Q3	7	6	7	4	6	5	18
Q4	-	3	4	5	5	0	5
Total	19	27	26	21	26	18	33

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The 3rd DealMakers PATHFINDERS Networking Event.
This platinum networking event serves as a platform for young M&A professionals to make new connections, expand their networks and gain valuable exposure.

A special thank you to our gracious hosts for the night, Webber Wentzel and Naomi Nethengwe, our guest speaker, who enthralled our audience with her story, insights and guidance.

Our Guest speaker was Naomi Nethengwe - Principal, Infinite Partners

Naomi is a principal and part of the founding team of Infinite Partners. Prior to joining Infinite Partners in November 2022, Naomi spent four years at Ethos where she formed part of the Ethos Mid Market Fund investment team. Naomi was instrumental in the EMMF's acquisition of Crossfin where she currently serves on the board.

Recently, Naomi has played a major role in the Infinite Partners and EMMF acquisition of e4 where she also serves on the board. She also serves on the board of Gammatek. Prior to joining Ethos, Naomi spent five years at Investec where she was an analyst at Investec Asset Management (now NinetyOne) and held other roles within Investec Bank.

She holds a BCom Accounting Honours Degree from the University of Pretoria, is a qualified chartered accountant and a registered charter holder.

LOOK OUT FOR DETAILS OF OUR NEXT DEALMAKERS PATHFINDERS EVENT

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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 †	I&J (AVI) to Twincitiesworld	18,75% of I&J	not listed	Food Products	not listed		Standard Bank			undisclosed	Jul 3
Acquisition by	Sun Valley Investments (Heriot REIT) from Shoprite Checkers (Shoprite)	Sun Valley Mall	AltX - Retail REITs	Food Retailers & Wholesalers	not listed			Vani Chetty Competition Law		not publicly disclosed	Jul 3
Disposal by	Attacq to the Government Employees Pension Fund (represented by the PIC)	30% stake in Attacq Waterfall Investment Company	Diversified REITs	not listed	not listed	Java Capital	Java Capital	ENS	BDO; EY	R2,39bn	Jul 6
Acquisition by	KMP Holdings (Invicta)	50% stake in KMP Far East Pte Ltd	Industrial Engineering	Foreign - Singapore	Foreign - Singapore		Nedbank CIB			undisclosed	Jul 10
Acquisition by ▪	Mondi plc from West Fraser Timber Co	Hinton Pulp mill in Alberta, Canada	Containers & Packaging	Foreign - Canada	Foreign - Canada		Merrill Lynch (SA)			$5m	Jul 10
Acquisition by	Euro Driveshaft (Invicta)	Imexpart	Industrial Engineering	Foreign - UK	Foreign - UK		Nedbank CIB			undisclosed	Jul 11
Acquisition by ▪	Choppies Distribution Centre (Choppies Enterprises)	76% stake in Kamoso	Food Retailers & Wholesalers	Foreign - Botswana	Foreign - Botswana		PSG Capital; Stockbrokers Botswana	Osei-Ofei Swabi & Co	Grant Thornton Capital Advisors	P28m	Jul 11
Acquisition by	Super Group from existing management	78,82% stake in CBW Group (t/a Amco)	Transportation Services	Foreign - UK	Foreign - UK		Investec Bank			£30,3m	Jul 19
Acquisition by	Kagera Sugar from Tongaat Hulett (in business rescue)	the complete sugar division of Tongaat Hulett in South Africa and the investments in Zimbabwe, Mozambique and Botswana	Foreign - Tanzania	Sugar	not listed; Foreign - Zimbabwe, Botswana, Mozambique		PSG Capital			undisclosed	Jul 21
Acquisition by	RMB Corvest (FirstRand) from Diploma plc	investment in Hawco	Banks	Foreign - UK	Foreign - UK					undisclosed	Jul 25
Acquisition by	Labat Africa from H Maasdorp	the remaining 30% stake in CannAfrica	Venture Capital	not listed	not listed		AcaciaCap Advisors			R6,43m	Jul 26
Acquisition by	Sirius Real Estate	portfolio of two mixed use industrial assets located in Liverpool and Barnsley	Real Estate Holding & Development	Foreign - UK	Foreign - UK		PSG Capital			£9,5m	Jul 27
Acquisition by	Spur Corporation from P Christie and M Milovanovic	60% stake in the Doppio Group	Restaurants & Bars	not listed	not listed		Questco			R70m	Jul 27
Acquisition by	Liberty (Standard Bank) from Liberty Two Degrees minority shareholders	remaining 39% stake in Liberty Two Degrees	Banks	not listed	Retail REITs	Rand Merchant Bank; Java Capital; Standard Bank	Rand Merchant Bank	Werksmans; Webber Wentzel	Mazars	R1,97bn	Jul 27
Disposal by ▪	Trustco Resources (Trustco) to Sterling Global Trade	65% stake in Meya Mining	Foreign - UK	Diversified Financial Services	Foreign - Sierra Leone		Vunani Sponsors; Simonis Storm Securities; J.P. Galda & Co			$25m	Jul 27
Acquisition by ▪	Richemont from G Rossi	controlling stake in Gianvito Rossi	Luxury Goods	Foreign - Italy	Foreign - Italy	Rothschild & Co (Int)				undisclosed	Jul 31
Acquisition by ▪	Glencore from Pan American Silver	remaining 56,25% stake in Minera Agua Rica Alumbrera (MARA) Project	General Mining	Foreign - Canada	Foreign - Argentina		Absa CIB			$475m	Jul 31
Acquisition by	Aspen Global Incorporated (Aspen Pharmacare) from Viatris	commercialisation rights and related intellectual property for a portfolio of branded products in Latin America	Pharmaceuticals	Foreign - US	Foreign - Latin America		Investec Bank			$280m	Aug 1
Acquisition by	RMB Corvest (FirstRand)	minority stake in original-equipment manufacturer M4A	Banks	not listed	not listed					undisclosed	Aug 1
Disposal by ▪	Prosus to Rapyd	PayU's Global Payments Organisation	Foreign - UK	Consumer Digital Services	Foreign - Netherlands					$610m	Aug 2
Disposal by °	Accelerate Property Fund to Dorpstraat Capital Growth Fund [50%] and Pod Property Fund [50%]	Leaping Frog Shopping Centre	not listed	Retail REITs	not listed			Themis Commercial Legal Advisers; Vani Chetty Competition Law		not publicly disclosed	Aug 4
Disposal by †	PPC South Africa (PPC) to PPC Employee Share Ownership Trust	10% stake in PPC South Africa	not listed	Cement	not listed	Questco	Questco			R380m	Aug 7

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

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		
Acquisition by	Stanlib Infrastructure Fund II (Standard Bank)	majority interest in Solareff and subsidiary, GridCars	Banks	not listed	not listed					undisclosed	Aug 7
Acquisition by ■	Capital & Regional plc	The Gyle Shopping Centre in Edinburgh, Scotland	Retail REITs	Foreign - UK	Foreign - UK	Panmure Gordon (UK); Numis Securities	Java Capital; Panmure Gordon (UK); Numis Securities			£40m	Aug 10
Acquisition by ■	Glencore from Teck Resources	remaining 18% in Polyment	General Mining	Foreign - US	Foreign - US					$73m	Aug 10
Acquisition by	Mastercard from MTN	minority investment in MTN Group Fintech	Foreign - US	Telecommunications	not listed		J.P. Morgan (SA)			undisclosed	Aug 14
Disposal by °	Equites Newlands (Equites Property Fund) to CP Logistics UK Milton Keynes Propco	vacant land at Caldecote Farm, Willen Road, Newport Pagnell in UK	Foreign - UK	Industrial REITs	Foreign - UK	Java Capital	Java Capital			undisclosed	Aug 15
Acquisition by	Vodacom Tanzania (Vodacom)	Smile Communications Tanzania	Telecommunications	Foreign - Saudi Arabia	Foreign - Tanzania			Cliffe Dekker Hofmeyr		undisclosed	Aug 15
Acquisition by	RMB Corvest (FirstRand)	minority stake in SANTS Private Higher Education Institution	Banks	not listed	not listed			Cliffe Dekker Hofmeyr		undisclosed	Aug 16
Acquisition by	Emira Property Fund from Transcend Residential Property Fund minorities	remaining 31,85% stake (52 215 466 shares) in Transcend Residential Property Fund	Diversified REITs	not listed	Residential REITs	Questco	Questco		Valeo Capital	R328,96m	Aug 18
Disposal by	U Reit Collins (Castleview Property Fund) to Collins Property Group	25,7% stake in Collins Property Projects in exchange for a 21,78% stake (72 751 197 new shares) in Collins Property Group	Real Estate Holding & Development	AltX - Retail REITs	not listed		Java Capital; Questco	White & Case (SA); Cliffe Dekker Hofmeyr		R992m	Aug 21
Disposal by	Murray & Roberts to Main Road Centurion 30311 (W Burger van Wyk)	80% interest in Aarden Solar	not listed	Engineering and Contracting Services	not listed		Standard Bank			R73m	Aug 22
Disposal by	Rebosis Property Fund (in business rescue) to CBD Investments (Gusi Trust, a Herring Family Trust)	CBD Property Portfolio	not listed	Retail REITs	not listed	Java Capital; Blackacres Capital; Deloitte	Nedbank CIB	Cliffe Dekker Hofmeyr; Vani Chetty Competition Law		R3bn	Aug 23
Disposal by	Rebosis Property Fund (in business rescue) to Ferryman Capital Partners, Hulk Investments, Jade Capital Partners and the beneficiaries of the Ubuntu Football Trust	Hangar 18 portfolio properties	not listed	Retail REITs	not listed	Java Capital; Blackacres Capital; Deloitte	Nedbank CIB	Cliffe Dekker Hofmeyr		R4bn	Aug 23
Disposal by °	Integer Properties 3 (RMB Holdings) to shareholders	33,3% stake in Milanick Properties	not listed	Real Estate Holding & Development	not listed		BSM Sponsors			R25m	Aug 23
Disposal by	Accelerate Property Fund to Sasol Pension Fund [50%] (Sasol), Litapro [25%] and Luvon Investments [25%]	Eden Meander Shopping Centre in George, Western Cape	Chemicals: Diversified	Retail REITs	not listed		Standard Bank			R530m	Aug 23
Acquisition by ■	GTC Origine Investments (Global Trade Centre) from an investment fund	G-Gamma LCHD Kft and G-Alpha VRSMRT Kft	Real Estate Holding & Development	Foreign - Poland	Foreign - Poland					€13,1m	Aug 24
Acquisition by	Grindrod	remaining 40,3% stake in RBT Grindrod Terminals	Transportation Services	not listed	not listed		Nedbank CIB			R60m	Aug 25
Disposal by °	Investec Property Fund to Boxwood Property Investment Fund GP	Builders Warehouse, Tiger Wheel and Tyre, The Glen	Diversified REITs	not listed	not listed			Vani Chetty Competition Law		not publicly disclosed	Aug 29
Acquisition by	Bid Corporation	Thomas Ridley (UK), Harvest Fine Foods (UK) and an 80% stake in Mica-Bagonova (Czech Republic)	Food Retailers & Wholesalers	Foreign - UK; Foreign - Czech Republic	Foreign - UK; Foreign - Czech Republic					undisclosed	Aug 30
Acquisition by	Aspen Pharmacare from Eli Lilly Export S.A. (Eli Lilly and Company)	distribution rights in South Africa and certain sub-Saharan African countries	Pharmaceuticals	Foreign - US	Foreign - Latin America		Investec Bank			$41,5m	Aug 30

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

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		
Acquisition by	Sebata from Reunert	Valley View Industrial Park in New Germany, KZN	Computer Services	Electrical Components	not listed		Merchantec Capital			R32m	Aug 30
Acquisition by	Delta Property Fund from DPAM Employee Benefit Trust	internalisation of Delta Property Asset Management	Office REITs	not listed	not listed		Nedbank CIB	Webber Wentzel		R1 000	Aug 30
Disposal by	Nampak Nigeria (Nampak) to Twinings Ovaltine Nigeria (Associated British Foods plc)	Nigeria Metals property, machinery and equipment	Foreign - Nigeria	Containers & Packaging	Foreign - Nigeria	Nedbank CIB	Nedbank CIB			R180m	Aug 30
Acquisition by ■	Oando plc from Eni	Nigerian Agip Oil Company (NAOC)	Oil Refining and Marketing	Foreign - Italy	Foreign - Nigeria		Questco			undisclosed	Sep 4
Disposal by	Equites Property Fund to Bopa Moruo Private Equity Fund Managers	Tunney Ridge	not listed	Industrial REITs	not listed			Vani Chetty Competition Law White & Case (SA)		not publicly disclosed	Sep 4
Disposal by	Rebosis Property Fund (in business rescue) to Hemipac Investments (SKG Africa)	portfolio of 10 office properties	not listed	Retail REITs	not listed	Java Capital; Blackacres Capital; Deloitte	Nedbank CIB	Cliffe Dekker Hofmeyr; Vani Chetty Competition Law;		R650m	Sep 5
Disposal by ■	British American Tobacco plc to a consortium led by the Russian management team	Russian and Belarusian businesses (to be renamed ITMS Group)	Foreign - Russia	Tobacco	Foreign - Russia; Foreign - Belarus					undisclosed	Sep 7
Disposal by	Wilson Bayly Holmes-Ovcon	49% stake in Edwin Construction	not listed	Engineering and Contracting Services	not listed					R36,5m	Sep 12
Acquisition by	Nikkel Trading 392 from Brikor minorities	remaining 23,1% stake in Brikor (excludes 12,8% stake held by CEO)	not listed	not listed	AltX - Building Materials		Exchange Sponsors	Webber Wentzel; Werksmans	Valeo Capital; Nexia SAB&T	R32,9m	Sep 12
Acquisition by	Momentum Metropolitan from OUTsurance	stake in RMI Investment Managers	Life Insurance	Property & Casualty Insurance	not listed			White & Case (SA)		undisclosed	Sep 13
Disposal by ■	Mondi plc to Sezar Invest (Sezar Group)	Mondi Syktyvkar	Foreign - Russia	Containers & Packaging	Foreign - Russia	Rothschild & Co (Int)				€775m	Sep 18
Disposal by ■	AngloGold Ashanti to joint venture partner B2Gold	50% indirect interest in Gramalote Project, Colombia	Foreign - Canada	Gold Mining	Foreign - Colombia		Standard Bank			$60m	Sep 18
Disposal by	Zeder Financial Services (Zeder Investments) to 3 Sisters (Agrarius Agri Value Chain)	92,98% stake in Capespan Group (excluding the pome farming unit and Novo fruit packhouse)	not listed	Asset Managers and Custodians	not listed	PSG Capital	PSG Capital	Cliffe Dekker Hofmeyr		R511,4m	Sep 18
Acquisition by	OUTsurance Holdings (OUTsurance) from W Roos	a further 2,65% stake in Youi [exercise of option]	Non-life Insurance	Foreign - Australia	Foreign - Australia		Rand Merchant Bank		Deloitte	A$42,5m	Sep 18
Disposal by	Thungela Operations (Thungela Resources) to Saldomate	portion of the non-operational Landau Mining Right, coal processing plan, Emalahleni, Mpumalanga	not listed	Coal	not listed			Werksmans		not publicly disclosed	Sep 18
Acquisition by	Bidvest from private shareholders	Consolidated Property Services	Diversified Industrials	Foreign - Australia	Foreign - Australia	Merrill Lynch (SA); MA Moelis Australia	Investec Bank	Gilbert and Tobin; Mills Oakley	Deloitte	undisclosed	Sep 20
Acquisition by	Telemedia (Rex Trueform) from Telelet	portfolio of eight properties (Telelet Properties)	Apparel Retailers	not listed	not listed		Java Capital			R50m	Sep 21
Acquisition by	Telemedia (Rex Trueform) from The Bretherick Family Trust	27 Landau Terrace, Melville	Apparel Retailers	not listed	not listed		Java Capital			R1,5m	Sep 21
Acquisition by ■	Grindrod Shipping from Taylor Maritime Group and Temeraire Holdings	Taylor Maritime Management and Tamar Ship Management	Marine Transportation	Foreign - Hong Kong	Foreign - Hong Kong		Grindrod Bank			$11,75m	Sep 26

* 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: 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	Equites International (Equites Property Fund) to Relif UK IB.V. (Realterm Europe Logistics Income Fund)	Tesco property on Dodwells Road in Hinckley, UK	Foreign - Netherlands	Industrial REITs	Foreign - UK	Java Capital	Java Capital			£29,75m	Sep 26
Disposal by °	Rebosis Property Fund (in business rescue) to Katleho Property Investments (Heriot Investments)	Portfolio of four office properties (three in Ekurhuleni and one in Midrand)	not listed	Retail REITs	not listed	Java Capital; Blackacres Capital; Deloitte	Nedbank CIB	Cliffe Dekker Hofmeyr; Vani Chetty Competition Law		R160m	Sep 27
Acquisition by	RMB FOGS (FirstRand)	20% stake in Genfin Holdings	Banks	not listed	not listed					undisclosed	Sep 27
Disposal by	Kilomix Investments (African Equity Empowerment Investments) to BT Communications Services South Africa (BT)	30% stake in BT Communications South Africa [exercise of call option]	not listed	Asset Managers and Custodians	not listed		Vunani Sponsors; Merchantec Capital			R290m	Sep 28
Acquisition by	African Infrastructure Investment Managers (Old Mutual)	further equity investment in NOA Group	Life Insurance	not listed	not listed					$90m	Sep 28
Acquisition by	Invenfin (89% held by Remgro)	investment in Root	Diversified Financial Services	Foreign - UK	not listed					$1,5m	Sep 28
Disposal by °	Delta Property Fund to Coffee Shop At Tyres (L Janse Van Rensburg)	property known as Sebida & Fountain, Bloemfontein	not listed	Office REITs	not listed		Nedbank CIB			R19,1m	Sep 29
Disposal by °	Delta Property Fund to Dimatone (TH Myburgh)	property known as the VLU building, Bloemfontein	not listed	Office REITs	not listed		Nedbank CIB			R7m	Sep 29
Disposal by °	Delta Property Fund to Tariku Best Fashion	property known as the Nedbank Building, 36 Charlotte Maxeke Street, Bloemfontein	not listed	Office REITs	not listed		Nedbank CIB			R6,25m	Sep 29
Disposal by	Constantia Risk and Insurance (Conduit Capital) to OracleMed Health Group	30% stake in OracleMed Investments	not listed	Full Line Insurance	not listed		Merchantec Capital			R9m	Sep 29
Acquisition by	Telemedia (Rex Trueform) from Three Basset Holdings (G Roelof) and Saalbach (TS McCarthy)	35% stake in Interactive Television Africa	Apparel Retailers	not listed	not listed		Java Capital			R18m	Sep 29
Disposal by	Shoprite Checkers to FPG Holdings	property situated at the corner of Gardner Williams Avenue and W.R. Quinan Boulevard, Somerset West	not listed	Food Retailers & Wholesalers	not listed			White & Case (SA)		undisclosed	not announced
Disposal by	Pick n Pay Stores to FPG Holdings	Table View Shopping Centre and Plattekloof Shopping Centre	not listed	Food Retailers & Wholesalers	not listed			White & Case (SA); Bowmans		not publicly	not announced disclosed
Acquisition by	Sanlam Life (Sanlam) from Direct Axis	30% of all A class shares and all B class shares in Sanlam Personal Loans	Life Insurance	not listed	not listed			ENS		undisclosed	not announced
Acquisition by	Bidvest Office (Bidvest) from G Herringshaw	business, trademark and domain names of Brandability	Diversified Industrials	not listed	not listed			Baker McKenzie; Mouyis Cohen		not publicly disclosed	not announced
Disposal by °	Interurban Willowbridge (RF) (Castleview Property Fund) to Benav Properties	Bougainville Shopping Centre, Tshwane	not listed	AltX - Retail REITs	not listed		Java Capital	Cliffe Dekker Hofmeyr		undisclosed	not announced
Disposal by °	Galt Property One (Equites Property Fund) to Boxwood Property Investment Fund GP	11 Assegaai Road, Parow Industria, Cape Town	not listed	Industrial REITs	not listed			Vani Chetty Competition Law		not publicly disclosed	not announced

* Investment Advisers include Financial Advisers and others claiming this category

° Property deal - excluded for ranking purposes

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 **DealMakers** 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 internationallybased service provider) will depend significantly on the allocation of fees earned in respect of such an international deal and DealMakers 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 **DealMakers 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 thisrule 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 **DealMakers** for inclusion in the ranking tables. If a dispute as to the interpretation of "normal course of business," 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 **DealMakers** 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 **DealMakers** 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. **DealMakers** does not include debt.

