

# Catalyst



SA's quarterly Private Equity & Venture Capital magazine

Vol 18 No 4  
DECEMBER QUARTER 2021

PE Deal of the Year 2021

Venture Capital funds to watch in 2022

All the 2021 deal activity from SA



# FROM THE EDITOR'S DESK

I was bemoaning the dire state of South Africa's economy – stuck in reform no-man's land under the supine leadership of President Cyril Ramaphosa, and the genuinely frightening outlook for our country – to my friend over the weekend, and his terse response was quite pointed. He asked me simply, "so, what are you doing about it?"

A group of intrepid venture capitalists are doing something.

Entrepreneurship doesn't take place in a void at random or under the general influence of homogenous economic conditions. Rather, it occurs in specific places that create the right conditions for it within the context of a particular set of incentives and opportunities, as well as barriers. Now, this pithy quote from the Monitor Group report, titled Paths to Prosperity: Promoting Entrepreneurship in the 21st century, neatly encapsulates what we need to focus on in South Africa today if we want to support small and certainly start up enterprises.

We often complain about too much red tape weighing down SMMEs, and specifically high growth potential start-ups. Rather ironically, a group of ecosystem players are collaborating on a solution in the form of, yes, another piece of legislation. It's the SA Startup Act. And it's actually anti-red tape, and all about creating a coherent supportive framework that enables rather than inhibits the ability of high growth enterprises to scale, by addressing issues around IP, work permits, and the like.

Given the importance of getting the enabling environment correctly calibrated, when it was announced recently that one of the driving forces behind the idea, Simodisa vice-chairperson and South African Startup Act Steering Committee chairperson, Matsi Modise, was appointed to Chair the Technology Innovation Agency, it was just the sort of tonic needed to assuage my inner doubt that we are beyond the point of no return.

Gradually, meritocracy is returning to key positions within the state, and with each such appointment, shattered confidence is slowly being pieced back together.

Catalyst recorded 149 transactions involving private equity funds during 2021. The most on record. A prominent dealmaker asked me rhetorically recently whether we are entering the era of private markets? Increasingly, market participants I talk to are questioning whether the current structure of public capital markets is fit for purpose. Listed markets are just not making sense at the moment and this record activity seems to reinforce that perception.

Congratulations to this year's finalists for the Catalyst PE Deal of the Year. The winner emerged from the detritus of Ascendis, a disastrous private equity exit to public markets that created an opportunity for an asset fire sale that was pounced upon by other private equity buyers, who feasted on the carcass. *In morte occasio!* ♦

**Michael Avery**

## Contents

Editor's note	
PE Deal of the Year	1
Trends in investor mandates, manager selection and fund terms	5
Venture Capital funds to watch in 2022	7
Value addition strategies to maximise return on capital and impact	8
Local & International news roundup	10
All the 2021 deal activity from SA and Africa	11

## Catalyst

**Editor:** Michael Avery

**Sub-editor:** Lee Robinson

**Design & Layout:** Janine Harms,  
Gleason Design Studio

**Catalyst** is published by the proprietor  
Gleason Publications (Pty) Ltd, reg no:  
1996/010505/07  
from its offices at 30 Tudor Park,  
61 Hillcrest Avenue Blairgowrie,  
Randburg 2194.

**Tel: +27 (0)11 886 6446**



**This is the 17th year in which the Gold Medal is awarded for the Private Equity Deal of the Year. Nominations were received from advisory firms which were passed on to an Independent Selection Panel, headed by Bernard Swanepoel and consisting of Naspers SA CEO, Phuthi Mahanyele-Dabengwa and businesswoman, Nicky Newton-King.**



## Ascendis Animal Health acquisition by Acorn Private Equity

The rise and fall of Ascendis Health has gripped the investor community for the last few years, with twists and turns that would make The Game Of Thrones writers proud. The one difference is that when characters died in Game of Thrones, they rarely, if ever, came back. Not so this time around as, late last year, two prime movers of Ascendis' acquisitive phase, former CEO Karsten Wellner and co-founder Gary Shayne, were voted back onto the board as non-executive directors. The experienced Andrew Marshall, former CEO of Oceana and Nampak, was removed as Chair and appointed CEO, and then recently removed as CEO. Shareholder activist Harry Smit, described by some as South Africa's version of Tyrion Lannister, achieved the unthinkable by seeing off two CEOs and a private equity fund to ascend to the Iron Throne.



After being brought to market by private equity firm Coast2Coast in 2013, Wellner and Shayne geared up, pursuing earnings growth at the expense of the balance sheet, and it all eventually collapsed in on itself six years later.

Despite the underlying businesses performing well, an unsustainable capital structure, amassing a debt pile of over R7bn, led to a recapitalisation agreement with Blantyre Capital and L1 Health, with the lender consortium taking control of the crown jewels last year – European subsidiaries, Remedica and Sun Wave – in exchange for Ascendis' outstanding debt.

Prior to that, Ascendis, under the stewardship of then CEO Mark Sardi, had set about disposing of assets it deemed non-core, which saw Acorn Agri & Food pipping Amethis and Phatisa to the company's Animal healthcare business in a move that took the market by

surprise.

After initiating a sale process in August of 2020, Ascendis revealed that it had created a short list of potential buyers, including an unnamed preferred bidder.

Acorn Agri & Food is a publicly listed investment holding company managed by Acorn Private Equity.

The animal health unit was a small part of Ascendis, contributing around 7% of its overall topline, as a manufacturer and distributor of products in South Africa.

The unit makes medication for farm animals (cattle, pigs, sheep and poultry) and pets (including cats, dogs and horses). It has three niche businesses: Ascendis Animal Health (focusing on farm animals), Ascendis Vet (for pets), and Kyron Laboratories, which makes over-the-counter health and beauty products.

Its portfolio includes brands such as Ivermax, MAXI-TET, Attila, Triworm, Petcam, Mobiflex, Purl, Cleangel, Petremedy and Protexin. Kyron offers a range of veterinary medical devices.





The company also exports to several countries in Africa and the Middle East.

Absa Bank is the financial adviser and transaction sponsor, while ENS Africa is the legal adviser to Ascendis on this deal. Webber Wentzel and Werkmans are the joint legal advisers to the buyer. ♦

#### Local Advisers

**Financial Advisers:** Absa CIB and Questco

**Sponsor:** Questco

**Legal Advisers:** ENSafrica, Webber Wentzel and Werkmans

**Transactional Support Services:** PwC

#### Comment from the Independent Panel:

Many smart and timely deal opportunities are found in the non-core assets which are disposed of when corporate restructuring and recapitalisation take place. Our winning transaction involving Ascendis Animal Health is a classic PE deal involving good cash generative assets and concluded at good and fair valuation for both the seller and the buyer.

## PICK OF THE BEST (IN ALPHABETICAL ORDER)

### Ata Fund III Partnership/Manco spv acquisition of Respiratory Care Africa

The most recent deal to emerge from the Ascendis saga was the Management Buyout of Respiratory Care Africa (RCA), a medical devices supplier, in November 2021, led by private equity firm Ata Capital. The MBO was financed through Ata Capital's latest BEE value fund, Ata Fund III, and makes the PE firm a majority shareholder.



Mamedupi Matsipa

The MBO has enabled RCA to return to its original status as a 100% South African, privately owned medical devices company. The MBO opportunity is a result of Ascendis' asset divestment and group recapitalisation strategy.

