



MERGER DECISION NO 02: 2021

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

A HOSTILE TAKEOVER: THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND TO BE ISSUED SHARE CAPITAL IN G4S PLC BY FLEMING CAPITAL SECURITIES INC., OTHER THAN THOSE ALREADY HELD BY FLEMING CAPITAL SECURITIES, INC., OR ITS RELATED COMPANIES, RESULTING IN SOLE CONTROL OF G4S PLC.

Introduction of the Merging Parties

1. 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 respect of a Hostile takeover merger in which Fleming Capital Securities, Inc. ("Fleming") proposed to acquire the entire issued and to be issued share capital in G4S Plc ("G4S"), other than those already held by Fleming or its related companies (1.55%), resulting in sole control of G4S. The transaction was notified to the Authority on 22nd September 2020 and the merger assessment was completed on 08th January 2021.
2. The Acquiring Enterprise, Fleming, is a stock corporation formed pursuant to the General Corporation Law of the State of Delaware, United States of America. Fleming is a 100% subsidiary of Garda USA Inc., which is in turn a wholly owned subsidiary of Garda World Security Corporation ("GardaWorld"). Garda USA Inc. and GardaWorld are companies incorporated in the United States of America and Canada, respectively. GardaWorld, is a privately owned corporation and is jointly owned by (i) funds advised by affiliates of BC Partners LLP ("BC Partners"), which hold a 51% common equity interest; and (ii) Stephan Cretier, together with select members of management, hold the remaining 49%.
3. BC Partners, is an international investment firm with over €27 billion worth of assets under management in private equity, private credit and real estate while Stephan Cretier is the Founder, Chairperson, President and Chief Executive Officer of GardaWorld. Funds advised by affiliates of BC Partners control United Group, a company which generated revenue in Botswana. United Group B.V. is incorporated in the Netherlands, however it is a holding company. Its operations are in Eastern Europe and the Balkans (Bosnia, Croatia, Montenegro, Serbia, Slovenia etc.).

4. GardaWorld provides a range of security services and cash management solutions. Fleming is a special purpose vehicle established for the purpose of this transaction; and as such does not have assets in Botswana, nor does it generate any turnover in, into or from Botswana.
5. The Target Enterprise, G4S, is a public company incorporated in accordance with the Laws of England and Wales, United Kingdom. G4S has its primary listing on the London Stock Exchange and has a secondary listing on the NASDAQ OMX Exchange in Copenhagen. G4S is a global integrated security company, offering a broad range of security services worldwide; its core business divisions are (i) Secure solutions and risk consulting and security technology solutions and (ii) conventional cash and retail technology solutions. G4S trades primarily through its subsidiaries and joint ventures in numerous jurisdictions including Botswana.
6. In Botswana, G4S has offices in Gaborone, Francistown, Selebi-Phikwe, Jwaneng, Lobatse, Palapye, Maun, Orapa, Mahalapye, Mochudi and Kasane offering services to clients across the country; through its three (3) subsidiaries being: (i) G4S (Botswana) Ltd ["G4S Botswana"], listed on Botswana Stock Exchange; (ii) Fidelity Cash Management Services (Botswana) (Pty) Ltd ["FCMS BW"] and (iii) G4S Facilities Management Botswana (Pty) Ltd ["G4S FMBW"].
7. G4S Botswana deals with Manned Security services customised to client's individual needs, using an on-site appropriate combination of manned guarding and security technologies as well as Electronic Security. This service entails security monitoring and response through a national control centre in Gaborone. The surveillance caters for a wide range of individually identifiable signals, including, but not limited to: security alarms, electric fences, fire alarms, medical emergency alarms, illegal access signals, vehicle tracking, low battery power alerts, portable panic buttons, CCTV remote images and access control.
8. FCMS BW, is in the business of Cash Solutions which provides integrated cash management solutions in Botswana. The division specialises in the secure transportation and storage of cash and valuables, cash counting, cash processing as well as ATM replenishment and maintenance for a multitude of financial institutions.
9. G4S FMBW, is a Facilities Management division which ensures that facilities are aesthetically appealing and health and safety regulation compliant. G4S cleaning services offer clients professional and specialised cleaning services as a

component of a comprehensive range of facilities management services. These companies are all registered in Botswana.

Relevant Markets

10. In terms of the relevant market, the assessment of the proposed transaction revealed a horizontal overlap as both GardaWorld (the parent company to the Acquiring Entity) and the Target Entity are in the business of provision of a range of security services and cash management solutions global. However, the Acquiring Firm is an offshore entity with no presence in Botswana.
11. It is therefore concluded that there is horizontal overlap in the activities of the Merging Parties; without geographical presence because the Acquiring Entity is an offshore enterprise. Consequently, the status quo in the relevant market is expected to be maintained post-merger.

Competitive Analysis and Public Interest

12. The Authority's assessment did not reveal any substantial lessening of competition concerns that would arise as result of the proposed transaction. Additionally, there is no acquisition of market dominance post-merger due to the absence of geographical presence in the transaction at hand.

The Determination

13. The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the relevant market. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest in Botswana identified, in relation to the provisions of section 52 of the Competition Act 2018.
14. Pursuant to the provision of Section 53 of the Act, the Authority has unconditionally approved the proposed acquisition of the entire issued and to be issued share capital in G4S Plc by Fleming Capital Securities Inc., other than those already held by Fleming Capital Securities, INC., or its related companies, resulting in sole control of G4S PLC, subject to G4S PLC's consent.

15. Nonetheless, as this transaction is a hostile takeover merger, it should be noted that the Authority's decision is purely based on competition and public interest consideration and should not be seen as a Directive or an Order that G4S PLC should agree to the terms or demands of Fleming Capital Securities, INC.

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 11th day of January 2021.

Baitshepi Tebogo, Acting Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013.