



MERGER DECISION NO 35: 2023

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF NETWORK INTERNATIONAL HOLDINGS PLC BY BCP VI NEPTUNE BIDCO HOLDINGS 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 respect of the proposed acquisition of the entire issued share capital of Network International Holdings Plc ("Network or Target Enterprise") by BCP VI Neptune Bidco Holdings Limited ("Bidco" or "Acquiring Enterprise"). The transaction was notified to the Authority on 13th July 2023, and the merger assessment was completed on 15th September 2023.

The Acquiring Enterprise, Bidco, is a company incorporated in accordance with the Laws of England and Wales. Bidco is a newly formed company, established for the purposes of the proposed transaction. The Acquiring Enterprise neither directly nor indirectly controls any firms incorporated in Botswana.

The Target Enterprise, Network, is a public company listed on the London Stock Exchange. Its shares are widely held, and no individual entity enjoys control over Network. It controls the following firms with operations in Botswana: (i) Virtual Card Services Botswana Proprietary Limited (registered in Botswana); and (ii) Network International Services (Mauritius) Limited [incorporated in Mauritius].

Relevant Markets

The Acquirer is not yet operational, and it was incorporated for the purposes of the Proposed Transaction. However, its sister company Brookfield, is a global asset manager with investment focus on renewable power and transition, infrastructure, private equity, real estate, credit and insurance. Brookfield does not have any portfolio companies with operations in Botswana and holds no assets in Botswana.

On the other hand the Target Firm, Network, operates through two (2) key business divisions being, (i) Merchant Services, which provides services and solutions that allow merchants to accept digital payments from consumers through Credit/Debit card processing, Payment Gateways and QR codes and mobile payments; and

(ii) Outsourced Payment Services, of which the majority of the revenue is delivered through issuer processing. The Target Entity provides the Merchant Services and Outsourced Processing Services in Botswana through Virtual Card Services and Network International Services, respectively.

In view of the activities of the Merging Parties, it can be concluded that the Proposed Transaction has absence of horizontal overlaps. The merger is not expected to alter the market structure in Botswana post implementation. As such, the status quo is expected to be maintained post-merger.

Competitive Analysis and Public Interest

The Authority has not established any substantial lessening of competition concerns arising as the merger is not expected to alter the market structure post implementation. 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

Pursuant to the provision of Section 53 of the Competition Act, 2018, the Authority has decided to unconditionally approve the proposed acquisition of the entire issued share capital of Network International Holdings Plc by BCP VI Neptune Bidco Holdings 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 15th day of September 2023.

Nomathemba Dladla, Acting Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013.