Commenting on the MBO, Ata Capital's CEO, Mamedupi Matsipa said, "We believe that this investment offers significant growth prospects. As a leading supplier of ventilators and high-flow nasal oxygen equipment to both public and private hospitals, RCA has been instrumental in the fight against COVID-19. RCA has performed exceptionally well during the pandemic, and the increase in its device install base since early 2020 has created the potential for continued enhanced profitability through increased support and consumables sales once the pandemic subsides and trading conditions normalise. We are proud to partner with excellence."

Established in 1998, RCA is a supplier of respiratory, monitoring, radiology and other medical equipment and

consumables used in the treatment of patients in hospitals (with a focus on high care, intensive care units, operating theatres, and maternity wards), and in the home. It also provides its customers with technical support, services, and consumables.

RCA Managing Director, Christiaan De Wet commented, "We are elated that this transaction lets us once again become a 100% South African, privately owned company, allowing the business agility to operate & adapt the business to cope with this everchanging healthcare environment". ♦

#### Local Advisers

**Financial Advisers:** Rothschild & Co, Sapila Capital and Questco

**Sponsor:** Questco

**Legal Advisers:** ENSafrica, Webber Wentzel and Falcon & Hume

**Transactional Support Services:** PwC



#### Comment from the Independent Panel:

Another typical PE deal of good assets coming out of the Ascendis Health restructuring. The panel appreciates the open and transparent cooperation between all parties, resulting in a good outcome for a leading supplier of ventilators and high-flow oxygen equipment right in the midst of the COVID-19 pandemic.



## Everite – Lonsa and Legacy Africa acquisition

A few glimmers of light offer some hope for South Africa's battered and bruised construction sector, which is longing for the boom years prior to the 2010 Football World Cup to return.

First, President Cyril Ramaphosa's Economic Reconstruction and Recovery Plan has placed a grand R1 trillion infrastructure plan (leveraging up to R660bn of 'crowded in' private sector capital, or so it is hoped) at the centre. Clearly, plans are wearing thin, and only execution matters at this late stage to pull South Africa back from the brink of failed statehood, but insiders remain hopeful.

Second, inbound deal activity is heating up in the sector, as evidenced by Mauritian investment entity, Lonsa Group (Lonsa) acquiring the majority and controlling shareholding in Everite – the leading industrial manufacturer of a range of building products for the commercial, industrial and residential markets – for some R600-million, in a massive vote of confidence in South Africa's struggling construction sector.

The deal, which was effective 1 May 2021, includes Everite Group's assets, businesses and companies (including Sky Sands Pty Limited and Sheet-rite Pty Limited), as well as the purchase from a third party of the freehold property from which Everite operates. It was partially debt-financed by Nedbank Limited.



Robin Vela

Cement, a multinational giant), it was acquired by Group Five from the Swiss Eternit Group in 1991.

As one of the "crown jewels" of Group Five, Everite was put up for sale by the listed construction and engineering group as part of its business rescue process. Group Five was placed in business rescue in March 2019 after experiencing financial problems due to, inter alia, its financial exposure in Africa and a lack of contracts. From a peak market value of R8.2-billion in 2007, Group Five was worth less than R100 million when its shares stopped trading.

Lonsa Everite, the special purpose vehicle incorporated to execute the acquisition – made up of Lonsa (55.49%), Everite Management (14.5%), Legacy Africa Capital Partners Pty Limited (25.01%) and Muvhango Netshitangani (5.0%) – emerged as the successful bidder following a highly competitive auction.

Everite and its various related businesses and subsidiaries employ over 500 people.

Lonsa, chaired by experienced Zimbabwean investment banker Robin Vela, is a principal investment entity, investing in the energy, industrials, logistics and property sectors in Africa. In a release at the time of the announcement, Vela said that it acquired Everite because of its 80-year track record of profitability and cash generation, as well as its significant tangible growth prospects into the rest of Africa, which is currently underserved; its consistent growth amid challenging economic conditions prior to and during COVID – EBITDA was in excess of R100 million per year for FY16 – FY19, increasing to R130 million plus in FY2021; and a strong management team.

Undoubtedly, other reasons included the significant barrier to entry created by the R2bn cost of the facility that Everite holds, and the 10-year period that it would take a competitor to get the premises in place, and permits (EIA, Water, Power, and others) to compete; and Everite being the only large-scale fibre cement manufacturer in South Africa, and sub-Saharan Africa. ♦

### Local Advisers

**Financial Advisers:** Metis Strategic Advisors, Birkett Stewart McHendrie and Mazars

**Legal Advisers:** Werksmans and ENSafrica

### Comment from the Independent Panel:

A very nice, clean and simple transaction involving one of the 'crown jewels' of Group Five, implemented as part of the formerly listed group's business rescue process. The panel liked that these were good PE assets, well priced and saving some 500 jobs. The panel wishes to commend Birkett Stewart McHendrie for the quality submission they made.





# MVM Holdings acquisition of the Sharks

The COVID-19 pandemic has ushered in the era of private equity in professional sports. Over the past two years, PE firms have taken on passive stakes in professional sports franchises and leagues, after the NBA, MLB and Major League Soccer loosened ownership rules to include institutional investors. And rugby has been no different. The game saw private equity investors taking stakes in the New Zealand All Blacks and, most notably, locally, The Sharks in January of 2021.

The man behind MVM Holdings, an international investment consortium that acquired 51% of the Durban franchise, is Marco Masotti, Amanzimtoti-born New York Lawyer who has built as

fearsome a reputation on Wall Street as the Sharks have done in their aggressive forward play over the years.

The current shareholders, the KwaZulu-Natal Rugby Union and SuperSport International, will hold the remaining 49 percent of the franchise. The financial terms of the transaction are confidential.

MVM Holdings brings significant finance, sports and

management expertise and resources to The Sharks franchise. In addition to Masotti, the members of the consortium include Vincent Mai (Chairman and CEO of Cranemere LLC), Marc Lasry (Founder of Avenue Capital and owner of the National Basketball Association's Milwaukee Bucks team), Doug Cifu (CEO of Virtu Financial, Inc. and owner of the National Hockey League's Florida Panthers team), Robert D. Haswell (Founding Partner of Dominus Capital), Dominic Silvester (CEO of Enstar Group Limited) and Michael Yormark (President of Roc Nation Sports International).

Roc Nation will assist with the global expansion of The Sharks brand, and have recently taken former Sharks and Springboks prop, Tendai "The Beast" Mtawarira under their wing as he takes his brand from the rough and tumble of the front row to the cut throat world of business.

With the international rugby landscape poised to undergo transformational change in the coming years, investors have identified rugby as an attractive opportunity and invested in some of Europe's leading rugby competitions. It is expected that the enlarged Pro16 competition will accelerate this trend. Navigation of the fast-changing rugby business requires a diverse and strong shareholder

group who can implement a strategic plan and provide the resources to ensure that The Sharks become the premier rugby brand in the world.

Masotti's expertise as a preeminent advisor to international asset management firms has enabled him to put together a group of investors who share the vision and expertise to

ensure the continued growth of The Sharks franchise.

"The Sharks have a deep and wonderful history that can translate into a formidable global rugby brand," Masotti said. "Our investment is designed to facilitate the expansion of the franchise through deep relationships with business people, financing sources and other sporting codes. We believe that rugby provides a unique platform for character and community building. We intend to shine a global light on the city of Durban and create opportunities for players from diverse backgrounds to become international stars."

