MERGER DECISION NO 28: 2026

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF LOT 29062, BLOCK 5, GABORONE FROM RESIDENTIAL HOLDINGS (PROPRIETARY) LIMITED BY BOTSWANA PUBLIC OFFICERS PENSION FUND THROUGH THE LETSEMA PROPERTY 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 Lot 29062, Block 5, Gaborone ("Target Property") from Residential Holdings (Proprietary) Limited ("Residential Holdings" or the "Target Enterprise") by Botswana Public Officers Pension Fund ("BPOPF" or the "Acquiring Enterprise") through the Letsema Property Fund ("Letsema") [the "Proposed Transaction"]. Following implementation of the Proposed Transaction, ownership of the Target Property will be fully transferred from Residential Holdings to BPOPF.

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. As part of its alternative asset classes, BPOPF has allocated funds to Messidor Investments (Proprietary) Limited ("Messidor") as the Property Asset Manager of Letsema. Messidor is undertaking the filing on behalf of Letsema. Messidor is a company incorporated in accordance with the Laws of Botswana. Letsema is a consolidated portfolio.

The Target Enterprise is a private company duly incorporated in accordance with the Laws of Botswana. The Target Enterprise is a wholly owned subsidiary of Botswana Development Corporation Limited ("BDC" or the "Holding Company"), a public company duly incorporated under the laws of Botswana.

Relevant Markets

In terms of the activities of the Merging Parties, BPOPF is a retirement fund for the Botswana public service employees. BPOPF holds commercial and residential rental property through several property managers, including Messidor. Messidor is a duly appointed property asset manager for BPOPF, and its role is to undertake property acquisitions and/or disposals for and on behalf of BPOPF. Messidor manages a range of industrial and commercial properties across Botswana on BPOPF's behalf through Letsema and is primarily an investment firm with interests in private equity, real estate, and infrastructure. A power of attorney authorises Messidor to act on behalf of BPOPF in relation to, amongst other things, property acquisitions. As explained before leaf, Letsema is managed as a consolidated portfolio.

For completeness, Letsema provides real estate rental services to occupiers across different segments. Letsema has shareholding in a few entities across Botswana, with assets in Gaborone, Francistown, Ghanzi and the Okavango, for which the core business interests are property.

For completeness, it is worth noting that BPOPF holds immovable property for leasing that has been acquired and is managed through other property asset managers. Over the years, BPOPF has used these vehicles to acquire and or dispose of numerous commercial and residential rental properties across Botswana.

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the investigations have revealed that both the Acquiring and Target Enterprises are involved in acquiring, developing, leasing and selling real estate property assets. However, as explained above, the Target Property itself is a vacant piece of land with no economic activity. Therefore, the transaction under assessment will bring insignificant or neglectable change in the relevant market in Botswana as the commercial real estate market is highly competitive and characterised by many players in Botswana who will continue to provide competitive pressure on the Merged Enterprise.

The implementation of the proposed merger is not expected to result in an acquisition of a dominant position in the relevant market as the market for acquiring, developing, leasing and selling of real estate property assets is highly competitive and characterised by many players in Botswana. Moreover, these players will continue to provide competitive pressure on the Merged Enterprise.

In terms of Public Interest considerations, the Authority does not foresee any significant detriment to public interest that will arise because of the transaction under consideration. The Proposed Transaction does not involve any operational restructuring, redundancy or retrenchment. No negative impact on employment is anticipated. The Proposed Transaction represents a good investment proposition for the Acquiring Enterprise, whose ultimate beneficial owners are citizens of Botswana. The proposed acquisition also furthers the Acquiring Enterprise's development mandate, in that rather than utilising its funds offshore, it has elected to invest within the country (thus stimulating the local economy) and pave way for further development of the Target Property. The Proposed Transaction is expected to increase employment levels during construction and encourage citizen home ownership.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not going to significantly change upon implementation of the proposed transaction 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 effects on public interest matters in Botswana as per the provisions of section 52(2) of the Act.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed acquisition of Lot 29062, Block 5, Gaborone from Residential Holdings (Proprietary) Limited by Botswana Public Officers Pension Fund through the Letsema Property 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 21st day of August 2026.

Gideon G. Nkala, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013