3.3 Where discrepancies occur in the deal values claimed, **DealMakers** 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 **DealMakers** 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 **DealMakers**; any discrepancies that arise will be queried.

5.4 Complaints, queries, objections and adjudication:

- These must be lodged with **DealMakers** not later than the end of the next following quarter, so in respect of Q3 by the end of Q3.
- 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, **DealMakers** has appointed an independent adjudicator before whom matters in dispute may 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.

- **DealMakers** 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 **DealMakers**. Advisory firms on both sides may submit documentation supporting their arguments to **DealMakers** who will pass on all information to the independent adjudicator.
- **DealMakers** 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 **DealMakers** 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 **DealMakers** does not accept responsibility for any errors or omissions.

UNLISTED DEALS Q3 2023

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 °	Schoonies Twee from FPG Holdings	Strand Square			Vani Chatty Competition Law			not publicly disclosed	Jul 3
Merger of	Galbraith Rushby, 123 Consulting and TGS South Africa	to be advised						undisclosed	Jul 4
Acquisition by †	DLO Energy Resources Group	of a 30% stake in the B-BBEE special purpose vehicle of the Longyuan Mulilo wind project in the Northern Cape			Norton Rose Fulbright (SA)			undiscloaed	Jul 6
Acquisition by	Digital Ecosystems (DNI)	a controlling stake in Digitata			Werksmans; Webber Wentzel			$6m	Jul 10
Acquisition by	Africa Oil from Azinam	an additional 6.25% operated working interest in Block 3B/4B in the offshore Orange Basin						$10,5m	Jul 11
Acquisition by	Globeleq from Magnora ASA	a permitted site for a battery and PV project						undisclosed	Jul 12
Acquisition by	AgroFresh from Carlyle	Tessara		Rabobank	White & Case (SA); Bowmans; ENS	Morrison Foerster		undisclosed	Jul 19
Acquisition by	Vantage Capital and management from the Shah family, Ramco Group and Terra Mauricia	a stake in majority Aquasantec	Caroma Consulting		Werksmans; Webber Wentzel	Bowmans	EY	$25m in debt and equity	Jul 20
Investment by	Knife Capital, Finnfund, DFC, Tim Koogle, Beyond Capital Ventures, Altree Capital, BLOC Smart Africa Fund and Five35 Ventures	in Kasha [Series B]						$21m	Jul 21
Investment by	Five35	in Zuri Health						undisclosed	Jul 21
Acquisition by	Herotel	27,131,341 Herotel shares at R10.385 per share					Valeo Capital	R281,76m	Jul 24
Disposal by †	Heineken Beverages to an Employee Share Ownership Plan	a 6% stake in Heineken Beverages	Rand Merchant Bank					undisclosed	Jul 26
Acquisition by °	Palmcourt Investments from Red Tape Investments	All Saints Shopping Centre			Vani Chetty Competition Law			not publicly disclosed	Jul 27
Acquisition by ■	One Rock Capital Partners from Wendel	Constantia Flexibles		J.P. Morgan; Evercore	ENS	Latham & Watkins; Willkie Farr & Gallagher		undisclosed	Jul 31
Acquisition by	Umoya Capital Partners and Calibre Capital	a minority stake in M4A						undisclosed	Aug 1
Acquisition by	PHG Proprty from Lussin Piccolo Africa	a 50% undivided stake in Builders Warehouse Bloemfontein			Vani Chetty Competition Law			not publicly disclosed	Aug 4
Investment by	Fledge Capital	in Luxury Time						undisclosed	Aug 7
Investment by	SAAD and Blu Sky Investments	in FinMeUp						undisclosed	Aug 7

* Investment Advisers include Financial Advisers and others claiming this category
† BEE deal
° Property deal – excluded for ranking purposes

UNLISTED DEALS Q3 2023 (Continued)

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		
Joint venture between	Sylvania Metals and Limberg Mining Company	Taba Joint Venture [50%:50%]: process PGM and chrome ores from tailings dumps from the Limberg Chrome Mine in the Bushveld Complex						R500m	Aug 9
Acquisition by	Air Products South Africa	a controlling stake in EWN&S						undisclosed	Aug 14
Investment by	27four's Nebula Fund and other investors	in VitruvianMD [seed extension II funding]						$1,25m	Aug 14
Acquisition by	Q Link	a majority stake in Enth Degree Consulting	Benchmark International		SL Law		Private Client Financial	undisclosed	Aug 18
Acquisition by	Vela Software	GreatSoft	Benchmark International		Cliffe Dekker Hofmeyr		WVDW Financial Services	undisclosed	Aug 21
Disposal by	UEM Sunrise South Africa (UEM Sunrise Berhad) to Azishe Properties	its entire 80.4% stake in Roc-Union						R118,4m	Aug 28
Acquisition by	Kyalami Schools NPC	Kyalami Preparatory, Beaulieu School Properties and Beaulieu College Properties	PwC Corporate Finance		Fasken (SA)			undisclosed	Aug 28
Investment by	Fedgroup Private Capital	in LeaseSurance [seed funding]						R3m	Aug 28
Acquisition by	Red Disa Investments and Marble Head Investments	a 74% stake in the Stormers rugby club [71.5% and 2.5%]. Remaining 26% - Western Province Rugby Football Union						R148,23m	Aug 30
Investment by	Alitheia IDF and the Vumela Enterprise Development Fund	in Rentoza						$6m	Aug 31
Acquisition by	Actum Group	G.Twaddle & H.Engelbrecht						undisclosed	Sep 2
Acquisition by	Kasada	the former Radisson Blu Hotel & Residence in Cape Town - to be operated under the Pullman brand					KPMG	undisclosed	Sep 4
Acquisition by	Cipla South Africa	100% of Actor Pharma						R900m	Sep 4
Acquisition by	Ascension Private Equity Fund I	a 45% stake in Paul's Muesli	Pallidus					undisclosed	Sep 6
Acquisition by	Brenntag Specialities	the operating business of Chemgrit Group			Baker McKenzie (SA); Sim Attorneys			undisclosed	Sep 7
Acquisition by	Kay Investments from Upward Spiral 1492 CC, Skoutellas Supermarket cc and Paricel	Olivedale Superspar & Tops, Bel Air Super Spar and Bel Air Tops (respectively)			Vani Chetty Competition Law			not publicly disclosed	Sep 8
Investment by	Salt Equity I (Salt Capital)	in Response24						undisclosed	Sep 11
Disposal by	the minority shareholders of Capespan Group to 3 Sisters (Agrarius Agri ValuChain)	7.02% of Capespan Group (excl the pome fruit operations and Novo fruit packhouse)						R38,61m	Sep 18
Acquisition by	Saint-Gobain Construction Products South Africa	Technical Finishes SA						undisclosed	Sep 18

* Investment Advisers include Financial Advisers and others claiming this category

UNLISTED DEALS Q3 2023 (Continued)

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	Blantyre Capital	of a majority stake in DC Holdings and a significant stake in DC Foods			White & Case (SA); Werksmans			undisclosed	Sep 18
Acquisition by	Frogfoot Networks from Surf4Life	a portion of the Surf4Life network						undisclosed	Sep 21
Investment by	QED Investors, Partech, Speedinvest, RaliCap and Everywhere VC	in Revio [seed funding]						$5,2m	Sep 26
Investment by	Bill Kilgone Investments, Evolution II and III, STOA and FMO	in Red Rocket			Fasken (SA)			$160m	Sep 26
Disposal by	Dimension Data to Webafrica	Mweb						undisclosed	Sep 26
Acquisition by	The Instant Group	Property Solutions Africa						undisclosed	Sep 28
Investment by	Main Street 1749 (Ata Fund)	in Nustate Capital Partners			Poswa			undisclosed	not announced
Acquisition by	Hornbill Investments and Kotel Investments from Siyanda	a significant stake in Siyanda Power and Smelting Energy and Smelting			Poswa			undisclosed	not announced

* Investment Advisers include Financial Advisers and others claiming this category

UNLISTED DEALS Q1 - Q3 2023 RANKINGS

LEGAL ADVISERS RANKINGS BY DEAL VALUE

No	Company	Deal Values R´m	Market Share %
1	ENS	4 348	29,36%
2	Webber Wentzel	3 573	24,13%
3	Fasken (SA)	3 049	20,59%
4	Baker McKenzie (SA)	1 493	10,08%
5	Bowmans	1 036	7,00%
6	Cliffe Dekker Hofmeyr	616	4,16%
7	Hogan Lovells (SA)	362	2,44%
8	Vani Chetty Competition Law	192	1,29%
9	Werksmans	113	0,76%
10	Camaku Transaction Advisory	25	0,17%
11	Herbert Smith Freehills South Africa	2	0,01%
12	Bernadt Vukic Potash & Getz	undisclosed	n/a
	Caveat Legal	undisclosed	n/a
	Norton Rose Fulbright (SA)	undisclosed	n/a
	Padayachee Attorneys	undisclosed	n/a
	Phatshoane Henney	undisclosed	n/a
	Poswa	undisclosed	n/a
	Sim Attorneys	undisclosed	n/a
	SL Law	undisclosed	n/a
	STBB	undisclosed	n/a
	White & Case (SA)	undisclosed	n/a

LEGAL ADVISERS RANKINGS BY DEAL FLOW (ACTIVITY)

No	Company	No of Deals	Market Share %	Deal Values R´m
1	Bowmans	15	16,67%	1 036
2	Cliffe Dekker Hofmeyr	14	15,56%	616
3	Webber Wentzel	11	12,22%	3 573
4	ENS	10	11,11%	4 348
5	White & Case (SA)	6	6,67%	undisclosed
6	Baker McKenzie (SA)	5	5,56%	1 493
	Werksmans	5	5,56%	113
8	Fasken (SA)	4	4,44%	3 049
9	Vani Chetty Competition Law	3	3,33%	192
	Herbert Smith Freehills South Africa	3	3,33%	2
	Poswa	3	3,33%	undisclosed
12	Caveat Legal	2	2,22%	undisclosed
13	Hogan Lovells (SA)	1	1,11%	362
	Camaku Transaction Advisory	1	1,11%	25
	Bernadt Vukic Potash & Getz	1	1,11%	undisclosed
	Norton Rose Fulbright (SA)	1	1,11%	undisclosed
	Padayachee Attorneys	1	1,11%	undisclosed
	Phatshoane Henney	1	1,11%	undisclosed
	Sim Attorneys	1	1,11%	undisclosed
	SL Law	1	1,11%	undisclosed
	STBB	1	1,11%	undisclosed

UNLISTED RANKING CRITERIA

Ranking the unlisted deals applies, at this stage, to Legal Advisers only

1. For a deal to qualify for ranking, it must involve at least one SA entity.
2. Legal Advisers that seek credit for involvement in such deals must be able to demonstrate unequivocally their involvement, if necessary by reference to one or several of the principals.
3. The full value of each deal must be confirmed by the client or appear on documentation provided. If confidential, the value will be treated as such, and used only for ranking purposes.
4. Where advisers act on both sides of the deal, the deal will be brought to account only once.
5. So as to achieve fairness, rankings are recorded in two fields:
   Deal Value
   Deal Flow (activity, or the number of deals)
6. Where discrepancies occur in the deal values claimed, **DealMakers** reserves the right to challenge these if necessary, by requesting clarity from the principals where this is appropriate. Changes in the prices at which deals are transacted will be adjusted when the annual rankings are computed.
7. Sale of properties by property companies under a value of R200m will be recorded, but not used for ranking purposes.
8. Foreign deals will only be credited for deal flow ranking purposes if documents provided show sufficient workflow (eg: local competition clearance).
9. 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.
10. All deals are checked by **DealMakers**; any discrepancies that arise will be queried.
11. All entities involved in deal-making are asked to sign off a summary document prepared by **DealMakers** to ensure that no clerical errors have occurred. No response will indicate acceptance.
12. 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).
13. Deals/transactions executed in the normal course of business: Activity undertaken by companies in the normal course of their business will not be recognised by **DealMakers** for inclusion in the ranking tables.
14. **Complaints/queries/objections:**
   These must be lodged with **DealMakers** not later than the end of the next following quarter, so in respect of Q1, by the end of Q3. In respect of Q4, these must be lodged by the close of business at the end of the third week of January, i.e. by Jan 21 or the closest business day.
15. **DealMakers** does not accept responsibility for any errors or omissions.

GENERAL CORPORATE FINANCE Q3 2023

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	Orion Minerals	Gold Mining	29 652 776	R0,18		Merchantec Capital			R5,34m	Aug 8
Specific Issue	Kore Potash plc	General Mining	124 384 000	$0,0064		Questco			$800 000	Aug 8
Specific Issue (Cap Award)	Capital & Regional Plc	Retail REITs	5 082 996	£0,52/R12,71		Java Capital			R64,6m	Aug 8
Open Offer	Capital & Regional Plc	Retail REITs	46 278 681	£0,54/R13,03	Panmure Gordon (UK); Numis Securities	Java Capital; Panmure Gordon (UK); Numis Securities	Cliffe Dekker Hofmeyr; Travers Smith; CMS Cameron McKenna Nabarro Olswang	BDO (London); Deloitte (London); Mazars (London)	£24,99m	Aug 10
Specific Issue (Cap Award)	Lighthouse Properties	Real Estate Holding & Development	51 913 215	R5,39/€0,0135	Java Capital	Java Capital			R279,8m	Aug 15
Specific Issue	Collins Property Fund	Real Estate Holding & Development	72 751 197	R13,64		Questco	Cliffe Dekker Hofmeyr		R992m	Aug 21
Specific Issue (Cap Award)	NEPI Rockcastle	Real Estate Holding & Development	24 995 752	R104,71	Java Capital	Java Capital			R2,6bn	Aug 29
Rights Offer	Nampak	Containers & Packaging	5 714 286	R175,00	PSG Capital; Nedbank CIB; Standard Bank	Nedbank CIB; Standard Bank	ENS		R1bn	Aug 29
Specific Issue	Delta Property Fund	Office REITs	7 692	R0,13		Nedbank CIB	Webber Wentzel		R1 000	Aug 30
Specific Issue	Sanlam	Life Insurance	7 300 000	R60,00	Rand Merchant Bank	Rand Merchant Bank	ENS		R438m	Sep 7
Specific Issue	Kore Potash plc	General Mining	31 096 000	$0,0064		Questco			$200 000	Sep 21
Specific Issue	Impala Platinum	Platinum & Precious Metals	583 699	ave R126,86		Nedbank CIB	ENS; Nortons; Alchemy Law		R75m	over 3rd quarter

SHARE REPURCHASES

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
					INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Specific Repurchase	RMB Holdings	Diversified Financial Services	18 770 019	197,76 cents		BSM Sponsors			R37,16m	Jul 11
Odd-Lot Repurchase	Tsogo Sun	Casinos and Gambling	138 044	R13,01		Investec Bank	White & Case (SA)		R1,79m	Jul 18
General Repurchase	MiX Telematics	Computer Services	1 716 207	ave $0,31					$546 000	Aug 2
General Repurchase	Calgro M3	Construction	4 024 601	R3,20 - R3,25		PSG Capital			R12,97m	Aug 8
Specific Repurchase	Finbond	Banks	340 523 358	R0,2911		Grindrod Bank		Merchantec Capital	R99,13m	Aug 11
General Repurchase	Santova	Marine Transportation	1 755 291	ave R9,45	River Group	River Group			R165 815	Aug 18
General Repurchase	Spur Corporation	Restaurants & Bars	1 499 891	R21,16 - R22,51					R32m	Aug 25
General Repurchase	Blue Label Telecoms	Telecommunication Services	10 000 000	ave R6,58					R65,8m	Aug 30
General Repurchase	Motus	Specialty Retailers	1 083 145	ave R93,25					R101m	Aug 30
General Repurchase	Stadio	Education Services	3 130 000	ave R4,47					R14m	Aug 30
General Repurchase	Bidvest	Diversified Industrials	1 728 757	R239,87					R414,68m	Sep 4
General Repurchase	Bowler Metcalf	Containers & Packaging	1 572 564	ave R9,71					R15,27m	Sep 5
Specific Repurchase	Transpaco	Containers & Packaging	1 100 000	R27,83	Investec Bank	Investec Bank			R30,61m	Sep 11
General Repurchase	Metrofile	Professional Business Support Services	10 000 000	R3,36					R33,6m	Sep 11

* 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		
General Repurchase	Momentum Metropolitan	Life Insurance	27 900 000	ave R17,87					R500m	Sep 13
Odd-Lot Repurchase	Quilter	Asset Managers and Custodians	17 000 000	£0,88/R20,08		J.P. Morgan (SA)			£14,96m	Sep 18
General Repurchase	Mustek	Computer Hardware	1 460 000	ave R14,97					R21,86m	Sep 19
Specific Repurchase	Tsogo Sun	Casinos and Gambling	583 857	R12,80		Investec Bank	White & Case (SA)		R7,47m	Sep 29
General Repurchase	Insimbi Industrial	Non Ferrous Metals	1 184 777	R104,22		PSG Capital			R567 175	not announced
General Repurchase	Curro	Education Services	7 847 358	R8,73		PSG Capital			R68,5m	not announced
General Repurchase	PSG Financial Services	Diversified Financial Services	2 444 066	ave R13,47		PSG Capital			R32,9m	not announced
General Repurchase	Gemfields	Diamonds & Gemstones	9 137 124	R3,00 - R3,45		Investec Bank; finnCap; Liberum			R29,69m	over 3rd quarter
General Repurchase	Argent Industrial	Industrial Suppliers	635 863	R15,50 - R15,96		PSG Capital			R10,04m	over 3rd quarter
General Repurchase	South32	General Mining	11 205 327	ave A$3,33		Standard Bank			A$37,35m	over 3rd quarter
General Repurchase	Glencore	General Mining	96 834 549	ave £4,40	Morgan Stanley & Co International	Absa CIB			£426,4m	over 3rd quarter
General Repurchase	Investec	Banks	1 878 735	ave R123,49	Investec Bank	Investec Bank			R199,4m	over 3rd quarter
General Repurchase	Prosus	Consumer Digital Services	25 190 737	ave €62,98	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)		€1,5bn	over 3rd quarter
General Repurchase	Naspers	Consumer Digital Services	4 420 209	R3 292,25	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)		R14,59bn	over 3rd quarter

UNBUNDLINGS

COMPANY	SECTOR	ASSET UNBUNDLED	TOMBSTONE PARTIES				TRANSACTION VALUE	ANNOUNCEMENT DATE
			INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES		
Indluplace Properties	Residential REITs	clean-out dividend of 7,73562 cents per share	Java Capital	Java Capital	Cliffe Dekker Hofmeyr		R26,1m	Jul 18
Zeder Investments	Asset Managers and Custodians	special dividend of 5 cents per share		PSG Capital; Tamela			R77m	Jul 25
Glencore	General Mining	special cash distribution of $0,08 per share		Absa CIB			$1bn	Aug 8
Sanlam	Life Insurance	unwind of the 2018 BEE transaction (repurchase of preference shares from Standard Bank)		Standard Bank	Norton Rose Fulbright South Africa	Deloitte	R2,4bn	Aug 14
Advanced Health	AltX - Health Care Services	clean-out dividend of 20c per share	Questco	Questco		BDO	R99,8m	Aug 16
Transcend Residential Property Fund	Residential REITs	clean-out dividend of R0,2944 per share	Questco	Questco			R48,26m	Aug 18

* Investment Advisers include Financial Advisers and others claiming this category

GENERAL CORPORATE FINANCE Q3 2023

UNBUNDLINGS (Continued)

