I&M Burbidge Capital

ANNUAL EAST AFRICA FINANCIAL REVIEW

2020

Sponsorship Partners

DLA PIPER AFRICA

IKM ADVOCATES

PKF

CONTENTS

Editorial Note

2020 in Numbers

Deal of the Year:

Helios Investment Partners' USD 100 million investment into Acorn Holdings.

110 The number of disclosed deals in EA

c. 1.23 BN The total value of all disclosed corporate deals in EA in USD

$12.5M The median size of deals in EA

The most important quality for an investor is temperament, not intellect.'

~Warren Buffet

The Editors

EDWARD BURBIDGE | KEVIN KURIA

In what was an unprecedented year, 2020 presented significant challenges to the East African region with all economies suffering varied effects of the global coronavirus pandemic. Kenya's economy is expected to have slightly contracted by 1.5% (5.4% FY19) whilst the economies of Uganda, Rwanda and Tanzania all had significant deceleration in growth expanding by only 1.7% (5.6% FY19), 2.0% (8.5% FY19) and 2.5% (6.5% FY19), respectively.

Regional markets were not spared, with all the major indices losing ground in 2020. The NSE 20 was the worst performing index in the region closing the year down 29.6%. The NASI lost the least amount closing the year down 8.6%. The East African market's performance was in sharp contrast to most developed markets that enjoyed a rally in tech stocks, quantitative easing and the advantages of cheap money. Market performance is further detailed on page 22.

In the East African private capital markets, the total disclosed deal value decreased again from USD 1.74 billion in 2019 to USD 1.23 billion. The overall median deal value, however, was up 4.2% to USD 12.5 milion from 2019's USD 12.0 million. Continuing the trend from 2018 and 2019, M&A activity declined in 2020. The positive effects of the lifting of the interest rate cap and increasing liquidity from government payments were wiped out by the pandemic, and most businesses turned to cost optimisation to stay afloat. Private equity activity, however, remained robust, with the number of deals up 7.2% and deal values up 38.9%; an indication of the long term view held by these investors as well as the prevalence of developmental capital in the East African capital markets. The increase in private equity deal values was mainly driven by DFI led transactions. A further deepdive is presented from page 5.

We hold a positive outlook for 2021 across the region. This will be highly dependent on the successful management of the pandemic and a successful vaccine rollout. Fiscal management, particularly relating to public debt, and the stability of the political environment will be key themes for the region's largest economy.

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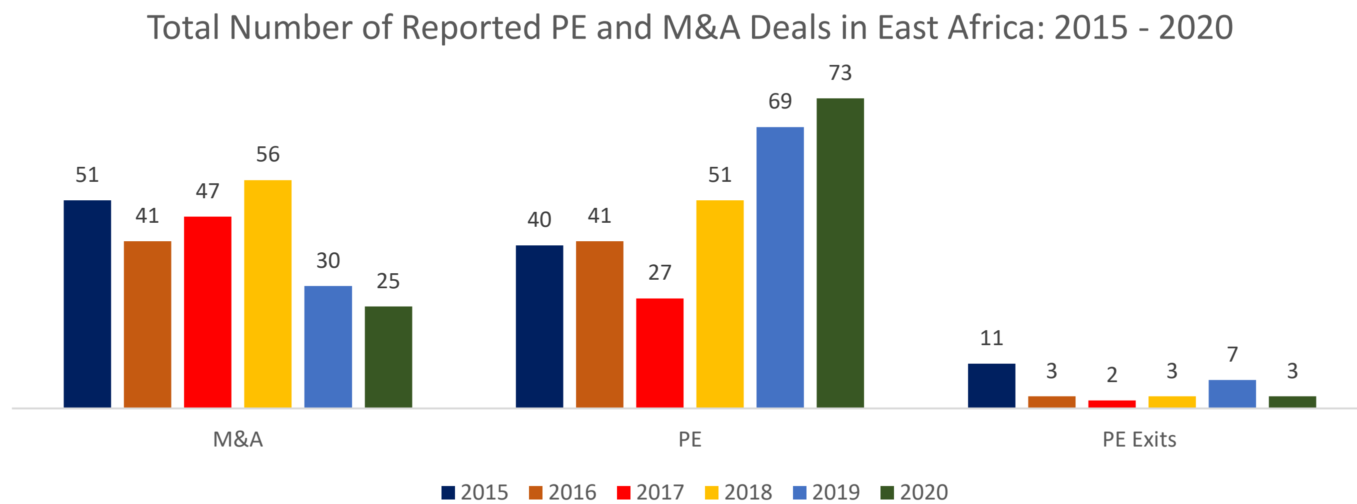
Transactions Landscape in 2020

PE AND M&A DEALS



Source: Thomson Reuters data, IMBC Research

Capital Markets Review

2020 was a year of unprecedented challenges, chiefly from the coronavirus pandemic which wreaked havoc across all global markets and a majority of the key sectors. The East African capital markets were also significantly affected with travel restrictions and poor performance dampening transaction prospects. However, as is detailed in our review, the pandemic has further segmented the market which seems to have shifted in favour of private equity over M&A driven activity. This, we believe, is due to the challenging business environment in the region, more so in Kenya, and the increased availability of developmental capital from developed economies.

Private Equity and Venture Capital Activity in Brief

Private equity activity in 2020 kept pace and even outdid that in 2019. There were a total of 73 private equity investment transactions, including VC and DFI led deals, with a disclosed value of USD 821 million (+38.9% from 2019), from 40 transactions which had a disclosed deal value, and a median deal value of USD 6.7 million. This marks the second year running that PE investment values have outpaced M&A inflows and is demonstrative of both the increasing liquidity from private equity parties, particularly from developmental capital sources, and also of the challenging business environments in the region that have dampened trade player investment. There were 3 private equity exits during the year, a sharp drop from the 7 that were recorded in 2019. It is important to note, however, that anecdotal evidence from our market participation reveals that some private equity funds exited their holdings back to the original entrepreneurs without public disclosure. As such, exit figures may be higher. We do expect that we will see an acceleration in exit numbers over the next couple of years as investment horizons mature. It remains to be seen how investors will tackle valuation challenges arising from likely lower profitability in 2020 vis a vis investment horizon and fund life pressures. Our covid impact valuation publication from 2020 gives some insight as to how buyers and sellers can navigate these questions.

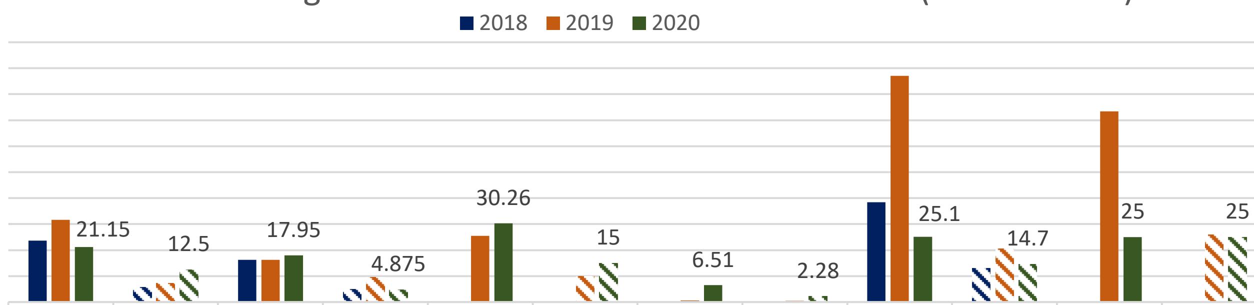
Of the 73 PE investment deals recorded in 2020, 16 transactions - with a disclosed deal value of USD 423.7 million and a median deal value of USD 15 were led or had significant participation from development finance institutions(DFIs). DFIs increased their direct market participation significantly during the year with the value of these types of deals increasing by 84.9%.

PE AND M&A DEALS

Venture Capital (VC) activity was also robust with 16 transactions with a disclosed deal value of USD 39.07 million (USD 5.35 million FY 2019) and median deal value USD 2.28 million (USD 0.50 million FY 2019).

Notable transactions recorded during the year included Leapfrog's acquisition of a 24% stake in ICEA Lion, Helios'$100 million investment into Acorn Holdings and Greenlight Planet securing $90 million of investment from CDC and other investors.

Disclosed Average and Median Deal Values: 2018 - 2020 (USD Millions)



	Overall (Average)	Overall (Median)	PE (Average)	PE (Median)	PE DFI (Average)	PE DFI (Median)	PE VC (Average)	PE VC (Median)	M&A (Average)	M&A (Median)	PE Exit (Average)	PE Exit (Median)
2018	23.69	5.77	16.23	5	0	0	0	0	38.47	13	0	0
2019	31.65	7.3	16.24	9.65	25.46	10	0.59	0.5	87.05	20.5	73.38	26
2020	21.15	12.5	17.95	4.875	30.26	15	6.51	2.28	25.1	14.7	25	25

Source: Thomson Reuters data, IMBC Research

Sectoral Analysis

The highest volume of investment deals was witnessed in the Financial Services and ICT sectors, with 7 deals in each respectively. Among the other sectors with significant deal activity were the logistics and healthcare sectors with 5 and 4 deals each. Exits were spread between Energy, Agriculture and ICT with 1 deal each respectively.

Outlook

We expect that PE activity will remain robust in 2021 driven by a demand for capital from local businesses starved by the pandemic, which matches well with the increased stock of developmental capital available for investment. Whilst we do expect to see more exits during the year, it is likely that many investors will hold off executing transaction documents awaiting valuation uplifts from higher profitability expected in 2021.

Key Statistics	
PE Deals	76
PE Deal Value	USD 847 million
Median PE Deal Value	USD 4.9 million
Top Sectors by deal volume	FS & ICT
Number of M&A Deals	25
Total Exits	3
Total Exits Value	USD 25 million
M&A Deal Value	USD 746.5 million
Median M&A Deal Value	USD 14.7 million
PE deal value against M&A deal value	1.3x

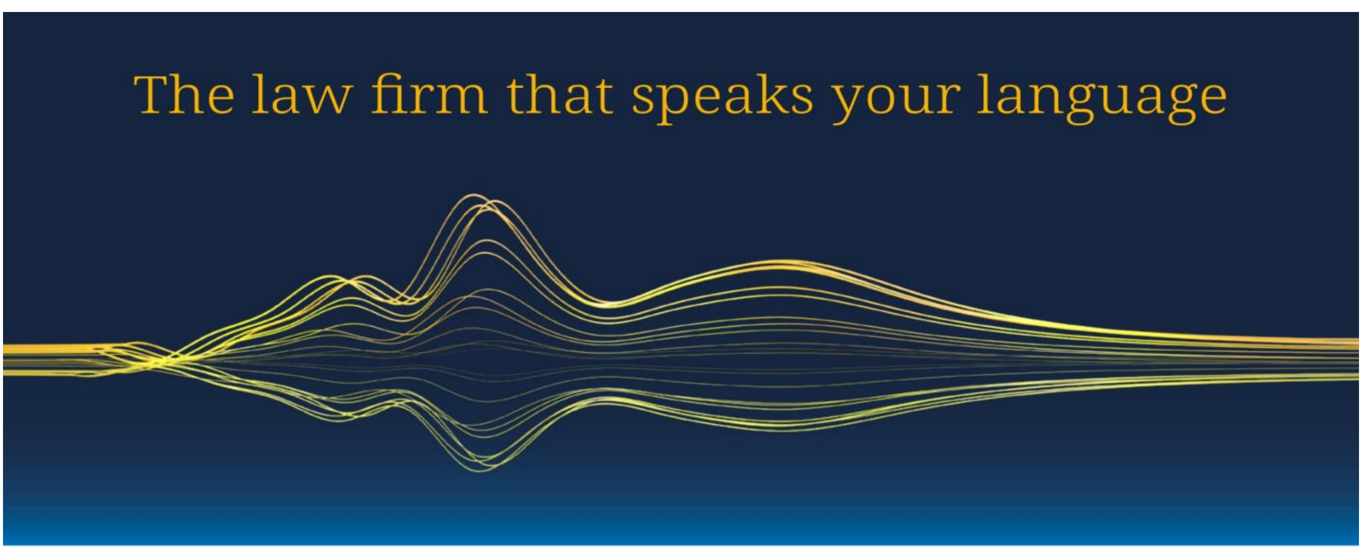
PE AND M&A DEALS

M&A Activity in Brief

M&A activity continued to decline in 2020 with 25 transactions (-16.6% compared to 2019) having been recorded, with a total disclosed deal value of USD 326.31 million (-53.14% from 2019) and a median deal value of USD 14.7 million (-28.29% from 2019). Whilst the coronavirus pandemic played a key role in the diminished performance in M&A activity, we posit that the fundamentals of the business and political environment in the region have also dampened M&A activity. In what can be described as a perfect storm, particularly in Kenya, the interest rate cap, liquidity challenges, the collapse of 3 banks, the Nakumatt bankruptcy and the heated political environment over the last 5 years have proved to be hugely detrimental to business confidence. Political challenges plague Tanzanian businesses, whilst Ethiopian businesses are also plagued by structural challenges including strict foreign exchange controls. Uganda and Rwanda offer some hope though both economies are relatively small and thus may be unattractive to some buyers. As a majority of M&A activity in the region is driven by foreign trade players, these challenges, have made the region less appealing as a target for inorganic expansion. Following on from 2019, the financial services sector in 2020 had the highest number of M&A transactions with 12, followed by energy with 3 deals. The rest of the sectors under M&A activity had only 1 transaction each in 2020.

Outlook

In the short term we expect that M&A will be muted as businesses recover from the effects of the covid-19 pandemic. This may well continue into the medium term, particularly for foreign trade player driven transactions, if the structural challenges to doing business are not addressed. However, we expect to see more local consolidation with some of this likely to be driven by bolt on acquisition transactions for PE portfolio companies. This may well be the case in industries where long investment periods are required to generate competitive returns and platform strategies are likely to counter this challenge profitably.



From cross-border mergers and acquisitions (M&A), venture capital, private and public equity, corporate restructurings to debt offerings, we assist clients through all stages of their transactions to ensure successful deal outcomes.

