



MERGER DECISION NO 33: 2021

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

DECISION ON THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL OF EACH OF: ASCENDIS VET PROPRIETARY LIMITED, ASCENDIS ANIMAL HEALTH PROPRIETARY LIMITED, KYRON LABORATORIES PROPRIETARY LIMITED, AND KYRON PRESCRIPTIONS PROPRIETARY LIMITED FROM ASCENDIS HEALTH SA HOLDINGS PROPRIETARY LIMITED AS A SINGLE INDIVISIBLE TRANSACTION BY SUN VALLEY ESTATES PROPRIETARY LIMITED.

Introduction of the Merging Parties

- i. Pursuant to section 53(4)(a)(ii) of the Competition Act of 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 100% of the issued share capital of each of: (i) Ascendis Vet Proprietary Limited ("Ascendis Vet") (ii) Ascendis Animal Health Proprietary Limited ("Ascendis Animal") (iii) Kyron Laboratories Proprietary Limited ("Kyron Laboratories") and (iv) Kyron Prescriptions Proprietary Limited ("Kyron Prescriptions") hereinafter referred to as ("The Target Enterprises") from Ascendis Health SA Holdings Proprietary Limited ("Ascendis Health SA Holdings") as a single indivisible transaction by Sun Valley Estates Proprietary Limited ("Sun Valley"). The transaction was notified to the Authority on 7th September 2021 and the merger assessment was completed on 6th October 2021.
- ii. Sun Valley, the Acquiring Enterprise, is a dormant company incorporated in accordance with the Laws of the Republic of South Africa. It is wholly owned by ACG Fruit Proprietary Limited ("ACG") which is also registered in the Republic of South Africa. ACG is wholly owned by AAF Invest Proprietary Limited ("AAF Invest"). In turn AAF Invest is wholly owned by Acorn Agri and Food Limited ("AAF") a publicly traded company. Thus, Sun Valley is ultimately controlled by AAF. AAF and all enterprises controlled by AAF are hereinafter referred to as ("The Acquiring Group"). The Acquiring Group operates within four main business segments, namely: (i) Agricultural inputs and services; (ii) Fresh fruit; (iii) Food processing; and (iv) Health foods and is active throughout South Africa. The Directors of Sun Valley are Hendrick Ackermann Nolte and Jacques Henry Van Der Westhuizen ("both South African").
- iii. The Target Enterprises are incorporated in accordance with the Laws of the Republic of South Africa. They are wholly owned by Ascendis Health SA Holdings.

In turn, Ascendis Health SA Holdings is controlled by Ascendis Health Limited ("Ascendis"). Ascendis Vet provides prescription and over-the-counter products aimed at helping pets live healthy life. Ascendis Animal produces animal medicines and livestock remedies for the farm.

Kyron Laboratories is involved in the manufacturing and marketing of branded animal care products and also produces human consumer products under three brands: Madaji; anica Ice; and Flexus. Kyron Prescriptions is active in the compounding of veterinary medicines on script for veterinarians. The Target enterprises have no physical presence in Botswana but export their products to their customers based in Botswana. The Directors of The Target Enterprises are as follows:

- a) Ascendis Vet: Mark James Van Lill Sadie and Jan Hendrick Wentzel (Both South African);
- b) Ascendis Animal Mark James Van Lill Sadie and Jan Hendrick Wentzel (Both south African);
- c) Kyron Laboratories: Mark David Beneke; Mark James Van Lill Sadie; Jan Hendrick Wentzel (All South African); and Cheryl- Jane Kujenga (Zimbabwean);
- d) Kyron Prescriptions: Mark James Van lill Sadie; Jan Hendrick Wentzel (both South African); and Cheryl- Jane Kujenga (Zimbabwean).

Relevant Markets

- iv. The Acquiring group is a vertically integrated agriculture and food group while the Target Enterprises operate within the animal health industry and are involved in the development, importation, manufacturing, warehousing, distribution and marketing of animal health medication.

Competitive Analysis and Public Interest

- v. The Authority's assessment revealed that the transaction under assessment is not expected to substantially lessen competition due to the fact that there are no overlaps in the activities of the merging parties in Botswana. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest in that was identified in Botswana as per the provisions of section 52(2) of the Competition Act of 2018.

The Determination

- vi. The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the relevant market. Furthermore, no public interest concerns have been identified.

- vii. Pursuant to the provision of section 53 of the Act, The Authority has unconditionally approved the proposed acquisition of 100% of the issued share capital of each of: (i) Ascendis Vet Proprietary Limited (ii) Ascendis Animal Health Proprietary Limited (iii) Kyron Laboratories Proprietary Limited and (iv) Kyron Prescriptions Proprietary Limited from Ascendis Health SA Holdings Proprietary Limited as a single indivisible transaction by Sun Valley Estates 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 11th day of October 2021.

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