COMPANY	SECTOR	ASSET UNBUNDLED	TOMBSTONE PARTIES: INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
Santam	Property & Casualty Insurance	special dividend of R17,80 per share	Investec Bank	Investec Bank	ENS		R2bn	Sep 5
OUTsurance	Property & Casualty Insurance	special dividend of 8,5 cents per share		Rand Merchant Bank			R130,2m	Sep 15
Assupol	Life Insurance	special dividend of 64 cents per share		Pallidus			R273,91m	Sep 29

COMPANY LISTINGS

DESCRIPTION	COMPANY	SECTOR	NUMBER OF SHARES	PRICE/SHARE	TOMBSTONE PARTIES: INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
A2X Listing (Secondary)	Lighthouse Properties	Real Estate Holding & Development	1 778 496 596	n/a		Java Capital			n/a	Jul 12
A2X Listing (Secondary)	Quilter	Asset Managers and Custodians	1 404 105 498	n/a					n/a	Jul 12
A2X Listing (Secondary)	Reunert	Electrical Components	184 969 196	n/a		One Capital			n/a	Aug 15
CTSE Listing	Thibault REIT	Specialty REITs	103 009 878	R10,00	Valeo Capital	Valeo Capital			R1,03bn	Aug 25
CTSE Listing	Gaia Renewables REIT	Specialty REITs	3 029	R49 000,83	Valeo Capital		White & Case (SA); Themis Commercial Legal Advisers	EY; PKF	R151,4m	Aug 31
A2X Listing (Secondary)	DRDGold	Gold Mining	864 588 711	n/a		One Capital			n/a	Sep 5

MAJOR OPEN MARKET TRANSACTIONS

DESCRIPTION	COMPANY	SECTOR	DETAILS	TOMBSTONE PARTIES: INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
Open Market Acquisition	Heriot REIT	AltX - Retail REITs	385 237 Safari shares at R5,75 per share by Heriot Properties		Java Capital			R2,22m	Jul 6
Open Market Disposal	Northam Platinum	Platinum & Precious Metals	30 065 866 Impala Platinum shares at a vwap of R104,36 and R103,95	One Capital	One Capital			R3,15bn	over 3rd quarter
Open Market Acquisition	Investec	Banks	4 111 541 Investec plc shares on the JSE, LSE, BATS Europe and Chi-X	J.P. Morgan (SA); Investec Bank; JPMorgan Securities	Investec Bank			R416,1m	over 3rd quarter

OFF MARKET TRANSACTIONS

DESCRIPTION	COMPANY	SECTOR	DETAILS	TOMBSTONE PARTIES: INVESTMENT ADVISER*	SPONSOR	LEGAL ADVISER	TRANSACTIONAL SUPPORT SERVICES	TRANSACTION VALUE	ANNOUNCEMENT DATE
Off Market Acquisition	Remgro	Diversified Financial Services	13 218 475 shares (3.3% stake) in Heineken Beverages		Rand Merchant Bank	Cliffe Dekker Hofmeyr		R926m	Jul 3
Off Market Acquisition	South32	General Mining	13 200 000 shares in Aldebaran Resources at C$0,78 per share (9,9% stake)					C$10,3m	Jul 20
Off Market Disposal	Lighthouse Properties	Real Estate Holding & Development	40 million Hammerson shares					€12,5m	Aug 14
Off Market Disposal	Resilient REIT	Retail REITs	162 431 649 Hammerson shares		Java Capital			R982,2m	Aug 15

* Investment Advisers include Financial Advisers and others claiming this category

LISTINGS

EXCHANGE	COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
Possible JSE Listing	African Bank	to be advised	Dec 01 2021	by 2025
JSE Listing (Secondary)	Anglogold Ashanti plc	Gold Mining	May 12 2023	Sep 20 2023
A2X Listing (Secondary)	Anglogold Ashanti plc	Gold Mining	May 12 2023	Sep 20 2023
A2X Listing (Secondary)	DRDGold	Gold Mining	Aug 29 2023	Sep 5 2023
CTSE Listing	GAIA Renewables REIT	Infrastructure Investing	Aug 24 2023	Aug 31 2023
A2X Listing (Secondary)	Lighthouse Properties	Real Estate Holding & Development	Jul 11 2023	Jul 12 2023
Possible JSE Listing (Secondary)	Marula Mining	to be advised	Jun 7 2023	to be advised
JSE Listing (Secondary)	Primary Health Properties	Healthcare REITs	Sep 6 2023	Oct 24 2023
A2X Listing (Secondary)	Quilter plc	Asset Managers and Custodians	Jul 12 2023	Jul 12 2023
A2X Listing (Secondary)	Reunert	Electrical Components	Aug 7 2023	Aug 15 2023
A2X Listing (Secondary)	Shaftesbury Capital	Diversified REITs	Sep 26 2023	Oct 3 2023
CTSE Listing	Thibault REIT	Real Estate	Aug 18 2023	Aug 25 2023

DELISTINGS

EXCHANGE	COMPANY	SECTOR	ANNOUNCEMENT DATE	SUSPENSION DATE	TERMINATION DATE	COMMENT
JSE Delisting	Advanced Health	AltX - Healthcare Services	Jun 28 2023	Sep 20 2023	Sep 27 2023	Scheme of arrangement (Eenhede Konsultante Eiendoms Beperk)
JSE Delisting	Anglogold Ashanti Limited	Gold Mining	May 12 2023	Sep 20 2023	Sep 27 2023	Reorganisation of the group. AngloGold Ashanti plc will have a primary listing in New York with a secondary listing on the JSE
JSE Delisting	Indluplace Properties	Residential REITs	Mar 14 2023	Jul 26 2023	Aug 1 2023	Scheme of arrangement (SA Corporate Real Estate)
JSE Delisting	Liberty Two Degress	Retail REITs	Jul 27 2023	Nov 8 2023	Nov 14 2023	Scheme of arrangement (Liberty Group)
JSE Delisting	Pembury Lifestye Group	AltX - Consumer Services: Misc	Jul 1 2020	Jul 1 2020	Sep 5 2023	JSE listing requirements - prov financial statements
JSE Delisting	Premier Fishing and Brands	Farming Fishing Ranching & Plantations	Mar 3 2023	Jul 28 2023	Aug 1 2023	Scheme of arrangement (Sekunjalo Investments)
JSE Delisting	Royal Bafokeng Platinum	Platinum & Precious Metals	Nov 29 2021	Aug 2 2023	Sep 18 2023	Scheme of arrangement (Impala Platinum)
JSE Delisting	Transcend Residential Property Fund	Residential REITs	Aug 18 2023	Nov 8 2023	Nov 14 2023	Scheme of arrangement (Emira Property Fund)
JSE Delisting	Union Atlantic Minerals	General Mining	Sep 23 2014	Sep 23 2014	Aug 28 2023	Suspended at request of directors. Company financially distressed. Non-compliance with JSE listing requirements

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 15 2018
Buka Investments	AltX - Personal Products	Feb 24 2023	Feb 24 2023	JSE listing requirements - cash shell

SUSPENSIONS (Continued)

COMPANY	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE	COMMENT
Chrometco	AltX - General Mining	Jul 18 2022	Jul 18 2022	Listing requirements - prov report for 28 February 2022
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
Luxe	Restaurants & Bars	Aug 5 2022	Aug 5 2022	JSE listing requirements - annual report
Pembury Lifestye Group	AltX - Consumer Services: Misc	Jul 1 2020	Jul 1 2020	JSE listing requirements - prov financial statements. Listing terminated Sep 5 2023
PSV	AltX - Machinery: Industrial	Sep 1 2020	Sep 1 2020	JSE listing requirements - failure to submit prov report. Placed into BR Mar 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. BR announced Oct 27 2022
Union Atlantic Minerals	General Mining	Sep 23 2014	Sep 23 2014	Request of directors. Company financially distressed. Listing terminated Aug 28 2023
WG Wearne	AltX - Building Materials: Other	Jul 2 2018	Jul 2 2018	JSE listing requirements - non submission provisional results

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
allaboutXpert Australia (Adcorp)	Business Training & Employment Agencies	14 Dec 2022	Placed into voluntary administration on Dec 12 2022
Arthur Kaplan and NWJ (Luxe)	Restaurants & Bars	May 22 2023	BD article. AK March 2023 liquidation | NWJ Dec 2022 Liquidation - market not notified
Constantia Insurance Company (Conduit Capital)	Full Line Insurance	14 Sep 2022	Provisional liquidation order granted Sep 13 2022
Luxe	Restaurants & Bars	Sep 26 2023	Final liquidation order granted following application by Richline SA
MV Fire Protection Services (previously Jasco Security and Fire Solutions) [Jasco]	Computer Services	Oct 19 2022	Placed in liquidation by Jasco Electronics
Steinhoff International Holdings N.V.	Diversified Retailers	Jul 21 2023	Shareholders voted to liquidate the company and delist following financial irregularities discovered in 2017. Listing terminate Oct 16 2023

BUSINESS RESCUE PROCEEDINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE	STATUS
Wescoal Mining (Salungano Group)	Coal	Aug 25 2023	Three senior business rescue practitioners at the CIPC appointed following withdrawl of liquidation application

COMINGS & GOINGS

FOREIGN LISTINGS & DELISTINGS

COMPANY	SECTOR	TYPE	COUNTRY	ANNOUNCEMENT DATE	EFFECTIVE DATE
FOREIGN LISTINGS					
Anglogold Ashanti	Gold Mining	Primary	US (NYSE)	May 12 2023	Sep 25 2023
Anglogold Ashanti	Gold Mining	Secondary	Ghana (GhSE)	May 12 2023	Sep 26 2023
Renergen	AltX - Alternative Fuels	Secondary	US (ADR's | Nasdaq)	Jan 31 2023	to be advised
FOREIGN DELISTINGS					
Oando Plc	Oil Refining and Marketing	Primary	Nigeria (NGX)	Jun 23 2022	to be advised

ADMINISTRATIVE MATTERS

NAME CHANGES

COMPANY	NEW NAME	SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
Investec Property Fund	Burstone Group	Diversified REITs	Jul 31 2023	Sep 20 2023
PSG Konsult	PSG Financial Services	Diversified Financial Services	May 10 2023	Aug 30 2023

CHANGE IN SECTOR

COMPANY	SECTOR	NEW SECTOR	ANNOUNCEMENT DATE	EFFECTIVE DATE
Grand Parade Investments	Diversified Financial Services	Casino's and Gambling	not announced	Sep 18 2023
Sirius Real Estate	Real Estate Holding & Development	Diversified REITs	not announced	Sep 18 2023

INCREASE IN AUTHORISED SHARE CAPITAL

COMPANY	SECTOR	NO OF SHARES	PRICE PER SHARE	AUTHORISED CAPITAL	ANNOUNCEMENT DATE
Collins Property Group	Real Estate Holding & Development	290 000 000	no par	600 000 000	Sep 21 2023
Collins Property Group	Real Estate Holding & Development	118 250 000 N prefs	no par	250 000 000	Sep 21 2023

PROFIT WARNINGS

COMPANY	SECTOR	ANNOUNCEMENT DATE
Accelerate Property Fund	Retail REITs	Jul 12
African Dawn Capital	AltX - Consumer Lending	Jul 28
African Rainbow Minerals	Gold Mining	Aug 24
Afristrat Investment	Diversified Financial Services	Aug 29
AfroCentric Investment	Health Care Services	Sep 14
Anglo American Platinum	Platinum & Precious Metals	Jul 17
AngloGold Ashanti	Gold Mining	Aug 1
ArcelorMittal	Iron & Steel	Jul 18
Ascendis Health	Pharmaceuticals	Sep 26
Astral Foods	Farming Fishing Ranching & Plantations	Sep 21
Aveng	Construction	Jul 21
Aveng	Construction	Aug 17
Blue Label Telecoms	Telecommunications	Aug 24
Buka Investments	AltX - Personal Products	Sep 28
Cashbuild	Home Improvement Retailers	Aug 10
Ellies	Electrical Components	Jul 25
EOH	Computer Services	Sep 28
Exxaro Resources	Coal	Aug 11
Foschini Group	Apparel Retailers	Sep 5
Gemfields	Diamonds & Gemstones	Sep 14
Glencore	General Mining	Aug 8
Gold Fields	Gold Mining	Aug 2
Impala Platinum	Platinum & Precious Metals	Aug 7
Impala Platinum (update)	Platinum & Precious Metals	Aug 15
Italtile	Home Improvement Retailers	Aug 14
KAP	Diversified Industrials	Aug 15
Kumba Iron Ore	Iron & Steel	Jul 20

ADMINISTRATIVE MATTERS

PROFIT WARNINGS (Continued)

COMPANY	SECTOR	ANNOUNCEMENT DATE
Libstar	Food Products	Aug 18
Lighthouse Properties	Real Estate Holding & Development	Aug 10
Murray & Roberts	Engineering and Contracting Services	Aug 28
Northam Platinum	Platinum & Precious Metals	Aug 14
Pan African Resources	Gold Mining	Sep 1
Pick n Pay	Food Retailers & Wholesalers	Jul 19
Putprop	Real Estate Holding & Development	Aug 31
Putprop (update)	Real Estate Holding & Development	Sep 13
Quantum Foods	Farming Fishing Ranching & Plantations	Sep 22
RCL FOODS	Farming Fishing Ranching & Plantations	Jul 5
Royal Bafokeng Platinum	Platinum & Precious Metals	Jul 27
Sable Exploration and Mining	General Mining	Sep 27
Sebata	Computer Services	Jul 12
Sibanye Stillwater	Platinum & Precious Metals	Aug 18
Southern Sun	Hotels and Motels	Sep 20
Wesizwe Platinum	Platinum & Precious Metals	Sep 27
Workforce	AltX - Business Training & Employment Agencies	Aug 2
York Timber	Forestry	Sep 15
York Timber	Forestry	Sep 27

CAUTIONARIES Q3

COMPANY	FIRST CAUTIONARY	NO OF SUBSEQUENT CAUTIONARIES	ANNOUNCEMENT	TERMINATED
African Equity Empowerment Investments	4.6.2021	29	28.9.2023	
Afristrat Investment	12.5.2022	11	suspended	
Ascendis Health	27.9.2023			
Astoria Investments	14.7.2023	2		
Attacq	13.2.2023	3	6.7.2023	
Ayo Technology Solutions	4.4.2023	4		
Brikor	7.9.2023		12.9.2023	
Choppies Enterprises	23.1.2023	5	11.7.2023	
Chrometco	13.6.2022	12	suspended	
Clientele	15.6.2023	2		
Conduit Capital	21.6.2022	12	suspended	
Ellies	28.9.2022	9		
enX	13.6.2023	2		
Finbond	11.8.2023	1		
Life Healthcare	15.2.2023	7		
Luxe	19.9.2022	4	suspended	
PSV Holdings	26.2.2020	34	suspended	
Pembury Lifestyle	14.2.2020	38	delisted	
RMB Holdings	30.6.2023	3	21.8.2023	
Salungano	25.8.2023		suspended	
Telkom SA SOC	12.6.2023		7.7.2023	
Tongaat Hulett	19.4.2022	15	suspended	
Tremation Capital Investments	21.7.2023	1		
Trustco	4.8.2022	10	15.8.2023	

DEALS THAT DIDN'T

NATURE OF DEAL	PARTIES	ASSET	ESTIMATED DEAL VALUE	ANNOUNCEMENT DATE
Disposal by	Delta Property Fund to DMFT Property Developers	Capital Towers - 121 Chief Albert Luthuli Street, Pietermaritzburg	R65,5m	Dec 1 2022
Disposal by	Delta Property Fund to DMFT Property Developers	four properties situated in Kimberley, Bloemfontein, Klerksdorp and Polokwane	R50,8m	Apr 13 2023

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Special thanks to our great hosts for the night, ENS and to Karrisha Pillay SC our guest speaker, who shared her journey with us.

Our Guest speaker was Karrisha Pillay SC

Karrisha has been practising as an advocate at the Cape Bar for the past 22 years. She undertakes work in a range of areas and has a particular interest in constitutional law, administrative law and regulatory work. She has appeared as counsel in a number of ground-breaking judgments in several divisions of the High Courts, the Supreme Court of Appeal and the Constitutional Court. She took silk in 2019. She has also served as an Acting Judge in the Cape High Court.

Prior to embarking on practice, Karrisha worked as a Researcher at the Community Law Centre at the University of the Western Cape. Karrisha has written on the subjects of socio-economic rights, as well as the roles and responsibilities of various organs of State in our constitutional democracy. She has also co-edited a book entitled: Socio-Economic Rights in South Africa.

Karrisha has previously served on the Boards of several Non-Governmental Organisations and Community Based Organisations. She has also served on the Legal Practice Council for the Western Cape for the period 2019 to 2022 and has served intermittently, over a period of several years, on the Cape Bar Council, including as vice chairperson in 2019/2020.

Karrisha holds the following degrees: BA (law), LLB & LLM.

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The rise of Artificial Intelligence in corporate finance: deciphering value, navigating risk

Brian Vaddan

In a rapidly evolving digital world, corporate finance is witnessing the dawn of a transformative era, with artificial intelligence (AI) at the helm. No longer are decisions exclusively grounded in Excel analyses and instinct. Today, AI offers a fresh lens, redefining how we pinpoint corporate finance transactions and assess them within the context of shifting economic and geopolitical landscapes.

A Testimony to AI's Growing Role

A recent EY study of 1,200 CEOs unveiled some interesting trends. CEOs overwhelmingly (65%) view AI as a force for good, attributing its potential to both enhance business efficiency and foster societal improvements, such as healthcare advancements. More than a quarter (27%) of respondents are already harnessing the power of AI in their mergers and acquisitions (M&A) processes.

However, this optimism is tempered by concerns. The majority of CEOs believe that more work is needed to mitigate the social, ethical and criminal challenges that AI might introduce, from cyber threats to the spread of deepfakes. Yet, despite these apprehensions, business leaders remain positive.

Ask the Right Questions: The Art of Prompt Engineering – *The better the question, the better the answer, the better the world works.*

While AI's prowess in data analysis is widely celebrated, the essence of obtaining actionable insights lies in asking the right questions. This is where prompt engineering, our ability to articulate the question in a manner that is understandable to the AI model, becomes invaluable. By finely tuning our queries and prompts, we can guide AI systems to extract precise, valuable insights from heaps of data.

From Vast Data to Valuable Insights: AI in Action

The real-world applications of AI, particularly when paired with adept prompt engineering, are vast. Machine learning algorithms and natural language processing enable rapid identification of investment opportunities, risk assessments and market trend analysis.

Target Identification

Consider an investment bank using AI to screen global news and financial reports. By engineering the right prompts, the system can not only flag potential merger candidates, but also assess how these targets align with larger strategic goals or macroeconomic indicators. Refinitiv, a global provider of financial market data, has developed a quantitative prediction of M&A targets by analysing text, patent and fundamental content.

AI can also be used to evaluate the cultural compatibility of merging entities. Salesforce's acquisition of Slack is a great instance of aligning culture and product offerings. Tools like CultureX, an AI platform backed by MIT, provides insights into company culture using employee reviews on platforms like Glassdoor.

Due Diligence and Valuation

AI expedites and enhances due diligence processes by rapidly analysing data sets, ensuring comprehensive risk identification and offering dynamic, real-time valuations of target companies. Traditionally, transaction professionals grappled with vast amounts of siloed data manually. EY's "Diligence Edge", powered by AI, is revolutionising this approach. By harnessing the capabilities of IBM Watson's Knowledge Studio and Discovery, EY Diligence Edge offers a panoramic view of target companies and their competitors.

The AI-driven "smart data room", within and powered by Watson, streamlines data ingestion and analysis, allowing professionals to swiftly identify and analyse pertinent information. The final layer of this tech stack is its presentation capabilities, which allow findings to be showcased in intuitive, interactive dashboards.

Predictive Analytics and Financial Modelling

AI models optimise capital allocation by predicting high-return investments and forecasting market trends, guiding financial decisions. BlackRock leverages Aladdin, an AI system, to analyse risks and make investment decisions. The platform provides an end-to-end picture of portfolios, assisting in capital allocation.

