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# EAST AFRICA FINANCIAL REVIEW

HALF YEAR 2023

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# EAST AFRICA FINANCIAL REVIEW

## Editor's Note



### The Editorial Team

EDWARD BURBIDGE | KEVIN KURIA

June capped the first half of the year with 13 transactions with a disclosed deal value of c. USD 556.8 million, from 10 transactions that had disclosed deal values. Venture Capital investments, on cue, topped the deal charts with 4 transactions whilst PE & M&A activity recorded 3 transactions each. There were 2 DFI deals and the year's third PE exit. The ICT, financial services, energy and automotive sectors were the most active with 3, 2, 2 and 2, transactions respectively whilst 4 other sectors contributed single entries. Kenya recorded the highest deal count with 11 deals whilst Ethiopia and Rwanda had a single deal each.

Overall, H1 2023 has been a robust period of deal making in East African capital markets with the total number of deals now at 75 (up from 72 deals in H1 2022), with a disclosed deal value of c. USD 3.6 billion (+241% from H1 2022). Venture capital activity accounted for 33% of all deals whilst private equity (23%), M&A (17%) and DFI investments (16%) made up the rest of the top four deal types. The financial services sector has attracted the most interest with 16 transactions, whilst the ICT and energy sectors completed the top 3 sectors with 11 and 10 transactions each. From a disclosed deal value perspective, the ICT sector received the most investment closing the half year at c. USD 643.5 million of invested capital whilst the manufacturing sector followed with c. USD 558 million and the financial services sector with c. USD 385.9 million. It should be noted that the total disclosed deal value for the manufacturing sector comprises a single USD 500 million transaction for a cement manufacturer.

We hold a positive outlook for deal activity for the rest of the year and a mixed view for the medium term (FY 2024). We maintain a healthy deal pipeline, with several transactions well set to close, and our market insights suggests that deal making will remain robust for the rest of the year for transactions whose processes have already commenced. As we note later on in this report, the medium-term outlook is more uncertain. Significant headwinds in the form of global and regional macro challenges are likely to dampen activity, particularly in the public markets. The private capital markets present a different proposition with significant committed capital competing for fewer viable opportunities as businesses navigate the macro situation. Key signals to look out for include the region's economies navigating debt repayment and an easing in the global interest rate environment which will have knock on effects by freeing up capital (and hard currency) for trade & investment, and loosening export markets such as in North Africa and Asia. Longer term (FY 2025 onwards), our outlook remains upbeat, informed by the positive demographics, infrastructure capacity and relatively stable political environment. Our discussions with market counterparties depict similar sentiments.

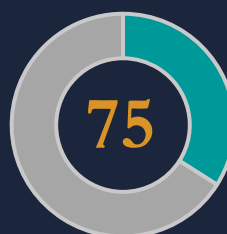
Kenyan listed equities closed the first half of the year on a positive note in June with the NSE 20, NSE 25 and NSE All Share Index posting 1.8%, 2.4% and 3.2%, in gains, respectively. The market, however remained in the red for the quarter with the three indices losing 2.9%, 8.0% and 5.1%, respectively, from their March positions. In USD terms the, NSE returned -11.8% during the quarter whilst the Ugandan and Tanzanian markets posted -10.4% and -5.0% in returns, respectively. The continent's best performing listed equities markets were Zambia (15.7%), Morocco (+14.7%), and Ghana (+10.8%). Average daily turnover on the NSE averaged USD 1.74 million in Q2 2023. Top gainers during the quarter included Eveready East Africa and Kapchorua Tea which were up by 118.2% and 60.9%, respectively. The TransCentury and Express Kenya tickers posted the biggest losses ending the quarter down by 31.3% and 30.5%, respectively.

## KEY HIGHLIGHTS

- 75 deals disclosed in H1 2023.
- Total disclosed deal values in H1 2023 c. USD 3,585 million.
- VC investment activity remains the most active accounting for 34% of all deal activity whilst M&A deals take the lions share of disclosed deal values at 31%.

## H1 2023

### In Numbers



The number of disclosed deals in EA



Disclosed deal value in USD billions














### IMBC Deal of the YTD:

Finnfund and IFU's exit from the Lake Turkana Wind Power Project to Blackrock Alternatives.

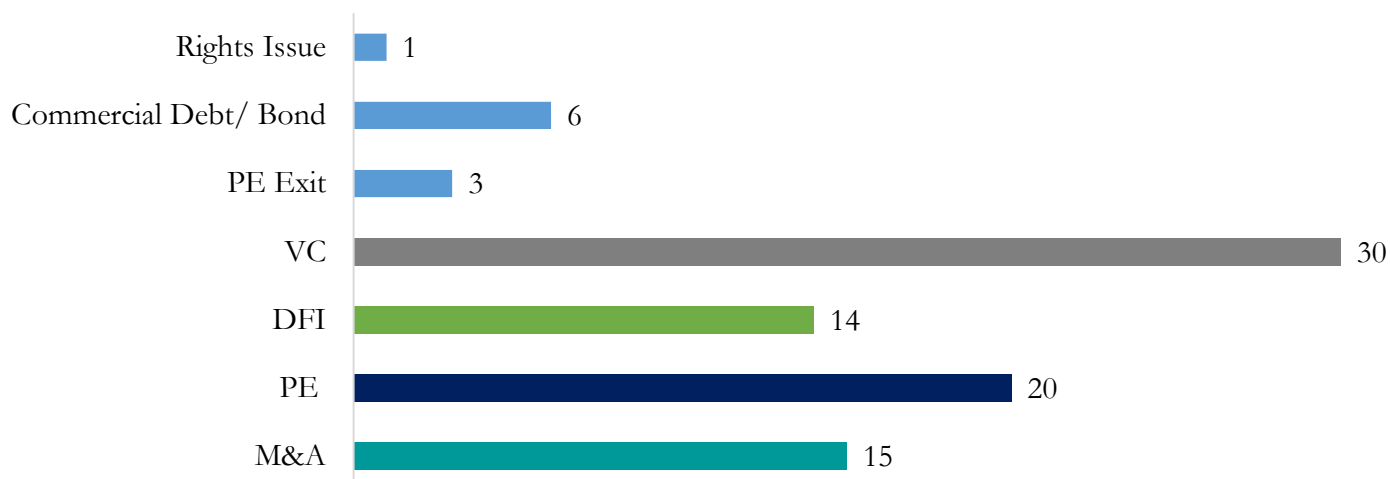
# PART I : DEAL STATISTICS

## Analysis by Sector

Sector	No. of Deals YTD	Disclosed Deal Value YTD (USD million)
 Financial Services	16	385.9
 ICT and Telecom	12	648.0
 Energy	10	239.4
 Healthcare	8	22.7
 Manufacturing	8	558.0
 Agriculture	7	48.6
 Real Estate	5	80.3
 Automotive	4	14.3
 Logistics	2	Undisclosed
Professional & Other Services	2	2.7
 FMCG	1	21.0
 Water & Sanitation	1	3.0

## Analysis by Type of Transaction

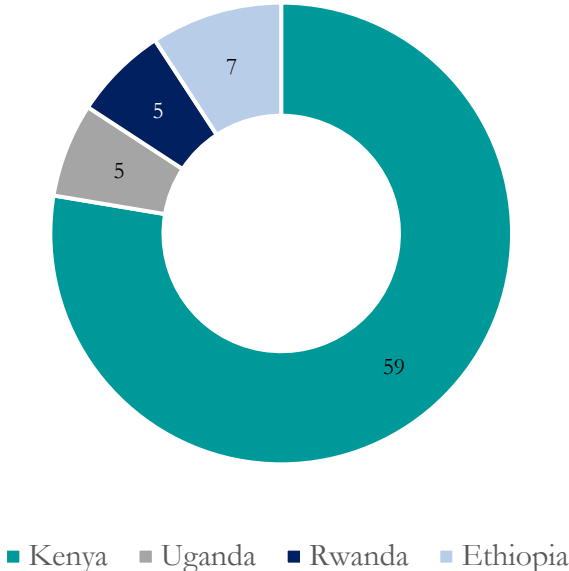
### TOTAL NUMBER OF DEALS IN EA – YTD 2023