For more information about our Private Equity and Merger and Acquisitions offering, get in touch with:

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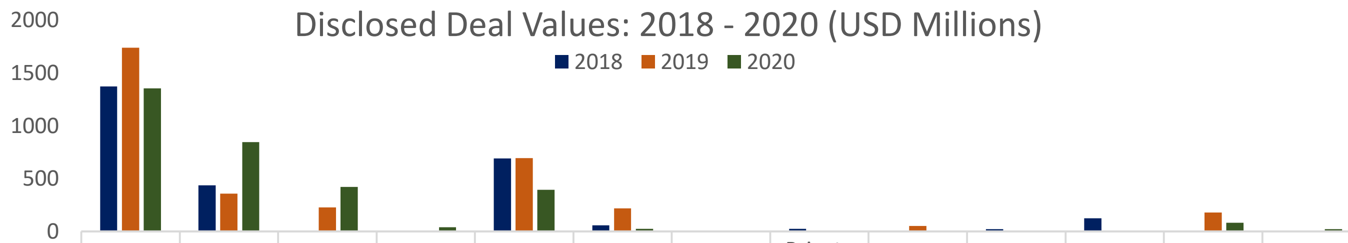
IKM ADVOCATES

DEAL STATISTICS I



	Overall	PE	PE-DFI	PE-VC	M&A	PE Exits	Farmouts	Private Placements	Bonds/CP	Rights issue	IPO	JV	Restructuring
2018	1373.86	438.2	0	0	692.51	59	7.33	24.7	4.7	20.9	126.52	0	0
2019	1740.88	357.23	229.18	5.35	696.38	220.15	0	0	53.4	0	0	179.2	0
2020	1355.06	846.74	423.7	39.07	394.31	25	0	0	0	8	0	82.5	23.5

Source: Thomson Reuters data

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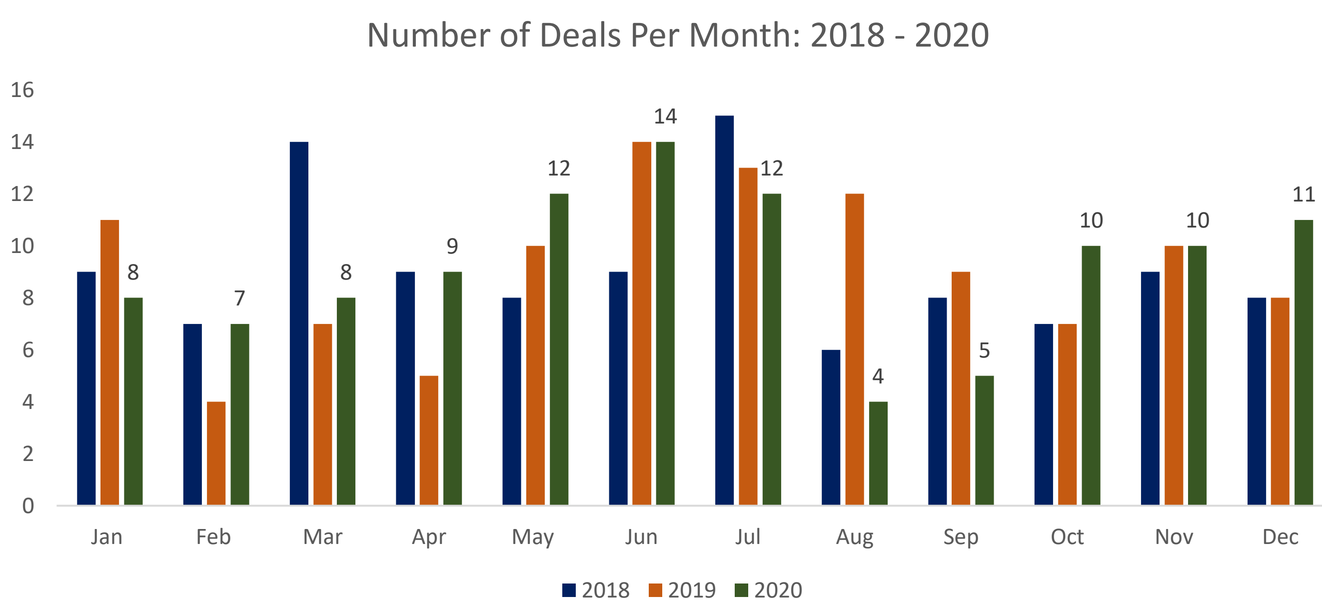
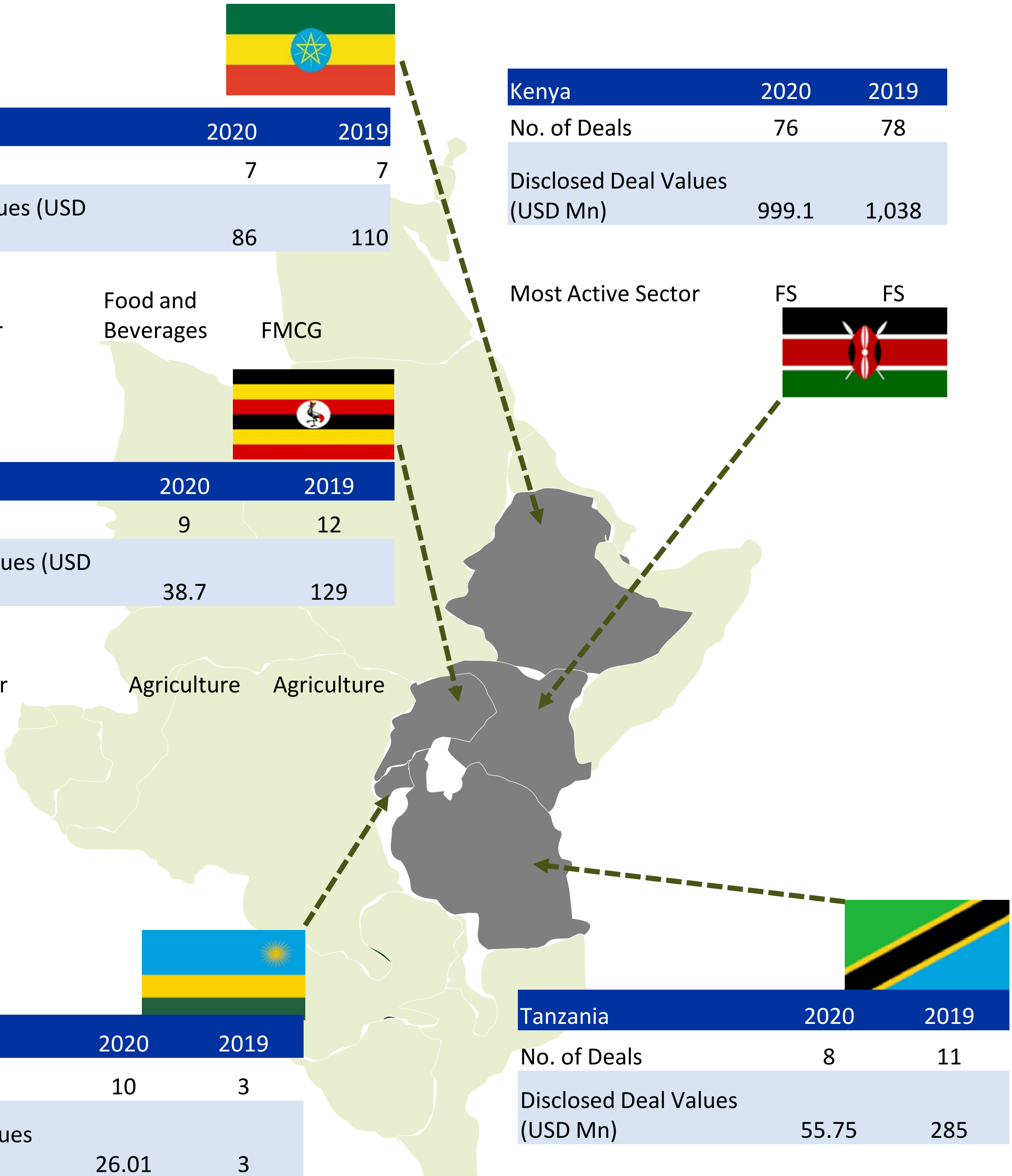
DEAL STATISTICS II



Source: IMBC Research & Refinitiv

DEAL STATISTICS III



Ethiopia	2020	2019
No. of Deals	7	7
Disclosed Deal Values (USD Mn)	86	110
Most Active Sector	Food and Beverages	FMCG

Kenya	2020	2019
No. of Deals	76	78
Disclosed Deal Values (USD Mn)	999.1	1,038
Most Active Sector	FS	FS

Uganda	2020	2019
No. of Deals	9	12
Disclosed Deal Values (USD Mn)	38.7	129
Most Active Sector	Agriculture	Agriculture

Tanzania	2020	2019
No. of Deals	8	11
Disclosed Deal Values (USD Mn)	55.75	285
Most Active Sector	Mining	FS

Rwanda	2020	2019
No. of Deals	10	3
Disclosed Deal Values (USD Mn)	26.01	3
Most Active Sector	FS	FS

FS = Financial Services

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Industry Insight:
Interview with Tom Rostand Principal, Private Equity, East Africa, Proparco

INDUSTRY INSIGHT - INTERVIEW WITH TOM ROSTAND

Tom joined Proparco's East Africa office in October 2017 and heads the equity and mezzanine verticals in the region. He is responsible for all areas of investment in the region from deal sourcing through to execution. Tom has been with Proparco for over 7 years having joined the fund in 2013 as an investment officer in the Paris office.

Prior to Proparco, Tom worked in private equity with leading French investment firm Groupe HLD and in investment banking with the French bank Credit Agricole CIB.

Tom holds a Master's degree in Applied Economics from Sciences Po and has undertaken UC Berkeley's Haas School of Business' Corporate Finance program as well as Executive Education in Finance from the London Business School.

2020 was an incredibly tumultuous year for virtually all sectors of the global economy due to the pandemic. How has Proparco managed its investment portfolio to minimize risk and strengthen its position as one of the leading Development Finance Institutions in the market?

For the vast majority of the year 2020, Proparco focused its efforts on supporting its investee companies through liquidity support, tailor-made grants and active involvement in the governance. This strong support of our investment portfolio was not detrimental to new business, with debt & equity commitments estimated to exceed EUR 2bn in 2020, which would represent the second-best year ever of Proparco.

Moreover, the pandemic led Proparco to design and propose additional solutions & resources for our partners with a new initiative to back up the existing Choose Africa program, called Choose Africa Resilience. An additional EUR 1 billion will be dedicated to Africa for MSMEs, which demonstrates the great confidence of our stakeholders in PROPARCO as a player, in our economic model and, especially, in our effectiveness, our ability to deploy financing, including at a difficult time.

Together with the existing EUR 2.5bn of Choose Africa, it is more than EUR 3.5bn that will have been mobilized and deployed by Proparco, towards the African MSMEs, from early 2019 to end 2022.

The technology sector looks to be one of the biggest winners of the year as several businesses have been forced to shift their operations online and companies forced to adopt a work from home policy. Do you plan to place more focus on start-ups and disruptive businesses in the tech sector to capitalize on this shift in the market?

The digital transformation of Africa is fueled by various factors that were present prior to the pandemic, from smartphone high penetration to telco infrastructure and higher mobile payment than anywhere else in the world. That being said, Africa still lacks VC funding even if some countries, such as Kenya or Nigeria, are quickly catching up with emerging peers in terms of VC funding in % of GDP. The impacts of tech companies in terms of job creation and access to essential services are now fully demonstrated.

INDUSTRY INSIGHT - INTERVIEW WITH TOM ROSTAND

Leveraging on these Proparco has developed an ambitious VC strategy since 2018 with a dedicated VC team in Paris, supported on the ground by the regional offices of Proparco. Proparco intends to play a catalytic role in private investment by supporting African startups, directly or through Fisea. The objective is twofold:

1. to support venture capital funds active on the continent, set up by quality teams capable of developing the companies in which they invest. Over the past few years, 5 VC funds have been supported for more than $30m. They could not have been created without funding from DFIs, which contributed more than 50% to the financing round.
2. Invest directly in high-impact startups, which use technology to lower the cost of access to goods and services for local populations and thus promote their dissemination. 6 African start-ups have been supported for the past few years and many others ones are currently under appraisal.

This VC strategy has been recently expanded by new initiatives, which intend to address the specific issues raised by the COVID-19 crisis. Promoted by Digital Africa and deployed by Proparco, the Bridge Fund by Digital Africa has been designed to provide an appropriate response to the challenges confronting young innovative African companies, whose development has been impacted by the economic impacts of the Covid-19 pandemic. This fund is similar to the French Tech Bridge, with the aim of offering bridging loans, at attractive terms, over a maximum period of 24 months, to companies whose fundraising process has been cancelled or delayed due to the global economic crisis and the contraction of the investment market.

Do you see the majority of your East Africa investments focused on Kenya in the medium term, or does Proparco see an opportunity to increase its portfolio in other Eastern African countries significantly?

While Kenya will still represent the majority of our equity investments in East Africa, in value, we see Ethiopia as an attractive investment destination where we should increase our exposure over the next few years. We have recently closed our first quasi equity transaction in the country (Turaco) and are currently in active due diligence on few others opportunities.

The Coronavirus pandemic may impact how private equity investors assess investment opportunities globally. What is the likely impact on:

1. **Valuations for equity transactions:**

The crisis will widen the gap between valuation expectations of the promoters and fair market value perception of investors, as no one is in a position to determine what will be the “new normal” in terms of growth, profitability and cash flow generation of local companies. To close this gap we expect significantly more quase-equity, convertible transactions or at least stronger price adjustment mechanisms in the investment documentations; and

2. **Terms for debt transactions:**

The pandemic is likely to increase the cost of funds for banks and others financial institutions that will, in turn, increase the interest rates charged to the borrowers.

INDUSTRY INSIGHT - INTERVIEW WITH TOM ROSTAND

2020 saw considerably fewer PE exits as compared to previous years. Given the pandemic's significant negative impact on several economies across East Africa, how do you anticipate the exit market will play out for financial investors in 2021?

While it is likely that some exits that were planned for 2020 will occur in 2021, we don't see 2021 as being very active on the secondary equity market as many potential buyers will not be able to determine the normative EBITDA they are paying and hence discount the values expected by sellers. That being said the primary equity market should be more active as liquidity comes at a premium currently and many companies could see positively to have an additional equity buffer in these unprecedented times.

What, in your opinion, are the biggest challenges currently facing the East African market and what measures do you think private investors should take to ensure market confidence is restored in 2021?

Biggest challenges for the East African (private) equity market remain the low USD returns and lack of liquidity that diverted some international / institutional investors from the region. We observe an increasing exit trend of "commercial investors" from the region, and more generally, Sub-Saharan Africa ("SSA"), as USD returns are sub-par compared to what they can achieve in developed markets or some emerging countries, owing to structural depreciation of African currencies, absence / lack of acquisition debt, longer holding periods in Africa, higher recurrence of macro / external shocks. This "flight to quality" from international investors would jeopardize the equity financing of the East African market, especially on the lower mid cap / mid cap space.

This risk and dependency of the East African private equity market to USD based investors will only be fully addressed when the regional PE industry will be able to raise funds in local currency, towards domestic institutional investors that are still much less exposed to the PE asset class versus others emerging peers.

Transactions in East Africa often take an inordinate amount of time to close. What do you believe are the main stumbling blocks to shortening transaction times and what strategies can be employed to solve them?

As far as Proparco is concerned, the extended amount of time to close a transaction in SSA versus our others markets is mainly derived from long due diligence exercise to confirm the initial investment thesis and/or time-consuming documentation phase. While it is not very developed in the SSA mid-cap space, to encourage sellers to conduct Vendor Due Diligences ("VDDs") prior to initiate the transaction process would certainly greatly help in shortening transaction times. When it comes to the documentation phase, a higher involvement of sell-side advisors would support alignment of positions between sell-side and buy-side towards market standards.

2021 will hopefully bring a breath of fresh air in what is expected to be a post pandemic world. What sectors are you most excited about and why?

While Proparco intervention in SSA will remain sector-agnostic, focusing on the tryptic risk-reward-impact, we will certainly favor opportunities in the most resilient, defensive industries to the pandemic in the likes of telecom, agribusiness or healthcare. The Proparco 2021 focus will clearly be in essential goods & services as well as support to the SMEs space (through the Choose Africa initiative).