Real-time Monitoring

AI continuously monitors stock markets and other financial indicators, alerting businesses to potential acquisition targets or market shifts that align with predefined criteria. Goldman Sachs uses its Marcus platform, which incorporates AI, to continually monitor financial markets and offer real-time insights. Such platforms can be tailored to identify potential M&A targets based on predefined criteria and real-time market dynamics. Cisco, when it acquires companies, uses AI and machine learning tools to help integrate the acquired company's products, technology and team, ensuring a smooth transition.

Regulatory & Contractual Oversight

AI tools ensure compliance with evolving international business laws during cross-border M&A deals, and assist in analysing contracts for potential risks and obligations. EY uses Kira, an AI-powered contract analysis tool, to assist in identifying and extracting regulatory clauses and requirements from legal documents.

Risks to Consider: The Other Side of the AI Coin

The marriage of AI and prompt engineering in corporate finance promises efficiency, precision, depth of insight, and evolving accuracy. But as with all powerful tools, it must be wielded with care, understanding both its potential and its pitfalls.

As promising as AI is in reshaping corporate finance, it is not without its challenges:

Data Quality

AI models are only as good as the data fed into them. Inaccurate or biased data can lead to flawed insights, potentially causing significant financial repercussions.

Over-reliance

An over-dependence on AI without human oversight can be risky. It is essential to strike a balance between automated insights and human judgement.

Security Concerns

AI systems, like any digital platform, can be vulnerable to cyberattacks. Ensuring robust cybersecurity measures is paramount.

Ethical Implications

From data privacy issues to the potential biases in AI algorithms, there are several ethical considerations to be addressed.

Regulatory Challenges

As AI becomes more prevalent, regulatory bodies worldwide are grappling with creating frameworks to govern its use, which could impact its application in corporate finance.

Closing Thoughts

The potential of AI to reshape corporate finance is evident. As the tools become more sophisticated, so does the importance of crafting the right questions. In a domain where strategic decisions have monumental consequences, the synergy of AI and adept prompt engineering can be the much-needed ace up the corporate finance professional's sleeve. ■

Vaddan is an Associate Director in the EY Strategy and Transactions Team, focusing on Financial Modelling and Data Analytics.

EY Building a better working world

The role of internal Corporate Finance teams in M&A dealmaking

Taskeen Ismail

Global deal activity has slowed; however, M&A remains an important strategic capital allocation lever for financial services groups.

According to Refinitiv, the American-British global provider of financial market data and infrastructure, the $2,9bn in 'announced' sub-Saharan African (SSA)-based merger and acquisition (M&A) deals in the first quarter of 2023 was 80% lower than the prior year, marking the lowest first-quarter value in 20 years. While deal volumes were not as severely affected, they were still 30% lower than in 2022.

This declining trend was also evident in South Africa. According to DealMakers SA, there were 118 local M&A deals, with a total value of approximately R64bn, finalised in South Africa in H1 2023. This performance was down from the 166 local deals with approximately R284bn in finalised value achieved in the first half of the prior year.

Meanwhile, the Old Mutual Corporate Finance team has been kept busy by a range of strategic M&A deals, which helped expand our capabilities and physical reach across our various businesses. Recent transactions included the acquisition of equity stakes in Preference Capital, Versma Administrators, Primak Brokerage, Genric and ONE Financial Services.

The most significant deal-making 'moment' over the past two years came courtesy of the company's transformative Broad-Based Black Economic Empowerment (B-BBEE) ownership transaction – named Old Mutual Bula Tsela (Sesotho for "pave the way") – which makes Old Mutual the first financial services provider in South Africa to facilitate an offer of shares to the black South African public (via our Retail Scheme), and the first issuer to make room for those earning lower incomes.

So, you have closed an M&A deal. Now what?

Media coverage on M&A deals seldom explores what happens once the ink on the share transfer forms has dried and the deal becomes effective. In our experience, this is the moment when the proverbial rubber hits the road. As the internal advisers to company boards and executive teams, we are called upon to provide sound and considered advice about a wide range of M&A-related matters, both before and after deals have closed.

Internal corporate finance teams help to ensure that M&A transactions are bedded down in line with the terms and conditions agreed to by all parties to the deal. One of the important roles that we play is to take observer seats on the

acquired company board, to ensure that what we thought we were buying is indeed what we bought, and that the integration plan unfolds as planned.

Immediately following an acquisition, you can expect to see a flurry of workshops to ensure an alignment of corporate cultures, delegations of authority and risk appetites, among other factors. These are made easier by the relationships that corporate finance teams have established with the management team at the target firm over the course of negotiations.

During negotiations and in the process of closing a deal, the acquired firm's management and staff would have had very limited engagement with the employees at the acquiring firm, which can make the integration process tricky. It is also worth noting that the relationship shifts from one of pre-acquisition negotiation to one of co-operation and mutual support, post-acquisition. An internal corporate finance team, therefore, plays an integral role in creating long-term value for stakeholders, both before and after the M&A transaction closes.

Aside from getting your capital allocation decisions spot on, it helps to define and agree on an internal set of criteria to ensure that everyone involved in decision-making on M&A deals understands what you are aiming for. The ultimate goal of M&A deals is to build a group that is worth more than the sum of its parts, in a way that strategic relationships and organic growth cannot achieve.

Key factors to unlock synergies post-execution of an M&A deal include embedding accountability through agreed key performance indicators and ensuring that adequate time is allowed for post-acquisition implementation before rushing headlong into the next deal.

Being part of an internal corporate finance team is incredibly rewarding. You get to see the envisioned value creation unfold a few years down the line, and to build relationships with various management teams across multiple lines of business. And, of course, you soak up the learnings on offer from the "baptism of fire" that goes with being immersed in the commercial, risk management and strategic decision making of diverse executive teams. You get to digest and onboard these experiences, carrying them with you into your next M&A deal. ■

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Gender splendour: board gender diversity in South Africa

Monica Griessel

The publication of the inaugural King Report on Corporate Governance (King Code) in 1994 had, at the time, placed South Africa at the forefront of corporate governance globally. The issuing of a further three iterations (King IV, the latest) has, since then, strengthened South Africa's reputation for corporate governance and sustainable reporting.

While King IV is not mandated by legislation, it has, since 2017, been integrated into the JSE Listings Requirements, with JSE-listed issuers (Issuers) required to adopt the King Code and comply with the mandatory corporate governance provisions in the JSE Listings Requirements (JSE LRs) (Integration). Several such provisions are gender diversity-related and include requiring Issuers to, *inter alia*:

- have a policy on the promotion of broader diversity at board level, specifically focusing on the promotion of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience; and

- disclose in their annual reports how the board of directors (board) or the nomination committee, as the case may be, has considered and applied the policy of broad diversity in the nomination and appointment of new directors.

In addition, the JSE LRs require Issuers who have established voluntary targets for race and gender representation at board level to report thereon.

Meaningful impact

With the Integration having been in effect for over six years, now may be an opportune time to ask whether it has assisted in promoting gender representation on Issuer boards.

To help answer the question, we look at (1) Business Engage Association NPC's report titled, *"2021 Status of Gender on JSE-Listed Boards: A 5 year review"*[1] (Review Report), which included various comparisons between 2017 and 2021 for 159 Issuers (representing 50% of the Issuers); and Just Share NPC's report titled, *"Women in leadership: Assessing gender equality in the JSE Top 40"*[2] (WIL Report), (collectively, the "Reports"). Below are a few notable findings –

Review Report

- In 2021, only 17 of the Issuers surveyed still had no female members on their board. The number of such Issuers has decreased significantly from the previous reports published, which is a positive trend.

In 2021, only 17 of the Issuers surveyed still had no female members on their board. The number of such Issuers has decreased significantly from the previous reports published, which is a positive trend.

- In 2021 (five years after the Integration came into effect):

- females represented 34% of non-executive directors, whilst in 2017, females represented 23%;
- females represented 18% of board chairpersons, whilst in 2017, females represented 8%;
- females represented 24% of lead independent directors, whilst in 2017, females represented 7%;
- females represented 7% of chief executive officers/managing directors, whilst in 2017, females represented 3%; and
- females represented 22% of chief financial officers, whilst in 2017, females represented 10%.

> It is evident from the Reports that there has been a noticeable uptick in the presence of women on Issuer boards from 2017 to 2021. This is indeed a positive trend, but there is still room for improvement for boards to enhance gender diversity.

WIL Report

- Women comprise 46% of the economically active population in South Africa, but hold, on average, 35% of board positions (180 of a combined 515 board members) and only 25% of executive roles (115 of a combined 468 senior executives) in the Top 40;
- The fact that women are better represented at board level than in the C-suite reflects the lack of progress in ensuring that corporate culture supports the advancement of female employees;
- Five of the chairpersons of the Top 40 company boards are women; and
- Four of the Top 40 companies (10%) have female chief executive officers.[3]

It is evident from the Reports that there has been a noticeable uptick in the presence of women on Issuer boards from 2017 to 2021. This is indeed a positive trend, but there is still room for improvement for boards to enhance gender diversity. This may require more stringent regulatory requirements over time, and buy-in from Issuers themselves. The best solution is, however, always to be pro-active, rather than to wait for regulation.

Stakeholder buy-in

Not only have we seen buy-in from regulators as it relates to gender diversity on boards, but also from other market participants, such as proxy advisers. According to PwC's 2023 non-executive directors: practices and fees trends report, Institutional Shareholder Services have updated their South African voting guidelines for gender diversity recommendations, whereby one woman director on the board is the minimum requirement. Glass Lewis' voting guidelines already state that they will consider voting against the nomination committee chairperson and/or its members if the company failed to adopt a gender diversity policy or targets and/or has no female board members.[4]

Conclusion

Several articles and research papers have, over the years, been published claiming that diverse boards perform better financially, compared to their non-diverse peers. Regardless of such merits, it is clear that a diverse board brings with it an array of viewpoints, which helps ensure that existing norms and practices are consistently questioned and scrutinised via critical and strategic thinking, to ultimately help the company grow. Gender diversity is central to the diversity mix. ■

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PSG CAPITAL

1 https://qrcodes.pro/M3WwMb

2 https://justshare.org.za/wp-content/uploads/2023/09/230912_Women-in-leadership-JSE-Top-40_final.pdf

3 At the time of writing this article, Mary Vilakazi was appointed as CEO of FirstRand Limited effective 1 April 2024.

4 https://www.pwc.co.za/en/publications/non-executive-directors-report.html

Public interest in merger control: does the end justify regression to the mean?

Chris Charter

Albert Aukema

"This is the patent age of new inventions / For killing bodies, and for saving souls. / All propagated with the best intentions."
Lord Byron

It is, by now, settled law that mergers in South Africa are to be assessed through two lenses: not only must the impact of a merger on competition be assessed to determine whether it might result in a substantial lessening or prevention of competition, but the Competition Act also mandates a complex public interest assessment in relation to each merger brought before the competition authorities.

Merger control contains elements of fairness, policy and value-based assessments intended to achieve the transformative constitutional outcomes that have been sown (and sewn) into the South African legal landscape through the jurisprudence of the Constitutional Court. The purpose of the Competition Act, as set out in section 2, foists on those tasked with interpreting and enforcing the Act a daunting responsibility to promote and maintain competition, not just for its own sake, but also thereby to achieve even more ambitious externalities, such as the promotion of employment and the advancement of "the social and economic welfare of South Africans", to ensure that Small and Medium Enterprises (SMEs) "have an equitable opportunity to participate in the economy", and to "promote a greater spread of ownership, in particular to increase the ownership stakes of historically disadvantaged persons". The orthodox competition law objective of providing consumers with "competitive prices and product choices" seems simple in comparison.

Developing a framework for the assessment of public interest in mergers will have to be a uniquely South African exercise. Many mature jurisdictions, including the United States and the European Union, have not sought to place such significant challenges before single pieces of legislation and a single hierarchy of regulatory authorities.

It is possible to have technical and even ideological debates about the precise nature of and the balancing and counterbalancing that should occur in relation to the competition and public interest assessments in mergers. However, the gradual development of the South African position over the course of more than two decades, to a point where it is now clear that the public interest assessment forms part of the crucible of merger regulation, means that it is necessary to think deeply about the public interest assessment as a self-standing assessment in each merger.

In South Africa, the elevated status of the public interest effect of mergers raises important questions in the context of developing an assessment framework that blurs the line between socio-economic and industrial policy and law.

In South Africa, the elevated status of the public interest effect of mergers raises important questions in the context of developing an assessment framework that blurs the line between socio-economic and industrial policy and law.

The Commission's mandate to drive public interest considerations was purportedly strengthened through amendments in 2019. Besides clarifying that a public interest assessment is of equal and separate import to competition merits, the amendments also introduced a new public interest factor relating to a merger's effect on "the promotion of a greater spread of ownership, in particular to increase the levels of ownership by historically disadvantaged persons and workers in firms in the market".

This "promotion of ownership factor" is a major inflection point for mergers, as the Commission interprets this as imposing a positive obligation on merging parties to proactively address ownership representativity concerns in the market in which they operate. Many recent transactions have seen the imposition of ownership conditions, including the establishment of Employee Stock Ownership Plans (ESOPs) or Broad-Based Black Economic Empowerment (B-BBEE) transactions. This regulatory zeitgeist has been given further, and potentially controversial, impetus in the Commission's publication of revised guidelines for the assessment of public interest in mergers.

The revised guidelines (out for public comment until mid-November) betray a worryingly binary approach that runs a serious risk of substantially curtailing, if not killing off, any hoped-for investment growth in South Africa's beleaguered economy. By way of example:

- The Commission appears to consider that all mergers will attract an obligation to increase the spread of ownership. Ostensibly, this applies even to foreign-to-foreign transactions where South Africa is merely incidental, and to mergers that have no effect on a current spread of ownership.

- Even if a merger represents an increase in black ownership, this will not preclude the obligation to increase worker ownership, and vice versa.

- Board representation, broad-based ownership and direct participation in operations are important factors in determining the extent of the public interest benefit.

- Facilitating black ownership as to no less than 25% + 1 share is a likely minimum obligation to justify any merger as promoting ownership.

- Although an ESOP might be deployed to address a dilution of black ownership, it will need to be of equivalent equity (e.g., a reduction of 10% black ownership will require a 10% ESOP).

Although no-one can deny that the skewed representation of the South African economy along racial lines requires addressing, and that a number of policy interventions are likely required, one must question the wisdom of a policy that appears so obviously to impose a significant tax on investment and, in particular, merger activity. Self-evidently, a robust and dynamic M&A environment is inherently good for economic growth, particularly in the mid-cap space where the heat generated by investment churn ensures liquidity of capital markets, provides opportunity for lenders and borrowers, and secures capital injections and attendant innovation to justify the risk taken. Current, and likely long-term, economic malaise means that many potential mid-market mergers are increasingly marginal and risky, and yet it is these marginal businesses (not failing per se, but languishing) that would benefit the most from a more frictionless investment environment, generating a rising tide that can lift more boats.

In criticising the Commission's more strident forays into public interest engineering, commentators have focused on the potential chilling effect on foreign investment. The message being sent to boardrooms around the world about the Sisyphean task awaiting deal makers in South Africa is of concern, but one might wager that the "mega deals" involving massive takeovers by multinationals over key local businesses will happen if the upside is clear (with space, funds and forex to price-in substantial public interest commitments). Far more insidious is the effect of a "one size fits all" policy on local investors or foreign direct investment on smaller deals, where the upside is hardly guaranteed and break fees do not serve to drive "hell or high water" commitments. We may never know how many potential investors, weighing up the risks in the face of debt and uncertainty, will be scared off by the notion that after leveraging to the hilt, they will need to find funds to give up equity just for a ticket to the game, in circumstances where their acquisition does not have any substantial negative effect on any public interest factor. Undoubtedly, the avowed approach weighs heavily in any SWOT (strengths, weaknesses, opportunities and threats) analysis, and it would be a shame if a policy that inflicts additional commercial pain on an already sagging M&A market were to push our economy further into stagnation.

Ultimately, the Commission's approach in the draft guidelines renders it a mere conduit for policy, as opposed to the resourced and capable adjudicative body that it otherwise is. The transformation imperative is predicated on the end justifying the means. But if the means itself jeopardises the end (a vibrant and growing economy from which all South Africans can benefit), then the policy will have failed, and while some significant wins for SA Inc might be catalogued, regression to the mean is inevitable. ■

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CLIFFE DEKKER HOFMEYR

INCORPORATING
KIETI LAW LLP, KENYA

Unlocking private equity exits in the face of increasing SA uncertainty

Thabo Ndimande

Hauke Schotola

Despite the economic and political challenges in South Africa, multinational companies and investors with long-term capital continue to drive investments across various industries, particularly those with strong growth prospects, led by entrepreneurial management teams and attractive competitive positioning.

RMB is assisting a number of private equity clients to exit their investments in various sectors in South Africa, a trend expected to continue into 2024. For instance, in the last 18 months, private equity clients have been helped to achieve some of the largest PE exits in the SA market, with excellent outcomes for the sellers.

This includes the sale of EnviroServ Holdings to a consortium made up of French multinational SUEZ, Royal Bafokeng Holdings and African Infrastructure Investment Managers, and the sale of Amrod by Alterra Capital Partners to Oppenheimer Partners. The acquisition of EnviroServ will enable SUEZ to reinforce its positioning as an international leader in industrial and municipal waste treatment activities, and to strengthen its position on the African continent.

Multinational companies continue to evaluate investment opportunities in sub-Saharan Africa, but have become more selective in exploring acquisition opportunities in this region, especially when compared with targets in other emerging markets. Longer-term investment horizons and an entrepreneurial background are some of the key attractive characteristics that investors with access to capital are looking for. In addition, existing management teams (and founders) that are expected to remain invested (to some degree) and drive the future growth of these businesses are appealing. RMB continues to expect healthy transaction activity in the next twelve months as we head into the uncertainty of the outcome of the 2024 general election.

Another interesting development is the growing interest in industries which, on the surface, aren't immediately attractive, but where one can find businesses that are thriving despite economic malaise. Resilient financial performance and strong opportunities for further growth make specific companies in these niche sectors attractive investments, which supports the case for more of a bottom-up vs top-down approach to investing.

Volatile market conditions make it particularly important to have the right tools and understanding of a business and its operating context to generate and sustain interest with potential buyers, thereby driving successful exits.

Clients on the sell side have to make critical judgement calls in selling businesses, and need experienced teams to help them navigate through cycles and a challenging market. ■

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FinSurv's concerning silence on the regulation of crypto assets

Bright Tibane

Andani Thovhakale

Despite the Financial Sector Conduct Authority's (FSCA) declaration and regulation of crypto assets as a financial product – in terms of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS) – late last year, the Financial Surveillance Department (FinSurv) of the South African Reserve Bank (SARB) has still not shared its position regarding crypto assets.

Crypto assets undoubtedly qualify as capital in terms of Exchange Control Regulations issued under the Currency and Exchanges Act 9 of 1933 (Exchange Control Regulations). Regulation 10 of the Exchange Control Regulations prohibits the transfer or exportation of capital or any right to capital from South Africa, unless such transfer or export has been approved by FinSurv (per its authority delegated by the National Treasury).

FinSurv has indicated that this prohibition extends to transactions where an individual purchases crypto assets in South Africa and uses them to externalise any right to capital.

The qualification of crypto assets as 'capital', and therefore Regulation 10's application to crypto assets, does not mean that cross-border transactions pertaining to crypto assets are prohibited. It simply means that South African residents require exchange control approval from FinSurv to transfer crypto assets or rights to crypto assets offshore or cross-border.

A challenge is FinSurv's position that it does not approve crypto asset-related transactions because such transactions are currently not reportable on the FinSurv Reporting System.

FinSurv's position does not only restrict the transfer of crypto assets or right to crypto assets offshore, but it also restricts the offshore transfer of actual money to purchase crypto assets offshore. The only exception to this restriction is that individuals (natural persons) are permitted to transfer money using their annual allowances (R10 million foreign investment allowance and R1 million foreign discretionary allowance) for purposes of buying crypto assets offshore.