# PART I : DEAL STATISTICS

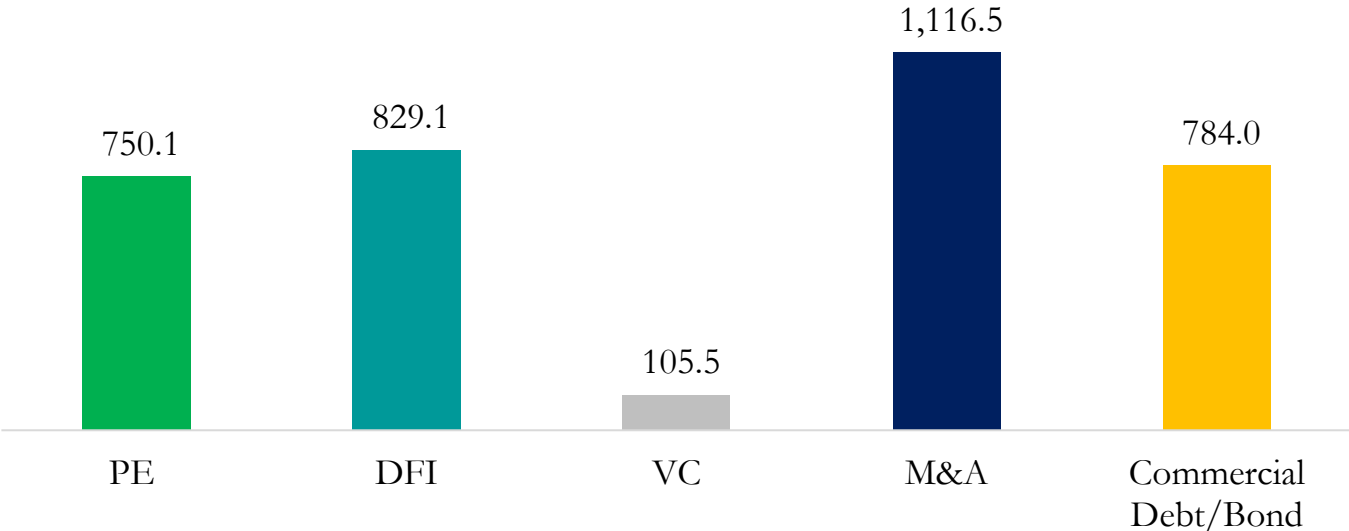
## Analysis by Country

### TOTAL NUMBER OF DEALS PER COUNTRY



\*Deals in the “Sector Analysis” table that have an impact on a company’s operations in more than one country have been treated as a single deal. In the “Analysis by Country” chart above, each country operation has been considered as a separate deal. There may therefore be a mismatch between the “Sector Analysis” and “Analysis by Country” deal numbers.

### DEAL SIZE YTD 2023 IN USD M



## PART II : INDUSTRY INTERVIEW

### Johanna Raehalme – Head of Nairobi Office (Finnfund)



Johanna Raehalme is an impact investing professional with over 15 years of experience in the financial industry. She was appointed Finnfund’s Head of the Nairobi Office in April 2022. She previously served as an investment manager in the Helsinki office of Finnfund. She has a diverse investment banking and finance background having worked at PwC Finland and Ahlström Capital.

Johanna holds a Master’s degree in Economics from the Helsinki School of Economics.

**Finnfund has been very active since it set up an on-the-ground presence making investments in various organisations across multiple sectors such as Kentegra Biotechnology Holdings in the agriculture sector; Co-operative bank of Kenya in the financial services sector; and QPEA GT Menengai Limited in the energy sector. Congratulations on the progress!**

Thank you - it has indeed been a busy start for the office. In addition to the already closed deals we have a lot of interesting things in the pipeline of which you’ll hopefully hear soon!

**2023 has brought different challenges to investors globally. Despite the positive economic recovery from the Coronavirus pandemic in 2022 – we have witnessed the rapid increase in inflation levels globally and the consequent rise in interest rates to combat high inflation. Another major challenge is exchange rate volatility. Given that Finnfund invests across equity and debt structures, how have these external factors influenced your investment decisions?**

We’ve certainly seen the effect in pricing. On the other hand, the volatile exchange rates have led to companies seeking more local currency financing. This is something few DFIs can offer so we see a clear gap in the market.

More generally, as a result of the rising cost of living and the disruption in global supply chains, we see an increasing need in investment across local manufacturing industries, as well as in food value chains – from primary production to investment in infrastructure and processing. Our involvement in Twiga is a great example of this and the theme will surely be visible also in future investment decisions

**Finnfund makes both direct portfolio investments and private equity fund investments in East Africa. What is the strategy for investments in the remainder of 2023 and beyond for Finnfund in the region? Are investments expected to continue between the two lines or does focus now shift more towards either one of the opportunities in the coming year?**

The overall strategy remains unchanged – we have a strong focus on direct investments in the region but continue to invest selectively in funds focusing on our target sectors and countries.

**What are the key sectors you think will provide attractive investment opportunities in 2023 and how do these sectors align with the overall investment criteria for Finnfund?**

While climate remains a strong focus, we are also increasingly looking at Agri projects with a food security angle. Digital Infrastructure and Solutions is another sector where we expect a lot of growth in 2023. (Rural) connectivity will be a big theme, but we also see a lot of opportunities in the digital solutions space, where we have an opportunity to invest in slightly earlier stage, innovative businesses, for which Nairobi has become a major hub.

**In your view, what are the 2 or 3 most important considerations as you prepare to exit a portfolio holding?**

Big part of our value-add to the investee companies, especially in earlier stage investments, is helping them to raise the bar to the next level: improving internal practices and processes and preparing them to be “investor ready” for the next financing rounds.

While DFI financing comes with a long-term horizon, we see a big role, and a lot of developing impact, in creating liquidity in the market by exiting when our work is done – passing the torch to institutional investors.

For an impact investor, it is crucial to ensure that the sustainable business practices and development impact are preserved after we exit an investment. We also always look for buyers who can drive further value creation for the businesses.

## PART II : INDUSTRY INTERVIEW

Johanna Raehalme – Head of Nairobi Office (Finnfund)

**On the LP side of the business, what do you consider to be the most important characteristics of a fund and its managers as you consider investing?**

In addition to sector and geographical alignment we focus on funds/managers with a prudent financial and impact track record

**What has been your favourite experience from living in Nairobi in general? So far, what is your favourite restaurant in Nairobi?**

Interacting with the amazing people has been the best experience by far. It has also been great seeing my children adapting to a new country so easily – making new friends and enjoying the outdoor activities. Outside of Nairobi, my first time in Masai Mara completely blew me away.

Cultiva took the top spot for best restaurants in early days and has kept the position since, despite some serious contenders. La Villa in Kitisuru has become a family favourite recently and Hob House is always great, not least thanks to the owner Kelly's heart-warming presence.