INDUSTRY INSIGHT - INTERVIEW WITH TOM ROSTAND

What is your favourite thing about living in Nairobi and what are you most looking forward to doing more of once covid-19 is subdued?

When Europe is in the middle of the winter, the great weather of Nairobi clearly comes at the top. Travelling in the region is probably what is missing the most at the moment, so we look forward to do it more.

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View From The Treasury

VIEW FROM THE TREASURY

Henry M. Kirimania
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Forex Commentary

USD/KES

- The local market opened in January 2020 at a USD/KES exchange rate of $1 = KES 101.40.
- In Mid-March, the Kenya shilling started weakening as the effects of Covid-19 became reality with local curfew rules and a global shutdown across Europe and Asia.
- The Covid-19 pandemic created global trade suppression as focus was more on the containment of the virus resulting in reduced consumption of Kenya's main exports.
- Horticulture and floriculture sectors which are the main earners of foreign exchange were affected by the pandemic with the largest Dutch flower auction closed in April amid grounding of flights.
- With the trade imbalance and continued increase in imports, as exports earning reduced, the shilling continued to depreciate to close the year at 109.24.
- Despite the ravages of Covid-19 and the disconnection of markets and supply chains in H1 2020, the Kenya shilling has demonstrated remarkable resilience during 2020 and the country's gross reserves closed the year at a healthy US $7,750 Million.

The chart below shows USD/KES movement (Jan -Dec 2020).

Source: Bloomberg

GBP/KES

- The pound was volatile against the majors within the year as the market was cautious of Brexit negotiations and Covid 19 pandemic.

- The pound opened at GBP1=KES 132.20 in Jan 2020 but dipped to 121.50 before recovering to close at 149.10 after a trade deal agreement between the EU and the UK ensuring a seamless Brexit.

VIEW FROM THE TREASURY

The chart below shows GBP/KES movement (Jan –Dec 2020).

Source: Bloomberg

EUR/KES

- The EUR opened at EUR1=KES 113.10 before weakening to 109.50 levels after Covid-19 cases ravaged Europe with Italy recording the highest number of deaths and infections outside Asia in March, resulting in shut down across Europe.

- The Euro gained to close at EUR1=134.20 as European economies opened up with Covid-19 containment and hope for a vaccine. The trade deal between EU and UK also contributed to a stronger Euro in Q4 2020.

- **The chart below shows EUR/KES movement (Jan -Dec 2020).**

VIEW FROM THE TREASURY

Table 2: Official Foreign Exchange Reserves (US$ Million)					
	03-Dec-20	10-Dec-20	17-Dec-20	24-Dec-20	31-Dec-20
1. CBK Usable Foreign Exchange Reserves (USD Million)	7,954	7,849	7,837	7,788	7,750
2. CBK Usable Foreign Exchange Reserves (Months of Import Cover)*	4.89	4.82	4.81	4.78	4.76
*Based on 36 months average of imports of goods and non-factor services					

Source: Central Bank of Kenya

Monetary and Fiscal Policy adjustments

On the monetary policy side, The Monetary Policy Committee (MPC) of the Central Bank of Kenya announced accommodative monetary policy adjustments to insulate the country from the ravages of Covid19 in March 2020. The key measures were reduction of the CBK policy rate to 7%; reduction of commercial bank's Cash Reserve Ratio (CRR) requirements to 4.25% plus a raft of emergency measures to cushion the economy from adverse effects.

On the Fiscal policy side, In April 2020, The National Treasury of the Republic of Kenya provided relief by lowering Value Added Tax (VAT) from 16% to 14% and also reduced corporate tax from 30% to 25%. Additionally, PAYE tax was waived for individuals earning less than Kes. 24,000/= per month. These measures were announced by the Government of Kenya to cushion individuals and businesses from the adverse effects of the Covid-19, and were to last until 31st December 2020.

Kenya Sovereign Euro Bonds performance during year 2020

VIEW FROM THE TREASURY

The chart above shows the yield movement (Jan-Dec 2020) for the Kenya 2024 and 2028 Eurobond issuances.

Following the Covid-19 pandemic outbreak, The Kenya sovereign bond yields spiked in Q1 2020 following a similar pattern to Sub Saharan Sovereign Issuances that experienced a high degree of risk aversion, as global investors grew wary of the higher debt levels and wider fiscal deficits in Sub Sahara credits, and the capacity to contain repayments as well as manage the financial cost of the pandemic. This pushed the Kenya Eurobond yields beyond 10% at one point in April. As the year progressed there was a gradual correction with yields closing the year below 6% by December 2020. The correction pattern was replicated across most sub Saharan issuances except for the Republic of Zambia which formally announced default in October. Generally emerging market risk sentiment improved on the back of *Covid-19* vaccination discoveries and growing prospects of economic recovery.

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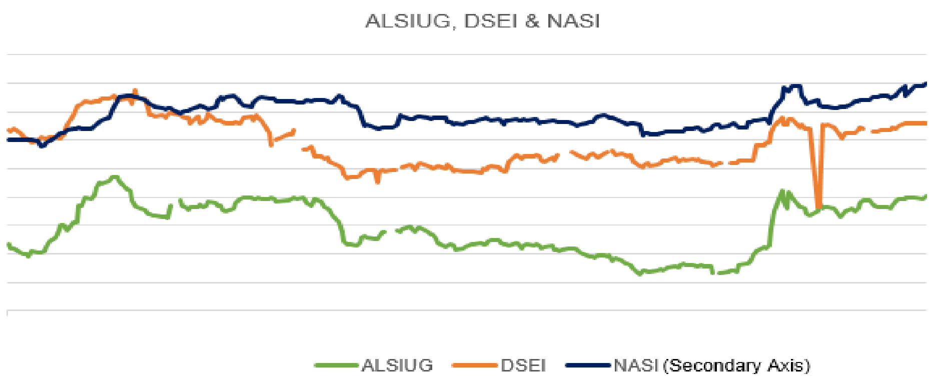
Key Market Statistics

EQUITIES MARKETS COMMENTARY



Source: Thomson Reuters data

Performance of the Nairobi Securities Exchange

- The NSE recorded poor performance in 2020 - largely due to the impact on the Covid-19 pandemic. The NSE 20, NSE 25 and NSE All-share indices all recorded downward performances of 29.6%, 16.7% and 8.6% respectively during the year. Performance in Q1 was worst hit as the initial impact of the pandemic seeped through institutions throughout the country with the NASI, NSE 20 and NSE 25 all down by 20.7%, 25.9% and 24.2% respectively. However, market performance across the three indices represented some signs of recovery during Q2 and Q3, with Q4 embodying a turn around as all three indices recorded a positive performance for the first time in the year. Turnover declined 10.5% during the year to close at USD 1.3 billion from USD 1.5 billion in 2019. Foreign investor flows recorded significant out flows from the market of USD 261.63 million for the year as compared to an inflow of USD 18.47 million the previous year.

- At the individual stock level Nairobi Business Ventures Ltd, Kenya Airways and Carbacid Investments were the top gainers recording a positive growth by 511.4%, 86.8% and 51.3% respectively in 2020 from 2019. Scangroup, Nation Media Group and Bamburi Cement were the top losers recording 65.1%, 61.2% and 52.7% in losses respectively.

Regional Markets Performance

- Government policy and the global pandemic continued to be a significant factor for capital markets in the region. The DSE All Share Index and the USE All share declined by 11.8% and 27.3% respectively.
- Further afield, the all share indices for the Nigerian bourse recorded a 50.0% growth whilst the South African (JSE) recorded a stable 4.1% growth over the year.
- The performance in the regional bourses was in sharp contrast to developed market indices which rallied despite the pandemic on the back of tech stock gains and crucially, expansionary monetary policies from Central Banks that significantly increased liquidity.

Key Market Developments

- Key market developments in 2020 included the following:
    - Reduction in tax rates to combat the impact of Covid-19 (Income Tax and Corporation Tax reduced from 30% to 25%, VAT reduced from 16% to 14%);
    - Introduction of 1% turnover tax beginning January 2021;
    - Only the 2nd ever Rights issue in Rwanda by I&M Bank (Rwanda) Plc; and
    - Increased listings on the IBUKA platform on the NSE (Merican Limited).

KEY MARKET STATISTICS

Key Africa and Global Equity Indices Performance

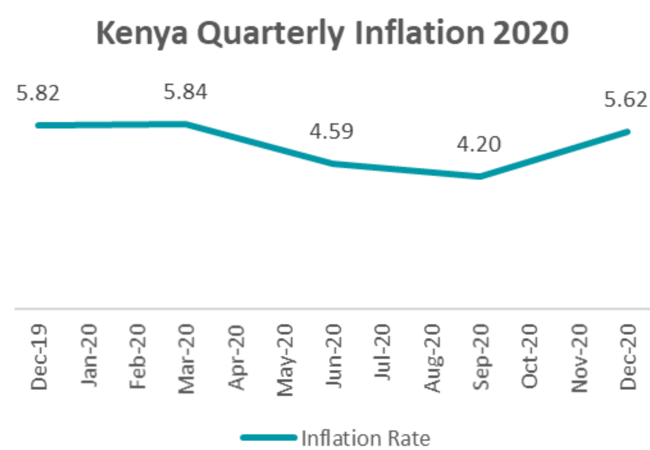
Equity Index	December 2019	2020 Year Low	2020 Year High	December 2020	% change
NSE 20	2,654.39	1,723.96	2,707.90	1,868.39	-29.6%
NSE 25	4,100.57	2,935.01	4,207.90	3,415.24	-16.7%
NSE ALL SHARE	166.41	124.30	171.36	152.11	-8.6%
DSEI(TZ)	2,059.21	1,739.63	2,112.77	1,816.88	-11.8%
ALSIUG	1,800.72	1,200.36	1,861.26	1,309.86	-27.3%
NGSEINDEX	26,842.07	20,651.59	40,279.29	40,270.72	50.0%
EGX 30	13,961.56	8,113.82	14,137.22	10,845.26	-22.3%
JALSH(SA)	57,084.1	37,177.92	60,591.92	59,408.68	4.07%
NYSE	13,913.03	8,664.94	14,533.21	14,524.21	4.5%
FTSE 100	7,542.44	4,898.79	7,689.67	6,471.90	-14.2%
S&P 500	3,230.78	2,191.86	3,760.20	3,756.07	16.3%

Source: Thomson Reuters data

Central Bank Rates

Country/Region	Dec 2020	Dec 2019	Ch. y/y (bps)
Central Bank of Kenya (Kenya)	7.00%	8.50%	-17.6%
Bank of Uganda (Uganda)	7.00%	9.00%	-22.2%
Bank of Tanzania (Tanzania)	7.00%	7.00%	0.0%
South African Reserve Bank (RSA)	3.50%	6.50%	-46.2%
Central Bank of Nigeria (Nigeria)	11.50%	13.50%	-14.8%
Central Bank of Egypt (Egypt)	8.25%	12.25%	-32.7%
Bank of England (UK)	0.10%	0.75%	-86.7%
Federal Reserve Bank (USA)	0.25%	1.75%	-85.7%
European Central Bank (EU)	0.00%	0.00%	0.0%

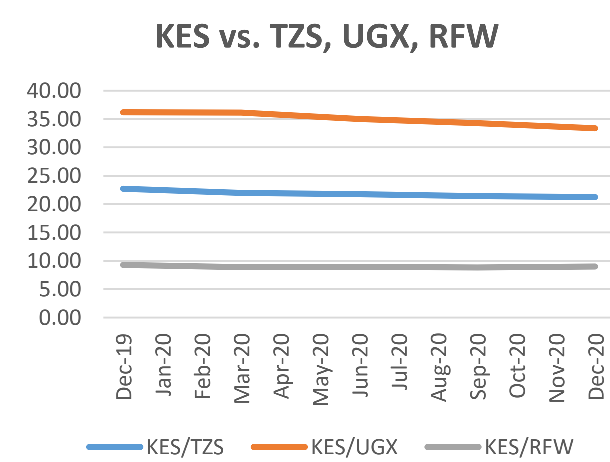
Source: Thomson Reuters data



Key Africa and Global Currency Performance

Currency	Dec 2020	Dec 2019	% Ch. y/y
USD/KES	109.00	101.25	-7.7%
USD/TZS	2,318.54	2293.00	-1.1%
USD/UGX	3,655.25	3660.00	0.1%
USD/RWF	978.50	936.41	-4.5%
USD/ETB	38.05	31.84	-19.5%
USD/ZAR	14.65	13.99	-4.7%
USD/NGN	381.20	306.00	-24.6%
USD/EGP	15.73	16.00	1.7%
GBP/USD	1.37	1.32	-3.8%
EUR/USD	1.22	1.12	8.9%

Source: Thomson Reuters data



Source: Thomson Reuters data

5

PKF's take on Post Covid Fiscal Measures to Stimulate East African Economies

PKF's take on Post Covid Fiscal measures to stimulate the East African Economies

Michael Mburugu
Partner

When Covid-19 struck like an accomplished night-runner in 2019, many hoped and wished it would vanish in the same rapid fashion. The World Health Organisation (WHO) and the Community of Nations hoped that the virus would not develop to a full-blown pandemic. It was estimated that the pandemic would last a couple of months only. To date, there is no clear estimation as to when the world will return to normalcy. However, there is some glimpse of hope given the approval of the vaccine.

There is no doubt the pandemic has disrupted the global economy in an unprecedented manner. The economic loss caused by the pandemic in the last one year has not been fully measured in quantitative terms yet but there is no doubt the loss is extensive and devastating.

The East African economies have definitely been impacted by the pandemic significantly. Tourist arrivals dropped significantly, agricultural exports have declined, major currencies have gained against local currencies and generally trade has been disrupted due to travel bans and shut down of industries in major economies.

Significant amounts of resources have been diverted to prevention and treatment of the Covid-19 throughout the world. Governments have provided tax cuts to support businesses and workers hence depriving them money for infrastructural maintenance and development.

The East African economies are largely primary economies. Agricultural exports account for a significant percentage of their foreign income. Agriculture employs a significant number of our rural populations. Tourism is a key forex earner for Kenya and Tanzania while the manufacturing sector is more developed in Kenya in comparison to the rest of East African partners. Uganda and Rwanda remain primarily agricultural based economies.

So what is required from to stimulate economies in East Africa post-covid?

First, East African governments need to support key agricultural activities to ensure self-sufficiency and promote exports. For example, East African economies spend huge sums of money to import sugar and maize. There is thus need to support these key sectors in order to preserve forex loss on basic food stuffs.

Second, the government and stakeholders in the tourism sector need to focus on local tourism to keep the sector alive as it will take a long time for international tourists to return due to travel restrictions, vaccine politics and the simple fact that many of the potential tourist from the west have lost their incomes due to the pandemic. In the long-term, the East African countries will have to modernise their tourist attractions to remain globally attractive and competitive.

Third, a targeted stimulus tax package is required to stimulate economic activity as well as ensure governments remain functional. Kenya recently implemented minimum revenue tax. This has a negative impact on businesses at a time when the pandemic has resulted to losses in some businesses. It will directly impact on employment as corporates are likely to downsize in order to remain afloat.