Corporates and institutional investors (including asset managers or discretionary financial services providers licensed under FAIS) are restricted from using their foreign investment allowances to transfer money offshore to buy crypto assets.

The above stance was sensible at the time when it was made, as it was understandably driven by the fact that there were no dedicated laws or regulations specifically governing the use of crypto assets in South Africa.

However, it has now been almost a year since the FSCA declared crypto assets as regulated financial products in South Africa, making the providers of crypto asset-related services subject to the FAIS regulatory framework, and FinSurv has yet to communicate to the public its response to the regulatory developments from an exchange controls perspective.

This begs the question whether FinSurv will update its Reporting System to allow Crypto Assets Service Providers (CASPs), regulated as financial services providers under FAIS, pursuant to the declaration of crypto assets as financial products, to be involved in transactions where crypto assets or the right to crypto assets are directly or indirectly exported from South Africa.

Another question is whether FinSurv will allow institutional investors, particularly CASPs regulated under FAIS, to transfer funds that they hold on behalf of their clients (assets under management) for purposes of buying crypto assets offshore.

Sooner rather than later, FinSurv will have to communicate its plans to address what one can consider to be a regulatory disconnect / *lacuna* with regards to crypto assets (regulation of crypto assets under FAIS v exchange controls). ■

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THE VALUE OF KNOWING

South Africa: new JSE rules to encourage listings

Lydia Shadrach-Razzino

Tanya Seitz

Shamila Mpinga

In brief

The Johannesburg Stock Exchange (JSE) has seen listings halve in the past two decades, mostly because of reduced foreign investment and challenging macroeconomic conditions. However, the stock exchange's onerous listing requirements have arguably led to increased compliance costs and an unprecedented number of delistings. In addition, issuers have been less optimistic about the prospects of raising capital on the JSE, with many trading at double-digit discounts. As a result, the JSE has announced numerous changes to its listing requirements to encourage new entrants and prevent delistings, including the most recent announcement to simplify the JSE Listings Requirements.

In detail

The JSE has seen listings halve in the past two decades, from 616 in 2000 to just below 300 in 2023. This is likely as a result of reduced foreign investments into the country due to the unfavourable global macroeconomic climate. However, some analysts have noted that the JSE's listing requirements are onerous and have arguably led to increased compliance costs and an unprecedented number of delistings in the past five years. While delistings are an ordinary part of capital markets, the scarcity of new listings is a cause for concern.

One of the primary reasons that companies list on the main board of the JSE is to raise capital. However, issuers have been less optimistic about the prospects of raising capital on the JSE in recent times, as many have been trading at double-digit discounts to their net asset values. This has significantly reduced the attractiveness of the JSE to private companies, hence its current efforts to encourage listings. The JSE has, therefore, announced numerous changes to its listing requirements to encourage new entrants and prevent delistings, with the most recent of these changes becoming effective as of 17 July 2023.

The changes to its listing requirements include (i) the introduction of dual-class share structures; (ii) the reduction of free float for new listings; (iii) changes to free float assessments for institutional investors; (iv) changes to the listing requirements for special purpose acquisition companies (SPACs); and (v) making financial reporting disclosures less onerous. Although the changes have been well received by market participants as a means to encourage new listings, they appear to be more geared towards attracting IPOs, rather than adding significant value for existing issuers.

Finally, in September 2023, the JSE announced its intention to completely overhaul the JSE Listings Requirements (Requirements) in an attempt to simplify the Requirements and cut red tape, which is welcomed.

Dual-class shares

In essence, dual-class share structures exist where a shareholder's voting control over a company is disproportionate to their economic interest in that company. A dual-class share structure typically involves a company having two classes of shares that are identical in every respect but voting rights. One class of shares is a "low vote" share, carrying one vote per share (typically Class A shares), while the other class of shares is a "high vote" share, typically carrying 10 or 20 votes per share (typically Class B shares). Prior to the current amendments, the JSE did not allow companies with dual-class shares to list on the exchange. It also prohibited existing listed companies from issuing dual-class shares. An exemption applies to companies with dual-class shares that were listed before 1999. These exempted companies were allowed to issue additional shares of that class. The amendments relating to dual-class shares are forward-looking and apply to new listings. They do not affect companies that are already listed.

A major concern associated with dual-class share structures is the concentration of power in the hands of management, with little to no shareholder oversight. This could lead to dubious corporate governance practices, which makes it important for shareholders to maintain a watchful eye over these companies.

The JSE's introduction of dual-class shares as "weighted voting shares" has been widely accepted, subject to guardrails to mitigate the abovementioned risks. These include (i) requiring a maximum weighted ratio of 20:1; (ii) requiring that dual class shares be held only by directors of the company; and (iii) capping all shares to one vote regardless of the class for certain matters, such as changes to independent directors and auditors, variation of rights attaching to any class of shares, a reverse takeover, liquidation, or delisting. Dual-class share structures are commonplace on stock exchanges globally, as seen on the New York Stock Exchange, the Nasdaq, and the Toronto Stock Exchange. What remains to be seen is whether there is investment appetite for companies with dual-class share structures on the JSE.

In essence, dual-class share structures exist where a shareholder's voting control over a company is disproportionate to their economic interest in that company. A dual-class share structure typically involves a company having two classes of shares that are identical in every respect but voting rights.

Free float and new listings

Free float refers to a company's issued share capital that is held by public investors. Prior to the amendment, the JSE required main board issuers to have a free float of 20%. To keep abreast of international developments in Europe, and to encourage new listings, the JSE has reduced the free float requirement to 10%. Making a large portion of the company's shares freely tradeable can be unsettling, particularly for large companies where there are few shareholders willing to sell their shares. Therefore, this is great news for high-growth companies and those with private equity and venture capital investors, which consider free-float requirements a strong deterrent when considering where to list.

Reducing the free float requirement to 10% will allow new issuers flexibility to structure their IPOs, and open markets to issuers wishing to initially raise smaller amounts of equity. The requirement to float 10% is in line with other local exchanges, such as the Cape Town Stock Exchange, thereby making the JSE competitive in the local market. The fact that the free float requirement has been largely unchanged for over 20 years has been detrimental to Africa's largest exchange, and has impacted the JSE's competitiveness as a primary and secondary listing jurisdiction. For instance, it is strange that companies that were compliant on premier international exchanges would fall short of qualifying for a secondary listing on the JSE for failing to float 20% of their shares. Therefore, this change is a move in the right direction, as it reduces the burden of shareholder dilution.

Institutional investors and free float assessment

There are limited security holdings that qualify as free float. One type of holding that previously did not qualify was a shareholding of 10% or more. This was not ideal, given that it is common for institutional investors, such as fund managers and portfolio managers, to hold more than 10% of an applicant issuer on listing. As an exception, the JSE allowed institutional investor holdings of more than 10% to qualify as free float. The exemption applied where the interest held was in more than one fund and each fund held less than 10% of the shares in the applicant issuer. This exemption was not the saving grace that it set out to be, as it was rather limited and complex to apply. Therefore, the JSE has resolved to change the rules to recognise institutional investors for free float purposes, provided that they have no relationship whatsoever with the directors and family of the applicant issuer.

The JSE has widened the scope for free-float assessments in two major ways. Firstly, the JSE has removed the 10% exclusion altogether, provided there is a minimum number of shareholders. Requiring a minimum number of shareholders will ensure that the floated shares are not held by only one shareholder and will encourage a competitive share price. The JSE's second amendment is to exclude shareholders who exercise control (>35%) from the free float assessment. Given that 90% of monthly trades on the JSE are driven by institutional investors, they will benefit significantly from this amendment.

Additional Amendments: SPACs and Financial Reporting Disclosures

In its efforts to retain and attract listings, the JSE has amended its requirements relating to financial reporting disclosures and SPACs, respectively.

The JSE introduced SPACs in 2013. This type of company is primarily incorporated to raise capital to acquire viable assets, with the aim of listing on an exchange. Viable assets are those that qualify for a listing on an exchange. SPACs are a viable investment vehicle and become more attractive in a volatile economic environment when traditional listings become riskier. We witnessed a SPAC boom in 2020 and 2021, when the markets became volatile during the COVID-19 pandemic, but global interest in SPACs has since dwindled. Despite the reduced interest, the JSE has amended its requirements to make SPACs more attractive for listings, should the demand for them increase.

To retain listings, the JSE has reduced the compliance burden for issuers, who will no longer have to produce an abridged version of their financial results along with their audited annual financial statements. Furthermore, where the previous set of annual results had to be accompanied by a modified opinion, issuers' interim results will no longer have to include an auditor's opinion. The JSE has admitted that the previously mandated financial reporting disclosures added no regulatory value or benefit to investors. As such, these amendments have received overwhelming support.

Simplification Project

The JSE has announced its intention to simplify the Requirements. Essentially, the JSE plans to rewrite the Requirements using plain language for the benefit of all stakeholders. This process will include a substantial reduction in the volume of the Requirements, and cutting red tape to ensure that only rules that are fit for purpose survive the purge. The JSE has created a dedicated portal for this project, which will run in stages over 18 months, including public participation throughout the process. We look forward to reviewing the suggested amendments.

The JSE has announced its intention to simplify the Requirements. Essentially, the JSE plans to rewrite the Requirements using plain language for the benefit of all stakeholders. This process will include a substantial reduction in the volume of the Requirements and cutting red tape to ensure that only rules that are fit for purpose survive the purge. The JSE has created a dedicated portal for this project, which will run in stages over 18 months, including public participation throughout the process.

Final thoughts

The JSE certainly has its work cut out for it, particularly given the rise of other exchanges locally and the success of private equity and venture capital financing in South Africa. With less stringent compliance burdens, competitor exchanges and alternative forms of financing have become more attractive methods of raising capital, thus posing a challenge for the JSE.

In its efforts to encourage new listings and curb delistings, the JSE, through its initiatives to cut red tape, must find a balance between reducing compliance burdens and protecting investors. The previous listing requirements had been in place for over 20 years; therefore, the recent changes are testament to the JSE's commitment to self-assessment and improvement to encourage capital market reform.

Coupled with the recent amendments to the Requirements, their complete overhaul presents an opportunity for the JSE to reform and regulate listings in a manner that accommodates potential issuers, listed companies, sponsors, shareholders and investors. Balancing these interests is no small feat, but by engaging market participants, the JSE can allay such challenges and pave a path for a renewed stock exchange that can withstand the cyclical nature of global economic conditions. ■

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How to manage the warrant and indemnity claims in the acquisition process

Bobby Wessels

De Wet de Villiers

There are various complexities inherent in the sale and acquisition of businesses, which, if not properly managed, can often lead to missed opportunities on either the sell or the buy side.

Accordingly, the processes involved in the disposal of a business must be appropriately attended to, to ensure that the maximum potential value is realised.

One of the most important aspects of the disposal of a business is the accompanying due diligence that the acquirer must undertake. The due diligence process has multiple purposes, but is primarily focused on determining the inherent risks for the acquirer, which may impact the purchase consideration. Typically, the due diligence process is handled by creating virtual data rooms (DD rooms), where the seller provides the acquirer with relevant information about the business. However, key information is also often shared outside of the DD room, either in ad hoc email correspondence or designated meetings. From the seller's perspective, it is prudent to ensure that the ad hoc correspondence is transferred to the virtual data room. This can be done, for example, by ensuring that all the acquirer's *ad hoc* questions are encapsulated in a single document, with the corresponding responses from the seller.

The DD room is also critical to the disclosures of the purchase agreement. To this end, the seller would want the DD room to be annexed to the disclosure clauses as part of the purchase agreement. This practice aims to prevent unnecessary warranty and indemnity claims for the seller as a result of non-disclosure. In such a case, the buyer would need to be confident in their due diligence process, to ensure that the relevant risks are identified and adequately addressed as part of the purchase agreement.

From a buyer's perspective, one protection measure that could be implemented is a holdback on the purchase consideration until certain perceived risks have lapsed; i.e., the buyer would withhold the payment of a portion of the purchase consideration until holdback provisions have been satisfied. These holdback provisions can be either suspensive or resolutive. In certain instances, a seller may request that the cash portion subject to the holdback be placed in an escrow account; however, using an escrow account does result in the unproductive use of funds for both parties.

To avoid unproductive cashflow consequences, the parties could consider obtaining warranty and indemnity insurance, should certain hold-back provisions not be met. The downside of such a solution is that it is typically quite costly for both parties. Alternatively, where the seller does not outrightly divest from the business, and therefore maintains an interest in it, a portion of the shares that it maintains in the business could be offered as security for any warranty and indemnity claims.

The disposal or acquisition of a business interest can be notoriously complex, particularly when there is an air of scepticism amongst the parties, which typically leads to extensive due diligence processes and complex warranty and indemnity provisions. These complexities can be overcome by finding nuanced solutions to satisfy the needs of both parties. Ultimately, no two merger and acquisition processes are alike, and understanding the options that are available to solve these potential deadlock situations is the key to concluding a successful transaction. ■

Wessels is a Manager: Corporate and International Tax, and De Villiers a Director: Private Clients | AJM.

Sustainable and Responsible Investments: lessons for SA mergers and acquisitions

Shahid Sulaiman

Davin Olën

Introduction

In South Africa and globally, the long-term implications of Environmental, Social and Governance (ESG) integration in due diligence processes on M&A transactions are yet to become fully apparent. However, as companies have progressively included ESG factors in their due diligence, these processes have been reported to cause the cancellation of more than half of all merger and acquisition (M&A) deals this year.

ESG is significantly more developed in finance and investment analysis, highlighting an opportunity to leapfrog the thinking of ESG in finance and investment analysis to M&A. By leaning on finance and investment analysis, this article unpacks how the evolving ESG landscape could influence future M&A activities and how this is likely to unfold, through enhanced assessment of litigation risk and the sourcing of funds for future M&A activities.

Background of ESG-related investing in South Africa

As a broad outline, South Africa's investment environment is supported by a comprehensive legal structure that includes environmental protection, labour regulations, and takeover requirements. South Africa has also recently revised its anti-money laundering, terrorism financing, and financial sector regulations to align with international best practice. In the context of ESG factors, South Africa places a strong emphasis on governance frameworks, which are instrumental in sustainable and responsible investment practices. In particular, the King reports have played a fundamental role in shaping South Africa's approach.

Foundationally, the King reports serve as a cornerstone for sustainable and responsible investment. King I established governance standards for listed companies and banks, which emphasised an integrated approach that considered social and environmental factors alongside financial ones. King II then brought sustainability into corporate governance discussions by introducing the triple-bottom-line concept. This trajectory in South Africa was further developed by the King III and King IV reports.

On the listed market, South Africa's sustainable and responsible investment approach was solidified by the JSE's Sustainable and Responsible Investment Index in 2004, a first in the emerging market context. Based on King II's principles, this index identified companies that integrated responsible investment practices and provided investors with a comparative benchmark for companies.

The United Nations Principles for Responsible Investment (UN PRI) were developed in 2006, and assisted investors in analysing ESG characteristics more effectively through a common language for responsible investing. Signatories, including the (South African) Government Employees Pension Fund, committed to integrating ESG factors into their investment approaches. Finally, the Code for Responsible Investing in South Africa (CRISA) was developed after the UN PRI to offer practical guidance on analysing investments promoting sustainable development. The CRISA was updated in 2022. CRISA's five principles have wide overlap with the UN PRI and encourage investors to incorporate sustainability considerations, including ESG, into their investment activities.

Collectively, the above serves as a framework of South Africa's commitment to sustainable and responsible investment practices. Some of the impacts of these frameworks on the M&A space are substantial, including access to funding and litigation risk. Both impacts are unpacked further in the following section.

Investment analysis and impacts on M&A

Collectively, the framework outlined above articulates South Africa's approach to sustainable and responsible investments. Beyond shaping responsible investment practices, these considerations are increasingly playing a role in the context of M&A transactions. In instances where M&A deals are backed by funders bound to the UN PRI, CRISA or other ESG-related codes, a due diligence process would need to give adequate consideration to ESG factors. The growing importance of ESG factors has led to investment decisions which align with funders' ESG mandates, guiding capital away from projects with poor ESG ratings.

As ESG analysis in the finance and investment environment continues to evolve, progressively more rigorous reporting frameworks are governing sustainable and responsible investments. Beyond reporting, funders may be subjected to an increasing number of climate litigation cases. In the South African context, litigation against directors for breaches of fiduciary responsibilities is possible, among other potential claims. Funders should consider the risk of asset devaluation and the potential emergence of stranded assets that do not align with the transition to more sustainable economies.

By targeting acquisitions with a favourable ESG rating, M&A activity can provide opportunities for companies to improve their ESG practices and make their firms more marketable to ESG-inclined investors. By increasing a company's ESG practices and scoring, boards may unlock easier access to funding. The heightened focus on ESG

As ESG analysis in the finance and investment environment continues to evolve, progressively more rigorous reporting frameworks are governing sustainable and responsible investments. Beyond reporting, funders may be subjected to an increasing number of climate litigation cases.

can also lead to greater transparency and accountability, fostering trust among stakeholders and, potentially, resulting in long-term sustainable growth.

For example, a company with a weaker ESG performance may seek to acquire a highly rated ESG company, bolstering its ESG performance and improving its overall ESG profile. Alternatively, a company may seek to divest from assets that have negative ESG impacts, improving the company's ESG performance. This strategic alignment with ESG principles not only enhances a company's reputation, but also positions it favourably in an evolving market where responsible and sustainable practices are increasingly valued by investors and stakeholders.

Conclusion

As M&A transactions involve the evaluation of target companies' practices and potential risks, the principles of responsible investing provide a framework for the incorporation of ESG factors in the due diligence process. By considering ESG factors, investors can assess a target's long-term sustainability, social impact, and alignment with company values, ensuring responsible decision-making in the M&A space. ■

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M&A in South Africa 2023: navigating trends, challenges, and opportunities

Introduction

South Africa's M&A landscape has undergone significant shifts so far in 2023, shaped by a combination of global economic factors, domestic challenges, and other evolving opportunities. The ENS team explores the current state of M&A in South Africa, highlighting the trends, challenges and opportunities that define the market.

Trends and Sentiment

The global M&A arena has experienced a slowdown due to rising inflation and geopolitical challenges, and South Africa is no exception. Anxiety has permeated the M&A market, with various factors contributing to the prevailing apprehension. Ongoing global conflicts, soaring commodity prices, inflation, rising living costs, higher lending rates, and the Federal Reserve's policy decisions have all played a role in creating an unpredictable environment.

South Africa's economic landscape mirrors these global trends, characterising 2023 as a year of uncertainty. The potential shift away from the U.S. dollar in international trade among BRICS nations further adds to market instability.

However, signs of hope have emerged with recent interest rate hikes plateauing, and cooling inflation rates within the target range of 3 to 6%. Despite the challenges, it's anticipated that South Africa's M&A market will gradually recover in tandem with global economic improvements.

Challenges and Opportunities

Several factors have impacted the M&A landscape in South Africa, including:

- The socio-economic environment
- Regulatory changes
- Technological developments
- Continued recovery from the COVID-19 pandemic
- Economic stagnation
- High REPO rates
- Substantial unemployment rates

Other domestic challenges, like load shedding, have also played a role, creating both obstacles and new opportunities within the energy sector.

Generally, South African regulators have been efficient in assessing deals, despite resource and capacity constraints occasionally presenting some challenges. In spite of the uncertainty, there are still opportunities for savvy dealmakers, particularly in the mid-market segment, where undervalued targets abound due to the economic downturn.

Those with a higher appetite for risk may find opportunities in distressed assets and restructurings, as the market seems to have hit a low point and is gradually on the path to recovery. Addressing prevailing uncertainties and regulatory challenges will be crucial to restoring confidence and fostering growth in the M&A sector.

Private Equity

In contrast to the slowdown in M&A, the private equity sector in South Africa is dynamic, with high activity observed in various industries, including real estate, technology, manufacturing, FMCG, security, telecommunications, alternative energy, and more.

There is a growing trend of private equity firms investing in non-descript businesses alongside technology. While technology businesses may have high cash burn rates, more stable industries often present more mature market opportunities that require investment to reach the next level.