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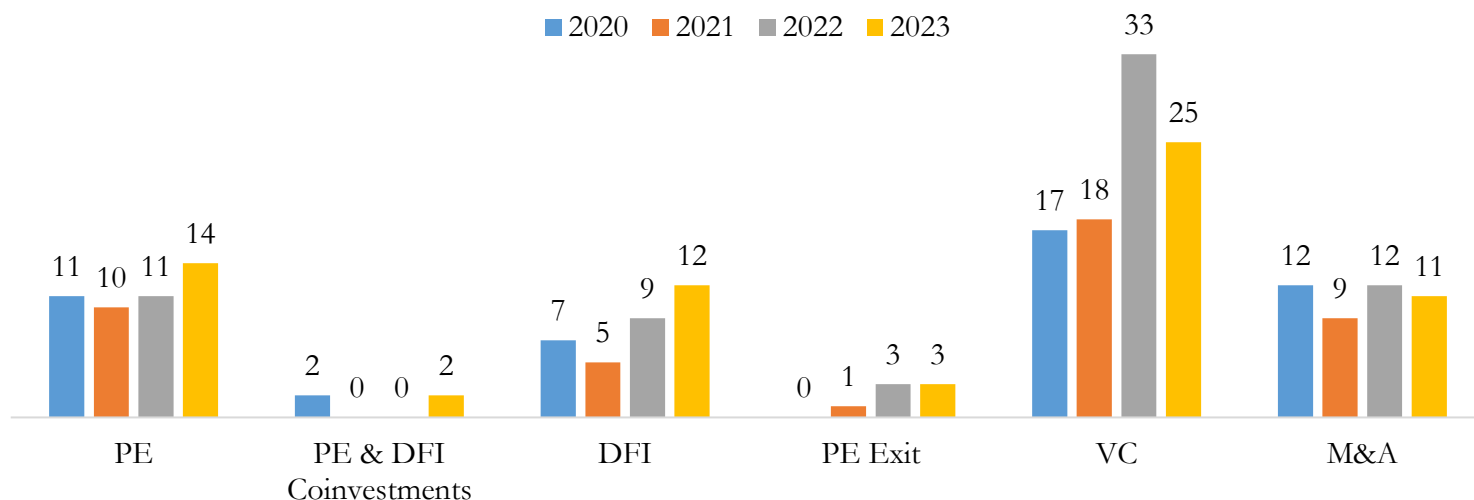
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## PART III : PRIVATE CAPITAL REVIEW

On the inaugural Half Year edition of the East Africa Financial Review, we present an analysis of corporate deal activity in the East African region for the first half of the year with a comparison to the last 3 first halves of the year. We also present our expectations for the next half and beyond for East African capital markets. In this edition, our focus is on private capital transactions given the relative dearth of public market transactions.

### Private Capital Activity – H1 2020 to H1 2023



As demonstrated by the data above, private capital transactions have, generally, been on the rise, particularly following the lull occasioned by the Covid-19 restrictions. This is demonstrative of both the level of investor enthusiasm in the region in the long term and in part, the captive nature of developmental capital in the region. In the sections that follow, we delve deeper into the trends across the various investor classes and our expectations for the future.



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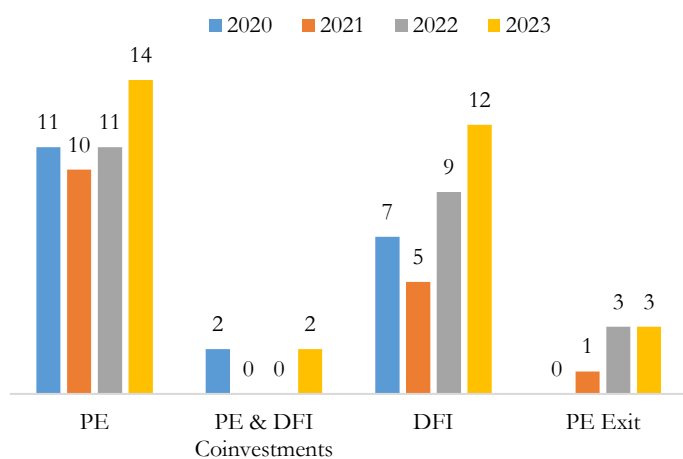


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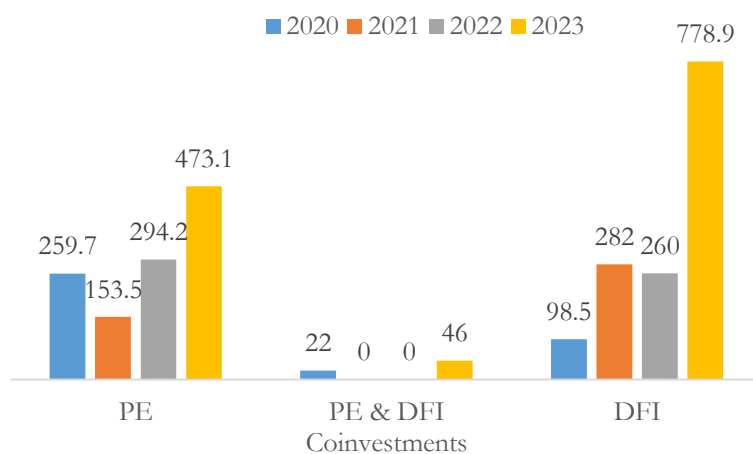
## PART III : PRIVATE CAPITAL REVIEW – PE & DFI

H1 2023 has proved to be a resurgent year for all PE investor classes with significant growth recorded across the board. 34 deals have been recorded - up from 20 in the same period last year - with a total disclosed deal value of USD 1.3 billion - 126% growth from H1 2022 (from 26 transactions that had disclosed deal values). We believe this growth is carried over from the resurgence recorded in 2022, following the lifting of covid-19 restrictions across the region and a largely stable political environment. The picture painted by the half year figures, however, is unfinished as the full year numbers reflect a decline in the number of commercial PE investments corresponding to the longer fundraising lead times. The principal driver of the total numbers has been direct DFI investments, which increased considerably in 2023, in keeping with the positive trend from the previous year where investments nearly doubled as at the half year mark. This is also evident from the increasing number of regional offices for DFIs launched recently, particularly in Nairobi.

### PE & DFI Investments and Exits H1 2020 to H1 2023



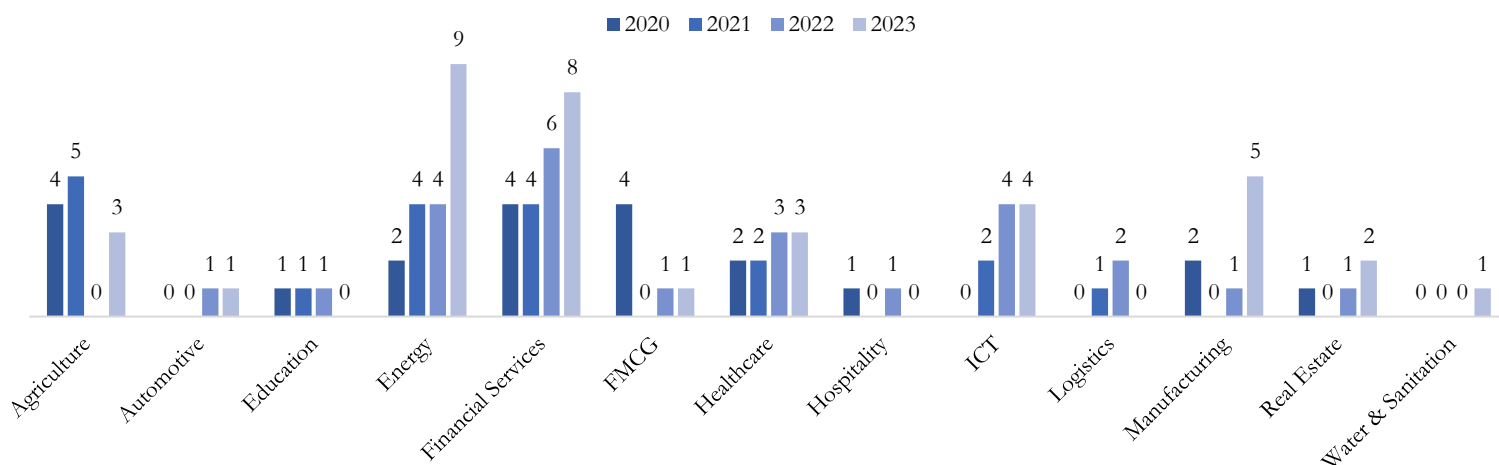
### Disclosed Deal Value in USD m H1 2020 to H1 2023



The significant increase in the value of commercial PE transactions is a reflection of the trend towards larger funds and ticket sizes now preferred by GPs. We recall that the median deal size of commercial PE investments in FY 2022 increased by 14% to USD 26.1 million. One would expect increased valuation pressure in the mid cap segment of the market from the combined and increased focus of both commercial PE and DFIs, though given the prevailing macroeconomic environment, this is yet to be evident. This shift also further deprives the small cap segment of private capital, which gap is increasingly being filled by social impact investors, naturally orienting the market toward ESG initiatives.

