



## **MERGER DECISION NO 37: 2024**

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

#### **MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION BY SANARI 3SG I GPCO OF A CONTROLLING STAKE IN ENERGENIC HOLDINGS 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 acquisition of a controlling stake by Sanari 3SG I GPCO Proprietary Limited ("Sanari 3SG GPCO" or the "Primary Acquiring Enterprise"), acting in its capacity as general partner of Sanari 3SG I General Partner, which is in turn, acting in its capacity as general partner of the Sanari 3S Growth Fund over Energenic Holdings Proprietary Limited ("Energenic" or the "Primary Target Enterprise").

The proposed transaction has been agreed to under a Subscription Agreement and on implementation of the Proposed Transaction, the Primary Target Enterprise will control EPS Africa Proprietary Limited ("EPS Africa"), which is an entity domiciled in Botswana.

The Acquiring Enterprise, Sanari 3SG GPCO, is controlled by Sanari Capital Proprietary Limited ("Sanari Capital"), an entity registered in accordance with the Laws of South Africa. Sanari Capital is not controlled by any enterprise/s. On the other hand, the Primary Target Enterprise, Energenic, is a company registered in accordance with the Laws of South Africa.

Energenic currently does not control any enterprises in Botswana. The shareholders of Energenic are Mamaku Investments RF Proprietary Limited; James Muir van Wyk ("Mr van Wyk"); Corniche Growth Advisors; Hendrik Duvenage; and Matshidiso Aretha Lengwati. In addition, Mr. van Wyk currently controls EPS Africa, a company registered in accordance with the Laws of Botswana.

##### **Relevant Markets**

The merger assessment findings indicate that the Merging Parties are both domiciled in South Africa. Sanari Capital is a private equity firm focused on investments in medium-sized/mid-market growth companies emanating from Africa (mainly from South Africa) with regional and global scalability and exposure. On the other hand, Energenic and its subsidiaries provide energy generation products and related services. As such, Energenic is involved in the manufacturing and distribution of energy generation products and related services across 32 African countries.

This includes diesel generators, PV solar panels, inverters and batteries. In Botswana, generators are distributed as part of the hybrid solution to the market, which is combined under alternative energy.

Based on the above, it is clear there is lack of geographical overlaps in the activities of the Merging Parties in Botswana. Therefore, the Authority maintains that it is not necessary to reach a definitive view of the exact scope of the product market as the market structure is not expected to substantially change post implementation of the proposed transaction.

### **Competitive Analysis and Public Interest**

The implementation of the Proposed Transaction is not expected to result in an acquisition of a dominant position in any market in Botswana. Since the assessment did not establish any geographical overlaps in the activities of the Merging Parties within the Botswana market, Sanari 3SG GPCO is only expected to assume the market share of Energenic, and the status quo is anticipated to prevail post implementation of the merger.

In terms of Public Interest considerations, the Authority does not foresee any detriment to matters of public interest that will arise because of the transaction under consideration. The implementation of the proposed merger would 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 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 acquisition of a controlling stake by Sanari 3SG I GPCO Proprietary Limited, acting in its capacity as general partner of Sanari 3SG I General Partner, which is in turn, acting in its capacity as general partner of the Sanari 3S Growth Fund over Energenic Holdings 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 8<sup>th</sup> day of October 2024.

Tebelele Pule, Chief Executive Officer, Competition and Consumer Authority,  
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