Brian Van Zyl, the newly-elected president of the KwaZulu-Natal Rugby Union, expressed confidence that the partnership has come at the right time, and with the right partners for the Sharks: "In all our dealings with Marco Masotti, it was abundantly clear that his consortium, together with SuperSport, will bring not only greater commercial savviness, but also international ties that will result in the Sharks becoming one of the most recognised global sports brands," Van Zyl said. ♦



Marco Masotti



## Local Advisers

**Legal Advisers:** Werksmans and Webber Wentzel

### Comment from the Independent Panel:

The panel had heated and emotional debates on this deal, probably in part because significant deal specific information was not available due to confidentiality. Let's watch this space!

## Criteria used for the selection of the shortlist for Private Equity Deal of the Year:

- An asset with good private equity characteristics: a 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; a 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 disposals.
- Potential/actual value creation – was the asset acquired at an attractive multiple? If the deal is a disposal, was it sold at an attractive price? What is the estimated times money back and/or internal rate of return?

There is limited information available in the public domain on private equity deals, and even somewhat educated guess work doesn't provide all answers in all instances.



# Trends in investor mandates

Private markets, specifically the infrastructure sub-category of the asset class, has benefited notably from the positive tailwinds created by the South African Investment Conference in 2018 and, more recently, the changes to Regulation 28 (which governs the allocation criteria of the pension funds in South Africa). Both have favoured the funding of domestic infrastructure development by the retirement industry.

*David Moore*

Several local institutional fund managers – both captive and boutique – have managed to successfully raise billions of rands to deploy across infrastructure sub-sectors, such as renewable and clean energy, and information communication technologies. From an Alexander Forbes Investments perspective, we like the infrastructure sub-asset category, given its ability to generate stable, lowly correlated (to traditional asset categories) inflation-linked returns over sustained periods, where appropriately structured. Furthermore, successful infrastructure development within the aforementioned sub-sectors has the ability to deliver tangible Environmental, Social, and Governance (ESG) dividends to stakeholders – another key allocation theme that we are seeing play out locally.

## ESG

ESG integration into investment processes enables the delivery of impact, coupled with more sustainable commercial returns. There has been a marked increase in client interest in mandates providing dual benefits for their capital return needs, and direct societal benefits for their stakeholders. Much work is being done by traditional asset managers to evidence ‘no harm’ or active oversight and governance interventions, however, ESG integration and the associated benefit of doing so is often more easily evidenced in the private markets domain. For example, the development of greenfield, renewable energy projects has both attractive returns and ESG attributes during its lifecycle. Such projects create jobs in remote locations, given that they are built not in urban centres, but where the energy resource is best, which is often in rural South Africa. Social infrastructure development pre- and post-construction, in the form of early childhood development



Moore

programmes, clinics and related social services are notable spillover benefits from these infrastructure projects. Community ownership and an attractive, inflation-linked commercial return over the longer term help in marrying the dual objective of delivering returns whilst concurrently making an impact.

## Trends in manager selection

### 1. Purposeful diversification

We believe that achieving optimal returns for investors requires careful risk management, through purposeful diversification. This means spreading risk effectively so that no single asset class, investment style or asset manager will ever dominate the fortunes of our portfolios.

- a. Diversification within an asset class. This applies particularly to equities. For example, defensive stocks (companies that provide essential products or services such as food), tend to weather market shocks better than, for example, companies trading in luxury goods. Some equity sectors are highly cyclical: mining shares can reap handsome returns during a commodity boom, as we are experiencing currently, but will underperform at the bottom of the commodity cycle.
- b. Diversification across asset classes. Multi-asset portfolios,

“Don’t fall into the trap of thinking that just because you have many assets in your portfolio, it’s diversified.”

such as high equity balanced funds, provide this sort of diversification. Historical research shows that equities and bonds, particularly, tend to be uncorrelated in their performance.

- c. Diversification across investment styles. Funds in the same category may have different investment styles,



based on differing investment philosophies. Value managers, for example, choose shares that offer good value for their price. Other styles include growth (fast-growing, young companies), momentum (shares that are following the upward movement of the market), and quality ('blue-chip' companies).

- d. Diversification across geographies. Having a certain portion of your portfolio offshore means that you are investing in a range of companies and sectors that you wouldn't have access to otherwise. You also hedge against currency volatility.

Don't fall into the trap of thinking that just because you have many assets in your portfolio, it's diversified. "It's important to consider the correlation between the investments in your portfolio," Berger and Curry say. "Even if you own many different investments, if they all trend up or down together, your portfolio isn't appropriately diversified. For instance, high-yield bonds often have a positive correlation with stocks. Therefore, a portfolio made up entirely of high-yield bonds and stocks is not well diversified.

2. Consolidation of the asset management industry

Larger investment managers have used their scale to expand profit margins, while offering products at lower costs, resulting in small and mid-sized investment managers lacking scale and battling to maintain profitability. High fees and sub-par returns from active funds have led to a flood of assets from active to passive managers. This has sent fees inexorably lower, led to the loss of thousands of jobs, and forced large-scale consolidation among firms. This is pushing the industry – with \$74 trillion in assets, as measured by Boston Consulting Group – towards a shakeout where only the strongest will survive. The asset management industry is moving to a point where you have to be either very big or very niche to compete. The guys in the middle are going to struggle.

3. Non-investment risks – cyber security

Although asset managers may not directly interface with the public at large, they can still be a tempting target to attackers for several reasons:

- A wealth of customer data is held by them

- Intellectual property is a key to their success
- Differentiation and data theft are real concerns used to front-run trades and make profits

In a world that increasingly embraces digital technology, it's also important to consider the security of information. A good example is a well-known global business that provides video conferencing facilities that publicly came under fire at the height of COVID-19 global lockdowns regarding security and privacy concerns.

4. Transformation in the asset management industry

Alexander Forbes Investments continues to support transformation in the asset management industry, which is key to a sustainable and competitive investment management industry in South Africa. Supporting transformation across asset classes and portfolio types is a key component of this. We also believe in the development of core skills across the industry. All managers are selected based on merit and vetted through our manager selection criteria. However, the strategic intent and implementation of our internal policies have led to an increased allocation to majority black-owned managers across all asset classes and portfolio solutions.

5. Monetisation of data analytics

One can never be sure that all information has been considered in coming to an investment decision. Artificial and augmented intelligence can dig deeper and find the 'invisible relationships' that exist between data sets. Artificial intelligence has no emotions and is totally indifferent to the outcome of the decision. Its task is to suggest the better option (with an unbiased view, given the stipulated parameters) and make accurate predictions. Investment managers are fast embracing the cloud, as this tool and advanced analytics enhance cost efficiencies. The cloud also brings in on-demand storage and processing capabilities, resulting in new developments such as advanced analytics to process virtually all kinds of structured and unstructured data to improve decision-making. ♦

*Moore is Head of alternative investments at Alexander Forbes Investments.*

## What's Happening in M&A?

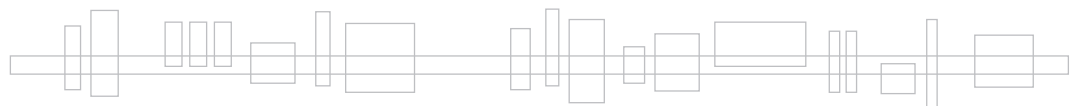
SA's top financial advisers & industry players weigh in.

Read the new DealMakers supplement,  
M&A Pulse, every Friday.



<http://www.inceconnect.co.za/publication/DealMakers>





# South African VCs to watch out for in 2022

Despite a turbulent economic climate, the 2021 SAVCA Venture Capital Industry survey showed continued growth, with 74 South African early stage fund managers investing R1,39bn into 122 entities through 167 investment rounds in 2020. Another record year is expected when the 2021 results are released, with momentum continuing to build into 2022.