The total number of exits as at the half year had kept pace with that of last year though we expect that the number will rapidly accelerate in H2 based on our pipeline of deals and anecdotal evidence from the market. We expect that the increase in liquidity events will accelerate fundraising timelines which should coincide well with global and regional economic tailwinds expected later in 2024, including a potential reversal in global interest rates.

### Sectoral Distribution of PE & DFI Investments – H1 2020 to H1 2023

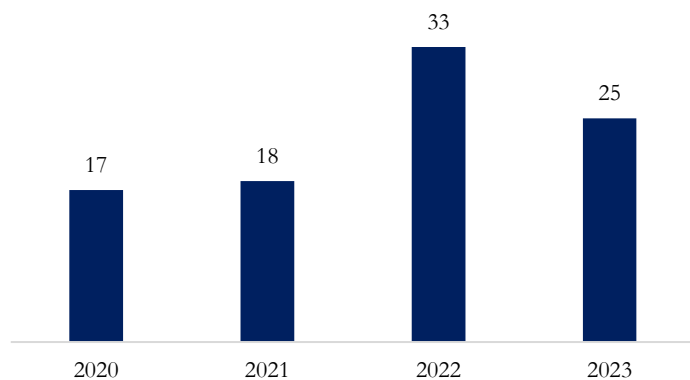




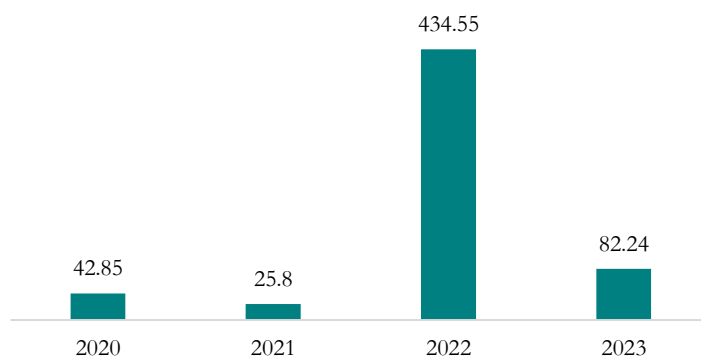
## PART III : PRIVATE CAPITAL REVIEW – VC

As is the case globally, the number and value of VC transactions declined in H1 2023 as the market buckled under the pressure of higher interest rates, forcing a shift from a growth only focus to profitability and paths to profitability for target companies. Despite this, VC activity remains dominant in the region with the investor class accounting for 33% of all activity in the region. Notably, there is also increased investment into venture capital by DFIs, both directly and indirectly.

### Venture Capital Investment Activity H1 2020 to H1 2023



### Disclosed VC Deal Values H1 2020 to H1 2023



The sectoral focus of VC activity has ebbed and flowed over several segments in the last 10 years with an initial focus on e-commerce and Fintech businesses. These two remain the most active segments of the market, though we see an increasing focus on logistics and e-mobility in line with the green energy transition, and an increasingly multipolar world. There is also notable interest in the business process outsourcing and human resource solutions.

### Sectoral Distribution of VC Investments H1 2020 to H1 2023

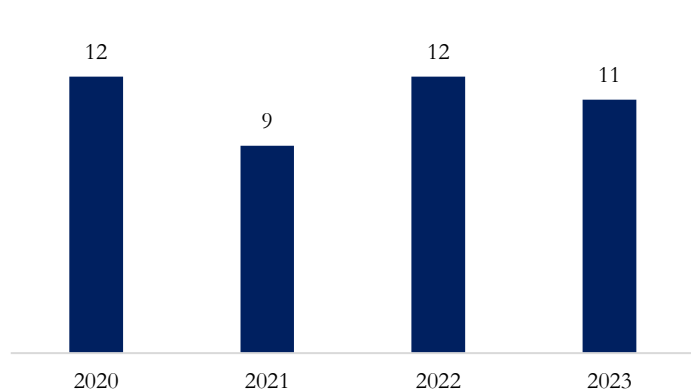


As the year progresses, we expect that venture capital will continue to be dominant, though more selective. We also expect to see more M&A activity in the start up scene as businesses race to establish and achieve paths to profitability. This is especially true for low margin businesses such as in e-commerce and retail distribution. Sectoral focus should also shift to take advantage of the African youth demographic, the green energy transition and the focus on food security for the region. High margin sectors are likely to win out with applications such as insuretech likely to take increasing prominence. We are bullish on other segments that fit this narrative including HR tech, agritech, healthtech and e-mobility.

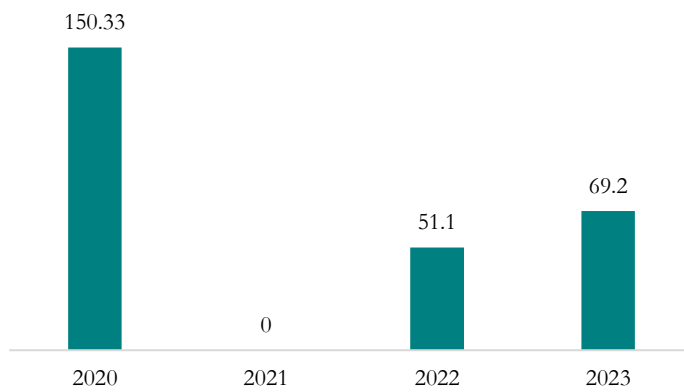
## PART III : PRIVATE CAPITAL REVIEW – M&A

M&A activity continues to surprise to the upside with 11 deals having been recorded in the first half of the year, a slight dip from the 12 recorded in H1 2022. Global M&A activity has seen a significant decline on account of the higher interest rate environment limiting options to finance inorganic growth. Whilst the same is expected to be true for regional and African markets, local valuations as referenced by the regional and pan-African indices present attractive entry points for well heeled businesses.

