



MERGER DECISION NO 02: 2025

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

DECISION ON THE ASSESSMENT OF THE PROPOSED SALE OF LOTS 4787 AND 4788, GABORONE FROM MESSIDOR INVESTMENTS PROPRIETARY LIMITED, ACTING FOR AND ON BEHALF OF THE BOTSWANA PUBLIC OFFICERS PENSION FUND TO EVENING STAR PROPRIETARY LIMITED

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 sale of Lots 4787 and 4788, Gaborone (the "Target Property") from Messidor Investments Proprietary Limited ("Messidor" or the "Target Enterprise"), acting for and on behalf of the Botswana Public Officers Pension Fund ("BPOPF") to Evening Star Proprietary Limited ("Evening Star" or the "Acquiring Enterprise"), (the "Proposed Transaction").

The Acquiring Enterprise, Evening Star, is a private company duly incorporated in accordance with the Laws of Botswana. The shareholders of Evening Star are Abdul Satar Dada and Associated Investment Development Corporation Proprietary Limited, a company duly incorporated in accordance with the Laws of Botswana.

On the other hand, the Target Enterprise, Messidor, is a private company incorporated in accordance with the Laws of Botswana. The Shareholders of Messidor are Stock Fleetwood - Bird Proprietary Limited, a company duly incorporated in accordance with Laws of Botswana (50%) and Haigh's Investments Proprietary Limited, also a company duly incorporated in accordance with Laws of Botswana (50%). The Target Enterprise does not control any entities in Botswana.

For completeness, the ultimate Target Enterprise is BPOPF, a pension fund duly licensed and or established in accordance with the provisions of the Retirement Funds Act No. 38 of 2022 for public service employees.

Relevant Markets

BPOPF holds commercial and residential immovable rental property through several property asset managers which include Messidor. Messidor manages numerous industrial and commercial properties nationally for and on behalf of the BPOPF, including the Target Property. Although Messidor does not own the target properties, it is involved in the proposed transaction as a duly appointed property asset manager and its role is to make property acquisitions and or disposals, for and on behalf of the BPOPF, in terms of the mandate given to it by the BPOPF. On the other hand, Evening Star is involved in the

development and/or acquisition of commercial and residential property for rental purposes.

The findings of the merger assessment show that the Merging Parties are active in a similar market. However, it is important to highlight that the real estate market is broad and is characterised by well-established companies and individuals. As such, it is safe to conclude that the real estate market in Botswana is highly diverse, and customers have sufficient options for choice which is a demonstration of a competitive market.

Competitive Analysis and Public Interest

The implementation of the proposed merger is not expected to result in the acquisition of a dominant position in the relevant market in Botswana. Furthermore, the transaction under assessment is not expected to substantially lessen competition or restrict trade or the provision of services or to endanger the continuity of supplies in the relevant market or in any market in Botswana due to the fact that the market is characterised by many other real estate investment companies owned by diverse individuals and institutions that will act as a constraint on the merged entity, post-merger. Furthermore, there are no public interest concerns expected to emanate from the implementation of the proposed merger.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not expected to significantly change upon implementation of the proposed merger as the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market under consideration. 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.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed sale of Lots 4787 and 4788, Gaborone from Messidor Investments Proprietary Limited acting for and on behalf of the Botswana Public Officers Pension Fund ("BPOPF") to Evening Star Proprietary Limited.

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 29th day of January 2025.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013