Private equity funds continue to seek opportunities in South Africa, especially in areas where the public sector faces limitations. Alternative and renewable energy projects are gaining traction, driven by the country's energy crisis and the increasing focus on ESG-friendly industries.

A noteworthy trend is private equity firms showing interest in founder-owned businesses, with some larger funds expanding their focus to pan-African investment opportunities, particularly in infrastructure and data centres. Despite rigorous competition and public interest requirements, black-








owned private equity funds are leveraging their status to incorporate B-BBEE initiatives, while foreign buyers are incorporating employee share ownership schemes in their deals to align with B-BBBE and South African Competition Authorities' expectations.

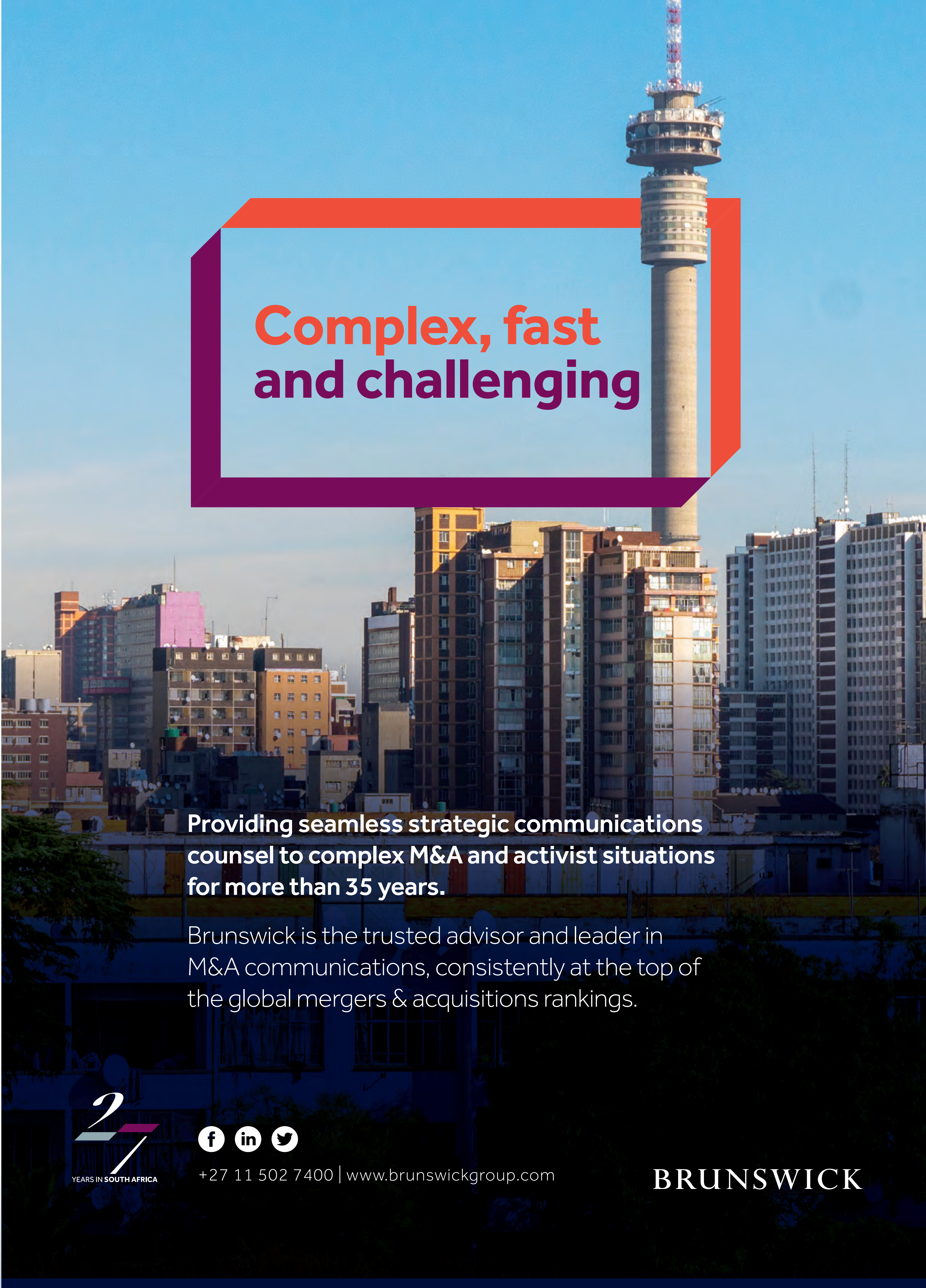
Equity Capital Markets

Equity Capital Markets (ECM) in South Africa have recently witnessed a surge in delistings from the JSE. 2023 has also seen a new trend emerge, with companies opting for primary listings on larger international exchanges, such as the Nasdaq or NYSE, while retaining secondary inward listings on the JSE. This transition is driven by the deeper pools of investors and superior liquidity offered by these international exchanges, as well as concerns about the JSE's ability to accurately represent share value.

Despite the delisting trend, smaller and medium-cap companies are exploring alternative stock exchanges like A2X.

Capital raising strategies are evolving, with companies initiating disposals to raise necessary capital and refine their business models.

Opportunities lie in other African nations as well, where South African enterprises can find appealing investment destinations. Initiatives for multinational South African firms' listings within these nations highlight the need for heightened competition within the ECM. Key sectors ripe for exploration include mining, technology and telecoms. Despite challenges, the ECM landscape offers opportunities, particularly as international capital markets rebound. The JSE recently announced a simplification project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aimed at creating a more investor-friendly listing environment by streamlining listing rules, and this move is set to boost ECM activity.

Conclusion

As these trends continue to shape South Africa's M&A, private equity, and equity capital markets, adaptability and market awareness will be essential for success. Despite the challenges of 2023, optimism remains that the market will gradually recover and begin to thrive in the near future. The hope is that South Africa's M&A landscape will regain its vibrancy, offering new opportunities for dealmakers and investors alike. ■

Joffe and Oosthuizen are Heads, Chetty, Daniels, Fenyane, Kassen, Tshabalala and Van Wyk are Executives in Corporate Commercial | ENS.

Devil in the details: indemnities vs warranties in M&A


Keagan Hyslop


Roxanna Valayathum

Introduction

In an economy that is still recovering from the COVID-19 pandemic and other global challenges, companies are adopting an increasingly risk-averse approach to the M&A environment. Two common safeguards used to mitigate risk are indemnities and warranties. The fact that both warranties and indemnities seek the same result – compensating an innocent party that has suffered damages – often leads one to question whether it is necessary to include both indemnities and warranties. Warranties and indemnities play significant but different roles in managing risk and liability, and it is therefore important to understand how they compare.

Underlying difference between warranties and indemnities

Warranties and indemnities primarily differ in the legal remedy used when a claim is triggered. A warranty is a contractual statement that a certain situation is true. If it is not true, this is a breach of the contract, and the appropriate remedy is one for contractual damages. A warranty is not an undertaking to make the situation true and, therefore, the remedy of specific performance is normally not possible nor appropriate. Conversely, an indemnity is an agreement between the parties that the indemnifying party will compensate the indemnified party for any losses suffered as a result of a claim by a third party. The appropriate remedy for an indemnity claim is, therefore, one for specific performance in terms of the contract.

Practical significance of the difference

Whether claiming damages or specific performance – the end result seems to be the same, namely compensation for a loss.

However, practical differences arise from the rules that apply to claims for contractual

damages, which do not apply to claims for specific performance. Two legal rules, amongst others, apply to contractual damages –

- a party may only claim contractual damages that were reasonably foreseeable and not too remote; and
- the amount recoverable as contractual damages is limited to the innocent party's actual pecuniary damage.

Amongst the legalese, two issues of practical significance arise that limit the amount that an innocent party may claim as contractual damages.

Contractual damages must be reasonably foreseeable and not too remote

Contractual damages are limited to damages that the contracting parties reasonably foresaw as a probable consequence of the breach in question.

Warranties and indemnities primarily differ in the legal remedy used when a claim is triggered. A warranty is a contractual statement that a certain situation is true. If it is not true, this is a breach of the contract, and the appropriate remedy is one for contractual damages.

Damages that were not reasonably foreseeable may not be claimed unless such damages were expressly or tacitly agreed to by the parties. Consequently, assessing contractual damages is a tedious task that normally devolves into arguments over which damages were reasonably foreseeable and which are too remote. It is unlikely that the innocent party will ever be able to fully recover the actual damages suffered. This rule applies to warranty claims (claims for contractual damages), but not to indemnity claims (claims for specific performance). Since this rule does not apply to an indemnity claim, it is usually possible for the party to recover its loss on a Rand-for-Rand basis when claiming under an indemnity, provided that this is permitted by the wording of the contract.

Contractual damages are limited to the innocent party's actual pecuniary damage

The innocent party's actual pecuniary damage is the difference between the actual purchase price and what the purchase price would have been if the warranty was actually true, which the courts have determined would be its market value. This rule becomes problematic when a party pays a bargain price. Since the innocent party paid less than the market value, the fact that an untrue warranty reduces the market value does not necessarily result in the innocent party suffering claimable damages. The innocent party only suffers a loss if the market value is reduced below the actual bargain price that it paid. This is not a problem faced by indemnity claims, as the party is able to claim any damages they have suffered, whether actual pecuniary damages or not, provided that this is permitted by the indemnity clause.

Why still have warranties?

From the above discussion, indemnities clearly provide benefits that warranties do not. However, both are important to mitigating risk. Warranties induce parties to stand behind their word, and are therefore worth their weight in gold in the event of litigation. Indemnities also usually only apply to third-party claims, rendering them unsuitable where there is no third-party claim but only a loss suffered between the parties (e.g. where the purchase price would have been less, simply because the quality of the assets is not that which was warranted).

Conclusion

There is, therefore, a clear distinction between warranties and indemnities, and the seemingly identical end result is not as identical as it seems. Both warranties and indemnities should be included in M&A deals in order to effectively manage and mitigate risk. Each has its own role to play, and the party that understands these roles will have the upper hand. ■

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Mediation and the challenges of the 21st century in South Africa

Michael Straeuli

Amaarah Mayet

The complexity of mediation in South Africa has increased over the years, and technology has become a useful tool to manage various aspects of it, but human interaction is still central to the process.

Mediation has emerged as a vital alternative dispute resolution (ADR) mechanism in South Africa. It offers parties involved in legal disputes an opportunity to resolve their issues outside the traditional court system, often resulting in quicker, more cost-effective, and mutually satisfactory outcomes.

This article discusses the evolution of mediation in South Africa, and the challenges it currently faces.

The Evolution of Mediation in South Africa

Mediation in South Africa has developed over the years, in response to a growing backlog of cases in the courts, the expense and duration of court proceedings, and the desire for more client-centric dispute resolution options.

In 1984, the Department of Justice introduced the Small Claims Court, as well as legislation enabling "Mediation in Certain Civil Cases." This enabled broader access to justice, particularly for those members of society without the means to fund significant litigation costs.

While South African courts have supported mediation as a form of dispute resolution, recent developments have introduced systemic changes, resulting in greater use of mediation.

In 2014, the Magistrate Court Rules were amended to introduce mediation as a way to resolve disputes, either before litigation commences or after its commencement, but before judgment has been given.

The South African Law Reform Commission invited stakeholders in 2017 and 2019 to provide input on the proposed introduction of an ADR system, which included mediation as a dispute resolution option. The new system would include the accreditation of mediators, establish an entity responsible for regulating mediators' professional conduct, and introduce mandatory mediation. A discussion paper (including a Mediation Bill) is in preparation.

In 2020, Rule 41A was incorporated into the Uniform Rules of the High Court. This rule requires plaintiffs to consider mediation as a potential option for resolving a dispute. If parties elect to move forward without mediation, they must provide reasons for this decision.

Challenges Faced by Mediation in the 21st Century

Despite these positive developments, several challenges have emerged that hamper the effectiveness and accessibility of mediation in South Africa.

> Despite AI's ability to enhance the efficiency and effectiveness of mediation, particularly in administrative and data-driven aspects, the core role of mediators to facilitate communication, build trust, manage emotions, and guide parties toward mutually agreeable solutions remains essential and cannot be replaced by technology. Successful mediation in the future is likely to involve a harmonious blend of human expertise and AI-driven support.

The government's response to the COVID-19 pandemic significantly accelerated the use of technology for remote mediation, but it has been criticised. Although technology has expanded access to mediation services, it also presents challenges related to digital literacy, security, and ensuring the confidentiality of mediation proceedings.

While online mediation offers convenience, it also raises concerns about cybersecurity, data privacy and, perhaps most importantly, the loss of personal connection and interaction between parties and mediators.

In the rapidly-evolving landscape of dispute resolution, Artificial Intelligence (AI) and automation has emerged as a transformative force, revolutionising the field of mediation and offering innovative solutions to enhance the efficiency and effectiveness of the mediation process, such as:

- **Document management:** AI can assist to streamline the management of legal documents, contracts and case files, making administrative tasks related to document review and organisation more efficient. This allows mediators to focus on the core mediation process.

- **Data Analytics and Case Assessment:** AI can analyse vast amounts of data quickly, allowing mediators to assess cases, identify patterns and predict potential outcomes more accurately.

- **Scheduling and Logistics:** Automation can handle scheduling, communication and logistical aspects of mediation.

Despite AI's ability to enhance the efficiency and effectiveness of mediation, particularly in administrative and data-driven aspects, the core role of mediators to facilitate communication, build trust, manage emotions, and guide parties toward mutually agreeable solutions remains essential and cannot be replaced by technology. Successful mediation in the future is likely to involve a harmonious blend of human expertise and AI-driven support.

Over the years, disputes have grown in complexity. Mediators must adapt to handle intricate commercial, family and community disputes effectively, as well as the interplay between AI and human expertise. Training that supports the integration of AI ought to be advocated, and certification standards for mediators must be consistently enforced to ensure that parties receive competent and effective mediation that operates alongside and in conjunction with the formal legal system. Ensuring a smooth integration between mediation, technology and the courts, and fostering a culture that encourages parties to consider mediation before litigation, remains a challenge.

Addressing these 21st century challenges in mediation requires ongoing adaptation, training and innovation. It also necessitates the development of clear regulatory frameworks for online mediation, and ethical guidelines that account for digital environments. A commitment to promoting public awareness and maintaining trust in mediation as a valuable tool for resolving disputes in the modern world is fundamental. ■

Straeuli is a Partner and Mayet an Associate | Webber Wentzel.

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DealMakers®

Individual DealMaker of the Year 2023

The award will be unveiled at the Annual Awards on February 13, 2024.

This year will be the 16th award for the DealMaker of the Year. This is an individual award to the person judged by his/her peers and the Independent Selection Panel, to have provided an exemplary and outstanding service.

DealMakers' Advisory Board knows that this award may be controversial but has concluded that individuals are entitled to recognition for the services they provide to an expanding and vital element of the South African economy. This award is not confined solely to those who work for corporate finance firms or units.

Companies and units are asked to nominate individuals from their own firm by way of detailed motivations. For each individual nominated from their own team, firms must nominate a peer within the M&A industry. From these nominations the Independent Selection Panel produces a short list. Biographical information on each candidate, along with the formal nominations, is collated for the Panel.

The closing date and time for nominations is **12h00 on Friday, November 24, 2023.**
There will be no extensions.

Individual DealMaker of the Year will receive a framed certificate, a one-ounce platinum medal especially minted for the occasion, and a floating trophy appropriately inscribed.

INDIVIDUALS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Individual DealMaker of the Year

- **High profile deals/transactions** – that the DealMaker was involved in, particularly in the last year but also the last three.
- **DealMaker's contribution to the deals** – How important was the individual's contribution to the conclusion of the deals?
- **Execution complexity** – the deal/s in which the individual is involved - does the overall deal or transaction involve multiple steps/a number of smaller inter related deals? Are there numerous conditions precedent that need to be fulfilled? Does it involve many and/or complex regulatory approvals? Are there related debt/equity raising processes and how difficult are they to implement? Was there significant time pressure to conclude the deal/transaction? Did the deal/transaction exhibit innovative structuring?
- **Peer recognition** – is the DealMaker well regarded by fellow advisors, clients and the industry in general?

Please submit all nominations to marylou@gleason.co.za

DealMakers®

Deal of the Year 2023

The award will be unveiled at the Annual Awards on February 13, 2024.

This year will be the 23rd award for the Deal of the Year.

Deals will be nominated for inclusion by way of detailed motivations submitted by the firms involved. **THE DEAL MUST HAVE BEEN ANNOUNCED DURING THE 2023 CALENDAR YEAR (not necessarily closed).** For the Deal of the Year, the DealMakers editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 24, 2023.**
There will be no extensions.

The Deal of the Year will receive a framed certificate, a one-ounce platinum medal especially minted for the occasion, and a floating trophy appropriately inscribed. **If qualifying deals will only be announced after the closing date,** DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 29, 2023.**

DEALS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Deal of the Year – (by an SA company)

- **Transformational transaction** – does the deal or transaction transform the business or even the industry in which it operates? What is the extent of potential transformation as a result?
- **Execution complexity** – does the overall deal or transaction involve multiple steps/a number of smaller interrelated deals? Are there numerous conditions precedent that need to be fulfilled? Does it involve many and/or complex regulatory approvals? Are there related debt/equity raising processes and how difficult are they to implement? Was there significant time pressure to conclude the deal/transaction? Did the deal/transaction exhibit innovative structuring?
- **Deal size** – not an over-riding determinant but a significant factor.
- **Potential value creation** – to what extent could shareholders and other stakeholders benefit from the transaction over time?

Please submit all nominations to marylou@gleason.co.za

DealMakers®

BEE Deal of the Year 2023

The award will be unveiled at the Annual Awards on February 13, 2024.

This year will be the 5th award for the BEE Deal of the Year.

Deals will be nominated for inclusion by way of detailed motivations submitted by the firms involved. **THE DEAL MUST HAVE BEEN ANNOUNCED DURING THE 2023 CALENDAR YEAR (not necessarily closed).** For the BEE Deal of the Year, the DealMakers editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 24, 2023.**
There will be no extensions.

The BEE Deal of the Year will receive a framed certificate, a one-ounce platinum medal especially minted for the occasion, and a floating trophy appropriately inscribed. **If qualifying deals will only be announced after the closing date,** DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 29, 2023.**

DEALS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

BEE Deal of the Year

- **Transformational transaction** – does the deal or transaction transform the business or even the industry in which it operates? What is the extent of potential transformation as a result?
- **Execution complexity** – does the overall deal or transaction involve multiple steps/a number of smaller interrelated deals? Are there numerous conditions precedent that need to be fulfilled? Does it involve many and/or complex regulatory approvals? Are there related debt/equity raising processes and how difficult are they to implement? Was there significant time pressure to conclude the deal/transaction? Did the deal/transaction exhibit innovative structuring?
- **Deal size** – not an over-riding determinant but a significant factor.
- **Potential value creation** – to what extent could shareholders and other stakeholders benefit from the transaction over time?

Please submit all nominations to marylou@gleason.co.za

DealMakers®

Business Rescue Transaction of the Year 2023

The award will be unveiled at the Annual Awards on February 13, 2024.

This year will be the 4th award for the Business Rescue Transaction of the Year.

Deals will be nominated for inclusion by way of detailed nominations submitted by the firms involved. **THE SUCCESSFUL CONCLUSION OF THE BR PROCESS MUST HAVE BEEN ANNOUNCED DURING THE 2023 CALENDAR YEAR.** For the Business Rescue Transaction of the Year, the DealMakers editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 24, 2023.**
There will be no extensions.