**M&A Activity**  
H1 2020 to H1 2023

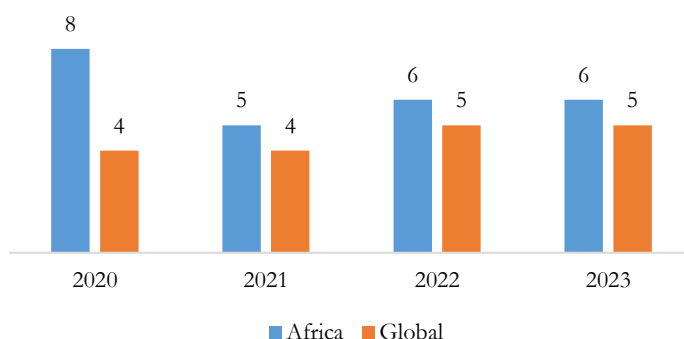


**Disclosed M&A Deal Values**  
H1 2020 to H1 2023



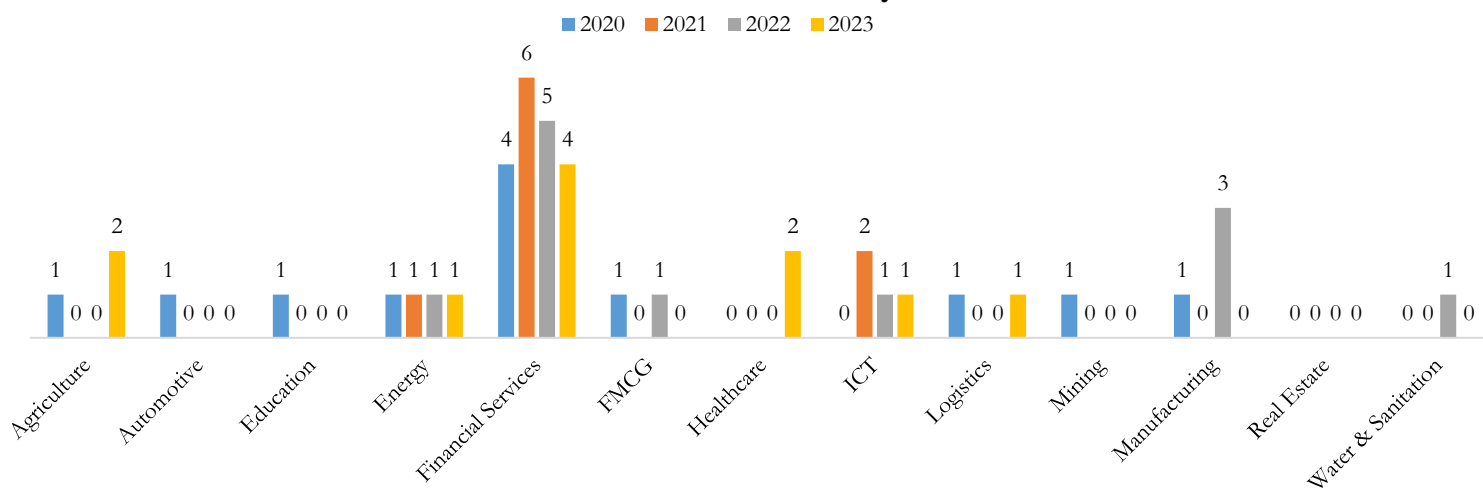
As a result, we continue to witness the dominance of African buyers vis a vis global buyers in the M&A market. Economic headwinds in the region present further incentive to merge for survival, particularly in low margin, high competition segments of the market and in capital intensive sectors where growth is driven by capacity improvements. The sectoral distribution of M&A activity reflects this reality with the financial services, energy and manufacturing sectors recording the highest number of deals. We have lately also witnessed increased interest in the healthcare and telecommunication sectors.

**M&A Buyer Profile**  
H1 2020 to H1 2023



We expect that M&A in the medium term will be driven by pan African buyers as champions in markets with somewhat limited growth capacity venture to the rest of the continent for growth. We are particularly paying attention to interest from Mauritian, South African and North African businesses in non-financial services sector M&A activity.

**Sectoral Distribution of M&A Activity H1 2020 to H1 2023**



## PART IV : SELECTED DEALS – PE & DFI

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
3-Jan-23	Blue Peak	Watu	20	Financial Services	PE	Kenya	BluePeak Private Capital's inaugural impact-driven fund announced an investment of USD20 million in Watu Africa, which was the fourth investment for the fund. Watu is an East African asset leasing company that focuses on improving mass-market mobility and has a presence in six countries across Africa. The company has financed over 400,000 two and three-wheeler vehicles since its inception.
4-Jan-23	African Development Bank, Finnfund, Eastern and Southern African Trade & Development Bank	Globeleq	72	Energy	PE - DFI (Debt)	Kenya	Globeleq, a private power company in Africa, secured USD72 million in debt funding from the African Development Bank (AfDB), Finnfund and the Eastern and Southern African Trade & Development Bank (TDB) for the 35 MW Menengai project.
9-Jan-23	FMO	Watu Credit	20	Financial Services	PE (Debt)	Kenya	Dutch development finance institution FMO provided a USD15 million and USD5 million senior term loan to Watu Credit Kenya and Watu Credit Uganda, respectively. Watu is a fintech company that provides financing for motorcycles, which are commonly used as taxis and a source of employment. The company, which started operations in 2015 and has since expanded across Africa, will use the funds from FMO to provide financing for youth-owned micro, small, and medium enterprises.
24-Jan-23	Bamboo Capital	Green Mountain Arabica Coffee	3.6	Agriculture	PE - DFI	Rwanda	Bamboo Capital invested USD 360,000 in the company through the BUILD Fund it launched with the U.N. Capital Development Fund and the government of Luxembourg. The Rabo Foundation, the impact fund of Dutch-based Rabobank, invested USD150,000. More than half of Green Mountain's suppliers are certified under the Rainforest Alliance's UTZ standards for sustainable farming practices

## PART IV : SELECTED DEALS – PE & DFI

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
25-Jan-23	54 Capital, Norfund	SAMANU	21	FMCG	PE - DFI	Ethiopia	54 Capital joined a consortium that included the Norwegian development finance institution (Norfund) to invest USD 21 million growth capital in Ethiopia's FMCG platform SAMANU.
2-Feb-23	OikoCredit	MyCredit	2.6	Financial Services	PE (Debt)	Kenya	MyCredit Limited, a non-bank financial service Institution licensed as a Digital Credit Provider by the Central Bank of Kenya, received funding worth USD 2.6 million (KES 325 million) from OikoCredit for onward lending. The funding was expected to support MyCredit's strategic plan in offering affordable and medium-term financing of up-to a maximum period of three years to its SME customers who are in trading businesses.
3-Feb-23	InfraCo Africa	Mawingu	6	ICT	PE	Kenya	Mawingu, a Kenyan-based internet service provider, successfully closed its Series B investment round bringing onboard a new investor, InfraCo Africa. InfraCo Africa's USD 6 million commitment, delivered through its dedicated investment arm, will support Mawingu to roll out infrastructure across Kenya that will increase access to affordable internet connectivity to underserved households and businesses.
16-Feb-23	Acumen	SokoFresh	Undisclosed	Agriculture	PE	Kenya	Acumen invested in SokoFresh, which provides smallholder farmers in East Africa with cold-storage solutions and market access to reduce post-harvest losses and guarantee demand for produce. This was Acumen's first new investment through its latest energy initiative, PEII+, which is designed to invest early-stage capital in energy businesses that are improving the livelihoods of smallholder farmers and micro-entrepreneurs in India, East Africa and West Africa.
24-Feb-23	Norwegian Investment Fund, Ethos Mezzanine Partners	Balaji	25	Manufacturing	PE - DFI	Kenya	Pan-African Textile company, Balaji, received KES 3.2 billion (USD 25 million) from two investors to ramp up production capacity. The investment came from Norwegian Investment Fund (Norfund) and Ethos Mezzanine Partners 3, a specialist mezzanine capital fund.

## PART IV : SELECTED DEALS – PE & DFI

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
4-Mar-23	Norfund	Hela Apparel	14	Manufacturing	DFI	Kenya	Norfund, the Norwegian government's investment fund signed a USD 14 million financing agreement with Hela Apparel Holdings PLC to bolster the development of its manufacturing operations in East Africa.
10-Mar-23	Zoscales Partners, Brook Fekadu	Pioneer Diagnostic Centre	Undisclosed	Healthcare	PE	Ethiopia	Private equity firm Zoscales Partners signed an agreement with Brook Fekadu, founder of Pioneer Diagnostic Center (PDC), to make a joint follow-on investment into the company to support its continued growth and expansion. The investment was intended to be used to buy additional machines and open new centres.
27-Mar-23	Grit Real Estate Income Group	Buffalo Mall	2	Real Estate	PE	Kenya	Mauritius-based, Grit Real Estate Income Group, acquired an additional 50.0% stake in Naivasha's Buffalo Mall that it did not already own in a deal valued at Sh262.5 million, the firm's new financial disclosures show. London Stock Exchange-listed Grit said in its financial report for the six months ended December 2022 that it had laid out a capital commitment of about USD2 million (Sh262.5 million) towards purchasing the additional stake from the mall's other investors.
27-Mar-23	DEG	WaterKiosk Ltd.	3	Water & Sanitation	DFI	Kenya	DEG, the German development finance institution, invested EUR 3 million in a project by Kenyan firm WaterKiosk Ltd. and its Berlin-based sister company, Boreal Light GmbH, aimed at providing solar-powered water treatment facilities to hospitals in East Africa. Many hospitals in the region, particularly in Tanzania and Kenya, lack a reliable supply of clean drinking water.
31-Mar-23	Gemcorp Capital Management	Milele Energy	150	Energy	PE	Kenya	Milele Energy, a clean energy platform provider, raised a seed round of USD 150 million from Gemcorp Capital Management. This includes the funding for the planned acquisition of Lake Turkana Wind Power Project as well as focus on the development of clean energy assets across sub-Saharan Africa.