*Keet van Zyl*

Ketso Gordhan, CEO of the SA SME Fund says that three things are required in order to achieve scale in the local VC industry: “we need more seed funding, to convince institutional investors to allocate to VC and to encourage partnerships, especially between the VC industry and government, in order to maximise use of South African intellectual property.”

2022 will see advances in all three of these areas. More seed funds are active in South Africa, and private Angel Investors are playing an increasing role in plugging this funding gap. Institutional funders like the Mineworkers Investment Company, and some banks, see VC as a credible, investible asset class, and collaborative efforts between key role players in the early-stage investment ecosystem are starting to bear fruit.

It is unfortunate for the VC industry that the Section 12J tax incentive ended in 2021. According to National Treasury, the scheme was not assisting with alleviating unemployment, but instead was granting significant tax deductions to wealthy taxpayers. A more sensible approach could have been to extend the June 2021 sunset clause while refining the 'qualifying investee' definition to stamp out abuse, thereby encouraging and forcing Section 12J VC Companies to stick to the spirit and intent of the tax incentive. Why would you not continue to back the SME Qualifying Companies that created jobs post investment?

The lag effect between investing in startups and the creation of employment and other impact measures should also have been more carefully analysed. Luckily, top tier VC firms with Section 12J offerings like Knife Capital and Kalon Venture Partners raised substantial amounts of capital from investors in 2021, and this will still be deployed throughout 2022.

The proposed SA Startup Act, spearheaded by SIMODiSA and other startup ecosystem organisations, is gaining momentum, and this could take some of the Section 12J learnings and successes forward. It outlines a set of provisions/guidelines for ways that the ecosystem can support high

growth, high impact startups. The initiative could be a stand-alone Act or set of proposed amendments to existing acts to govern how innovation-driven startups can be supported and nurtured to advance innovation, job creation and economic growth in South Africa.

Most South African VCs invest across industries in a diversified portfolio of investments, but top sectors expected to attract funding are FinTech – continuing its dominance on the continent, advancing financial inclusion; EdTech – COVID-

advanced digital transformation in the education space, creating a platform for spring-boarding; HealthTech – investments across the value chain to provide access to safe and affordable healthcare; InsurTech – disruption of traditional insurance models; AgriTech – driving efficiencies in farming practices, logistics, food safety and traceability, as well as general Software products aimed at SMEs.

But investing in early-stage businesses is relatively easy compared to making a return on those investments through profitable exits. While VC investments have limited liquidity, SAVCA reported that in 2020, exit activity increased by 13.2% with a total of 43 Exits, of which 72.1% were recorded as being profitable, a trend that continued in 2021 as a result of market consolidation in various industries. With some of the investments in South African VC Funds maturing, 2022 should be the year that these investments enter the harvesting phase.

The South African VCs to watch out for in 2022 include: Naspers Foundry, which has built up an enviable portfolio of



Van Zyl



investees and continues to help founders build long-term, leading companies;

4di Capital – a VC stalwart in the early-stage space, with a great portfolio and a co-investment track record;

Knife Capital, with two Section 12J funds. It also reached first close of its \$50m Expansion Fund with backers that include the IFC and the Mineworkers Investment Company;

Grindstone Ventures – a newly launched female-led seed

fund, investing in startups from its Grindstone Accelerator programme;

Invenfin – the venture and growth capital division of Remgro that works closely with management to help unlock opportunities and build shareholder value;

Kalon Venture Partners – an experienced VC team still deploying some of its Section 12J Funding raised;

Hlayisani Growth Fund – backing larger growth opportunities these days, but still has its venture capital roots for investing strategic support and capital into high-growth, high-impact SMEs;

MIC Khulisani Ventures is the Mineworkers Investment Company's early-stage investment vehicle, which focuses on innovative and highly disruptive black-owned South African businesses across diverse high growth sectors;

Launch Africa Ventures – a pan-African VC fund solving the significant funding gap in the Seed and pre-Series A investment landscape in Africa, with a presence in South Africa. ♦

"With some of the investments in South African VC Funds maturing, 2022 should be the year where these investments enter the harvesting phase."

## Investing with the end in mind

Value addition strategies to maximise return on capital and impact.

*Lize Lubbe*

Private equity in Africa is about much more than 'buying low and selling high'. Investing in businesses with strong strategic fundamentals (market, company, management, financials) is just the starting point. Value addition over the investment horizon has become a key focus for private equity fund managers globally, and particularly on the continent. The uncertainty that all companies lived through over the past two years has demonstrated how navigating through rough seas to grow a business can be both extremely challenging and exceptionally rewarding. Value creation as part of portfolio management at Phatisa has been characterised by the following themes, which we have dialled up over the past two years.

### 1. Plotting the journey to your destination

Determining the strategic goal, as well as the growth strategy to reach this goal, is critical. Of similar importance is alignment around this growth strategy between all shareholders and the management team, even before the investment is made, as conflicts can be very difficult to resolve later. This strategic plan should focus on building the business for exit, including growth strategies, tailoring the

business for potential buyers at exit, and reducing downside risks identified during due diligence. It is vital to have a 100-day plan in place, laying out the first immediate actions required post investment, to kickstart the growth. Bringing in industry experts as advisers or as non-executive directors to support the management team can be very helpful at this stage. Reviewing and, if needed, refreshing the strategy on an annual basis ensures that the business is still on the right track and provides the opportunity to course correct along the way, especially as the macro-economic and industry contexts evolve.

### 2. Having the right captain and crew on board

Building the right senior team, who can scale themselves as they grow the business, is probably the most important success factor in private equity. A well-rounded team with complementary skills and diversity is equally important. We have seen that the appointment of a strong CFO as part of this team is critical to the growth journey. It is also vital to think about succession planning early in the investment horizon, and then building a management team who can run the business post exit. Incentivising the management



team as part of the equity structure from the start is also critical to ensure alignment between management and investors.

3. Capturing the wind in your sails

Identifying and capitalising on macro-economic and industry tailwinds supports business growth in the long term. It is important to create the capability to filter through all the data and noise, and then distil this down to key insights that help to shape a view of future trends and current realities that will prevail. Industry experts within the private equity team or external experts appointed as advisers or as non-executive directors can support the management team when incorporating these in their growth strategy.



Lubbe

4. Weathering the storms

In our experience, resilience and being nimble are critical success factors for private equity in Africa because of the significant impact that external political, macro-economic or industry-specific events can have on a business. Our approach at Phatisa is to get all hands on deck to support our management teams in navigating the storm, by drawing on our own teams' experience. In these cases, a diversity of skills within the private equity team, for example, individuals with operational and/or turnaround experience, can be very helpful.

5. Running a tight ship

We have seen the positive impact that good corporate governance, systems and processes can have on a business' growth – as well as exit value. It is critical to align on this as shareholders and with the management team before the investment is made. Then kick the investment off with an action plan around scalable systems and processes, typically led by the COO or CFO – all without taking anything away from the entrepreneurial nature of

the business. This includes risk management, ERP and accounting systems, policies and processes, including an environmental and social management system. Risks identified during the due diligence process, as well as possible risks that can arise at exit, should be mitigated proactively. Board composition in line with best practice is also vital. This includes appointing non-executive directors and ensuring diversity and balance of skills. All these elements are important lifeboats during difficult times, and assist with a smooth exit process in time.

