



MERGER DECISION NO 53 OF 2024

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF LOT 12107, MOGODITSHANE FROM BABEREKI ENCLAVE (PTY) LTD BY SEVENTY5 DEGREES (PTY) LTD FOR AND ON BEHALF OF THE BOTSWANA PUBLIC OFFICERS PENSION FUND

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 84 units in Seriti Estate, Lot 12107, Mogoditshane from Babereki Enclave (Pty) Ltd ("Babereki Enclave" or the "Target Enterprise") by Seventy5 Degrees (Pty) Ltd ("Seventy5 Degrees" or the "Acquiring Enterprise") for and on behalf of the Botswana Public Officers Pension Fund ("BPOPF"), (the "Proposed Transaction").

The proposed transaction has been agreed under a Sale Agreement ("Agreement") dated 8th October 2024, between BPOPF and Babereki Enclave. Following the implementation of the Proposed Transaction, the Target Property will be owned by BPOPF and managed by the Acquiring Enterprise, and this constitutes a change of control for purposes of section 45 of the Act.

The Acquiring Enterprise, Seventy5 Degrees, is a private company incorporated in accordance with the Laws of Botswana. The Shareholders of Seventy5 Degrees are Baalakani Nlumbile and Ronald Kabelo Modikana (both Batswana). For completeness, the ultimate Acquirer, BPOPF is a pension fund duly licensed and established in accordance with the provisions of the Retirement Funds Act No. 38 of 2022 for public service employees).

On the other hand, Babereki Enclave, is a private company duly incorporated in accordance with the Laws of Botswana. Babereki Enclave is a special purpose vehicle jointly owned by Babereki Investments (Pty) Ltd, incorporated in accordance with the Laws of Botswana; and IHS Fund Two (Namibia Gp) (Pty) Ltd, incorporated in accordance with the Laws of Namibia.

Relevant Markets

In terms of market activities, the assessment findings for the merger indicate that Babereki Enclave is a special purpose vehicle which does not control any enterprise in Botswana. Babereki Enclave is a property developer and the owner of the residential development commonly known as Seriti Estates. On the other hand, Seventy5 Degrees is a duly appointed property asset manager which

makes property asset acquisitions for and on behalf of BPOPF. Similarly, the Acquiring Enterprise does not control any entities in Botswana. Seventy5 Degrees manages numerous industrial and commercial properties nationally.

For completeness, the ultimate Acquirer, BPOPF is a pension fund which was registered in 2001 because of a government's decision to change the Public Officer's Pension arrangement from a Defined Benefit Pension Scheme to a Defined Contribution Pension Scheme. BPOPF holds commercial and residential immovable rental property nationally (and through other property asset managers) as investments for its pension members.

It is important to note that the real estate market is broad and is characterised by well established companies and individuals. As such, real estate in Botswana is highly diverse and customers have sufficient options for choice which is a demonstration of a competitive market. It is therefore clear that the competition landscape in the relevant market will not substantially change upon the implementation of the proposed merger.

Competitive Analysis and Public Interest

The proposed merger is not expected to result in a reduction in the number of players in the market. As such, the implementation of the proposed merger is not likely to result in a substantial lessening of competition. 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.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market will not adversely change upon implementation of the proposed merger nor endanger the continuity of service in the market under consideration.

Pursuant to the provision of section 53 of the Act, the Authority has unconditionally approved the proposed acquisition of 84 units in Seriti Estate, Lot 12107, Mogoditshane from Babereki Enclave (Pty) Ltd by Seventy5 Degrees (Pty) Ltd for and on behalf of the Botswana Public Officers Pension Fund.

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 10th day of December 2024.

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