## PART IV : SELECTED DEALS – PE & DFI

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
3-Apr-23	DFC	Hewa Tele	10	Healthcare	DFI - Debt	Kenya	Hewatele, an oxygen production firm, secured a KES 1.32 billion (USD 10 million) loan from the United States US International Development Finance Corporation (DFC) to step up the production of affordable supplies.
17-Apr-23	Proparco and EAIF	Raxio	170	ICT	DFI	Uganda	Pan-African data centre developer Raxio Data Centres secured a debt facility of up to USD 170m (EUR 155m) from lenders including the Emerging Africa Infrastructure Fund (EAIF) and development finance institution Proparco to help expand across the continent. The data centre company's shareholders Meridiam and Roha said the sustainability-linked debt facility – which was secured in multiple tranches – includes USD 110m from Proparco and EAIF.
18-Apr-23	Swedfund	d.Light	1.9	Energy	DFI	Kenya	The Swedish development finance agency, Swedfund, announced an additional USD 1.9 million investment in d.light, an energy solution provider operating in Africa. This comes as a continuation of Swedfund's initial investment in December 2018 in the company.
19-Apr-23	AgDevCo, Granot, Agris	Ndabibi Farm	8	Agriculture	PE	Kenya	Agris, the agriculture and forestry division of investment company Maris, and Granot, a leading avocado producer from Israel, announced they were developing a 390-hectare avocado plantation at Agris' flagship Ndabibi farm in Naivasha, Kenya, with investment from AgDevCo. The partnership combines Granot's expertise as one of the world's biggest avocado producers with Agris' local expertise and portfolio of agricultural and forestry businesses across East Africa. Granot produces one third of Israel's total avocado yield and with an annual revenue of more than USD 1.5 billion is one of the largest cooperatives in the world. Ndabibi farm will secure year-round avocado production for their new marketing arm.

## PART IV : SELECTED DEALS – PE & DFI

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
26-Apr-23	InfraCo	Afresco	1.5	Energy	PE	Uganda	InfraCo Africa, part of the Private Infrastructure Development Group (PIDG) invested USD 1.5m in Afresco's 'Energy-as-a-Service' solution to bring clean, reliable power to Commercial and Industrial (C&I) clients in Uganda, Malawi and the Democratic Republic of the Congo (DRC).
29-Apr-23	The Rohatyn Group (TRG)	Kensta	Undisclosed	Manufacturing	PE	Kenya	The Rohatyn Group ("TRG") announced an investment in Kensta Group ("Kensta"), an East African group operating in the region's paper and print sectors. The investment was intended to enable Kensta to increase production capacity, diversify product offerings and fund core working capital requirements as it implements its five-year strategic plan. This investment took place prior to TRG's acquisition of the business of Ethos Private Equity ("Ethos"), which closed on April 1, 2023. Financial terms of the transaction were not disclosed.
29-Apr-23	IFC	Avenue Hospital Group	12.7	Healthcare	DFI - Debt	Kenya	The International Finance Corporation (IFC) approved a KES 1.7 billion (USD 12.7 million) senior loan to Avenue Hospital that was expected to fund an expansion drive and enhancement of existing facilities in the country. The funds are expected to finance a new wing at Avenue's Nairobi facility in Parklands, a radiology department at its Kisumu hospital and installing operating theatre equipment at its Kisumu and Thika branches.
17-May-23	Standard Bank Group	M-Kopa	250	Financial services	PE	Kenya	M-KOPA, a fintech platform, raised over USD 250 million in new debt and equity funding with the aim of expanding its financial services offering to underbanked consumers across sub-Saharan Africa. This fundraising achievement represents one of the largest combined debt and equity raises in the African tech sector.

## PART IV : SELECTED DEALS – PE & DFI

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
23-May-23	InvestAfrica FZCO	Eveready E.A	Undisclosed	Manufacturing	PE	Kenya	An agreement was signed by a company owned by the family of the late businessman, Naushad Merali, to sell its 35% stake in Eveready East Africa to Dubai-based InvestAfrica FZCO, thereby reducing its losses in the Nairobi Securities Exchange-listed firm. According to a filing with the Capital Markets Authority, the batteries distributor states that its top shareholder, East Africa Batteries Limited (EABL), has sold its 73.4 million shares to InvestAfrica in a private transaction.
24-May-23	IFC	Duval Group	17.5	Real Estate	PE - DFI	Rwanda	A USD 17.5 million investment was made by the International Finance Corporation (IFC) in the French real estate conglomerate, Duval Group, for the development of a mega mixed-use building complex situated opposite the Kigali Convention Centre in the Rwandan capital.
31-May-23	Advancly	Zofi Cash	1	Financial services	PE	Uganda	Zofi Cash raised USD 1 million in pre-seed funding from Advancly, a business-to-business financing company operating in six African countries. This funding will allow Zofi Cash to expand its operations in Uganda.
8-Jun-23	FMO	Sun King Financing Limited	9.8	Financial Services	PE	Kenya	FMO, the Dutch entrepreneurial development bank, disclosed an approved investment of KES 1.37 billion (c. USD 9.8 million) in Sun King Financing Limited. The fund raised are intended to be used in allowing the company to continue its expansion of the Pay-As-You-Go business in Kenya.
9-Jun-23	IFC and MIGA	Safaricom Ethiopia	257.4	ICT	DFI	Ethiopia	IFC and MIGA, members of the World Bank Group, announced an equity investment, a loan and guarantees to support the ongoing construction and operation of Safaricom Ethiopia's greenfield telecommunications network across Ethiopia, leading to more affordable internet, reliable mobile connectivity and technology access for people and businesses in the country.
23-Jun-23	IFC	Seacom	207	ICT	DFI	Kenya	Digital infrastructure firm Seacom received a KES 29 billion (USD 207 million) loan from the IFC to expand its broadband cable network in seven sub-Saharan countries, including Kenya.



## PART IV : SELECTED DEALS – PE & DFI

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
23-Jun-23	Aavishkaar Capital & KfW	Hela Apparel Holdings	5	Manufacturing	PE	Kenya	Aavishkaar Capital announced its second investment from the ESG First Fund in a partnership with KfW, The funding totals to a USD 5 million loan to Hela Apparel Holdings PLC to fund its Africa growth strategy.
29-Jun-23	Verdant Capital Hybrid Fund	Mogo	7	Automotive	PE	Kenya	The Verdant Capital Hybrid Fund completed a USD 7 million dual-tranche investment comprising a subordinated loan and senior secured loan to Mogo Kenya,

## PART IV : SELECTED DEALS – PE EXITS

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
17-Mar-23	BlackRock	FinnFund, Vestas, Investment Fund for Developing Countries	Undisclosed	Energy	PE Exit	Kenya	BlackRock Alternatives' public-private finance vehicle, Climate Finance Partnership (CFP), acquired a 31.25% stake in Lake Turkana Wind Power (LTWP), the largest wind farm in Africa. The stake was purchased from Vestas, Finnfund, and the Investment Fund for Developing Countries for an undisclosed sum.
26-Mar-23	IBL Energy Holdings Ltd & STOA	Maris Ltd & Nvision Ltd (Equator Energy)	Undisclosed	Energy	PE Exit	Kenya	Maris Ltd and Nvision Ltd announced the sale of a majority stake in Equator Energy Ltd to IBL Energy Holdings Ltd, a fully owned subsidiary of the Mauritian conglomerate, IBL Group and STOA, an energy and infrastructure impact fund created by Caisse des Dépôts et Consignations (CDC) and Agence Française de Développement (AFD).
21-Jun-23	Meridiam, Engie	Actis	Undisclosed	Energy	PE Exit	Kenya	Actis agreed to sell 100% of BTE Renewables to Engie and Meridiam. On completion, Engie will acquire the South African portfolio and team while Meridiam will acquire the Kenyan portfolio and team. Actis established the pan African renewable energy platform in 2017, with the acquisition of the Kipeto wind project in Kenya in the development stage. In 2019, Actis grew the platform with the acquisition of South Africa-focused BioTherm Energy and rebranded the company BTE Renewables.

