COMPETITION & CONSUMER AUTHORITY

Fair Markets, Empowered Consumers.

MERGER DECISION

MERGER DECISION NO 37: 2026

Notice in Terms of Section 53(4) (a)(ii) of the Competition Act 2018

DECISION ON THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF PIE CITY (PROPRIETARY) LIMITED BY TONY STEGLING AND LOUNGO GORATA STEGLING

Introduction of the Merging Parties

Pursuant to section 53(4)(a)(ii) of the Competition Act 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“the Authority”) in relation to the proposed acquisition by Tony Stegling and Loungo Gorata Stegling (“The “Acquiring Enterprises or Persons”) of one hundred percent (100%) of the issued share capital of Pie City (Proprietary) Limited (“Pie City” or “Primary Target Enterprise”). Upon implementation of the transaction, the Acquiring Enterprises shall each hold fifty percent (50%) of the issued share capital in Pie City (Proprietary) Limited and shall exercise joint control over the company.

Tony Stegling is an adult male of full legal capacity to transact in his own capacity. Loungo Gorata Stegling is an adult female of full legal capacity to transact in her own capacity. Pie City is a private limited liability company duly incorporated and registered in accordance with the Laws of Botswana.

Relevant Markets

In terms of the markets of the Merging Parties, The Acquiring Persons are appearing in their personal capacity. However, they are engaged in other businesses that are not related to that of the Target Enterprise.

The Target Enterprise, on the other hand, operates in the quick-service restaurant ("QSR") and food retail sector through the sale of pies, pastries, baked goods, snacks, beverages and related food products to retail consumers. Accordingly, the relevant product market may be defined as the market for the provision of quick-service restaurant and food retail services, including the sale of pies, pastries, baked products and related convenience food products. Broadly interpreted, the relevant product market may be

defined as the market for the provision of fast-food and quick-service restaurant products to consumers.

Based on the description of the activities of the merging parties, the Proposed Transaction does not give rise product overlap. Consequently, the merger is not expected result alter the market structure in the relevant market.

Competitive Analysis and Public Interest

The Authority has established that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market relevant in Botswana as the Acquiring Persons will be new entrant in the relevant market. Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018. The Merging Parties made commitment that the transaction will not result in any interruption of employment, termination of employment contracts, or alteration of employees' continuity of service solely as a result of the change in shareholding.

The Determination

Taking into consideration the commitments made by the Merging Parties and pursuant to the provisions of section 53 of the Act, the Authority determined to approve the proposed acquisition of 100% of the issued share capital in Pie City (Pty) Ltd by Tony Stegling and Loungo Gorata Stegling, with the following condition:

a) There shall be no merger specific retrenchments or redundancies. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):

    i. voluntary retrenchment and/or voluntary separation arrangements;
    ii. voluntary early retirement packages;
    iii. unreasonable refusals to be redeployed;
    iv. resignations or retirements in the ordinary course of business;
    v. retrenchments lawfully effected for operational requirements unrelated to the Merger; and
    vi. terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance;

b) The Merged Enterprise shall inherit all employees of the Target Enterprise on the same or better terms and conditions of employment;

    i. The Merged Enterprise shall provide details (Full Name; Identification Number; Gender; Position; and; contact number) of the

current employees of the Target Enterprise within ninety (90) business days from the Approval date;

ii. The Merged Enterprise shall share a copy of the conditions of approval to all employees of the target and/or their respective representatives within ninety (90) business days from the Approval date; and

iii. The merged enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the conditions of approval.

However, as stated under section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 10th day of November 2026.

Gideon G. Nkala, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013