PKF’s take on Post Covid Fiscal measures to stimulate the East African Economies

Fourth, the East Africa Customs Union should take advantage of the opportunities presented by the pandemic to enact laws and policies that promote investments within East Africa. Cross border mobility of labour should be encouraged to stimulate cross border trade. It is also time to review the common external tariffs to further protect the manufacturing sector from imports. Partner states may consider temporary internal consumption of goods manufactured in export processing zones as export markets have been depressed by the pandemic. This will enable companies operating in export processing zones to remain afloat and protect the thousands of employees who face imminent redundancies.

Fifth, Africa is home to the world’s youngest population. The pandemic has exposed risks of over-relying on China as the world’s dominant manufacturing hub. It is expected that countries across the globe will be seeking to establish new manufacturing centres to mitigate this risk. Africa has both the resources and young population which make it ripe for an industrial explosion. This will however not happen unless deliberate policies are put in place to skill the youthful population. East African countries should implement policies geared towards improving the skills of their youthful populations to take advantage the likely global socio -economic and geo-political shift.

6

IKM's Insight into Share Buy-Backs as an Exit Option for Financial Investors

IKM's take on share buy-back as an exit option for financial investors

David Lekerai
Partner

Deborah Sese
Associate

Financial investors comprising, among others, private equity funds, venture capital funds, development finance institutions, pension funds and other investors involved in regular private equity investments, identify and make capital investments in targeted portfolio entities with the primary goal of making good financial returns from such opportunities upon exit.

Private equity investors are, obviously, not averse to an income return such as dividend during the lifetime of an investment. However, it is the prospect of substantial capital gain on successful exit which principally motivates such investors. That said, there are several cases where exits have not been very successful - this could be due to poor performance by a business compared to projections for various reasons or due to forced exits arising from misalignment and disputes between the financial investor and other shareholders, among other reasons.

Accordingly, exit is a key feature of any negotiation involving financial investors. Exit options and opportunities attract, as they must, detailed attention from the very beginning of assessment of an investment deal and in deciding whether to invest or not.

Exits typically fall under two broad categories, namely :
(i) an exit at an agreed or anticipated investment horizon for the investor e.g., 4-5 years of investment or when market conditions permit (**"Structured Exit"**) or
(ii) an exit arising from breach by a portfolio entity and/or its sponsor(s) of certain fundamental terms of investment such as breach of anti-corruption and/or anti-money laundering covenants, engaging in restricted or prohibited activities prescribed in the investment documents, breach of environmental and social governance matters, etc. (**"Forced Exit"**).

A Forced Exit is normally structured to provide a withdrawal right to an investor. However, this may be frustrated or otherwise made inefficient by local laws which either prohibit redemption by the portfolio entity or impose strenuous requirements on redemption of shares.

Traditional exit options used by financial investors or included in transaction documents include trade sales, secondary sale, public listing (IPOs), management buyouts, put options, drag-along, tag along and, where possible, redemption of shares.

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IKM's take on share buy-back as an exit option for financial investors

In Kenya, in addition to the common exit options and structures available for financial investors mentioned above, the Companies Act, 2015 ("**Companies Act**") presented a further exit option in the form of share buybacks. Chapter XVI of the Companies Act *(titled, Acquisition by Limited Company of its Own Shares)* allows companies (both public and private companies) to buy their own shares, subject to compliance with certain requirements. This presents an alternative exit opportunity for investors particularly under a Forced Exit. In addition, with respect to a Structured Exit, if at the end of its investment horizon, an investor has no other realistic exit option, it may also consider making an exit through a share buyback.

The key question then becomes, how exactly does a share buyback work and how can investors take advantage of it?

In considering an exit through a share buyback, the following parameters would need to be keenly addressed:

i. Do the articles of association of the portfolio company permit share buyback?

The company's articles of association must not restrict or prohibit the company from purchasing its own shares. If the articles prohibit or restrict share buybacks, then the articles should be amended accordingly. In addition, if the articles contain pre-emption rights or similar restrictions on transfer of shares which may require shares to be offered to other shareholders before being transferred to any other persons, including the company, the buyback agreement or articles should exclude such restrictions with respect to share buybacks.

ii. How does the company finance or pay for share buyback?

A company may only purchase its own shares out of: (i) distributable profits of the company; or (ii) proceeds of a fresh issue of shares made for the purpose of financing the purchase. This means that a company cannot (i) take a loan to finance share buybacks or (ii), except for a private company (as mentioned below), finance share buyback out of capital.

iii. Can a company finance a share buyback out of capital?

A public company cannot finance acquisition of its own shares out of capital. On its part, a private company, may, subject to any restriction or prohibition in its articles of association finance a share buyback out of capital.
There are comprehensive requirements that must be complied with by a private company to finance share buybacks out of capital.

The applicable conditions include, among others, the need for directors' statutory statements and auditor's report confirming the going concern status of the business and ability to pay its debts upon completion of the buyback, publication in the Kenya Gazette and in a newspaper of nationwide circulation and providing creditors an opportunity to challenge the proposal in court.

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iv. **Applicable requirements for Share buyback**

- Financing share buybacks out of capital is an onerous and complex process given the applicable requirements. Further, with respect to companies listed on the Nairobi Securities Exchange (NSE), the Capital Markets Authority (CMA) has not yet facilitated the application of the share buyback regime until it formally enacts guidelines that would give the process an appropriate governing framework particularly with respect to disclosures to shareholders and creditors in order to enhance investor protection and ensure transparency in share buybacks relating to listed entities. The CMA has since published draft share buyback guidelines *(Guidelines on Share Buybacks for Listed Companies)* and invited stakeholders and the general public to submit comments on the proposed guidelines.

- Therefore, the share buyback exit option discussed in this article is limited to (i) share buybacks financed either out of distributable dividends or proceeds of a new issue and (ii) only with respect to private companies, which in any event, are the vast majority of investment candidates for financial investors. This share-buy back option is an off- market purchase, which is applicable where shares (i) are not purchased on an approved securities exchange or (ii) are purchased on an approved securities exchange but under a private arrangement approved by the CMA.

The applicable steps and formalities would be as follows:

(a) Contract - there should be an agreement between the company and the investor whose shares are to be repurchased. This could be a provision bin the investment or shareholders' agreement pursuant to which the company would be obliged to purchase the shares in the future, upon occurrence of applicable trigger events such as breach of specified fundamental covenants or effluxion of time - the investment horizon of an investor. The agreement should set out the key terms of the share buyback. In particular, it should specify with clarity the trigger events and the purchase price or mode of, or a formula for, ascertaining the purchase price - this may include setting a minimum IRR based on agreed parameters, or providing for the appointment of an independent valuer to determine the price.

(b) Fully paid shares - the relevant shares that are subject of a share buyback must be fully paid. If not fully paid, for example, where investment proceeds were tranched, then, before completion of the share buyback transaction, the investor must first fully pay for the shares owned by it.

IKM's take on share buy-back as an exit option for financial investors

d) Special resolution – the share buyback must be approved by special resolution - i.e., a resolution of not less than 75% of the votes eligible to vote. The investor whose shares are subject to a buyback is not eligible to vote. It would be advisable for the special resolution to be obtained prior to closing of the investment transaction.

e) Inspection - a share buyback agreement must be made available for inspection by other shareholders of the company prior to the passing of the authorizing resolution.

f) For a private company, upon completion of the share buyback, the relevant shares are cancelled and the ccompany's issued share capital is diminished by the nominal value of the shares cancelled. For this purpose, the company must, within fourteen days of completion of the purchase, file with the registrar of companies a return of purchase of its own shares and a return of cancellation of its own shares, (each in a prescribed form) together with an updated statement of capital.

Unlike before where under the repealed Companies Act, the sanction of the High Court was required in order for a company to redeem shares or reduce its share capital, share buybacks do not require the approval of the court. In summary therefore, an investor in a private company may incorporate or consider share buyback as a possible exit mechanism. However, its actual implementation would depend on whether the company is profitable at the time of exercising the exit or is able to attract additional equity capital from either the sponsor(s) or other persons to finance the acquisition.

David Lekerai is a Partner at DLA Piper Africa, IKM Advocates while Deborah Sese is an Associate in the same practice.

IKM ADVOCATES

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Economic Review & Outlook: Sub-Saharan Africa

ECONOMIC REVIEW & OUTLOOK - SSA

Sub-Saharan Africa

Sub-Saharan Africa is contending with an unprecedented health and economic crisis—one that, in just a few months, has jeopardized years of hard-won development gains and upended the lives and livelihoods of millions. The onset of the pandemic was delayed in sub-Saharan Africa, and infection rates have been relatively low compared with other parts of the world. However, the resurgence of new cases in many advanced economies and the specter of repeated outbreaks across the region suggest that the pandemic will likely remain a very real concern for some time to come. Nonetheless, amid high economic and social costs, countries are now cautiously starting to reopen their economies and are looking for policies to restart growth. With the imposition of lockdowns, regional activity dropped sharply during the second quarter of 2020, but with a loosening of containment measures, higher commodity prices, and easing financial conditions, there have been some tentative signs of a recovery in the second half of the year

Macro Environment

Overall, the region is projected to contract by 3.0 percent in 2020. The largest impact of the crisis on growth has been for tourism-dependent economies, while commodity-exporting countries have also been hit hard. Growth in more diversified economies will slow significantly, but in many cases will still be positive in 2020. Looking ahead, regional growth is forecast at 3.1 percent in 2021. This is a smaller expansion than expected in much of the rest of the world, partly reflecting sub-Saharan Africa’s relatively limited policy space within which to sustain a fiscal expansion.

Key drivers of next year’s growth will include an improvement in exports and commodity prices as the world economy recovers, along with a recovery in both private consumption and investment.

Monetary Policy

Average inflation in 2020 rose to 10.6% from 8.5% in 2019 reflecting higher food prices and the impact of depreciation. Covid-19-related disruptions to local and imported food supplies and depreciation pressures have pushed up prices for key food items in many countries, with a dramatic worsening in food insecurity in some (Angola, Burkina Faso, Central African Republic, Ethiopia, Nigeria). But the reasons behind food-inflation pressures vary from country to country—in east Africa, a key driver of acute food insecurity remains the desert locust upsurge, where local rains and preventative measures have helped keep this threat relatively contained for now.

Fiscal Policy

The percentage of fiscal spending against GDP in 2020 stood at a modest 22.9% in 2020, a rise of 1.3 percentage points since 2019. This has largely been driven by governments throughout Sub-Saharan Africa having to increase expenditure to offset the recessionary effects of lockdown measures implemented from April. Given the contraction of Real GDP growth in 2020, the growth in fiscal expenditure has been relatively tame. However, governments should continue to keep a close check to fiscal expenditure as tax bases struggle to reach pre-pandemic levels and government debt grows in proportion as a source of funding.

ECONOMIC REVIEW & OUTLOOK – SSA

Looking ahead, sub-Saharan Africa faces significant financing gaps. If private financial inflows remain below their pre-crisis levels the region could face a gap in the order of $290 billion. This is important, as a higher financing gap could force countries to adopt a more abrupt fiscal adjustment, which in turn would result in a weaker recovery.

Key Economic Statistics - Sub-Saharan Africa	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Real GDP growth (%)	4.8	5.1	5.2	3.2	1.5	3.1	3.3	3.2	-3.0	3.1
Inflation (%)	9.0	6.5	6.3	6.8	10.4	10.7	8.4	8.5	10.6	7.9
Volume of goods and services exported (%ch.)	1.8	3.6	1.3	3.4	-0.7	3.2	3.4	2.5	-7.3	9.2
Volume of goods and services imported (%ch.)	5.6	4.4	7.7	2.2	-7.5	-0.4	6.9	5.5	-8.3	8.4
Current account balance (%GDP)	-1.7	-2.2	-3.5	-5.8	-3.8	-2.3	-2.7	-3.6	-4.8	-4.1
Fiscal Expenditure (% GDP)	23.3	23.0	22.7	21.5	20.8	21.7	21.5	21.6	22.9	21.9
Gross National Savings (%GDP)	20.3	19.7	19.3	17.5	18.4	19.0	19.6	20.2	18.1	18.8

Source: IMF World Economic Outlook Database

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Economic Review & Outlook: Kenya

ECONOMIC REVIEW & OUTLOOK - KENYA

KENYA

Macro Environment

According to the World Bank, the Kenyan economy contracted by between 1.0% and 1.5% in 2020 as compared to an expansion of 5.8% in 2019 with the rapid slowdown mainly attributed to effects of the Covid-19 pandemic. Heading into the second half of 2020 there were indications of recovery in economic activity however output remains low as compared to the levels before the pandemic.

The services sector has been mainly affected due to travel suspensions which affected tourism, social distancing measures that affected face-to-face services and shut down of educational institutions. In response to the above effects the government deployed fiscal and monetary policy measures to strengthen the health care system, protect vulnerable households and support business. The World Bank forecasts that the Kenyan economy is expected to recover in 2021 increasing real GDP by 6.9% year on year.

Monetary Policy

Average inflation in 2020 was 5.1% compared with 5.2% observed in 2019. Inflation pressure has moderated due to the increased slow-down in the economy, low food prices, reduced VAT and muted demand pressures.

The MPC lowered the Central Bank Rate (CBR) by 25 basis point to 7.00% in April 2020, this rate was maintained throughout the year

The Kenya Shilling traded at an average of 106.47 against the US dollar during the year, closing out the decade at 109.17, having depreciated 7.7% against the greenback during the year.

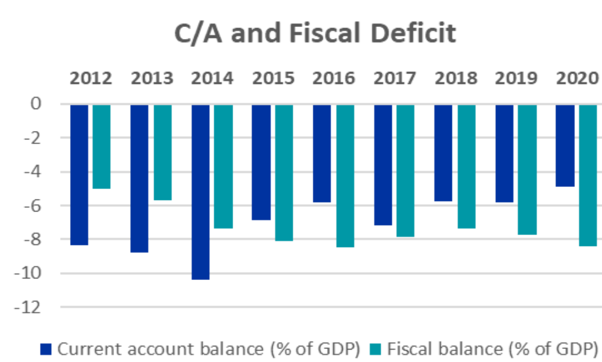
Balance of Payments: Strengthening

By the end of the second quarter the current account contracted to a deficit of KES 82.2 billion from a deficit of KES 136.9 in the corresponding quarter of 2019. The balance of payments deficit stood at KES 108 billion. This was mainly occasioned by the improvement in the current account balance.

Fiscal Policy

In 2020 due to the impact of Covid-19 and the government’s fiscal response to mitigate the economic impact on its citizens which included granting of tax relief the tax revenue underperformed by KES 41.7 bn for Q1 FY 2020/21. Starting January 2021, the GoK will restore the top Personal Income Tax bracket and reinstate VAT and CIT rates to the previous levels. This could deliver 0.7% of GDP in additional revenues FY 2020/21. Additionally, controversial minimum tax and digital service taxes have been introduced.

As presented in the budget in June 2020 the deficit was set at 7.5% of GDP which represents a widening of the deficit from 6.2% as at June 2019. The Country’s debt to GDP ratio increased to 66.39% in 2020 from 62.10% in 2019.