## PART IV : SELECTED DEALS – M&A

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
16-Feb-23	IBL Group	Harley's	Undisclosed	Healthcare	M&A	Kenya	Mauritian conglomerate, IBL Group, bought an undisclosed stake in Nairobi-based pharmaceuticals distributor, Harley's, as part of a consortium that took control of the company. This was the latest investment in Kenya for IBL, which last year acquired a stake in supermarket chain Naivas Limited.
4-Mar-23	Carta	Raise	Undisclosed	ICT	M&A	Kenya	Raise, a company that simplifies cap table management for startups and companies, raised an undisclosed amount from Carta, the world's largest ownership platform. Raise aims to work along with Carta to improve customer experiences using technology.
6-Mar-23	Velogic Logistics	Rongai Workshop & Transport Limited	Undisclosed	Logistics	M&A	Kenya	Mauritian conglomerate Rogers Group acquired Rongai Workshop & Transport Limited through one of its subsidiaries Velogic Logistics as part of its regional expansion strategy. The multinational did not disclose the value of the transaction which has seen the exit of the Vanessa Evans family which founded the logistics firm in Rongai in 1947.
7-Mar-23	Premier Bank Limited	First Community Bank	21.9	Financial Services	M&A	Ethiopia	A Mogadishu-based bank paid Sh2.8 billion for a controlling stake in the First Community Bank (FCB) in a deal designed to shore up the capital levels of the Kenyan lender that are in breach of regulation. Premier Bank Limited (Somalia), which has been in operation for under 10 years, was offered new 10.8 million shares in exchange for a 62.5% stake.
5-May-23	Browns Investment Plc	James Finlay	Undisclosed	Agriculture	M&A	Kenya	An undisclosed stake in multinational tea firm James Finlay Kenya was bought by Sri Lankan firm Browns Investment Plc in a deal that was expected to result in locals holding a 15% ownership through a co-operative. The Saosa tea extraction facility, which was expected to be used to source and process green leaves from outgrowers, was been retained by Finlay, along with their farms in Kericho and Bomet counties.

## PART IV : SELECTED DEALS – M&A

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
5-May-23	Sun King	PayGo Energy	Undisclosed	Energy	M&A	Kenya	PayGo Energy, an innovator in pay-as-you-go technology for clean cooking, was acquired by Sun King, the largest off-grid energy company in Africa and Asia. Sun King was expected to focus on developing a range of cooking products powered by solar energy, liquified petroleum gas (LPG), electrical grids, and other energy sources. These products, along with consumer financing services, will enable African and Asian customers to pay for energy and equipment in small, affordable installments.
6-May-23	Shara Inc.	Maisha Microfinance Bank Limited	Undisclosed	Financial services	M&A	Kenya	Maisha Microfinance Bank Limited (Maisha MFB) in Kenya was acquired by Shara Inc., a Delaware-based fintech firm, resulting in Shara holding a controlling stake. The acquisition of 55.8% of Maisha MFB by Cactus Cantina Investments Limited, a Kenyan entity fully owned by Shara, was confirmed by the Central Bank of Kenya (CBK), with the transaction becoming effective from May 1, 2023.
23-May-23	Shorecap	Credit Bank PLC	Undisclosed	Financial services	M&A	Kenya	Mauritius private equity fund, Shorecap, acquired a 20% stake in Credit Bank Plc (CBP), following approvals granted by the Central Bank of Kenya (CBK) effective June 15th, 2023. This approval from the CBK was received on April 24th, 2023 and was further approved by the National Treasury and Planning Cabinet Secretary on April 28th, 2023.
5-Jun-23	Flamingo Horticulture Investment Ltd	Bigot Flower farm	Undisclosed	Agriculture	M&A	Kenya	United Kingdom (UK) investment holdings company, Flamingo Horticulture Investment Limited (Flamingo), acquired Naivasha-based flower firm, Bigot Flower Kenya Plc, for an undisclosed amount. The Competition Authority of Kenya (CAK) approved the acquisition of the entire share capital of Bigot by Flamingo

## PART IV : SELECTED DEALS – M&A

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
6-Jun-23	Shalina Healthcare Limited	Provexa Pharma Kenya	Undisclosed	Healthcare	M&A	Kenya	Dubai-based healthcare company Shalina acquired Provexa Pharma Kenya Limited for an undisclosed price. Shalina Healthcare acquired all the issued shares of Provexa, a local wholesale distributor of cheap generic drugs.
14-Jun-23	Equity group plc	Compagnie Générale De Banque Plc	47.3	Financial services	M&A	Rwanda	Equity Group acquired a controlling stake in a Rwandan bank at RWF54.68 billion (Sh6.67 billion). The lender announced that it signed an agreement to acquire a 91.9% stake in Compagnie Générale De Banque Plc (Cogebanque) in a deal that values the Rwandan bank at KES 7.26 billion.

## PART IV : SELECTED DEALS – VENTURE CAPITAL

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
13-Jan-23	Inclusion Japan	Gebeya Inc.	Undisclosed	HR	PE-VC	Ethiopia	Gebeya Inc., the SaaS-enabled, pan-African marketplace, announced a new investment from Inclusion Japan (ICJ). The new investment aimed to drive growth and innovation for Gebeya's continuous expansion. The undisclosed strategic investment will be used to expand Gebeya from a single two-sided tech talent marketplace, to a provider of marketplaces under the marketplace-as-a-service model.
19-Jan-23	DOB Equity, Globinvest	Kwara	3	FinTech	PE - VC	Kenya	Kenyan fintech company, Kwara, raised a USD 3 million seed extension round and signed an agreement to acquire IRNET, a software provider owned by the national body of credit unions in Kenya, KUSCCO. Investors in the round included existing backers DOB Equity, Globinvest and the founder of Kobalt Music. New investors, mainly African VCs, participated as well.
30-Jan-23	UM6P Ventures	Zuri Health	Undisclosed	Healthcare	PE - VC	Kenya	Kenya-based healthcare startup, Zuri Health, secured an investment from UM6P Ventures to support the growth and expansion of its telemedicine platform. Launched in 2021, Zuri Health allows patients to chat and consult with doctors, buy medication from pharmacies, book labs and diagnostic tests, and schedule home visits with licensed medical doctors.
2-Feb-23	AlphaMundi	Ampersand	1	e-mobility	PE - VC	Rwanda	AlphaMundi Group, through its AlphaJiri Investment Fund (AJIF) in Mauritius, invested USD 1 million in Ampersand, a Kigali-based e-mobility company that assembles electric motorcycles and provides users with battery swap station networks to power the vehicles.
2-Feb-23	Renew Capital	Teraki	Undisclosed	Media	PE - VC	Ethiopia	Renew Capital invested in Teraki, an online audio platform based in Ethiopia, co-founded by Nahom Tsegaye and Abel Engida. The platform amplifies Ethiopia's rich tradition of storytelling by offering audiobooks and podcasts in various Ethiopian languages.