The Business Rescue Transaction of the Year will receive a framed certificate, a one-ounce platinum medal especially minted for the occasion, and a floating trophy appropriately inscribed. **If qualifying transactions will only be announced after the closing date,** DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 29, 2023.**

NOMINATIONS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Business Rescue Transaction of the Year

- **Execution complexity** – nature of the BR process (restructure, sale of assets etc.) If assets sold, was it as a whole or broken up and sold off in parts? Were there numerous parties/multiple bids involved? What criteria was used to achieve the ultimate outcome? Did it involve many and/or complex regulatory approvals?
- **Transformational transaction** – did the transaction save the business or even the industry in which it operates? Did the transaction strike a balance between divergent and competing interests? To what degree were the various stakeholders accommodated?
- **Time frame** – was the process successfully completed within an acceptable time frame?
- **What were the positive take aways from the transaction?**

Please submit all nominations to marylou@gleason.co.za

DealMakers®

Catalyst Private Equity Deal of the Year 2023

The award will be unveiled at the Annual Awards on February 13, 2024.

This year will be the 19th award for the Catalyst Private Equity Deal of the Year.

Deals will be nominated for inclusion by way of detailed motivations submitted by the firms involved. **THE DEAL MUST HAVE BEEN ANNOUNCED DURING THE 2023 CALENDAR YEAR (not necessarily closed).** For the Catalyst Private Equity Deal of the Year, the editorial team will produce a short list of those it believes best qualify for consideration with input from the Independent Selection Panel.

The closing date and time for nominations is **12h00 on Friday, November 24, 2023.**
There will be no extensions.

The Catalyst Private Equity Deal of the Year will receive a framed certificate, a one-ounce platinum medal especially minted for the occasion, and a floating trophy appropriately inscribed. **If qualifying deals will only be announced after the closing date,** DealMakers must be advised of this beforehand for them to be considered and details must be submitted no later than **December 29, 2023.**

DEALS WILL BE JUDGED ON THE FOLLOWING CRITERIA:

Private Equity Deal of the Year

- **Asset with good private equity characteristics** – cashflow generative business and able to service an appropriate level of debt? A business model that is resilient to competitor action and downturns in the economic cycle? Strong management team that is well aligned with shareholders and capable of managing a private equity balance sheet? Predictable capex requirements that can be appropriately funded?
- **Deal size** – is a factor to filter deals but plays a limited role for acquisitions. It does carry more weight for exits.
- **Potential/actual value creation** – Was the asset acquired at an attractive multiple? If the deal is an exit, was it sold at an attractive price? What is the estimated times money back and/or internal rate of return?

Please submit all nominations to marylou@gleason.co.za

Catalyst

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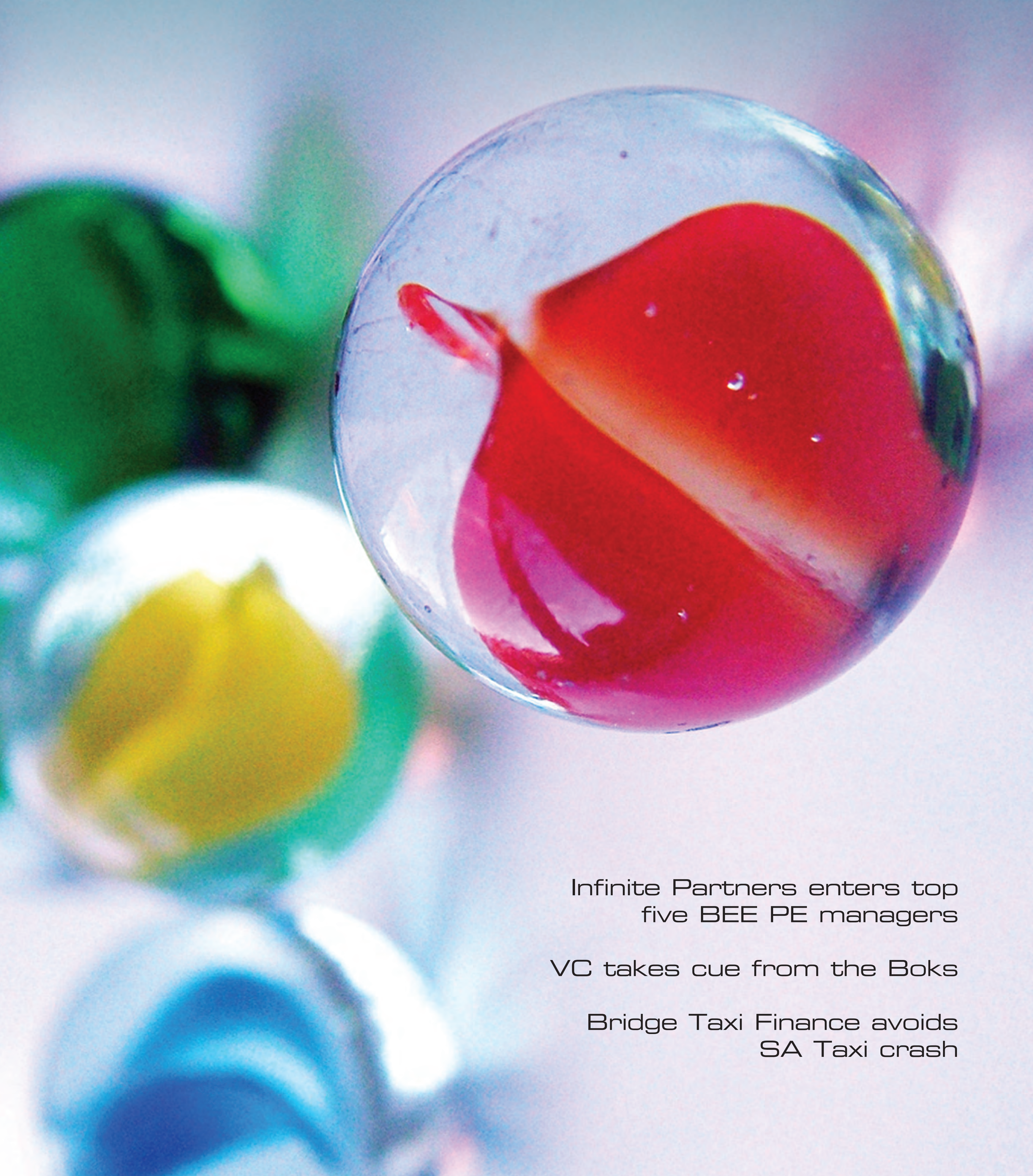

Infinite Partners enters top five BEE PE managers

VC takes cue from the Boks

Bridge Taxi Finance avoids SA Taxi crash

FROM THE EDITOR'S DESK

In the world of private equity dealmaking, success often hinges on a delicate balance of vision, strategy, teamwork and adaptability. Drawing inspiration from unexpected sources can illuminate new paths to success. One such source is the back-to-back World Cup-winning Springboks rugby team, whose journey under the guidance of head coach Jacques Nienaber and South Africa's Director of Rugby, Rassie Erasmus, holds invaluable lessons for dealmakers seeking to navigate the cutthroat world of dealmaking.

Ever since Rassie gained infamy for publishing "that" video, following defeat to the Lions in the first test in July 2021, the Bok 'brains trust' realised that there's far more to gain by respecting the referee, rather than railing against marginal decisions. And the Boks were almost sickly sweet to the officials in France, but this clearly paid off – consciously or subconsciously – as the referee in the final, Wayne Barnes, seemed to blow many of the 50/50 calls for the Boks. Navigating complex deals and negotiations requires a foundation built on trust and adherence to established protocols.

The Springboks' approach to handling injuries and crises holds insights for businesses dealing with unexpected challenges in M&A. Losing Bongi – the only recognised first choice hooker in the squad – in the second minute of the final called for calm heads, and Deon Fourie, a retreaded flanker, entered the gladiatorial arena and delivered in the heat of battle, because the unexpected had been planned for. Swift and composed decision-making in high-pressure situations is essential for both worlds.

M&A leaders can learn from the role of a rugby scrum-half in understanding the strengths of all team members involved in a deal. Quick, adaptive decision-making is a shared demand in both domains.

In the South African context, the Boks offered up probably the single most important lesson for business leaders and dealmakers alike: the importance of diversity in team building.

Erasmus cites the rise of the first black Springbok captain and now national hero, Siya Kolisi, and a host of first choice elite players in their positions – from Bongi Mbonambi to Trevor Nyakane, and from Cheslin Kolbe, Kurt-Lee Arendse, Lukhanyo Am, Marvin Orie and Ox Nche to Damian Willemse, Grant Williams and Jaden Hendrikse – and the transformation of the team as an achievement he ranks higher than winning the World Cup. In his book, *Rassie*, he points to his creation of the Elite Player development programme inside SA Rugby as the key to this talent being given a pathway to rise to the top.

The Springboks' approach to team composition aligns with the significance of diversity in building successful M&A teams. Harnessing the strengths of individuals with diverse backgrounds and skill sets enhances the depth and effectiveness of dealmaking teams.

Beyond these on-field parallels, the Springboks' success story offers a trove of wisdom for private equity dealmakers.

Obviously, a clear vision and well-defined strategy are crucial in mergers and acquisitions, and examples of successful M&As driven by a strong vision and strategy abound.

The Springbok team's mantra has always been, "let the main thing stay the main thing", which has meant a strategy of focusing on doing whatever it takes to win rugby matches. But it has been done under the banner of "Stronger Together" – a vision and a call for all people to unite for the greater good.

So, in this rare moment in South Africa, let us bask in something that is far from the broken reality of our daily existence of blackouts and water shedding, and a reminder of what can be achieved if we embrace our diversity and nurture our talents to ensure that the best rise to the top.

Thank you Bokke, for the gift of hope. ◆

Michael Avery

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Catalyst

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Navigating South Africa's Private Equity Landscape with Vision and Tenacity

In the hallowed halls of South Africa's private equity arena, one name stands out: Infinite Partners. Established in the wake of a strategic spin-off from Ethos, this visionary outfit, led by Edward Pitsi and his accomplished co-founders, has rapidly emerged as a force to be reckoned with. In an exclusive conversation, Pitsi shared insights into the birth of Infinite Partners, its unique focus on the mid-market, and its unwavering commitment to driving value in a dynamic economic landscape.

According to 27four's latest annual BEE.conomics report, the largest BEE private equity firm in South Africa is Convergence Partners – founded by Andile Ngcaba and Brandon Doyle – with R5,5bn.

After Convergence Partners, Third Way Investment Partners (R3,6bn), RH Managers (R3,3bn), Infinite Partners (R3,2bn), and Sanlam Private Equity (R3,0bn) make up the five largest BEE private equity managers, and the sector has raised R43,7bn.

Edward Pitsi

But it is the story of Infinite's rise that is quite remarkable, and Edward Pitsi brings a distinctive approach to his private equity game, navigating the complexities of the investment landscape in South and sub-Saharan Africa like the seasoned manager of a football club. Catalyst caught up with Pitsi recently, after the firm entered the top five ranking of the league of black-owned private equity firms.

The Spin-Out Play

Much like a football team refining its strategy for the season, Infinite Partners made a pivotal move in late 2022. After a successful stint at Ethos, Pitsi and his partners, having laid a solid foundation, embarked on a spin-out. The aim was clear: to forge their path in private equity with a sharp focus on the mid-market.

"I think we, my partners and I, had been at Ethos for a significant period, about ten and nine years respectively," explains Pitsi. "We had established a robust leadership team for the fund, particularly the Ethos Mid-Market fund, a R2,5bn endeavour. As we considered the evolving market landscape and customer needs, we initiated a conversation with the Ethos leadership, which was conducted in excellent spirits. This led to a successful agreement regarding the spin-out. What we're most proud of is the unanimous support from our investors—100% endorsement from our LPs. That was an extraordinary vote of confidence."

Infinite's Mid-Market Advantage

Choosing the mid-market space is akin to targeting the less-charted territories on a football field. It allows Infinite to uncover hidden opportunities and engage with businesses that larger institutions might overlook, much like a football manager discovering underappreciated gems in the transfer market; unearthing businesses with untapped potential, below the radar of mainstream investors.

"If you read all the headlines around some of the macros, sometimes it can be a little bit morbid," says Pitsi. "The country has faced quite a few challenges, along with a couple of others in the global economy. But a mid-market focus allows you to go and look under the radar. It allows you to go and look where large asset management firms aren't necessarily looking. And we do think that, at some point, there is a line where a dislocation does occur; where we're able to go and negotiate transactions on a proprietary basis, come up with the appropriate capital structures, and really build partnerships with the founders of these businesses, the professional management teams of these businesses.

Infinite's investment in E4 exemplifies their methodical approach. The software-as-a-service company operates in Proptech and data aggregation, and Infinite identified the potential of this market through meticulous sector analysis.

"But what I like about it is that all successful economies, globally, have a burgeoning private sector in the unlisted space where people are doing innovative things, and that's really why we look to play in that space."

E4: A Stellar Play

Infinite's investment in E4 exemplifies their methodical approach. The software-as-a-service company operates in Proptech and data aggregation, and Infinite identified the potential of this market through meticulous sector analysis. By leveraging their insights and sector expertise, they swiftly secured the deal, illustrating their proficiency in identifying and capitalising on promising opportunities.

"This came about following quite a protracted period where we were doing deep sector dives, and one of the areas that we were looking at was the idea of software-as-a-service. If you look internationally, you've got Robert Smith's private equity firm. They are a dedicated software-as-a-service shop. And we had some conversations with people across there to understand why they like these types of businesses.

"Fortunately, the owners of that business were coming to the end of their investment period. Given the proprietary insights that we had, and some of the sector expertise that we had on our side, we were able to move quickly. It's a business in which we've now partnered with a professional management team who had a small shareholding in the business. We've since increased that, and we think that the technology that they have, whilst appropriate for the sector that they currently serve, can serve many, many other sectors in South Africa, as well as in other geographies. Speaking of other geographies, we've launched a business in the UK which does exactly what it does in South Africa. And we're working with several of the big banking institutions in that country. We believe there's a massive opportunity of which to take advantage. And it's a nice story – South African tech smarts winning on a global stage."

Expanding the Playing Field

While Infinite's roots are in South Africa, they're not confined by borders. They extend their reach to the broader African continent, seeking businesses with a strong South African base, but potential for expansion. This strategic move mitigates single-country risks, offering investors exposure to multiple markets.

While Pitsi says that they do play in the rest of the continent, he is altering the way that Infinite approaches investing in Africa, from a risk adjusted basis, in the new fund that they are raising.

"In our prior fund, we've invested in businesses with a strong South African base, but that had an ability to expand into other countries on the continent. And we've done that successfully with several assets. If you think of a business like Synerlitic – which is essentially an industrial laboratory business, operating in the testing, inspecting and certification sector – there, we have a phenomenal footprint across ten other countries. We've just opened a second lab in India as well. So, we've managed to expand that. And we like that model because we've got a strong anchor tenant asset with the management skills there. And we look to try and export those into the rest of the continent. So, if you think about it on a risk weighted perspective, we didn't take too much of a risk on territories north of our border.

"We've tweaked that slightly in the current fund that we're raising, where we can invest up to 25% of the capital directly into assets anchored in other countries on the continent. But that's a maximum, so you don't necessarily have to use it. But when I look at the pipeline, there are a couple of good assets that lend themselves to that. But the way that we try to approach it, we don't necessarily want to take single country risk. Rather, we want to have a look at assets that have representation in multiple countries. There are assets and sectors that lend themselves to hard currency exposure, so you're not necessarily taking local currency dynamics fully on board. A number of these markets are dollarised, which does take away a little bit of the risk, though it doesn't get rid of it completely. Those are the types of businesses that we're looking at on the rest of the continent."

Navigating the Economic Climate

Just as a football team adapts to changing game conditions, Infinite carefully manages the impact of market dynamics. With an eye on interest rates, they maintain a conservative stance on debt, prioritising the disciplined pricing of assets. Their approach ensures that they weather economic fluctuations, while preserving equity value growth.

Pitsi says that he and his team are massively disciplined about what they pay on entry price.

> "The country has faced quite a few challenges, along with a couple of others in the global economy. But a mid-market focus allows you to go and look under the radar. It allows you to go and look where large asset management firms aren't necessarily looking." Pitsi

"From a fund perspective, investors typically give you a fixed hurdle of 10%," he explains. "But if you do deploy debt in your acquisition funding for underlying portfolio companies, when rates start to run away with you, it does make it difficult to generate equity value growth. We'd rather be more conservative on debt. We look to keenly price assets when we go in. So, the biggest lever in our industry is making sure that you pay the right prices for the assets. If you overpay, you're going to be chasing your tail for five years.

"And from a gearing perspective, we're not pushing the debt multiples as high as we would have previously. E4 is a case in point. I think that, in a couple of months, the gearing on that asset will be below two times, which is quite phenomenal."

Diversity – The Winning Play

Diversity forms the core of Infinite's success. The founding team's long-standing collaboration is fuelled by what Pitsi refers to as radical honesty and mutual respect. This collaborative spirit extends to their portfolio companies, where diverse backgrounds and experiences converge, driving innovative thinking and optimal outcomes.

In navigating the complexities of private equity, Pitsi emphasises the importance of open, clear communication. Relationships are nurtured through candid conversations and informal engagements, allowing for effective collaboration. Backing leaders within portfolio companies and aligning incentives further strengthens the foundation for mutual success.

"We've adopted an approach of radical honesty with each other, but it also helps to like the people that you work with. We enjoy each other. And that doesn't change in tough times, nor does it change in good times. But the key thing for us is that it's happened organically. We haven't tried to put something like that together. We've got a track record of working together, and the theory is right: diversity, and not just diversity across race, which is a big focus area in South Africa; but for us, it's race, it's gender, it's past experiences. And you'll see it in some of the newer members of our team that we're looking to bring in. But that is a plus. There's diversity of thought. Sometimes you get some off the wall thinking, where – if you're a little bit of a square, like me – that takes a few minutes to consume and conceptualise and understand. But it just makes things very interesting. On a net-net [basis], I think it does help us to get to the right outcomes."

With a focus on the mid-market, a collaborative ethos, and an eye for strategic opportunities, Infinite demonstrates that in private equity, as in football, it's the team that makes the difference. ◆

A bridge to a better taxi industry in South Africa

In the bustling heart of South Africa's economy, a silent revolution is underway, powered by a subsidiary of Mokoro Holdings – Bridge Taxi Finance.

This development firm is not just offering financial support to the minibus taxi industry, but creating a holistic ecosystem, intertwining finance with logistics, credit solutions, parts supply, and vehicle servicing.

The minibus taxi industry is the lifeblood of South Africa's public transport, constituting over 70% of all public transit trips. It stands as the primary mode of transportation across the country. In this vibrant milieu, Bridge Taxi Finance is carving a niche, propelled by a €10m facility from Triodos Investment Managers. This funding marks the inaugural step in a promising journey, with a robust pipeline of international development finance and impact investors poised to join hands in catalysing Bridge Taxi Finance's mission.

Given the well-publicised collapse of SA Taxi, part of the Transaction Capital stable, this

funding comes at an opportune time as a key competitor stumbles. While conditions have been tough for taxi operators, the reliance of the majority of commuters in South Africa on this form of transport offers a degree of resilience and comfort to the funders.

Though privately owned, the minibus taxi industry is the most important cog of South Africa's public transport network, carrying roughly 15 million commuters to and from work daily, according to Stats SA's 2020 household survey. The survey also finds that South African households spend the equivalent of 12% of the country's GDP on transport. This ratio is far greater than in many other countries, including those of trading partners. Despite having similar levels of public transport usage, these countries only spend around 7% of their GDP on transportation.

While official numbers are hard to come by, reading through the recent Competition Commission Land Based Market Inquiry into Public Transport, there are roughly 200 000 to 250 000 minibus taxis operating in South Africa, and the National Taxi Alliance estimates that the industry generates at least R100bn annually, though it's common knowledge that the industry doesn't pay corporate or income taxes, apart from fuel levies.

That the minibus taxi industry is largely lawless goes without saying, with many operating without the requisite operating permits, with scant regard for the rules of the road, and brutally violent, with killings over routes a feature. But however unsurprising, the increase of violence over routes is not just the fault of the industry; it is symptomatic of yet more state failure.

Provincial Regulatory Entities (PREs) receive and decide on operating licence applications. Planning authorities in local government are in charge of giving direction to the PREs – such as whether to award, extend, change, or transfer operating licences – which must be based on five-year integrated transport plans, but the Commission has found that this is not being done.