Source: IMF World Economic Outlook

ECONOMIC REVIEW & OUTLOOK

Key Economic Statistics - Kenya	2012	20 13	2014	2015	2016	2017	2018	2019	2020	2021F
Consumer inflation (% ch.)	9.38	5.72	6.88	6.58	6.32	7.99	4.69	5.20	5.30	5.00
Real GDP growth (%)	4.56	5.88	5.36	5.72	5.88	4.81	6.32	5.37	1.05	4.67
Current account balance (%GDP)	-8.36	-8.78	-10.37	-6.87	-5.83	-7.21	-5.75	-5.82	-4.90	-5.39
Fiscal balance (%GDP)	-5.03	-5.70	-7.39	-8.90	-8.47	-7.84	-7.38	-7.73	-8.39	-8.53
Gross government debt (% GDP)	43.88	43.96	42.86	48.61	50.53	56.88	60.24	62.10	66.39	70.46

Source: IMF World Economic Outlook Database

Economic Outlook

Projections from the World bank estimate a GDP growth of 6.9% in 2021 and 5.7% in 2022, this is based on the assumption that economic effects of Covid-19 fade by early to mid-2021. The recovery is expected to be broad-based over the medium term, with favourable weather conditions and sector reforms contributing to 3.9% growth in agricultural output. Industrial growth of 4.0% will be supported by recovery in domestic consumption and improved investor confidence.

Kenya bowed to IMF pressure in January 2021 to include KES 3.4 trillion County and Parastatal loans as part of its national debt. This will push the Country's KES 7 trillion debt above the KES 9 trillion ceiling set by parliament. The IMF warned that Kenya is at risk of debt distress caused by loans taken to finance large infrastructure projects. A welcome respite is expected in the form of debt service relief granted for 6 months by the Paris Group of lenders. The Government of Kenya is seeking similarr arrangements with other lenders.

The macro environment is expected to remain stable with lower inflation and a manageable current account deficit. Continuation of large fiscal deficits in the medium term constitutes a major risk to Kenya's macroeconomic stability. The Covid-19 pandemic and the coming political cycle with national elections in 2022 constitute key challenges to fiscal consolidation in the medium term.

9

Economic Review & Outlook: Uganda

ECONOMIC REVIEW & OUTLOOK - UGANDA

UGANDA

Macro Environment

Data from the World Bank indicates that the Ugandan Economy grew by 2.9% in 2020 as compared to 6.8% recorded in 2019. Following strong growth of about 8% in the first two quarters of 2020 the economy was severely affected by the Covid-19 pandemic. Economic activity stalled due to a domestic lockdown, border closures for all but essential cargo and disruption of global supply chains. The Country has witnessed a sharp contraction in public investment and a deceleration of private consumption which heavily affected the industrial and services sector. Agriculture however witnessed an impressive growth of 4.8% largely due to farming operations being less hindered by mobility restrictions. Uganda has also been spared the worst of the ongoing locust invasion in East Africa, with the impact limited to the North-Eastern part of Uganda. Presidential elections are scheduled for January 2021 and this is anticipated to reduce economic activity.

Monetary Policy

Core inflation was recorded as 6.3% in October 2020 being 1.3% higher than the inflation target of 5%.

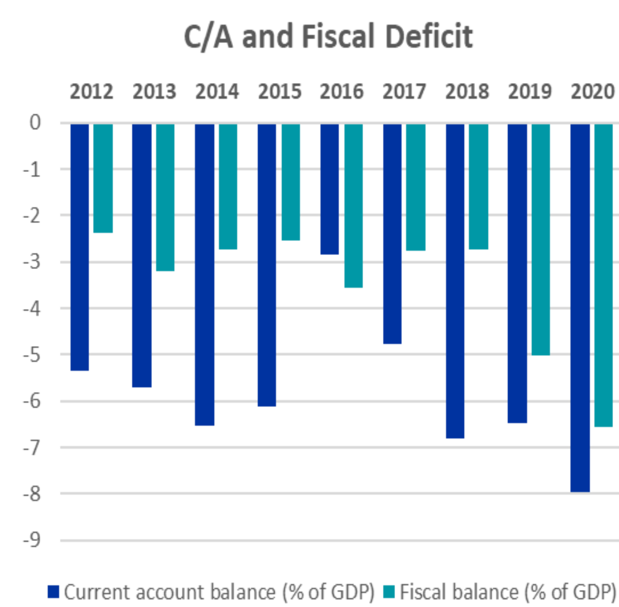
The Bank of Uganda (BoU) reduced the policy rate to 7% in June 2020 due to economic slowdown, muted demand, income uncertainty and the possibility of an increase in precautionary savings. Lending rates by local banks to the private sector rose from 18% in March 2020 to 21% in July 2020. The persistently high interest rates are likely to impeded a resilient recovery from the Covid-19 pandemic.

Balance of Payments

The UGX depreciated by 0.1% against the dollar closing out the year at 3,655.25 as compared to 3660.00 in 2019. Data from the IMF shows that the current account deficit was USD 3,200 million in 2020 as compared to USD 3,613 million in 2019. The IMF approved a USD 491.5 million credit facility in May 2020 to address urgent balance of payments and fiscal needs brought about by the Covid-19 pandemic.

Fiscal Policy

Based on data from the IMF the debt to GDP ratio increased to 46.05% in 2020 as compared to 38.23% in 2019. The World Bank projects that the fiscal deficit will increase to 8.8% in 2021 due to higher spending required to address the pandemic and shortfall in revenue due to reduced economic activity.



Source: IMF World Economic Outlook

ECONOMIC REVIEW & OUTLOOK - UGANDA

Key Economic Statistics - Uganda	2012	20 13	2014	2015	2016	2017	2018	2019	2020	2021F
Consumer inflation (% ch.)	12.68	4.91	3.08	5.41	5.46	5.63	2.62	2.87	4.18	4.76
Real GDP growth (%)	2.33	3.94	5.75	6.84	0.36	7.26	6.14	6.66	-0.29	4.93
Current account balance (%GDP)	-5.35	-5.70	-6.54	-6.12	-2.83	-4.76	-6.81	-6.49	-7.97	-5.94
Fiscal balance (%GDP)	-2.39	-3.19	-2.74	-2.55	-3.56	-2.75	-2.74	-5.02	-6.55	-6.95
Gross government debt (% GDP)	19.49	22.08	24.77	28.80	31.19	33.8	35.12	38.23	46.05	50.93

Source: : IMF World Economic Outlook Database

Economic Outlook

The World Bank forecasts that real GDP growth will have been 3.0% in 2020 with an expected post-election rebound growth of 6.0% in 2021. This is premised on expected acceleration in private consumption, greater investments including FDI, higher growth in exports as the global economy stabilizes and the anticipated roll-out of a Covid-19 vaccine in the first half of 2021.

Inflation is expected to reach 6% by early 2021 exceeding the target of 5% but thereafter decelerate to within the target. The sharp decline in world oil prices resulting from the Covid-19 crisis could delay oil sector investments in the medium term and oil production and exports beyond 2025. Due to increased fiscal deficits, the country faces heightened liquidity vulnerabilities and reduced fiscal space, the World Bank however maintains that Uganda remains at low risk of debt distress.

Political uncertainty and weather shocks however remain key risks that could impact the economy.

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Economic Review & Outlook: Rwanda

ECONOMIC REVIEW & OUTLOOK - RWANDA

RWANDA

Macro Environment

Based on data from the IMF the Rwandan economy is expectedd to have grown 2% in 2020 which is a sharp decline from 8.5% growth experienced in 2019. This decline is a result of the deepening of the Covid-19 pandemic which generated significant spending needs, led to revenue losses and sharp declines in exports and remittances on the balance of payments.

The services sector bore the brunt of the pandemic, however contraction eased into the Q3 2020 as the country reopened some services. Industry turnover picked up by Q3 of 2020 due to demand in construction material spurred by construction of schools, health centers and roads among other infrastructure.

The total turnovers of industry and services sector also signal the recovery in economic activities. Although the turnover is still negative in real terms, turnovers growth has improved by 3.7% in the third quarter of 2020 against a 20.9% drop in the second quarter. This growth was mainly led by the industry sector.

Monetary Policy

Inflation was recorded as 6.9% in 2020 by the IMF as compared to 2.43% in 2019

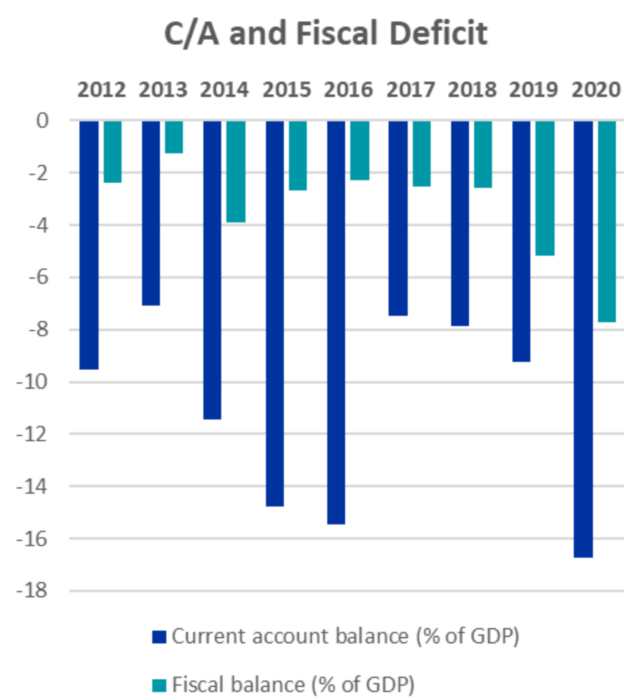
The National Bank of Rwanda reduced the base lending rate by 50 basis points from 5.0% to 4.5% in order to stimulate economic growth amid the coronavirus pandemic and to support commercial banks to continue financing the economy.

Balance of Payments

The Rwandan Franc depreciated by 4.5% from 2019 to 2020 as compared to the USD.

Fiscal Policy

The IMF projects the fiscal deficit to increase to 7.7% GDP in 2020 and 7.0% in 2021. Given the pickup in exports, the current account balance is projected to increase to 16.7% of GDP in 2020 and narrow to 10.5% in 2021.



Source: IMF World Economic Outlook Database

ECONOMIC REVIEW & OUTLOOK - RWANDA

Key Economic Statistics - Rwanda	2012	20 13	2014	2015	2016	2017	2018	2019	2020	2021F
Consumer inflation (% ch.)	6.27	4.22	1.78	2.51	5.72	4.84	1.36	2.43	6.90	1.00
Real GDP growth (%)	8.60	5.89	7.80	8.87	5.97	3.98	8.58	9.40	1.99	6.32
Current account balance (%GDP)	-9.54	-7.09	-11.43	-14.76	-15.45	-7.45	-7.85	-9.23	-16.74	-10.51
Fiscal balance (%GDP)	-2.37	-1.26	-3.90	-2.67	-2.26	-2.52	-2.58	-5.19	-7.72	-7.05
Gross government debt (% GDP)	8.60	5.89	7.80	8.87	5.97	3.99	8.58	9.40	1.99	6.32

Source: IMF World Economic Outlook Database

Economic Outlook

According to the World Bank, although relatively small, and landlocked, Rwanda, with the support of IMF and World Bank has made important economic and structural reforms and sustained its economic growth rate over the last decade. Moreover, Rwanda seeks to reach Middle Income Country status by 2035 and High income Country status by 2050 through National Strategies for Transformation.

Even though the economy is slowly improving in most sectors, the service sectors, in particular those related to travel and tourism, remain weak due to the Covid-19 impact. They continue to record high contraction of between -20% and -40% in the third quarter of 2020.

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Economic Review & Outlook: Tanzania

ECONOMIC REVIEW & OUTLOOK - TANZANIA

TANZANIA

Macro Environment

The World Bank expects GDP growth in Tanzania to have been 2.5% in 2020 compared to 6.8% in 2019. The decline in GDP growth is mainly attributed to the effects of the Covid-19 pandemic which has impacted key sectors of the economy. The performance of the tourism sector, which is a major contributor to the country's GDP growth declined significantly despite reopening of the country to encourage tourism in June 2020. Political uncertainty and tensions due to the general elections which occurred in October 2020 may have also contributed to reduced private investment. According to the World Bank, a 5.5% growth has been projected for the year 2021.

Monetary Policy

Inflation was recorded as 3.0% in November 2020 as compared to 3.8% recorded annually in 2019.

As of November 2020, the lending rates for commercial banks was 16.61 % as compared to 16.94% observed in 2019.

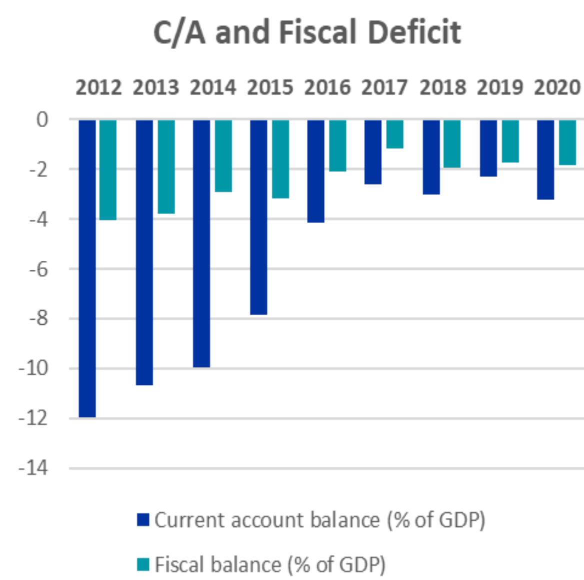
Balance of payments –Strengthening

By the end of the second quarter 2020 the current account contracted to a deficit of USD 794.2 million from a deficit of USD 2,030 in the corresponding quarter of 2019.

The Tanzanian Shilling has remained relatively stable to the USD depreciating only by 1% from 2019 to 2020.

Fiscal Policy

The IMF estimates that the debt to GDP ratio stands at 38.51% in 2020 as compared to 38.22% in 2019.



Source: IMF World Economic Outlook Database

ECONOMIC REVIEW & OUTLOOK - TANZANIA

Key Economic Statistics - Tanzania	2012	20 13	2014	2015	2016	2017	2018	2019	2020	2021F
Consumer inflation (% ch.)	16.00	7.87	6.13	5.59	5.17	5.32	3.51	3.45	3.56	3.66
Real GDP growth (%)	5.14	6.78	6.73	6.16	6.87	6.77	6.96	6.97	1.90	3.60
Current account balance (%GDP)	-11.96	-10.70	-9.95	-7.83	-4.13	-2.60	-3.00	-2.29	-3.23	-4.39
Fiscal balance (%GDP)	-4.06	-3.81	-2.91	-3.17	-2.08	-1.16	-1.93	-1.72	-1.86	-2.78
Gross government debt (% GDP)	29.23	31.40	34.55	37.14	37.02	37.67	38.70	38.22	38.51	39.25

Source: IMF World Economic Outlook Database

Economic Outlook

The World bank predicts that the Tanzanian economy will recover and grow by 5.5% in 2021. However, the economic outlook for 2021 is still highly uncertain and a protracted health crisis could undermine global demand and thus the country’s economy. Tanzania is better placed to recover given its relatively low fiscal deficits and low risk of debt distress. Reforms by the government on the business environment will be key in ensuring a full recovery in 2021. Inflation in 2021 is expected to be 4.26% year on year.