6. Flying the impact flag

At Phatisa, we believe in the value created by building social and environmental initiatives into our growth strategy. This is not just about ESG, which typically focuses on downside protection, but includes impact projects that create value. For example, research has proven that improving gender diversity within management and leadership teams leads to higher return on investment. As a result, we have committed to improving gender diversity by implementing best practice gender policies in line with the 2X Challenge in all our investments. Social and environmental considerations have become increasingly important for all stakeholders, especially in the private equity industry, and can no longer be ignored.

"The uncertainty that all companies lived through over the past two years has demonstrated how navigating through rough seas to grow a business can be both extremely challenging and exceptionally rewarding."

Investing in private equity in Africa is not plain sailing. At Phatisa, we believe that a continued focus on these themes – starting before investment, and throughout the investment horizon until exit – supported by the right team, will maximise return on capital and impact. ♦

*Lubbe is a Principal at Phatisa.*

LS

# Live Sound

VIRTUAL EVENTS | AV | SOUND | STAGING | POWER | LIGHTING

Connect with us: [livesound@mweb.co.za](mailto:livesound@mweb.co.za)







# Local and International news

## National news

Consol Holdings announced that its shareholders have entered into a sale and purchase agreement with the Ardagh Group, a leading global supplier of glass and metal packaging.

The Ardagh Group intends to acquire 100% of the ordinary shares of Consol Holdings for an equity value of R10.1bn, which includes the company's operations in South Africa, Nigeria, Kenya and Ethiopia.

Completion of the acquisition is subject to certain conditions, including regulatory approvals, which are expected to be obtained in the second quarter of 2022.

Once the transaction is approved, it will be an excellent strategic fit for Consol that enables continued growth on the African continent by leveraging off Ardagh's proven glassmaking capabilities, technical expertise and international customer and supplier base.

Consol Holdings will await final regulatory approvals before offering any further comments or details on the proposed transaction.

Barclays acted as exclusive financial adviser to Consol and Citigroup acted as exclusive financial adviser to Ardagh. ♦

Phatisa, together with management, acquired 100% of South African-based biotechnology company Deltamune from HL Hall & Sons Investments, for an undisclosed sum, in December 2021.

Established in 1995, Deltamune plays a trusted role in veterinary and public health, by developing and manufacturing vaccines used in production animals for the food market – particularly poultry. More recently, the company has expanded its vaccination range to address the ruminant market (cattle, sheep etc.).

It is anticipated that this buyout and capital injection will enable Deltamune's continued innovation and growth into both production animal verticals, plus enable geographic

## International

Bloomberg reports that Helios Investment Partners LLP is in talks with African telecom operators and banks about ways the private-equity firm can help them cash in on their mobile-money and digital-payments platforms.

Africa's largest wireless carriers, including MTN Group Ltd, and Airtel Africa Plc, are among companies exploring how to unlock value from their multi-billion dollar fintech operations. Johannesburg-based MTN is looking to finalize plans to spin off the lucrative unit by the end of March, while Airtel brought in Mastercard Inc as a minority investor in its mobile-finance division last year.

"There is a desire to carve out these businesses, and we have been in continuous dialogue with such players," Helios co-founder and managing partner Tope Lawani said in an interview with Bloomberg in January, without naming specific firms. "Companies are trying to find ways of letting these

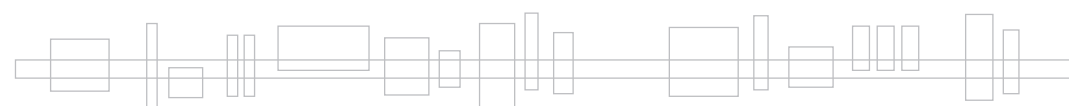
units flourish, and not essentially be suffocated by the traditional parts of business." ♦

In line with the broader global M&A market, private equity firms around the world had an exceptionally busy 2021. Deal value soared to US\$987.6 billion in the year, more than doubling what was an already high total of US\$474.5 billion in 2020. This is now the highest value recorded for any year on Mergermarket record (since 2006). Volumes were also up significantly, rising 59 percent to 3,460 deals – again, a new annual record. Buyouts drove much of this increase, as aggregate deal value jumped 157 percent on 2020 totals to US\$665.5 billion, with volumes rising 64 percent to 2,385 deals. This high level of activity reflects the significant stores of dry powder at private equity firms' disposal. Globally, this stood at US\$2.3 trillion in August 2021, according to Preqin, with US firms holding approximately 50 percent of the total. In addition, thanks to the trend for co-investment by private equity fund investors – the limited partners – the industry's firepower is significantly larger than these figures suggest. ♦



## PRIVATE EQUITY DEALS 2021 – SOUTH AFRICA

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Acquisition by	MVM Holdings from the Kwa-Zulu Natal Rugby Union and Supersport International	51% stake in The Sharks rugby team	Webber Wentzel; Werksmans	not publicly disclosed	Jan 7
Acquisition by	Séché Environnement from Agile Capital	Spill Tech	Cliffe Dekker Hofmeyr	undisclosed	Jan 18
Acquisition by	Kasada Capital Management from AccorInvest	The Pullman, Novotel, Ibis Plateau and Ibis Marcory hotels in Côte d'Ivoire; The Pullman, Novotel and Ibis hotels in Senegal and the Ibis hotel in Cameroon	Ashurst; Dentons; De Pardieu Brocas Maffei; KPMG; Mazars; Ernst & Young	undisclosed	Jan 19
Acquisition by	Platform Investment Partners, FOM: Entrepreneurial Development Bank and Cathay AfricInvest Innovation	a stake in Aerobotics		undisclosed	Jan 20
Acquisition by	Naspers Foundry (Naspers)	further investment in Aerobotics		undisclosed	Jan 20
Acquisition by	Invenfin (Remgro)	20% stake in Releaf Pharmaceuticals	Cliffe Dekker Hofmeyr	undisclosed	Jan 21
Acquisition by	Futuregrowth Development Equity Fund (Old Mutual)	a significant stake in Thebe Tourism	Cliffe Dekker Hofmeyr	undisclosed	Jan 27
Acquisition by	Futuregrowth Development Equity Fund (Old Mutual)	investment in hearX		undisclosed	Feb 1
Acquisition by	Naspers Foundry (Naspers)	The Studenthub Online	Webber Wentzel; Cliffe Dekker Hofmeyr	R45m	Feb 1
Investment by	Creadev, Finnfund and existing shareholder Imaginable Futures	in Spark Schools (Series C)		undisclosed	Feb 4
Acquisition by	Main Street 1649 (Apex Partners)	Clyde Bergemann Africa	Cliffe Dekker Hofmeyr	undisclosed	Feb 4
Acquisition by	Lonsa Everite (consortium comprising of Legacy Africa Capital Partners [25%], Lonsa Group [58%] and management [17%]) from Group Five (in business rescue)	the Everite business, the EBP business, the business of Everite Pipes, Sheet Rite and the business of Sky Sands	Birkett Stewart McHendrie; Mazars; Metis; Werksmans; ENSafrica	R600m	Feb 4
Acquisition by	AgVentures	a 30% stake in Skudu	Boy Louw Attorneys	undisclosed	Feb 6
Investment by	UW Ventures, Allan Gray and E Squared	in Syntac		undisclosed	Feb 11
Investment by	IDF Capital	in MortgageMarket.co.za (Series A)		R10m	Feb 12
Investment by	Imvelo Ventures	in bancX		undisclosed	Feb 18
Investment by	Bose Ventures, HAVAIC and Sphere Holdings	in hearX		undisclosed	Feb 18
Acquisition by	CDC Group	a 35% stake in Divercity Urban Property Fund	Vani Chetty Competition Law; Webber Wentzel	\$36m	Feb 18
Disposal by	Agri-Vie Fund I (Exeo Capital) to Imibala Orchards	62,7% of Cape Olive Holdings		undisclosed	Feb 18
Investment by	Metier Sustainable Capital Fund II	in Energy Vision	Cliffe Dekker Hofmeyr	undisclosed	Feb 18
Acquisition by	Old Mutual Namibia via an infrastructure investment fund (Old Mutual) from AEE Power Ventures SL	majority stake in Aloe Investments Number Twenty-Seven (5MW solar photovoltaic plant in Rosh Pinah)		undisclosed	Feb 19
Disposal by	TymeBank (African Rainbow Capital Investments) to Apis Partners and JG Summit	14,9% stake and 5,3% stake in TymeBank South Africa and Tyme Global	ENSafrica; Webber Wentzel; Ashurst	\$110m	Feb 23
Acquisition by	Sanlam Private Equity (Sanlam)	majority stake in the Cavalier Group		undisclosed	Feb 24
Acquisition by	Convergence Partners via the Convergence Partners Digital Infrastructure Fund	100% of Ctrack's operations in Africa and the Middle East	Bowmans; EY	undisclosed	Feb 25
Investment by	Raba, Firstminute Capital, CRE, Village Global, 500 FinTech, FutureAfrica, Norrsken Foundation, Musha Ventures, Iqram Magdon Ismail, Michael Vaughn, Niklas Adalberth, David de Picciotto, Charley Ma, Sima Gandhi, Iyinoluwa "E" Aboyeji, Marc Bhargava, Carl Tremblay, Calanthia Mei, Andre Mohammed, Hannes Graah, Nitesh Banta, Eli Pollak, Aaron Fu, Johan Bosini, Wayne Stocks, Tom Phillips and other investors	in Stitch		\$4m	Feb 25