Given this history, and limited access to legitimate business opportunities, it's little wonder that the industry is overtraded and infiltrated by mafia. And its profitability is dwindling too, judging by SA Taxi's numbers.

According to SA Taxi's research in 2020, the average short-route operator on the 23km route between Soweto and Johannesburg earned a profit of around R25,000 a month.

But, since COVID, this has deteriorated markedly. Fare increases haven't kept up with rising costs from interest rates, fuel and the price of the vehicle, where the average monthly instalment on a new vehicle has increased by over R6,000 over the last three years.

Is it fair that taxi operators pay VAT on purchasing new taxis for commercial use? No, but then, again, they should also pay their fair share of income tax. Then there's still interest rates and fuel, which is probably the biggest input.

On the revenue side, there has been only one set of fare increases since COVID (with another one expected shortly), but this is hard to track because every association does something different. Added to this, SA Taxi's figures show commuter volumes still haven't returned to pre-COVID levels.

Government's taxi recapitalisation programme has had only limited success, and it's little wonder that operators are cutting corners, with unroadworthy vehicles rightfully being impounded. But that's where the idea of subsidisation becomes interesting, because any talk of a taxpayer funded subsidy of a private entity through the Department of Transport or any other mechanism, like local government, immediately brings with it some degree of accountability.

This will support the heart of Bridge Taxi Finance's operations, its clients – the entrepreneurial drivers who own and operate taxi businesses. The company's portfolio already encompasses over 4,700 such enterprising individuals, filling a crucial gap in the market. For many of these entrepreneurs, Bridge Taxi Finance provides a lifeline, offering them access to income-generating assets and enabling them to be active contributors to the economy.

Looking ahead, Bridge Taxi Finance is setting its sights on a future of electric vehicles, with feasibility studies already underway. This forward-thinking approach is driven by a founding team with over two decades of experience in development finance, emphasising the company's commitment to sustainability and innovation.

This transaction signals a pivotal moment in the inclusive finance sector of South Africa. Verdant Capital, serving as Bridge Taxi Finance's sole advisor, has introduced an investment structure that streamlines and simplifies the process for international impact investors. This strategic move is not only reshaping how capital flows into impact finance, but also promising a more inclusive and prosperous future for South Africa.

As Bridge Taxi Finance continues to pioneer change in the minibus taxi industry, the echoes of its impact will resonate far beyond the confines of this vital sector. It stands as a beacon of hope, illuminating a path towards a more inclusive and sustainable future for South Africa and its unique and enterprising entrepreneurs. ◆

"This transaction signals a pivotal moment in the inclusive finance sector of South Africa. Verdant Capital, serving as Bridge Taxi Finance's sole advisor, has introduced an investment structure that streamlines and simplifies the process for international impact investors."

Alitheia IDF weaves growth and resilience into the local textile industry

Since the advent of democracy in South Africa, imports have had a significant influence on the apparel and textile manufacturing business. But according to a manufacturing study released by Statistics South Africa in July 2023, nearly 121,000 jobs in the textile and garment industry were lost between 2005 and 2021.

That's why news of a strategic alliance between IVILI Group, a woman-owned textile enterprise, and Alitheia IDF, Africa's pioneering gender-focused private equity fund – injecting a substantial US$5m investment into the industry – is welcome. This landmark partnership is set to bolster local manufacturing capacity, foster employment, and rejuvenate expertise within the sector.


Polo Leteka


Lilitha Mahlati

The textile industry in South Africa has a long history of contributing to the national economy and is a key source of employment, particularly for women. Although the majority of textile manufacturing facilities are located in the Western Cape, KwaZulu-Natal, Gauteng and the Free State, the industry's economic advantages impact South Africa on a national scale.


Tokunboh Ishmael

The industry is founded on a distinct heritage of cultural traditions from the country's numerous provinces. Many families gain by selling clothes, fabric and traditional designs in many distant places where the textile industry is one of the only sources of official employment.

In 2019, an industry-wide master plan was created to assist sector expansion and procurement. This master plan also described how the government would deal with illegal material imports and encourage native industrial capabilities. The industry's future was clearer after its debut, but then the global epidemic struck.

The textile industry was immediately affected by COVID-19. Lockdowns had a significant economic impact on the supply chain, and sales and commerce fell significantly, though the industry has recovered since the pandemic's conclusion. During this time, e-commerce and internet shopping were big industry developments, but mostly for apparel, garments and fashion, rather than textiles and fabrics.

However, as the world grows more environmentally conscious, the future of sustainable fabrics seems promising, with trends towards sourcing and procuring locally manufactured clothing and textiles.

"We are the first private equity fund manager in Africa prioritizing growth-stage companies with gender-diverse teams across the entire business value chain, poised to lead regional expansion and foster economic and social transformation." Polo Leteka

Comprising IVILI Loboya, a distinctive wool and cashmere processing facility situated at Ibika Industries in Butterworth, Eastern Cape, and IVILITEX, a state-of-the-art garment manufacturing plant strategically located at the heart of Cape Town's clothing and textiles hub, the IVILI Group stands at the forefront of textile innovation.

Co-founded by the late Dr Vuyokazi Mahlati, IVILI Loboya embodies a legacy of South African social entrepreneurship. Meanwhile, IVILITEX – with its expansive garment manufacturing facility in Epping, Cape Town – is primed to produce high-quality jeanswear for the local retail market. This facility features a cutting-edge jeans wash unit, integrating advanced technology from Spain, in collaboration with industry leader, Jeanologia. The result is a production process that maximises efficiency and output while minimising environmental impact.

With a commitment to bridge the divide between locally produced and imported apparel in South Africa's garment production landscape, IVILITEX stands poised to offer a solution for local retailers seeking large-scale, domestically manufactured garments. Since COVID, the push towards near-shoring or reshoring has certainly helped.

Lilitha Mahlati, CEO of IVILI Group, says that the Group is setting its sights on becoming Africa's premier textiles conglomerate, with the aim of increasing the proportion of locally-produced apparel in the domestic retail industry from the current 44% to an impressive 65% by 2030.

"For us, leading the textiles charge on the continent means uncompromising quality and delivering a technologically advanced, sustainable product to global markets," says Mahlati.

Alitheia IDF, a visionary $102m private equity fund co-founded by South African trailblazer Polo Leteka and Nigerian luminary Tokunboh Ishmael, strategically aligns with IVILI Group's ethos. The fund's investment strategy centres on empowering women-owned, women-led, or women-serving Small to Medium Enterprises (SMEs) with potential for regional scale and socio-economic impact.

"We are the first private equity fund manager in Africa prioritising growth-stage companies with gender-diverse teams across the entire business value chain, poised to lead regional expansion and foster economic and social transformation," says Leteka.

Recognising the pivotal role of the clothing and textile sector in sustainable industrialisation, employment creation and export growth, this deal underscores its strategic importance. ◆

AIIM keeps its cool in temperature-controlled logistics

In a strategic move to deepen its presence in the temperature-controlled logistics sector, African Infrastructure Investment Managers (AIIM), a subsidiary of Old Mutual Alternative Investments, has announced a substantial expansion of its Commercial Cold Holdings (CCH) platform.

This significant venture includes the acquisition of Sequence Logistics, a prominent player in temperature-controlled warehousing, distribution, and supply chain solutions across Southern Africa.

Under the leadership of AIIM Investment Director, Damilola Agbaje, CCH is poised to leverage enhanced equity commitments from AIIM-managed funds, AIIF4 and IDEAS Managed Fund, to fuel this transformative expansion.

Agbaje is enthusiastic about the potential of this acquisition.

"The deal will allow CCH to deliver on its mandate by securing attractive long-term partnerships with market-leading retailers, wholesalers and food producers," he says.

This strategic move comes hot on the heels of CCH's successful acquisition of CCS Logistics from Oceana Group Limited in 2022. With these two powerful acquisitions under its belt, CCH is primed to become a serious competitor in storage and load consolidation solutions in South Africa.

A key appointment to execute on this strategy is that of Paul Gibbons, a veteran with over two decades of experience in cold chain distribution and supply chain management. Gibbons, who now takes the helm as CEO, boasts a distinguished career that spans the orchestration of cold storage supply chains for over 30 FMCG food producers and three major retailers. He also brings his expertise to bear as Chair of the Global Cold Chain Alliance's Africa advisory council.

Damilola Agbaje

Paul Gibbons

Gibbons envisions a technology-driven approach as part of the blueprint for CCH's ascent, outlining plans to operate storage across nine facilities, with approximately 146,000 pallets spread across Johannesburg, Cape Town, and Walvis Bay in Namibia. He highlights Sequence Logistics' emphasis on technology as a pivotal enabler of its business, positioning it as a key asset in CCH's portfolio.

In Gibbons' words, "Load consolidation allows retail, wholesale, and food service

In Gibbons' words, "Load consolidation allows retail, wholesale, and foodservice partners to focus on service levels; maximising store space and optimising inventory levels, while ensuring on-time delivery of products as they are demanded by stores." This strategic move not only ensures predictability of cash flows, but also augments spend per customer.

partners to focus on service levels; maximising store space and optimising inventory levels, while ensuring on-time delivery of products as they are demanded by stores." This strategic move not only ensures predictability of cash flows, but also augments spend per customer.

Beyond the business implications, AIIM underscores the societal and environmental impact of this venture. Temperature-controlled logistics infrastructure is seen as a linchpin for bolstering food security and creating higher-value jobs across sub-Saharan Africa. AIIM is committed to driving efficiency and sustainability, aiming for a 20% improvement in energy efficiency across the CCH platform.

Furthermore, a robust focus on environmental, social, and governance (ESG) standards is at the forefront of AIIM's strategy. Agbaje notes, "Our targets for ESG are to have 30% women employed by 2025, 30% women in management by 2025, and 30% women on the board by 2025. In addition, there will be 78 jobs created for new hires by 2025."

The acquisition process was facilitated by legal advisors ENS, with commercial advisory services provided by Frost and Sullivan, and tax and financial due diligence conducted by PwC. Arup played a pivotal role in the technical due diligence, while Investec provided advisory support to Sequence Logistics. ◆

VC survey shows startups have Boks' resilience

In a region grappling with low growth, soaring unemployment, and the persistent challenge of energy scarcity, Southern African startups have emulated the region's rugby pride, the Springboks, standing firm in the face of adversity and weathering the storm of economic adversity over the past year.

The latest insights from the 2023 Venture Capital (VC) Industry Survey, published by The Southern African Venture Capital and Private Equity Association (SAVCA), shed light on the intricate dynamics shaping the local venture capital landscape.

Tshepiso Kobile, CEO of SAVCA, unveiled the survey's findings at its annual launch, underscoring the formidable hurdles faced by the sector. Yet, Kobile remained resolute in her conviction that the business case for venture capital in Southern Africa is not only robust, but also serves as a potent tool to tackle the region's deepening socio-economic challenges.

A standout revelation from the survey was the 14.5% contraction in the value of VC deals for the 2022 period, compared to the previous year. Nevertheless, the industry marked its fifth consecutive year of attracting over R1bn in early-stage investments. The information and communication technology (ICT) sector, a driving force behind South Africa's digital transformation, retained its allure for investors, accounting for a staggering 48.1% of deals in 2022.

The resilience of the local ICT sector was further underscored by its dominance in active portfolios, comprising 40.6% of all deals by number. Within this sector, FinTech, Software, Telecoms, AgriTech, and Electronics emerged as the leading sub-sectors, illuminating the diverse spectrum of opportunities within ICT-related investments.

Tshepiso Kobile

A comprehensive breakdown of capital allocation across primary economic sectors unveiled the ascendancy of ICT, constituting 37.7% of deals by value and 40.6% by volume. Consumer Products and Services and Business Products and Services followed suit, highlighting a strategic diversification of investment interests.

The emergence of education technologies (ICT EdTech) as a prominent player in the 2022 investment landscape signalled a noteworthy shift, although it accounts for a relatively small portion of the overall portfolio allocation, reflective of its recent introduction as an investment sub-sector.

Kobile aptly encapsulated the innovative spirit permeating Southern Africa's entrepreneurial ecosystem, emphasising the ascendancy of FinTech over traditional domains like Food and Beverage. She underscored the sector's capacity to harness technology, addressing mass-market needs and streamlining service delivery.

The dual role of the ICT sector as an engine for both commercial viability and social development was underscored by Kobile, who highlighted its pivotal role in facilitating access to information and e-learning resources, particularly in the realm of education. As South African startups spearhead technological solutions in healthcare, governance, and various industries, the sector's potential to elevate the nation's global standing is unmistakable, attracting investments and fostering international collaborations.

At a panel discussion during the SAVCA VC Industry Survey launch, Kabelo Themane, Senior Investment Associate at Edge Growth, echoed Kobile's sentiments, emphasising the imperative of striking a balance between return-on-investment and societal impact. Themane underscored that "impact" should transcend conventional ESG considerations, extending its reach to grassroots issues such as unemployment, sustainable development goals, financial inclusion, and the advancement of education.

Fuelled by the survey's encouraging findings on funds under management, investment activity, and exits, Kobile expressed optimism for early-stage investments in the coming year. The lion's share of available funding was directed towards new deals, a trend attributed to the increased support for existing portfolios during the 2022 investment year.

As the 2023 SAVCA VC Conference unfolded in Stellenbosch, Kobile urged industry stakeholders to sustain the vital discourse on the future of the VC sector in Southern Africa. The conference brought together local and international luminaries, uniting investors, fund managers, entrepreneurs, advisors and policy-makers in a collective pursuit of a vibrant, sustainable venture capital landscape. ◆

A tech revolution securing South Africa's township businesses

In a groundbreaking move, over 18,000 small businesses and spaza shops in South African townships are gaining access to vital security, medical and business insurance services, all at no cost.

This transformative initiative is the result of a collaboration between two high-impact tech pioneers – Hello Pay and AURA. Hello Pay, an arm of the Hello Group, known for providing digital payment solutions to small enterprises and spaza shops, is integrating business insurance and emergency response services from AURA into its premium service, benefiting its extensive clientele.

With an estimated 200,000 spaza shops and numerous small enterprises spread across South Africa, especially in the often-neglected township areas, the potential to extend these services is enormous. AURA's innovative platform equips users with panic buttons for emergencies. When activated, this service swiftly connects them to verified local emergency services, ensuring safety for both business owners and their customers, while fostering a more secure community environment.

The process kicks in when a business owner presses their panic button during an emergency. Almost instantly, vetted security and medical responders on AURA's platform are dispatched, linked to a network of 6,500 armed response vehicles.

Moosa Manjra, CEO of Hello Group, adds that Hello Pay offers small businesses and spazas a means to accept digital payments.

"Beyond the obvious security advantage of digital transactions, we recognise the paramount importance of personal safety for these operators," says Manjra. "This is why we decided to incorporate AURA's armed response panic service and a basic business insurance cover, shielding our customers from both physical and economic risks.

"Our aim is to ensure that if our customers ever feel threatened, a simple button press

brings help within minutes. Additionally, they are also safeguarded against any riot or looting event through the embedded business cover provided by Hello Pay, which includes SASRIA insurance for such incidents."

Warren Myers, founder of AURA, affirms that AURA has made emergency response services for township businesses more accessible, cost-effective, and efficient than ever before.

"We are resolute in making these services available in every township and informal settlement across the nation," says Myers. "With an average response time of about eight minutes for emergency security and medical services, we're faster than most police responses globally."

A spaza shop owner in KwaZulu-Natal attests to the life-altering impact of AURA's emergency response service, now allowing him to operate his business with a newfound sense of safety. Previously without any security measures, he was repeatedly targeted. Now, potential threats steer clear, knowing he can summon private security at the push of a button.

In a separate incident, a township-based business specialising in mobile phones, electronics, furniture, and repairs fell victim to looting in the Western Cape. The owner recounts the loss of everything, including store counters. Thanks to business insurance provided by Hello Pay, he faces no financial losses, ensuring peace of mind in case of unforeseen events.

Both Hello Pay and AURA are key players in the Endeavor SA network, a collective of high-impact entrepreneurs and start-ups driving innovation in fintech, healthtech, edtech and marketplaces, by addressing tangible challenges faced on the ground.

Manjra acknowledges that their introduction to AURA through Endeavor was a pivotal moment. "We knew it made sense to help keep our customers safe. We are able to give people economic and personal safety with access to services in places where there simply isn't enough."

Initially, Hello Pay extended the service to clients who opted in, but it is now seamlessly integrated for all Hello Pay device users. Ensuring the safety of small business owners has a ripple effect on the economy, as security concerns often impede business operations and deter potential customers.

AURA's innovative platform equips users with panic buttons for emergencies. When activated, this service swiftly connects them to verified local emergency services, ensuring safety for both business owners and their customers, while fostering a more secure community environment.

Alison Collier, CEO of Endeavor SA, hails this partnership as a significant socio-economic stride, addressing a critical challenge within the township economy, while also nurturing entrepreneurial potential, thus bolstering economic growth and resilience.

"Our primary aim at Endeavor SA is to support companies that use technology to provide affordable solutions to on-the-ground problems in townships and areas with limited resources," says Collier. "Companies like Hello Pay and AURA are managing to do this commercially, backed by private capital, to positively impact thousands of lives."◆

PRIVATE EQUITY DEALS Q3 2023

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Acquisition by	AgroFresh from Carlyle	Tessara	Rabobank; White & Case (SA); Bowmans; ENS; Morrison Foerster	undisclosed	Jul 19
Acquisition by	RMB Corvest, Umoya Capital Partners and Calibre Capital	minority stake in original-equipment manufacturer M4A		undisclosed	Aug 1
Investment by	Fledge Capital	in Luxury Time		undisclosed	Aug 7
Investment by	SAAD and Blu Sky Investments	in FinMeUp		undisclosed	Aug 7
Acquisition by	Stanlib Infrastructure Fund II	majority interest in Solareff and subsidiary, GridCars		undisclosed	Aug 7
Investment by	27four's Nebula Fund and other investors	in VitruvianMD [seed extension II funding]		$1,25m	Aug 14
Acquisition by	RMB Corvest	minority stake in SANTS Private Higher Education Institution	Cliffe Dekker Hofmeyr	undisclosed	Aug 16
Disposal by	Rebosis Property Fund (in business rescue)to Ferryman Capital Partners, Hulk Investments, Jade Capital Partners and the beneficiaries of the Ubuntu Football Trust	Hangar 18 portfolio Properties	Java Capital; Blackacres Capital; Deloitte; Nedbank CIB; Cliffe Dekker Hofmeyr	R4bn	Aug 23
Investment by	Fedgroup Private Capital	in LeaseSurance [seed funding]		R3m	Aug 28
Investment by	Alitheia IDF and the Vumela Enterprise Development Fund	in Rentoza		$6m	Aug 31
Acquisition by	Kasada	the former Radisson Blu Hotel & Residence in Cape Town - to be operated under the Pullman brand	KPMG	undisclosed	Sep 4
Disposal by	Equites Property Fund to Bopa Moruo Private Equity Fund Managers	Tunney Ridge	Vani Chetty Competition Law; White & Case (SA)	not publicly disclosed	Sep 4
Acquisition by	Ascension Private Equity Fund I	a 45% stake in Paul's Muesli	Pallidus	undisclosed	Sep 6
Investment by	Salt Equity I (Salt Capital)	in Response24		undisclosed	Sep 11
Acquisition by	Blantyre Capital	of a majority stake in DC Holdings and a significant stake in DC Foods	White & Case (SA); Werksmans	undisclosed	Sep 18
Investment by	QED Investors, Partech, Speedinvest, RaliCap and Everywhere VC	in Revio [seed funding]		$5,2m	Sep 26
Investment by	Bill Kilgone Investments, Evolution II and III, STOA and FMO	in Red Rocket	Fasken (SA)	$160m	Sep 26
Acquisition by	RMB FOGS	20% stake in Genfin Holdings		undisclosed	Sep 27
Acquisition by	African Infrastructure Investment Managers	further equity investment in NOA Group		$90m	Sep 28
Acquisition by	Invenfin	investment in Root		$1,5m	Sep 28
Investment by	Main Street 1749 (Ata Fund)	in Nustate Capital Partners	Poswa	undisclosed	not announced


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