## PART IV : SELECTED DEALS – VENTURE CAPITAL

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
7-Feb-23	CV VC	Fastagger Inc	Undisclosed	FinTech	PE - VC	Kenya	Fastagger Inc, an African AI and Blockchain startup announced that it received investment from CV VC, a leading blockchain venture capital firm based in Zug, Switzerland. This was the first time a Web3 and AI startup based in Africa had received investment from a firm based in “Crypto Valley” Switzerland, where blockchain unicorns such as Ethereum are based.
9-Feb-23	EchoVC	Senga	Undisclosed	Logistics	PE - VC	Kenya	EchoVC led a seed investment round into Senga which uses a proprietary methodology that cuts down delivery timelines for FMCG companies and other suppliers, using consolidation to deliver fragmented loads to large supermarkets across Kenya via continuous strings of trips. Senga has deconstructed traditional approaches used globally in consolidated delivery.
14-Feb-23	FrontEnd Ventures, XA Network, Google Black Founders Fund and Renew Capital, and others.	BuuPass	1.3	e-mobility	PE - VC	Kenya	Online bus ticketing platform, BuuPass, raised KES 162.8 million (USD 1.3m) to expand its transport solutions in Kenya and Uganda. The round came from FrontEnd Ventures, XA Network, Google Black Founders Fund and Renew Capital. Others include Ajim Capital, Changecom, Adaverse, Gullit, Artha Ventures, Daba Finance, and several angel investors.
15-Feb-23	DOB Equity, Bolt by QED Investors, Quona Capital, Zephyr Acorn and Norrksen Accelerator	Power Financial Wellness	3	FinTech	PE - VC	Kenya	Financial services provider, Power Financial Wellness, raised KES 376 million (USD3 million) seed funding with proceeds set to finance the platform’s expansion in Kenya and Zambia. The funding round was led by DOB Equity, Bolt by QED Investors, Quona Capital, Zephyr Acorn and Norrksen Accelerator. Founded in 2020, Power has operations in Kenya and Zambia and has offices in the United States and India.
20-Feb-23	Local Globe, Enza Capital, SpeedInvest and Others	Jumba	4.5	Real Estate	PE - VC	Kenya	Jumba, a Kenyan B2B construction tech startup, raised USD 4.5m in a pre-seed round. The round was led by LocalGlobe, with participation from Enza Capital, Foundamental, Seedstars International Ventures, Logos Ventures, Speedinvest, First Check Africa and Alumni Angel Network.

## PART IV : SELECTED DEALS – VENTURE CAPITAL

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
24-Feb-23	LaunchAfrica, Saviu Ventures, Proparco and Others	Workpay	2.7	Professional & Other Services	PE - VC	Kenya	A Kenyan HR and payroll startup, Workpay, raised USD 2.7 million in pre-Series A funding to expand its HR, payroll, compliance, and benefits tools across Africa. The round included Global and Africa-focused investors, including Launch Africa Ventures, Saviu Ventures, Acadian Ventures, Proparco, Fondation Botnar, Kara Ventures, Norrsken and Axian, with the participation of P1 Ventures, an existing investor.
22-Mar-23	Renew Capital Angels	Wazi Vision	Undisclosed	Manufacturing	PE - VC	Uganda	The Renew Capital Angels invested in Wazi Vision, a Ugandan company with a goal to change the eyewear industry in Africa. Founders Brenda Katwesigye Baganzi and Georgette Ochieng Ndabukiye launched Wazi in response to a gap in Uganda's eyewear market.
30-Mar-23	Renew Capital Angels	Xente	Undisclosed	FinTech	PE - VC	Uganda	Renew Capital Angels invested in Ugandan digital payment platform, Xente, a business neobank that streamlines payments and financial management for companies on a single, user-friendly platform. By simplifying these processes, Xente aims to drive digital transformation in a region where the majority of payments are still conducted manually
30-Mar-23	CFAO	Tibu Health	Undisclosed	Healthcare	PE - VC	Kenya	Toyota Kenya's parent company, CFAO Group, increased its venture funding in the country with the recent financing of Tibu Health, a medical technology company which will use the new unspecified capital to find solutions to chronic illnesses. Health54, the healthcare-dedicated venture capital arm of CFAO Group did not disclose the funding but said the investment is expected to help Tibu continue its growth strategy.



## PART IV : SELECTED DEALS – VENTURE CAPITAL

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
5-Apr-23	Creadev	Victory Farms	35	Agriculture	PE - VC	Kenya	East African aquaculture platform, Victory Farms, raised a USD 35 million Series B round to fund the expansion of its operations in Kenya, Rwanda, and potential entry into Ethiopia, Uganda and Tanzania. The Series B round was led by Creadev, a global VC and growth equity evergreen investor controlled by the Mulliez Family.
4-May-23	Inflection Point Ventures, Grenfell Holdings, Venture Catalysts and Other Investors	Badili	2.1	ICT	PE - VC	Kenya	Badili, an African ReComm startup that buys and sells used smartphones, raised a pre-seed round of USD 2.1 million from V&R Africa, Venture Catalysts, Inflection Point Ventures, Grenfell Holdings, Uncovered Fund Japan, SOSV, and a dozen other family offices from Kenya, Nigeria, South Africa, and India.
15-May-23	The Case for Her	YeneHealth	Undisclosed	Healthcare	PE - VC	Ethiopia	YeneHealth, a FemTech startup based in Ethiopia, secured pre-seed investment from The Case for Her, a Swedish-based women's health investment fund. YeneHealth aims to advance sexual and reproductive health services and offers accessible, confidential, convenient, and personalized healthcare to women
17-May-23	TCG Crypto, Saison Capital, Global Coin Research and Other Investors	Jia	4.3	FinTech	PE - VC	Kenya	Jia, a blockchain-based fintech company that provides loans to micro and small businesses in emerging markets, raised USD 4.3 million in seed funding. It also received an additional USD 1 million commitment for on-chain liquidity in a funding round led by early-stage backer TCG Crypto, with participation from funds such as BlockTower, Hashed Emergent, Saison Capital, and Global Coin Research. The funding received was expected to be utilized to strengthen its operations in Kenya and the Philippines, with the intention of expanding into new markets in West Africa, Latin America, and Asia.
18-May-23	Pale Blue Dot, RaliCap, W3i, Superorganism and Other Investors	Amini	2	Agriculture	PE - VC	Kenya	Amini, a Nairobi-based climate tech startup that focuses on addressing Africa's environmental data gap using artificial intelligence and satellite technology, raised USD 2 million in pre-seed funding. The funding round was led by Pale Blue Dot and included participation from investors like RaliCap, W3i, and other angel investors.

## PART IV : SELECTED DEALS – VENTURE CAPITAL

Date	Buyer	Seller	Deal size (M USD)	Sector	Type	Country	Synopsis
19-May-23	From Here Ventures	ElevateHR Africa	Undisclosed	HR	PE - VC	Kenya	ElevateHR raised seed capital from From Here Ventures. ElevateHR is a cloud-based HR management platform that provides modules in payroll, salary advance, leave management, and performance management, among others.
23-May-23	DOB Equity, KUA Ventures and Other Investors	Zydii	Undisclosed	HR	PE - VC	Kenya	Zydii, a Kenya-based digital training solutions provider, received pre-seed funding from DOB Equity, Kua Ventures, Kaleo Ventures, and NaiBAN.
14-Jun-23	Tokyo Edge Capital partners and other investors	Peach cars	5	e-mobility	PE-VC	Kenya	Kenyan automotive startup Peach Cars raised USD 5 million in seed funding. Led by University of Tokyo Edge Capital Partners (UTEK), the investment round attracted contributions from Mercari's CEO, Shintaro Yamada; PayPal's head of Japan, Peter Kenevan; and Waseda University Ventures' GP, Hiroaki Ohta.
18-Jun-23	Convergence partners	Yellow	14	Automotive	PE-VC	Kenya	Yellow, an asset financier for solar energy and digital devices in Africa, raised USD 14 million series B funding in a round led by Convergence Partners with participation from the Energy Entrepreneurs Growth Fund, managed by Triple Jump, in addition to follow-on investment from Platform Investment Partners.
21-Jun-23	Satgana, Unruly capital, Plug & Play and Other Investors	Kubik	3.34	Real Estate	PE-VC	Kenya	Kubik, a startup specialising in the transformation of hard-to-recycle plastic waste into affordable, low-carbon building materials, raised a USD 3.34 million seed funding round. Investors included Plug & Play, BESTSELLER Foundation, GIIG Africa Fund, Satgana, Unruly Capital, Savannah Fund, African Renaissance Partners, KAZANA Fund, Princeton Alumni Angels, and Andav Capital. The funding raised will be used to expand its production capacity.
26-Jun-23	Chui ventures	Shopzetu	1	ICT	PE-VC	Kenya	ShopZetu, the fashion technology start-up founded by Marvin Kiragu and Wandia Gichuru, raised USD 1 million pre-seed funding round. The round was led by Chui Ventures, with participation from Launch Africa, Roselake Ventures, Logos Ventures, and angel investors. The funding will be used to expand its current capacity.

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