## PRIVATE EQUITY DEALS 2021 - SOUTH AFRICA

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Investment by	Vumela Fund	in Inoxico		undisclosed	Mar 2
Investment by	E Squared Investments	in WeThinkCode [to be used to open a new campus in Durban]		R9,2m	Mar 3
Investment by	Imvelo Ventures	in Quench		undisclosed	Mar 3
Acquisition by	African Infrastructure Investment Managers a member of Old Mutual Alternative Investments (Old Mutual)	majority stake in Ngoya Etix DC (data centre)		undisclosed	Mar 4
Investment by	Kindred Ventures, CRE Venture Capital and Endeavour	in Flexclub		\$5m (equity & debt)	Mar 11
Acquisition by	Agri-Vie Fund II (EXEO Capital)	Maia Group [Wellness Warehouse and True Health Holdings]		undisclosed	Mar 24
Disposal by	Capitalworks RFG Funds to RFG Holding Partnership and Capitalworks RFG Partnership	37,7% stake in RFG	Rand Merchant Bank; Webber Wentzel	R1,1bn	Mar 26
Acquisition by	Revego Africa Energy	a 49,5% stake in Aurora Wind Power	Nortons	R314m	Mar 31
Acquisition by	Revego Africa Energy	a 7,5% stake in Kathu Solar Park		R336m	Mar 31
Acquisition by	Revego Africa Energy from Metier	a 12% stake in the 50 MW Bokpoort Concentrated Solar Project in the Northern Cape	Cliffe Dekker Hofmeyr	R204m	Mar 31
Acquisition by	Revego Africa Energy from Metier	100% of Genesis Noupoort Wind [15% stake in Noupoort Wind Farm], 100% of Genesis Loeriesfontein Wind [15% stake in Loeriesfontein Wind Farm] and 100% of Genesis Khobab Wind [15% stake in Khobab Wind Farm]		R570m	Mar 31
Acquisition by	SPE Mid-Market Fund I Partnership (Sanlam)	controlling stake in Absolute Pets	ENSafrica	undisclosed	not announced Q1
Investment by	J Sassoon Group	in Bluedrop		R300m	Apr 7
Investment by	Kalon Venture Partners	in Sendmarc (follow-on investment)		undisclosed	Apr 13
Investment by	Crossfin Ventures	in Troygold		undisclosed	Apr 13
Investment by	Enza Capital and Mohau Equity Partners	in Quro Medical		\$1,1m	Apr 14
Acquisition by	TRT Investments	a 49% stake in KAS Africa		\$10m	Apr 14
Investment by	Umkhathi Wethu Ventures in partnership with Allan Gray, Launch Africa Ventures and other existing investors	in Peach Payments		undisclosed	Apr 16
Investment by	Imvelo Ventures	in Legal Lens (Cycad Group)		undisclosed	Apr 29
Investment by	Imvelo Ventures	in BriefCo (Cycad Group)		undisclosed	Apr 29
Investment by	Konvoy Ventures, Riot Games, Raine Ventures, AET Fund/Akasuki and TTV Capital	in Carry1st [Series A]		\$6m	May 5
Investment by	The Vumela Fund	in Kombo King		undisclosed	May 5
Investment by	Kalon Venture Partners and Caleo Private Equity	in iXperience		\$2,5m	May 10
Acquisition by	Kasada Capital Management	Safari Hotels and Conference Centre in Windhoek, Namibia		undisclosed	May 12
Acquisition by	Ascension Capital Partners	35% stake in DRA South Africa, a 25% stake in Minerals Operations Executive (Minopex) and a 25% stake in SRA Projects	Pollidus Capital; Baker McKenzie	undisclosed	May 18





