

MERGER DECISION NO 35: 2022**MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF THE DRIVE CONTROL BUSINESS FROM DRIVE CONTROL CORPORATION (BOTS) (PTY) LTD BY DCC BOTSWANA (PTY) LTD.****Introduction of the Merging Parties**

- i. 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 the proposed acquisition of the business of Drive Control Corporation (Bots) (Pty) Ltd (the "Drive Control Business" or "Target Business") by DCC Botswana (Pty) Ltd ("DCC" or "Acquiring Enterprise"). The transaction was notified to the Authority on 26th August 2022 and the merger assessment was completed on 27th September 2022.
- ii. The Acquiring Enterprise, DCC is a company registered in accordance with the Laws of the Republic of Botswana and it is a newly formed company that is established for the purpose of the proposed transaction. DCC is controlled by DCC Group (Pty) Ltd ("DCC Group") through a company based in South Africa called DCC SA Holdco (Pty) Ltd. DCC Group is ultimately controlled by: LDGM Trust, through Fairstone Equity Fund (Pty) Ltd; Kleoss Capital (Pty) Ltd ("Kleoss Capital"), through DCC Equity Investments (Pty) Ltd ("DCC Equity"); and Kleoss Capital Fund II ("Fund II"). All shareholders of DCC Group are entities registered in accordance with the Laws of the Republic of South Africa. LDGM Trust, Kleoss Capital and the companies they control do not generate turnover or hold assets in Botswana. Furthermore, none of the portfolio companies of Fund I generate turnover or hold assets in Botswana.
- iii. The Target Enterprise, Drive Control Business, is controlled by Drive Control Corporation. Drive Control Corporation is a company incorporated in accordance with the Laws of the Republic of Botswana. The Drive Control Corporation is controlled by Mr. Neil Erwin Rex ("Mr. Rex"), a South African

Relevant Markets

- iv. Based on the activities of the Merging Parties, the Authority defined the relevant market as the market for supply of Information Technology products and related equipment in Botswana.

Competitive Analysis and Public Interest

- v. The Authority has not established any substantial lessening of competition concerns arising from the merger. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest that was identified.

The Determination

- vi. Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of the business of Drive Control Corporation (Bots) (Pty) Ltd by DCC Botswana (Pty) Ltd.
- vii. 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 28th day of September 2022.

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