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Economic Review & Outlook: Ethiopia

ETHIOPIA

Macro Environment

Ethiopia's economy has experienced strong, broad based growth averaging 9.8% a year from 2008/09 to 2018/19. The World Bank estimates that the Ethiopian economy grew by 3.2% in 2020 a sharp decline from 9% achieved in 2019. The decline in GDP is mainly due to the impact of the Covid-19 pandemic which caused the government to impose restrictive measures which resulted in dented domestic demand. Armed conflict in the country's Tigray region has intensified recently, further weighing down the domestic economy and sparking fears of full-scale civil war. External tensions with Egypt and Sudan over the massive GERD dam on the Nile River persist and talks over the dispute have not resulted in an agreement.

Monetary Policy

According to the National Bank of Ethiopia (NBE) the average savings rates at end of Q2 2020 was 8.0% while the average lending rate reached 14.25%.

Inflation was recorded on average as 20.2% in 2020 as compared to 15.8% in 2019.

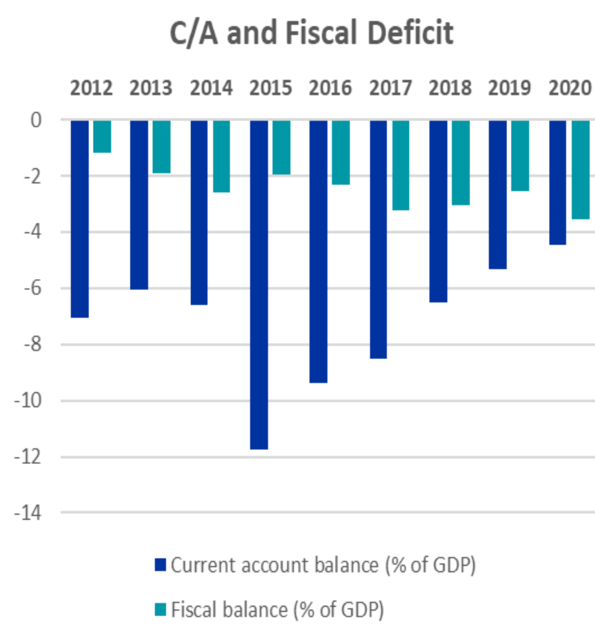
Balance of Payments

The overall balance of payments registered USD 365 million surplus during Q2 2020 as compared to USD 558.5 deficit a year ago.

The Ethiopia Birr depreciated by close to 20% against the USD for the period between 2019 and 2020.

Fiscal Policy

Ethiopia had a budget deficit of approximately 3.5% in 2020. The IMF estimates that the gross debt to GDP ratio is 56.1% in 2020 and forecast it to increased to 58.5% of GDP in 2021 .



Source: IMF World Economic Outlook Database

ECONOMIC REVIEW & OUTLOOK - ETHIOPIA

Key Economic Statistics - Ethiopia	2012	20 13	2014	2015	2016	2017	2018	2019	2020	2021F
Consumer inflation (% ch.)	24.13	8.07	7.40	9.57	6.63	10.69	13.83	15.81	20.16	11.47
Real GDP growth (%)	8.70	9.90	10.30	10.40	8.00	10.21	7.70	8.97	1.95	-0.02
Current account balance (%GDP)	-7.07	-6.06	-6.60	-11.73	-9.40	-8.51	-6.52	-5.32	-4.46	-4.65
Fiscal balance (%GDP)	-1.172	-1.931	-2.582	-1.947	-2.34	-3.243	-3.029	-2.528	-3.549	-3.074
Gross government debt (% GDP)	42.17	47.50	47.55	54.46	55.83	57.72	61.11	57.60	56.07	58.51

Source: IMF World Economic Outlook Database

Economic Outlook

The World Bank forecasts that the economy will grow by 3.6% in 2021, though the outlook is highly uncertain as political instability will remain given the ongoing civil conflict in the Tigray region and the organisation of much-delayed legislative elections. Increased security concerns will limit foreign investment and constrain growth in the short term.

The Country is also experiencing the worst locust invasion in decades which may undermine development gains and threaten the food security and livelihoods for millions of Ethiopians.

Like the rest of the World, Ethiopia has been experiencing the effects of the Covid-19 pandemic which has resulted in adverse economic effects including the increase in basic food prices, rising unemployment, slow down in growth and increase in poverty. It is anticipated that if political instability is managed the economy will recover in 2021.

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Disclosed* PE Deals - 2020

*Transactions that were publicly disclosed and gathered from public media during the year. This list and subsequent lists are a fair reflection of the deal activity in the region but do not purport to be exhaustive.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
6-Jan-20	IFC	Habesha Breweries	56	Food & Beverages	PE (DFI)	Ethiopia	The International Finance Corporation intended to invest up to €50 million (US$56 million) in Ethiopia's Habesha Breweries. This project will not only support the company in expanding its operations in the country, but will have a wider, ripple effect of increasing the sourcing of barley from smallholders, doubling farm yields and raising incomes.
16-Jan-20	Shorooq Partners	QuickBus	Undisclosed	ICT	PE - VC	Kenya	Nairobi based bus booking platform QuickBus, a startup that enables bus travellers to compare prices and book tickets on its platform, raised an undisclosed seed round in a round led by UAE based venture capital firm Shorooq Partners.
20-Jan-20	Amethis Capital	Naivas Ltd	Undisclosed	FMCG	PE	Kenya	Amethis Fund II (Amethis) of France, a unit of Amethis Advisory Sas, planned to acquire a 30% stake in Naivas Ltd, a Nairobi-based supermarket operator, in a privately negotiated transaction.
28-Jan-20	HAVAÍC	Tanda	Undisclosed	ICT	PE - VC	Kenya	Kenyan retail-tech startup Tanda raised a seed round of funding from South African VC firm HAVAÍC to expand its operations. Tanda allows shop owners to access inventory on credit, and also become access points for essential services such as airtime, utility payments, banking and insurance services for their customers.
29-Jan-20	Atlantic Ventures	Sendy	20	ICT	PE	Kenya	Sendy, a business-to-business platform that offers on-demand door-to-door package delivery services for small, medium, and large businesses raised USD 20 million in its Series B funding round led by Atlantic Ventures with participation from Toyota Tsusho
5-Feb-20	Investor Group	AAR Healthcare Holdings	15	Healthcare	PE	Kenya	A consortium led by the International Finance Corporation (IFC) is set to acquire a 54.23 percent stake in AAR Healthcare Holdings, the operator of hospitals and clinics in Kenya and other East Africa countries. Besides IFC, Hospital Holding's other investors include Sweden's State-owned investment company Swedfund and other private entities.
6-Feb-20	Investor Group	Gebeya inc.	2	ICT	PE	Ethiopia	Ethiopian edtech startup and online marketplace company Gebeya has raised $2-million in seed funding in a round co-led by Partech and Orange Digital Ventures and followed by Consonance Investment Managers.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
25-Feb-20	Investor Group	Sokowatch	14	ICT	PE	Kenya	Nairobi based B2B ecommerce platform Sokowatch has raised $14-million in a Series-A investment round.
27-Feb-20	Helios Investments Partners	Acorn Holdings	100	Real Estate	PE	Kenya	Private equity firm Helios Investment Partners is making equity investments of up to $100 million (Sh10 billion) in property developer Acorn Holdings, which is building branded student hostels in Nairobi.
1-Mar-20	Amethis Capital	Naivas Group	Undisclosed	FMCG	PE	Kenya	PE firm Amethis - alongside its partners DEG, MCB Equity Fund and IFC - has acquired a minority stake in Naivas Group. Naivas is a leading retailer in Kenya with 60 stores throughout the Country. This investment, the fourth of Amethis Fund II, will support the strategy implemented by the Company and management towards the emergence of a national leader in the retail sector.
8-Mar-20	Ascent Rift Valley Fund	Metro Plastics	Undisclosed	Manufacturing	PE	Kenya	The Ascent Rift Valley Fund, an East African focused private equity fund, has acquired the plastics manufacturing business of Kenya's Metro Plastics. Metro Plastics is involved in the manufacture of plastic pipes and fittings.
17-Mar-20	AfricInvest	I&M Rwanda	Undisclosed	Financial Services	PE	Rwanda	AfricInvest, a leading Pan-African private equity platform, is pleased to announce that its AfricInvest Financial Inclusion Vehicle (FIVE) has acquired a minority shareholding in I&M Bank (Rwanda) Plc (the Bank) through AfricInvest Evergreen Investments, a special purpose vehicle formed by AfricInvest.
18-Mar-20	Metier	Tembo Power	Undisclosed	Energy	PE	Kenya	Tembo Power has signed a Joint Development Agreement with Metier, an independently owned private equity fund manager, for its Kaptis project, a 14.7 MW run of river hydropower project in Kenya, together with its partner WK Construction, a leading contractor in the field of hydropower in sub-Saharan Africa.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
26-Mar-20	Zebu Investment Partners	Royal Oven Limited	Undisclosed	Food and Beverages	PE	Tanzania	The sophomore fund of Zebu Investment Partners, the Africa Food Security Fund, has closed its investment in Royal Oven Limited, Tanzania. Royal Oven is a quick-service restaurant (QSR) retail bakery chain, offering a diverse range of products which combine traditional Tanzanian food with international bakery trends. Royal Oven opened its first retail bakery in 2008 in Dar es Salaam and has since grown to 19 stores across Tanzania.
2-Apr-20	Finnfund	Kasha	1	Technology	PE - VC (DFI)	Kenya	Finnish development financier Finnfund made a USD 1 million investment in Kasha, an e-commerce platform selling health, hygiene and self-care products in East Africa.
3-Apr-20	DFC	Twiga Foods	Undisclosed	FMCG	PE - Debt (DFI)	Kenya	The US International Development Finance Corporation (DFC) announced the first disbursement of a $5 million loan to Twiga Foods to strengthen food security in Kenya .
8-Apr-20	GreenTec Capital	Amitruck	Undisclosed	Logistics	PE	Kenya	GreenTec Capital Partners announced an investment in Kenya's Amitruck. The company is a mobile and web-based trucking logistics platform that brings together cargo owners and transporters.
17-Apr-20	DEG	Limbua	Undisclosed	Agriculture	PE - Debt (DFI)	Kenya	German-Kenyan company Limbua produces high-quality organic macadamia nuts. German development financier DEG recently announced that it will provide the company with a loan (amount not disclosed) to double its annual throughput for macadamia nuts on location from 1,000 to 2,000 tonnes.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
5-May-20	Fanisi Capital	St Bakhita Schools	2.5	Education	PE	Kenya	East Africa-focused private equity firm Fanisi Capital has acquired minority stake in St Bakhita Schools valued KES 265 Million (USD 2.5 million). It becomes the third investment that Fanisi is making in the education sector after Hillcrest International Schools and Kitengela International Schools. Fanisi Capital's Managing Partner, Ayisi Makatiani said the schools fit within their investment strategy, which aims to invest in ambitious entrepreneurs providing high quality education.
14-May-20	FMO	I&M Rwanda	15	Financial Services	PE (DFI)	Rwanda	Dutch development financier FMO proposed a USD 15 Million investment in I&M Bank Rwanda. I&M Rwanda is part of the I&M Group, a financial services provider in East-Africa and long-standing partner of FMO. The group was established in 1974 and operates in four countries: Kenya, Tanzania, Mauritius and Rwanda.
16-May-20	Sunfunder	M-Kopa	100	Energy	PE - Debt	Kenya	SunFunder, a provider of debt financing to solar enterprises, reported closing four new loans at the end of Q1 2020, which took it over $100 million invested in distributed solar in Africa and other emerging regions. The new loans were with two existing solar home system borrowers - M-KOPA in Kenya and PEG Africa in Ghana - as well as long-term financing for the solarisation of Orange's telecom towers in the Central African Republic by energy solutions provider CREI.
17-May-20	Goodwell	Inclusivity Solutions	1.3	ICT	PE - VC	Kenya	Inclusivity Solutions, the company that designs, builds, operates and innovates digital insurance solutions, has secured an additional USD 1.3 Million in a second tranche of its series A round, bringing the total series A round to USD 2.6 Million. Following on from its first tranche investment, the uMunthu fund, managed by Goodwell Investments, led the round with follow-on investment from UW Ventures (in partnership with Allan Gray).

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
19-May-20	Anthemis Ventures	Apollo Agriculture	Undisclosed	Agriculture	PE - VC	Kenya	Apollo Agriculture, the financing and products platform empowering small-scale farmers to maximise their profits, has raised USD 6 Million in Series A financing. The round was led by Anthemis Exponential Ventures, with participation from Leaps by Bayer, Flourish Ventures (a venture of The Omidyar Group), Sage Hill Capital, to Ventures Food, Breyer Labs, and existing investors Accion Venture Lab and Newid Capital, among others.
22-May-20	Pearl Capital Partners	NASECO	1.2	Agriculture	PE	Uganda	Pearl Capital Partners, which manages the Yield Uganda Investment Fund , made a seventh investment of UGX 4.6bn (ca. USD 1.2m) in Naseco (1996) Limited (NASECO). NASECO, which has had operations for over 20 years, produces, processes and distributes certified seeds in Uganda and is growingexports across the regional East African community.
26-May-20	Swedfund	Platcorp	5.5	Financial Services	PE - Debt (DFI)	Kenya	Sweden's development finance institution Swedfund will lend EUR 5 Million to Platcorp, a financial institution providing credit to private individuals and small and medium-sized companies, in Kenya, Uganda and Tanzania.
27-May-20	AgDevCo	Pee Pee Tanzania	Undisclosed	Agriculture	PE - Debt	Tanzania	AgDevCo has announced a long-term debt investment into Pee Pee Tanzania Limited (PPTL), a regional leader in the production of grain storage bags. The company distributes its products to farmers across Eastern and Southern Africa, helping reduce post-harvest losses and improve food security.
28-May-20	Zoscales Partner	Pioneer Diagnostics Center	6	Healthcare	PE	Ethiopia	Zoscales Partners has made an investment into Pioneer Diagnostics Center (PDC), a diagnostic imaging service provider in Ethiopia.
3-Jun-20	Chandaria Capital	Carry1st	2.5	IT	PE - VC	Kenya	Kenya's Chandaria Capital joined equity investors in raising KES 250 million that will enable game developer Carry1st to launch commercial operations in Kenya and across Africa. Without revealing the amount raised by the Kenyan firm, it said the fundraising round led by CRE Venture Capital included Perivoli Innovations, Lateral Capital, Transsion's Future Hub and Kam Kronenberg III, among others, now brings the total seed capital raised to KES 400 Million