## PRIVATE EQUITY DEALS 2021 - SOUTH AFRICA

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Investment by	Enygma Ventures	in Startup Circles		R2,1m	May 20
Investment by	Consortium led by Babtunde "Tunde" Folawiyi and Helios Fairfax Partners	in NBA Africa		undisclosed	May 24
Investment by	AfricInvest Private Credit	in Vida e Caffé		\$2,9m	May 25
Acquisition by	OMPE GP V (Old Mutual) from Actis	34,34% stake in ACTOM Investment	Rand Merchant Bank; Nomura; Webber Wentzel	not publicly disclosed	May 25
Disposal by	Surgical Innovations (Ascendis Health) to Ata Fund III Partnership and the current management	Respiratory Care Africa	Rothschild & Co; Sapila Capital; Questco; ENSafrica; Falcon & Hume; Webber Wentzel; PwC	R450m	May 26
Investment by	The Vumela Fund	in Rand Pharmaceutical Distributors		undisclosed	May 27
Investment by	Silverleaf Investments	in Druids Garden		undisclosed	May 27
Acquisition by	Ata Fund I	a 33,3% stake in Acrux Sorting Technology	Bowmans	undisclosed	Jun 1
Investment by	Kalon Venture Partners and Harvest Venture Capital II (Endeavour South Africa)	in Sendmarc		undisclosed	Jun 4
Acquisition by	Naspers Foundry (Naspers)	investment in WhereIsMyTransport		R42m	Jun 7
Disposal by	EOH Mthombo (EOH) to K2020893770 South Africa consortium (IKIV and Crossfin Technology and BEE partners)	100% stake in Sybrin (Guernsey) and Sybrin Systems	Rothschild & Co; Deal Leaders International; Java Capital; Webber Wentzel; Bowmans; EY	R334,35m	Jun 8
Acquisition by	K2021511200 (Rockwood Private Equity)	Consolidated Steel Industries (in business rescue)	Absa, Deloitte; Engaged Business Turnaround	undisclosed	Jun 10
Investment by	AgVentures	in Matrix Software	Merchantec Capital; Pinard Corporate Finance; Boy Louw Attorneys	undisclosed	Jun 10
Acquisition by	Takatso Consortium [Harith General Partners and Global Airways]	a 51% stake in South African Airways (SAA)		undisclosed	Jun 11
Disposal by	Sanlam Private Equity (Sanlam) and African Rainbow Capital to African Infrastructure Investment Managers (Old Mutual), South Africa Housing and Infrastructure Fund and STOA	25,8% interest in MetroFibre Network	Webber Wentzel; Bowmans	not publicly disclosed	Jun 11
Disposal by	Agri-Vie Fund II (EXEO Capital) to Imibala	its entire 62,7% stake in Cape Olive		undisclosed	Jun 15
Acquisition by	Imperial Capital (Imperial Logistics) from Salt Capital Ventures, DEG - Deutsche Investitions - und Entwicklungsgesellschaft, C Kubirske, J-D Geyser and L Geyser	Deep Catch Namibia	Investec Bank; Rand Merchant Bank; Tugendhaft Wapnick Banchetti; Webber Wentzel	N\$633m	Jun 17
Acquisition by	Adenia Partners	a majority stake in Herholdt's	Deal Leaders International; Bowmans	undisclosed	Jun 21
Investment by	CrowdCube and other investors	in HyperionDev		R50m	Jun 23
Investment by	Tana Africa Capital II	in Kensington Distillers & Vintners	Bowmans	undisclosed	Jun 29
Investment by	Enygma Ventures	in Brown and Ayo		R4m	Jun 30
Investment by	Newtown Partners	in MDAas Global		undisclosed	Jun 30
Acquisition by	Apex Management Services	a majority stake in Turnmill Holdings	Cliffe Dekker Hofmeyr	undisclosed	not announced Q2



## PRIVATE EQUITY DEALS 2021 - SOUTH AFRICA

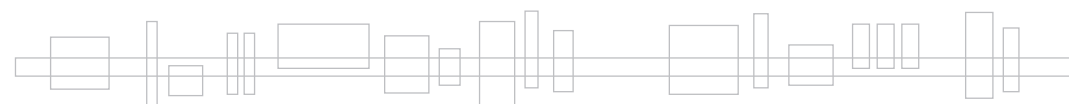
NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Investment by	Nedbank, Investec and Compass Venture Capital, with new investors Technova, Grand Bay Ventures, Tahseen Consulting and Kepple Africa Ventures	in Omnisient		\$1,4m	Jul 6
Acquisition by	Imbani Private Equity	a stake in Insulation Thermal Acoustic Security Company (ITAS)		undisclosed	Jul 13
Acquisition by	RMB Corvest (RMB Holdings)	equity interest in Insulation Thermal Acoustic Security (ITAS)		undisclosed	Jul 13
Investment by	Enygma Ventures	in Koa Academy		R4m	Jul 14
Investment by	Expert DOJO, Ovi Capital, Basecamp Fund, Soma Capital, Hustle Fund, Future Africa, LoftyInc and some angel investors	in Akiba Digital		\$1,1m	Jul 16
Investment by	Launch Africa	in Strove		R4m	Jul 16
Disposal by	Ascendis Health SA (Ascendis Health) to Acorn Agri & Food	Animal Health Division (Ascendis Vet, Ascendis Animal Health, Kyron Prescriptions)	Absa CIB; Questco; ENSafrica; Webber Wentzel; Werksmans; PwC	R770,19m	Jul 19
Investment by	Knife Capital and Allan Gray E-Squared Ventures	in Kandua [pre-series A]		undisclosed	Jul 20
Acquisition by	Legacy Africa Capital Partners	a 60% stake in Penflex		undisclosed	Jul 21
Investment by	Enygma Ventures	in Feelgood Health		R4m	Jul 21
Acquisition by	Naspers Foundry (Naspers)	investment in Ctrl		R34m	Jul 22
Acquisition by	Tana Africa Capital II	a minority stake in Africa Protein Holdings	undisclosed	Jul 23	
Disposal by	Property Lodging Investments (City Lodge Hotels) to Ukurimu (Actis Africa Real Estate 3 LP)	Hotel portfolio in Kenya consisting of the Fairview Hotel, City Lodge Hotel at Two Rivers and The Town Lodge Upper Hill	Nedbank CIB; ENSafrica Kenya	R140,97m	Jul 23
Disposal by	City Lodge Hotels Africa (City Lodge Hotels) to Faraja (Actis)	City Lodge Hotel Dar es Salaam, Tanzania	Nedbank CIB; ENSafrica Kenya	R319,22m	Jul 23
Investment by	Lireas Holdings, the ASISA ESD Fund, E4E, Vunani Capital and the Old Mutual Enterprise & Supplier Development Fund	in Pineapple [Series A]		R80m	Jul 26
Investment by	Dragoneer Investment Group, Breyer Capital, HOF Capital, The Raba Partnership, 4DX Ventures, TO Ventures plus existing investors Partech, Velocity Capital Fintech Ventures, Orange Ventures and Quona Capital	in Yoco [Series C]	Webber Wentzel	\$83m	Jul 27
Acquisition by	Imperial Capital (Imperial Logistics) from CSSAF Holdings I (The Carlyle Group), IAFPEF JJ (Ethos Private Equity), Lift Acquisitions, ITL Trustees and founders, certain individuals and key management	51% stake in J&J Group	Rand Merchant Bank; Tugendhaft Wapnick Banchetti; Webber Wentzel; Nortons	R988,5m	Jul 29
Investment by	Edge Growth and the ASISA ESD initiative	in I-G3N		R20m	Aug 3
Investment by	E Squared Investments	in Khula		undisclosed	Aug 3
Investment by	Founders Factory Africa plus some angel investors	in My Health Africa Group	Stratlink	undisclosed	Aug 4
Acquisition by	Naspers Foundry (Naspers)	investment in Naked		R120m	Aug 4
Investment by	The Delta	in Revio		R15m	Aug 5
Joint Venture	Absa Bank (Absa) and African Rainbow Energy and Power	African Rainbow Energy	Absa CIB; UBS; Bowmans; ENSafrica	R6,5bn	Aug 6
Investment by	Seed South	myFanPark		undisclosed	Aug 19
Acquisition by	AIH Limited	Kwikspace Modular Buildings		undisclosed	Aug 19
Investment by	Verge Healthtech Fund and angel investors	in VitruvianMD		undisclosed	Aug 20



