

MERGER DECISION NO 38: 2022**DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION BY YUMI INVESTMENTS (PTY) LTD OF 49% OF THE ISSUED SHARES OF EACH OF SCREEN ARC INVESTMENTS (PTY) LTD AND MAGPAL (PTY) LTD****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 49% of the issued shares of each of Screen Arc Investments (Pty) Ltd ("Screen Arc") and Magpal (Pty) Ltd ("Magpal") [both being the "Target Enterprise/s"] by Yumi Investments (Pty) Ltd ("Yumi" or the "Acquiring Enterprise"). The transaction was notified to the Authority on 28th September 2022, and the merger assessment was completed on 20th October 2022.

The Acquiring Enterprise, Yumi, is a limited liability company incorporated in accordance to the Laws of the Republic of Botswana. It is a Special Purpose Vehicle ("SPV") created for the purpose of holding the investment in the Target Enterprises. Furthermore, the Target Enterprises are companies incorporated in accordance to the Laws of the Republic of Botswana and they are each owned 100% by Pomon Holdings (Pty) Ltd.

Relevant Markets

In terms of the relevant markets, the assessment of the proposed merger indicates that the Acquiring Enterprise is a SPV and as such, has no operations and does not generate any revenue in, into or from Botswana. Additionally, the Acquiring Enterprise does not control any entities in Botswana. Further, the shareholder of the Acquiring Enterprise does not have any interest in any other business. On the other hand, the Target Enterprise operates its fuel retail sites in Serowe, Mahalapye, Mochudi, and Metsimotlabe. In view of the nature of the products and services offered by the Target Enterprise, the relevant market in the merger under assessment is the retail of petroleum fuel and lubricants and convenient store operations in Botswana.

Competitive Analysis and Public Interest

The proposed transaction involves an acquisition of shares by a new entrant through a SPV. As such, the structure of the relevant market will remain the same. Therefore, the Authority does not expect the proposed transaction to give rise to a Substantial

Lessening of Competition; restrict trade or the provision of services; or to endanger the continuity of supplies in the relevant market in Botswana. In addition, the implementation of the proposed merger will not result in any market share accretion for any entity in Botswana and the proposed merger is not expected to have any negative effect on public interest matters in Botswana.

The Determination

The Authority determined through the analysis of the facts of the merger that, the structure of the relevant market will not change upon the implementation of the proposed merger and the proposed transaction is not likely to result in any adverse effects on competition, nor endanger the continuity of services in the retail of petroleum fuel and lubricants and convenient store operations in Botswana. 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 49% of the issued shares of each of Screen Arc Investments (Pty) Ltd and Magpal (Pty) Ltd [both being the Target Enterprise] by Yumi Investments (Pty) Ltd.

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 20th day of October 2022.

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