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
4-Jun-20	Platform Capital	Lipa Later	Undisclosed	IT	PE - VC	Kenya	Nigeria-based Platform Capital, a growth markets investor, announced its investment in Lipa Later, a technology-driven, consumer credit platform in East Africa. Lipa Later is unlocking untapped retail potential through financial inclusion, by leveraging data analytics to provide African consumers with access to convenient and affordable credit.
5-Jun-20	Solve Innovation Future	Access Afya	Undisclosed	Healthcare	PE - VC	Kenya	MIT Solve, through its venture vehicle Solve Innovation Future, announced an investment in Access Afya. Access Afya is a Kenyan-based company which maintains a chain of clinics, pharmacies and mobile health facilities. Launched in 2019, Solve Innovation Future uses debt, equity and alternative structures to invest in entrepreneurs driving social and environmental impact. Investment amounts range from USD 75,000 to USD 250,000.
8-Jun-20	DFC	One Acre Fund	7	Agriculture	PE - Debt (DFI)	Kenya	An up to USD 7 Million guaranty to One Acre Fund will support the procurement and provision of agricultural inputs on credit to smallholder farmers across Kenya.
10-Jun-20	Ethos and Proparco	Turaco	22	FMCG	PE (DFI)	Ethiopia	Ethos Mezzanine Partners and the French development finance institution, Proparco, have announced a USD 22 million investment into Turaco, a holding company managed by 54 Capital PE Advisors, which holds a portfolio of FMCG assets in Ethiopia. The business manufactures and sells edible sunflower and soya oil under the brand name Tena, as well as soaps and detergents and personal care products, including laundry soaps and perfumed toilet soaps, under the brand names 555 and Aura.
17-Jun-20	Saisan Company	PayGo Energy	Undisclosed	IT	PE - VC	Kenya	PayGo Energy, a venture-backed company founded in Kenya, has received investment from Saisan Company Ltd (Saisan) to launch PayGo's Cylinder Smart Meter across Saisan's Gas One retail network. PayGo's patented Cylinder Smart Meter is an IoT device that accurately measures the flow of gas from an LPG cylinder in the customer's home, enabling households to pay for gas in small amounts using mobile money.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
17-Jun-20	Vested World	GET IT	Undisclosed	Logistics	PE - VC	Rwanda	Chicago-based impact investor VestedWorld has invested in Rwanda-based food distribution company GET IT, according to a report by ImpactAlpha. VestedWorld is an early-stage investment fund manager that invests in emerging market companies that have the potential to generate competitive financial returns while contributing towards the growth and development.
19-Jun-20	Sanofi	MamaPrime	Undisclosed	Healthcare	PE - VC	Kenya	Health fintech company MamaPrime could clinch a commercial partnership with global drugs manufacturer Sanofi to help scale up its activities beyond Kenya. Without disclosing amount of seed capital to be injected into the Nairobi startup, Sanofi said MamaPrime's team will also get business mentorship training at no cost.
29-Jun-20	World Bank	Equity Group	50	Financial Services	PE - Debt	Kenya	The Kenyan banking subsidiary of Equity Group is set to receive a USD 50 Million (KES 5.3 Billion) loan from the private sector arm of the World Bank for onward lending to small businesses hurt by the global Covid-19 pandemic. The International Finance Corporation (IFC) made the disclosure of the multi- billion shilling support to Equity Bank, which has taken a cash preservation strategy, including recalling KES 9 Billion in dividends and dropping the purchase of four banks outside Kenya.
2-Jul-20	IFC, Shelter Afrique	KMRC	Undisclosed	Real Estate	PE	Kenya	State-backed home loans financier Kenya Mortgage Refinance Company (KMRC) admitted International Finance Corporation and Shelter Afrique as shareholders. KMRC has so far raised KES 2 Billion as capital from shareholders among them National Treasury, 20 primary mortgage lenders, eight banks, one micro-finance bank and 11 savings and credit co-operatives.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
2-Jul-20	Leapfrog	ICEA Lion Insurance	Undisclosed	Financial Services	PE	Kenya	Leapfrog Strategic Africa Investments acquired a 24% stake in ICEA LION Insurance Holdings Limited, a Kenyan insurer and asset manager. ICEA LION Holdings is the non-operating holding company of the ICEA LION Group. The group is primarily involved in insurance and asset management across East Africa.
7-Jul-20	Acumen	KopaGas	25	ICT	PE Exit/M&A	Tanzania	Acumen exited Tanzanian pay-as-you-go technology company KopaGas through Circle Gas's USD 25 Million acquisition of the company's technology - the largest-ever pure private equity investment in the clean cooking sector.
14-Jul-20	Novastar Ventures, AXA Investment Managers, FMO & Mirova's Land	Komaza	28	ICT	PE - VC	Kenya	Komaza, a tech-enabled, sustainable forestry company secured a first close of USD 28 million of its planned USD 33 million series B equity financing. With continued investment and support from its series A lead Novastar Ventures, this financing round was co-led by Novastar LPs AXA Investment Managers (through the AXA Impact Fund: Climate & Biodiversity) and the Dutch development bank FMO, with further participation by Mirova's Land Degradation Neutrality Fund.
24-Jul-20	KawiSafi	BioLite	5	Energy	PE - VC	Kenya	BioLite, a Brooklyn-based company on a mission to bring energy everywhere, closed a USD 5 million investment from KawiSafi Ventures, a growth fund investing catalytic capital to scale companies providing clean, affordable, and efficient energy to East Africa's low-income populations.
7-Aug-20	Proparco	Kenya Nut Company	18.7	Agriculture	PE (DFI) - Debt	Kenya	Proparco announced it is supporting Kenya Nut Company with a USD 18.7m loan. The family-run business has diversified its activity and has been operating in the nut sector (macadamia and cashew nuts) in Kenya for over 40 years. The long-term financing from PROPARCO will mainly finance the company's 2019-2021 development plan.
17-Aug-20	Kepple Africa Ventures, Y Combinator, Soma Capital, Musha Ventures.	WorkPay	2.1	ICT	PE	Kenya	WorkPay, a company that builds HR and Payroll solutions for Africa, announced that it has raised USD 2.1 million led by Kepple Africa Ventures along with other investors.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
25-Aug-20	DOB Equity	Tanga Fresh	Undisclosed	Agriculture	PE	Tanzania	DOB Equity, a Dutch family-backed impact investor in East Africa, made a further investment in Tanga Fresh, a dairy processor in Tanzania. This additional investment from DOB will help Tanga Fresh expand its production in the long-life milk market. Tanga Fresh's partnership with DOB Equity began in 2007.
3-Sep-20	Energy Access Ventures (EAV) and Dutuch Entrepreneurial Development Bank (FMO)	Mawingu Networks Limited	Undisclosed	ICT	PE	Kenya	Mawingu Networks, a last-mile wireless interest service provider, closed a financing round with EAV and FMO. The Company has commenced operations in Kenya, where it has a significant presence in Eastern and Central regions. Mawingu will use the capital raised to expand operations throughout Kenya and East Africa.
22-Sep-20	CDC, FMO, Norfund, responsibility, ARCH Emerging Markets Partners' Africa	Greenlight Planet	90	Energy	PE (DFI)	Kenya	Greenlight Planet Inc., thet provider of solar-powered home energy products in sub-Saharan Africa and South Asia, secured $90 million in new funding to expand its Pay-As-You-Go (PAYG) solar consumer financing business and consolidate its debt portfolio.
30-Sep-20	AfricInvest	Africa Medical Supplier	Undisclosed	Healthcare	PE - Debt	Rwanda	Rwanda-based healthcare equipment business Africa Medical Supplier (AMS) received a trade finance facility from AfricInvest Private Credit. AMS will use the funding to boost the volume of supplies it imports and distributes throughout Rwanda.
2-Oct-20	Proparco	Equity Bank	100	Financial Services	PE - DFI (Debt)	Kenya	AFD Group grants a USD 100 million loan to Equity Bank to support Kenyan SMEs. This major operation illustrates Proparco's firm commitment to the African private sector amid current COVID-19 crisis and economic turmoil, with a particular focus on job-creating SMEs.
5-Oct-20	Mobility 54, Global Partnerships' Social Venture Fund, Denali Venture	Tugende	6.3	Financial Services	PE	Uganda	Tugende, a technology-enabled asset finance company operating in Uganda and Kenya announced the completion of a USD 6.3 million series A investment round led by Toyota Tsusho investment fund Mobility 54.
7-Oct-20	Platform Capital	KOKO Networks	Undisclosed	ICT	PE	Kenya	Lagos-based Platform Capital, a growth markets investor, has announced its investment in KOKO Networks, a technology company operating in Kenya and India which enables the large-scale, low-cost distribution of clean household fuel in African cities.
9-Oct-20	TLG Capital	Opportunity Bank Uganda Limited	Undisclosed	Financial Services	PE	Uganda	TLG Capital announced it has purchased 49% of Opportunity Bank Uganda Limited, a tier 1 commerical bank with 23 branches and 22 ATM points across Uganda.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
22-Oct-20	IFC	Twiga Foods	15	FMCG	PE - DFI (Debt)	Kenya	The IFC has proposed to invest, through unfunded risk sharing facilities (RSFs) with tier 1 commercial banks in Kenya, up to KES1.6 billion (USD 15M) for an aggregate portfolio of loans of up to KES3.2 billion (USD 30M) in Twiga Foods, a premier distributor of fresh fruits and vegetables and fast-moving consumer goods in the country.
26-Oct-20	Swedfund	Kasha Global	1	ICT	PE - DFI	Rwanda	Swedfund, the Swedish Development finance institution, is pleased to announce its investment in Kasha Global, a Femtech e-commerce platform with subsidiaries in Rwanda and Kenya.
27-Oct-20	ShEquity	Ecodudu Limited	Undisclosed	Environment	PE	Kenya	Investment firm, ShEquity has announced an investment in Ecodudu Limited, a Kenyan waste-to-value company. The Company uses a proprietary innovation to recycle organic waste into high-protein animal feed and organic fertiliser.
28-Oct-20	KawiSafi Ventures & Total Carbon Neutrality Ventures	Angaza	13.50	ICT	PE	Kenya	Angaza, a technology provider enabling consumers access to essential products in emerging markets has closed a USD 13.5 million series B financing round. The round was led by East African energy impact fund KawiSafi and TCNV.
29-Oct-20	Mobility 54	Data Integrated Limited	Undisclosed	Logistics	PE	Kenya	Investment company, Mobility 54, has invested in Data Integrated Limited (DIL), a business providing transporter management system in Kenya.
2-Nov-20	Imperial Venture Fund	Lori Systems	Undisclosed	Logistics	PE	Kenya	Imperial, an African and European-focused provider of intergrated market access and logistics solutions, announced an investment in Lori Systems to expand its cutting-edge e-logistics technology solutions across Africa.
4-Nov-20	Gray Matters Capital	Farmers Pride	0.22	ICT	PE - VC	Kenya	Impact investor Gray Matters Capital announced its funding of Nairobi-based Farmers Pride, a one-stop e-commerce platform that connects village level farmers to quality inputs, services and information through women-owned DigiShops powered by technology. The funding of $220,000 is aimed at helping Farmers Pride reach 500,000 rural farmers to boost their income and productivity.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
13-Nov-20	Novastar Ventures	Turaco	2	Financial Services	PE	Kenya	Micro-insurtech startup Turaco announced the close of USD 2 million fundraising round to further grow the business and scale its operations in sub-Saharan Africa. The round was led by Novastar Ventures with participation from other investors. The funding comes a year after the Company's last raise of USD 1.2 million in seed capital
13-Nov-20	DOB Equity	Mr. Green Africa	Undisclosed	Water, Sanitation & Hygiene	PE	Kenya	DOB Equity made a further investment in Mr. Green Africa, a Nairobi based recycler and recycled plastics supplier. Mr. Green Africa collects and recycles plastic into a "new" raw material which can be used by manufacturers with a traceable social and environmental impact.
15-Nov-20	MaC Venture Capital, Acceleprise, Backstage Capital, Future Africa and Angel Investors	Sote	3	Logistics	PE	Kenya	Supply-chain focused company Sote raised a USD 3 million seed round largely led by MaC Venture Capital, with participation from other investors including Acceleprise, Backstage Capital, Future Africa and Angel Investors. The Company has launched Africa's first licensed tech-enabled customs clearing and forwarding service.
19-Nov-20	RENEW Impact Angel Network	Deliver Addis	Undisclosed	Logistics	PE - VC	Ethiopia	Deliver Addis attracted a follow-on investment from RENEW's Impact Angel Network (IAN) and interest from a number of venture and equity investors eyeing the tech sector in Ethiopia as an up-and-coming opportunity in Africa.
23-Nov-20	InfraCo Africa	EkoRent Africa	1.1	Logistics	PE	Kenya	InfraCo Africa, part of the Private Infrastructure Development Group (PIDG) signed a USD 1.1 million investment agreement to enable EkoRent Africa to scale up its pioneering NoperaRide electric mobility initiative in Nairobi. The initiative will accelerate access to zero-emissions taxi-hailing vehicles for businesses and private customers.
24-Nov-20	DOB Equity	Victory Farms	Undisclosed	Agribusiness	PE	Kenya	DOB Equity invested in Victory Farms, East Africa's largest commercial fish farm to allow the firm to scale up its production capacity and expand its reach across the Kenyan market.
07-Dec-20	Nile Fibreboard	Criterion Africa Patners	Undisclosed	Agribusiness	PE - Exit	Uganda	Criterion Africa Partners, a private equity firm investing in the forestry sector in sub-Saharan Africa, has announced that its portfolio company Global Woods has completed the sale of its Uganda Timber Plantation to Nile Fibreboard, a local strategic buyer.
07-Dec-20	EXEO Capital	Glacier Products Limited	Undisclosed	Manufacturin g	PE	Kenya	Exeo Capital, a pan-African private equity investment manager, has announced the investment by its food and agribusiness fund, Agri-Vie Fund 2, in Glacier Products Limited- the producer of Kenyan ice-cream and chocolate brand Dairyland.

SELECTED PE DEALS IN EA - 2020

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
09-Dec-20	IFC	AK Life Scieces Limited	12.5	Manufacturing	PE DFI - Debt	Uganda	The International Finance Corporation has disclosed a proposed investment in AK Life Sciences Limited, a pharmaceutical manufacturer and distributor headquartered in Uganda, operating under the brand name 'Abacus Pharma'.
09-Dec-20	Energy Access Ventures, Electricite de France, Acumen Capital Partners and Dream Project Incubators	SunCulture	14	Technology	PE	Kenya	SunCulture, a Kenayn based Technology Company and leader in solar power systems, water pumps, and irrigation systems for smallholder farmers, closed a Series A investment round of $14 million. EAV is furthering its investment after having participated in SunCulture's 2017 seed round.
11-Dec-20	BAJ Stations	TLG Capital	Undisclosed	Energy	PE - Exit	Uganda	TLG Capital exited its investment in BAJ Stations Uganda, after nearly four years, at 30%-plus IRR in USD. TLG invested in BAJ Stations through its Credit Opportunities Fund (COF). This is COF's eighth exit and it's third in Uganda. TLG first invested in BAJ in 2017 when the business had five operating fuel stations.
15-Dec-20	Tlcom Capital, DOB Equity, Global Ventures and Chandaria Capital	Ilara Health	3.75	Healthcare	PE	Kenya	Ilara Health, a healthcare start-up focused on bringing essential, affordable and lifesaving diagnostics to African consumers, has raised $3.75 million in series A funding.
22-Dec-20	IFC	Kioo Limited	10	Manufacturing	PE DFI - Debt	Tanzania	The International Finance Corporation has disclosed a $10 million working capital loan for Kioo Limited, a glass container manufacturing business based in Dar es Salaam, Tanzania. The loan shall also be utilized for equipment maintenance and upgrades.
22-Dec-20	FMO	Agri Commodities and Finance	70	Agribusiness	PE DFI - Debt	Kenya	Dutch development financier FMO has signed a $70 million working capital loan to Agri Commodities and Finance, the main trading company of ETC Group. The loan will allow ETC Group to have sufficient liquidity to continue its operations and maintain employment.
23-Dec-20	Sunfunder	InspiraFarms	0.5	Agribusiness	PE- Debt	Kenya	Solar Debt financing company Sunfunder has completed a new $500,000 loan with Nairobi based InspiraFarms, which will provide working capital for the company to deploy is agriculture solar-powered cold chain instillations in Africa
23-Dec-20	Ludlow Ventures, Frontline Ventures, Act Venture Capital and Investors	Umba	2	Financial Services	PE	Kenya	Umba, the digital bank for emerging markets, has announced a $2 million seed funding round to expand product capabilities in Africa.