## PRIVATE EQUITY DEALS 2021 - SOUTH AFRICA

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Acquisition by	Gridworks and New GX	a stake in Sustainable Power Solutions Investments	Webber Wentzel; Addleshaw Goddard; DLA Piper	\$22m + \$18m	Aug 23
Disposal by	Bidvest Financial Services (Bidvest) to Seriti Capital Partners	Cannon Asset Managers		undisclosed	Aug 31
Acquisition by	African Infrastructure Investment Managers, a member of Old Mutual Alternative Investments (Old Mutual) from Amethis	22% stake in Sodigaz APC		undisclosed	Aug 31
Disposal by	Grindrod Property Private Equity (Grindrod) to Gripon	entire holding in Select Industrial Real Estate UK Fund	Nedbank CIB	£17,39m	Sep 6
Acquisition by	Amethis	a minority stake in Avacare		undisclosed	Sep 9
Investment by	Illumina Accelerator	in BixBio		undisclosed	Sep 15
Acquisition by	One Thousand & One Voices (1K1V)	a minority stake in Digital EcoSystems (DigiCo) [DNI Group]	EY	R200m	Sep 30
Acquisition by	Africa Forestry Fund II	an additional stake in Vuka Timbers [will acquire control]	Werksmans	undisclosed	not announced Q3
Investment by	Knife Capital	in Stone Three (expansion funding)		undisclosed	Oct 4
Acquisition by	Sampada Private Equity Fund II	Salestalk 298 (owner of Bushbuckridge Mall)		undisclosed	Oct 4
Disposal by	Olympus (Hosken Consolidated Investments) to Dorpsstraat Capital Growth Fund	65% stake in Olympus Village	ENSafrica	R105,3m	Oct 4
Investment by	Knife Capital, Hlayisani Capital and NuState Ventures	in d6 Group		undisclosed	Oct 12
Investment by	Stellenbosch University and the University Technology Fund	in BioCODE		R7m	Oct 12
Investment by	Katapult Ocean	in Brayfoil Technologies		undisclosed	Oct 20
Acquisition by	Pembani Remgro Infrastructure Fund and Digital Realty JV	Medallion Data Centres plus the land parcel adjacent to the Lagos data centre		undisclosed	Oct 25
Investment by	Existing investors, Raba, Firstminute Capital, CRE, Village Global, 500 FinTech, FutureAfrica and Norrsken Foundation, plus Tom Blomfield, Matt Robinson, Emilie Choi and Charlie Delingpole	in Stitch		\$2m	Oct 27
Investment by	Vunani Fintech Fund, AAJC, Growth Grid Venture Capital Partners and Push Ventures	in RecoMed		\$1,5m	Oct 27
Acquisition by	Vuna Partners	a stake in Sligo Investments which holds 100% of SA Steel Solutions		undisclosed	Oct 29
Investment by	ZAQ Ventures	in FinMeUp		undisclosed	Nov 2
Acquisition by	Investment One Vencap	a stake in Paycode		undisclosed	Nov 2
Acquisition by	Management team of SkyNet South Africa, Bopa Moruo Private Equity and New GX Capital	SkyNet operations in South Africa, Namibia, Mozambique, UK, Belgium and Germany	Bowmans	undisclosed	Nov 4
Acquisition by	RMB Ventures (RMB Holdings) from SkyNet South Africa	stake in operations in South Africa, Namibia, Mozambique, UK, Belgium and Germany	Bowmans	undisclosed	Nov 4
Investment by	Fidelity Management & Research Company, Visa and Kingsway Capital	In Jumo	ENSafrica; Hunton AndrewsKurth LLP	\$120m	Nov 8
Investment by	Enygma Ventures	in Adbot		R7m	Nov 9
Investment by	AfricInvest FIVE, Goodwell Investments, LUN Partners, CommerzVentures, Allan Gray Ventures, Endeavor Catalyst, Endeavor Harvest and ShoreCap III	a stake in MFS Africa [Series C equity & debt]		\$100m [debt & equity]	Nov 10





## PRIVATE EQUITY DEALS 2021 - SOUTH AFRICA

NATURE	PARTIES	ASSET	ADVISERS	ESTIMATED VALUE	DATE
Investment by	Invenfin, Base Capital, Savannah Fund, P1 Ventures, Luno, FireID and a group of angel investors	in Root		\$3m	Nov 11
Disposal by	Zeder Investments to African Infrastructure Investment Managers (Old Mutual)	The Logistics Group	PSG Capital; Khanda Capital; UBS; Cliffe Dekker Hofmeyr; ENSafrica	R1,35bn	Nov 12
Acquisition by	Buffet Investments and KLT Holdings	of a stake in Zenascope t/a AURA [Series A]		R31m	Nov 16
Investment by	1 kx, Maven 11 Capital, Collab Currency, Animoca Brands, Robi air, Sound Ventures, Reciprocal Ventures, Scalar Capital, Sky Vision Capital, Kleiner Parkins, Fenbushi Capital, Galaxy Digital, Brevan Howard, LongHash Ventures and angel investors Sandy Heller, Jimmy McNelis and George Farha	in NFTfi [Series A funding]		\$5m	Nov 16
Investment by	Tencent, Endeavor Catalyst and Endeavor Harvest Fund	in Ozow [Series B]		\$48m	Nov 17
Investment by	Knife Capital	in Voxcraft		\$2m	Nov 18
Investment by	HAVAIC, Futuregrowth Asset Management, Launch Africa, Allan Gray E-Squared Ventures, CapciTech and Endeavor's Harvest Fund	in Mobiz		\$4m	Nov 23
Investment by	The Engen Convoy Fund (Edge Growth)	in DKN Transport		undisclosed	Nov 24
Acquisition by	Consortium of investors (led by Ethos' Mid-Market Fund 1, EMMF I Co-Investors, Ehtos Artificial Intelligence Fund I and African Rainbow Capital) from Capital Eye Investments	Crossfin Technology	Fairview Partners; Rand Merchant Bank; Webber Wentzel; Bowmans; Cliffe Dekker Hofmeyr; EY	R1,5bn	Nov 24
Investment by	Spear Capital	in MyRunway [follow-on investment]		undisclosed	Nov 25
Acquisition by	Africa Food Security LP (Aebu Investment Partners)	a stake in Elgin Free Range Chickens	Benchmark International	undisclosed	Nov 26
Disposal by	Brait Private Equity Fund IV (Brait) to Ardagh Group	stake in Consol	Rand Merchant Bank; Webber Wentzel; Bowmans	R400m	Nov 26
Disposal by	Capital Eye Investments to Smollan Group SA	its entire stake in Argility	Cliffe Dekker Hofmeyr	not publicly disclosed	Nov 28
Acquisition by	SPE Mid-Market Fund I Partnership (Sanlam)	Q Link		undisclosed	Nov 28
Investment by	The Vumela Fund	in Kusini Water		undisclosed	Nov 30
Acquisition by	Vuna Partners and management	100% of SA Steelpack Solutions		undisclosed	Nov 30
Investment by	Base Capital	in OfferZen		€4,5m	Dec 1
Disposal by	Ethos Private Equity (EPE Capital Partners) to Coruseal Group	Neopak Holdings	Rand Merchant Bank; Webber Wentzel; Bowmans; Werksmans	not publicly disclosed	Dec 6
Disposal by	TymeBank (African Rainbow Capital Investments) to Tencent and CDC Group	minority stakes in TymeBank South Africa and Tyme Global	Rand Merchant Bank; Webber Wentzel	\$70m	Dec 7
Acquisition by	Rand Merchant Bank (FirstRand) from ZX Ventures (Anheuser-Busch InBev)	stake in The Duchess	Cliffe Dekker Hofmeyr	undisclosed	Dec 7
Investment by	Accel-KKR	in Entersekt	Bowmans; Cliffe Dekker Hofmeyr	undisclosed	Dec 9
Investment by	Global Innovation Fund	in Isizwe		\$460 000	Dec 21
Acquisition by	Naspers Foundry (Naspers)	investment in Planet42		R54m	Dec 21
Acquisition by	OMPE Fund V Partnership (Old Mutual) from Long4Life minorities	Long4Life	Rand Merchant Bank; Investec Bank; Cliffe Dekker Hofmeyr; Werksmans; PSG Capital	R4,18bn	Dec 20
Acquisition by	Ivlyn Consolidated and other investors from Global Capital	a stake in National Airways Corporation	Saltzmanns	not publicly disclosed	not announced Q4