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Selected M&A Deals - 2020

SELECTED M&A DEALS IN EA - 2019

Burbidge Capital

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
17-Jan-20	Grand Lacs Trading SA	Mata Tea Company Ltd	10.01	Agriculture	M&A	Rwanda	Grand Lacs Trading SA signed an agreement to acquire Gisakura Tea Company Ltd, a Kigali-based manufacturer of tea products, from Jay Shree Tea & Industries Ltd. The combined value of two transactions was to be a total estimated RWF 9.387 bil (USD 10.007 mil).
17-Jan-20	Access Bank	Transnational Bank	13.5	Financial Services	M&A	Kenya	Nigerian bank has renamed Transnational Bank after completing the purchase of the Bank for KES 1.4 billion. Central Bank of Kenya said that the Kenyan lender will now be known as Access Bank (Kenya), indicating the end of the buyout deal.
23-Jan-20	Ascent Capital	Fanisi Capital	Undisclosed	Financial Services	M&A	Kenya	East Africa-focused private equity firms Fanisi Capital and Ascent Capital were set to merge and raise funds for bigger deals in the region.
5-Feb-20	Qatar Airways QSC	Rwandair Ltd	Undisclosed	Transport & Logistics	M&A	Rwanda	The Qatari state-owned Qatar Airways QSC planned to acquire a 49% stake in Rwandair Ltd, a Kigali-based passenger airline, in a privately negotiated transaction.
10-Feb-20	Shanta Gold Ltd	Acacia Exploration (Kenya) Ltd	14.7	Mining	M&A	Kenya	Shanta Gold Ltd (Shanta) of Guernsey definitively agreed to acquire the entire share capital of Acacia Exploration (Kenya) Ltd, gold ore mine operator, from Acacia Mining PLC, ultimately owned by Barrick Gold Corp, for a total KES 1.484 bil (USD 14.767 mil), in a stock swap transaction. The consideration was to consist of KES 703.518 mil (USD 7 mil) in cash and issuance of 54.650 mil Shanta's ordinary shares valued at KES 780.609 mil (USD 7.767 mil). The shares were valued based on Shanta's closing stock price of KES 14.284 (USD 1.421) on 07 February 2020, the last full trading day prior to the announcement.
21-Feb-20	Investor Group	Ethio-Nippon Technical Co SC	Undisclosed	Automotive Retailing	M&A	Ethiopia	An investor group acquired Ethio-Nippon Technical Co SC, new car dealer. The terms of the transaction were not disclosed, but according to sources close to the transaction, the value was estimated at ETB 1.026 bil (USD 32.349 mil).

SELECTED M&A DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
2-Apr-20	EABL	Serengeti Breweries	18.7	Manufacturing	M&A	Tanzania	Regional beer giant East African Breweries Ltd was expected to spend at least USD 18.7 million on the purchase of an extra stake in Serengeti Breweries.
6-Apr-20	AP Moller Capital	Iberafrica	58.4	Energy	M&A	Kenya	Danish firm AP Moller Capital acquired power producer Iberafrica after the collapse of a deal to buy out the electricity generator for KES 6.22 billion by a South African firm. AP Moller Capital, which focuses on infrastructure in growth markets, acquired the 52.5-megawatt independent power producer from Spanish power and gas utility firm Naturgy.
8-Apr-20	Advtech	Makini Schools	Undisclosed	Education	M&A	Kenya	Johannesburg Stock Exchange (JSE)-listed Advtech bought additional shares in Makini Schools, giving it full control over the running of the 42-year old institution.
27-Apr-20	Commercial International Bank	Mayfair Bank	35	Financial Services	M&A	Kenya	Egypt's largest private lender, Commercial International Bank (CIB), announced it would inject KES 3.7 billion (USD 35 million) into Mayfair Bank following its acquisition of a majority stake in the Kenyan tier three lender. The acquisition by CIB, which now controls 51% shareholding in the bank, will see the lender operate under the new name of Mayfair CIB.
17-May-20	Godrej Consumer Products	Canon Chemicals	Undisclosed	FMCG	M&A	Kenya	Godrej Consumer Products was reported to have acquired the remaining 25% in Canon Chemicals, the makers of Valon petroleum jelly, through the wholly-owned Kenyan subsidiary for an undisclosed sum. In February 2016, Godrej purchased a 75% in the manufacturer through Kenyan subsidiary Godrej East Africa Holdings Ltd
3-Jun-20	Access Bank	Access Bank Rwanda	Undisclosed	Financial Services	M&A	Rwanda	Nigeria's largest retail bank, Access Bank Plc, more than doubled its investment in its Rwandan subsidiary after acquiring Kenya's Transnational Bank four months ago. Access Bank, with more than 36 million customers across the continent, is boosting the performance of its East African subsidiaries.
5-Jun-20	Chaudhary Group	Kingdom Holding	28	Hospitality	M&A	Kenya	Saudi billionaire Prince Al-Waleed bin Talal sold his stake in the troubled Fairmont The Norfolk and Fairmont Mara Safari Club to a Nepalese tycoon for KES 2.8 Billion. The mega deal was closed ahead of the global spread of Covid-19. Prince Al-Waleed, through his investment vehicle, Kingdom Holding, sold his stake to the Chaudhary Group (CG).

SELECTED M&A DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
30-Jun-20	Jubilee Holdings	Bujagali Energy Limited	40	Energy	M&A	Uganda	Jubilee Holding has bought an additional 9.44 percent stake in Uganda's Bujagali Energy Limited (BEL) for Sh4.2 billion ($40 million), doubling its ownership in the hydroelectric power plant. The firm announced it bought more shares from its technical partners, SN Power, in the 250-megawatt Bujagali dam on the River Nile. The latest acquisition now takes Jubilee's ownership in the plant from 8.8 percent to 18.24 percent that is estimated to be worth Sh6.3 billion.
1-Jul-20	Jubilee Holdings	Bujagali Energy	40	Energy	M&A	Kenya	Jubilee Holdings bought an additional 9.44% stake in Uganda's Bujagali Energy Limited (BEL) for KES 4.2 Billion (USD 40 Million), doubling its ownership in the hydroelectric power plant. The firm announced Tuesday it bought more shares from its technical partners, SN Power, in the 250-megawatt Bujagali dam on the River Nile. Jubilee bought the stake after former partners Sithel Global exited in July 2018, leaving the stake to SN Power, which remains with a majority shareholding of 55.45%.
6-Jul-20	MUA Ltd	Saham Assurance	12	Financial Services	M&A	Kenya	Mauritian insurance company MUA Ltd (MUA) received regulatory greenlight to acquire Nairobi based Saham Assurance company in a deal worth KES 1.23 Billion. The firm said it had concluded the transaction which began with the January's signing of the Sales Purchase Agreement after it got approvals from the Insurance Regulatory Authority (IRA, Kenya), the COMESA Competition Commission and the South African Reserve Bank as well as the Competition Authority of Kenya.
9-Jul-20	Safaricom	Circle Gas	3.6	Energy	M&A	Kenya	Safaricom bought a stake in UK firm, Circle Gas Limited at KES 384.6 Million, marking its entry into cooking energy business as it continues to diversify revenue streams away from voice business. The telco discloses in the latest annual report that it completed the transaction last December, giving it 18.96% of the issued shares of the England-based firm.
27-Jul-20	I&M Holdings	Orient Bank Limited	18.7	Financial Services	M&A	Uganda	I&M Holdings planned to acquire a 90% stake in Uganda's Orient Bank Limited in a transaction in which it will spend more than KES 2 billion. The deal will add to its regional banking operations comprising Kenya, Rwanda, Tanzania and Mauritius.

SELECTED M&A DEALS IN EA - 2019

Date	Acquirer	Target	Deal size (M USD)	Sector	Type	Country	Synopsis
14-Jul-20	Group of Saccos	CIC Insurance	1	Financial Services	M&A	Kenya	Co-Op Bank reduced its indirect ownership in CIC Insurance to 24.8% after selling shares to a group of saccos for a total of KES 106.6 Million. The lender has been a long-term investor in CIC through the investment holding company Co-op Insurance Society Limited which has a 74.3% stake in the insurer.
14-Jul-20	NSE	Central Depository & Settlement Corporation Limited	1.04	Financial Services	M&A	Kenya	Nairobi Securities Exchange (NSE) Limited nearly doubled its stake in Central Depository & Settlement Corporation Limited to 40.5% with two deals valued at KES 111.9 Million. NSE disclosed in annual report that its indirect stake in Central Depository & Settlement Corporation (CDSC), a firm which provides automated clearing, delivery and settlement of shares, has risen from 22.5% held in the previous year.
27-Jul-20	I&M Holdings	Orient Bank Limited	18.7	Financial Services	M&A	Uganda	I&M Holdings planned to acquire a 90% stake in Uganda's Orient Bank Limited in a transaction in which it will spend more than KES 2 billion. The deal will add to its regional banking operations comprising Kenya, Rwanda, Tanzania and Mauritius.
7-Aug-20	Co-operative Bank	Jamii Bora Bank	Undisclosed	Financial Services	M&A	Kenya	Co-operative Bank of Kenya announced it will buy 90% of micro lender Jamii Bora Bank and the deal will complete this month, marking further consolidation in the East African nation's banking industry. Co-op Bank, owned by Kenya's co-operative movement, is the country's third-biggest bank by market share with nearly 10% of the domestic market.
3-Sep-20	Marsk Tech Ltd	Talkpool Network Services Ltd	Undisclosed	ICT	M&A	Uganda	Marsk Tech Ltd planned to acquire Talkpool Network Services Ltd, a Kampala-based provider of telecommunications services.
29-Sep-20	Allianz SE	Jubilee Holdings Ltd-General Insurance Business	99.63	Financial Services	M&A	Kenya	Allianz SE of Germany planned to acquire an undisclosed majority ownership interest in 5 general insurance business of Jubilee Holdings Ltd, a Nairobi-based direct property and casualty insurance carrier, for a total KES 10.8 bil (USD 99.631 mil).

SELECTED PE EXIT / M&A DEALS IN EA - 2019

~~Date~~	~~Buyer~~	~~Seller~~	~~Deal size (M USD)~~	~~Sector~~	~~Type~~	~~Country~~	~~Synopsis~~
15-Oct-20	Africa Improved Foods	Kumwe Harvest	Undisclosed	Agribusiness	M&A	Rwanda	Africa Improved Food Rwanda Ltd (AIF), a public-private partnership involving DSM, Government of Rwanda, IFC, CDC Group and FMO, completed a strategic acquisition of business activities of the Rwandan start-up, Kumwe Harvest. Over the past three years, Kumwe Harvest has innovated a series of novel post-harvest handling approaches, collectively coined as 'Cob Model', to the Rwandan maize value chain to address quality challenges such as aflatoxin. This acquisition reflects AIFs deep commitment to nutrition throughout the food value chain, both in manufacturing high-quality foods, as well as sourcing raw materials locally to support the most vulnerable.
27-Nov-20	KCB Group	Atlas Mara	Undisclosed	Financial Services	M&A	Rwanda	KCB Group Plc (KCB) and Atlas Mara (ATMA) signed a definitive agreement which was expected to see East Africa's biggest Bank by assets increase its footprint within the region. This is through the acquisition of a 62.06 percent stake in Banque Populaire du Rwanda Plc (BPR) from ATMA.
27-Nov-20	KCB Group	Atlas Mara	Undisclosed	Financial Services	M&A	Tanzania	KCB Group Plc (KCB) and Atlas Mara (ATMA) signed a definitive agreement which was expected to see East Africa's biggest Bank by assets increase its footprint within the region. This is through the acquisition of a 100% stake in African Banking Corporation Tanzania Limited (BancABC) from ATMA

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Other Deals - 2020

OTHER DEALS IN EA - 2019

Date	Buyer	Seller	Deal Size (M USD)	Sector	Type	Target Nation	Synopsis
6-Mar-20	Alexander Forbes	Octagon Africa	Undisclosed	Financial Services	Strategic Partnership	Kenya	Johannesburg-based Alexander Forbes business realignment handed Kenya's Octagon Africa multinational company (MNCs) pension accounts, raising the local firm's assets under management to Sh130 billion.
13-Mar-20	Bollore Transport	CLS Logistics	Undisclosed	Logistics	JV	Ethiopia	Bolloré Transport & Logistics signed with CLS Logistics, its partner for over 11 years, a Memorandum of Understanding to create a joint-venture.
1-Apr-20	Treasury	Consolidated Bank	15.03	Financial Services	Capital Restructuring	Kenya	The Treasury raised its stake in Consolidated Bank to 93.4 percent after converting a KES 1.6 billion debt into shares.
11-Jun-20	Solar Frontier Capital and d.Light	Brighter Life Kenya	65	Financial Services	JV	Kenya	Solar Frontier Capital (SFC), a wholly-owned subsidiary of African Frontier Capital (AFC), and d.light, a global innovator of solar energy products, jointly announced the establishment of a USD 65 Million financing vehicle, Brighter Life Kenya 1 Limited (BLK1).
23-Jun-20	SBM	Flame Tree Group	8.5	Manufacturing	Debt	Kenya	Flame Tree Group (FTG) secured KES 905 Million (USD 8.5 Million) credit line from SBM bank to improve working capital and fund growth even as the firm froze repayment of maturing loans in the wake of coronavirus. Chief executive Heril Bangera says in the latest annual report that the firm had to make critical decisions in a relatively short time due to Covid-19 to secure the viability of the 14 companies operating under FTG.
9-Jul-20	Bidco Africa	Co-Ro Food	2.5	FMCG	JV	Kenya	Consumer goods manufacturer Bidco Africa Group opened a USD 2.5 Million (KES 267 Million) juice processing plant in Ruiru, Kiambu through a joint venture with Danish firm Co-Ro food for non-carbonated soft drinks. Bidco said the joint venture would trade under BidCoro to produce the Sunquick brand; targeting both local and export markets, citing high demand for juice products.
30-Oct-20		I&M Bank Rwanda PLC	8.00	Financial Services	Rights Issue	Rwanda	I&M Bank Rwanda raised Sh887.4 million through a cash call, marking a 112 percent subscription for its 200 million share rights issue in October. Faida Securities Rwanda and I&M Burbidge Capital were the Joint Lead Transaction Advisors for the I&M Bank (Rwanda) Plc 2020 Rights Issue.
07-Dec-20	Climate Fund Managers and Ducth Fund for Climate and Development	Solar Water Solutions	15	Technology	JV	Kenya	Climate Fund Managers through its Climate Investor Two (CI2) vehicle and Dutch Fund for Climate and Development raised $15 million in efforts to develop a portfolio of solar powered desalinization installations, turning brackish groundwater into drinking water in Kitui County.

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