



MERGER DECISION NO 41 OF 2023

MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF ALL SHARES IN STEAG GMBH BY ASTERION INDUSTRIAL PARTNERS, SGEIC, S.A

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 the proposed acquisition of all shares in STEAG GmbH by Asterion Industrial Partners, SGEIC, S.A. As a result of the proposed transaction, the Acquiring Enterprise shall become the sole shareholder of the Target Enterprise. The transaction was notified to the Authority on 13th September 2023 and the merger assessment was completed on 10th November 2023.

The Acquiring Enterprise, Asterion, is a company incorporated in, authorised and regulated by the Spanish Securities Market Commission. Asterion is carrying out the Proposed Transaction via a managed fund, Asterion Industrial Infra Fund II, F. C. R., with registered address at Calle Serrano 16, 2a planta 28001 Madrid, Spain, through a series of intermediate special purposes vehicles.

The Target Enterprise, STEAG, indirectly wholly-owns STEAG Energy Services (Botswana) (Pty) Ltd ("STEAG Botswana" or the "Primary Target Enterprises"), a private limited company duly registered under the company Laws of Botswana. STEAG is currently solely controlled by the consortium Kommunale Beteiligungsgesellschaft mbH & Co. KG ("KSBG"). KSBG is a limited partnership established under the Laws of Germany and represents the municipal utilities of the cities of Dortmund, Duisburg, Bochum, Essen, Oberhausen and Dinslaken. STEAG Group (STEAG, together with its affiliated companies) is an international energy supplier based in Germany.

Relevant Markets

The assessment findings show that the Acquiring Enterprise is a management firm of closed-end collective investment entities authorised by the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores ("CNMV")) and in this context, manages Spanish private equity funds (fondo de capital riesgo) (the "FCRs"). Asterion's headquarters are in Madrid and with presence in London

and Paris. Asterion combines transactional and operational experience with an industrial approach and active asset management within an independent and nimble platform. Asterion manages funds that primarily invest in energy related infrastructure, utilities, telecoms and mobility infrastructure. In terms of energy, Asterion is active in providing electricity and heat, in particular, from renewable sources in Spain, France, Italy and the United Kingdom. Asterion is currently not active in any market in Botswana.

On the other hand, the Target Enterprise is licenced as an electrical services provider. The STEAG Group is active in the generation and supply of electricity and district heating, as well as the project development, construction and operation of power plants and relating technical services. Its business activities range from planning and development to realisation, operations and maintenance, as well as marketing of energy and associated services. The STEAG Group provides, among others, energy solutions relating to power plants, including coal-fired combined heat and combined cycle gas-fired turbine plants, as well as renewable energy generation, and district heating for industrial and residential users.

In Botswana, STEAG Botswana is mainly active in the business provision of operations and management consultancy as well as maintenance support services to Botswana's only national power supplier, the Botswana Power Corporation ("BPC") at its Morupule B coal fired power plant located in Palapye.

Based on the aforementioned and in view of the nature of products and services offered by the Merging Parties, the Proposed Transaction indicates that both the Acquirer and the Target Entity are involved in the provision of electricity and heat in Europe. However, the Acquiring Enterprise is not active in Botswana. There are therefore no geographical overlaps between the Merging Parties in Botswana.

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the investigation has revealed no geographical overlaps in the activities of the parties as the Acquiring Enterprise is not active in Botswana. The transaction under assessment is therefore not expected to substantially lessen competition or restrict trade or the provision of services or to endanger the continuity of supplies in the relevant market or in any market in Botswana.

For the analysis of Acquisition of Dominance, the approval of the Proposed Transaction is not expected to result in an acquisition of a dominant position by the Merged Entity or by any enterprise in the market under consideration or any other market in Botswana as the market share of the Target Enterprise will remain

the same post-merger. The Acquiring Enterprise will only assume the market share of the Target Enterprise. In Addition, competition is constantly growing and at the same time the power generation capacity in Botswana is growing. Furthermore, the Merged Entity is expected to face strong competition from the already existing well-established local and international players in the provision of operations and maintenance support services.

In terms of Public Interest considerations, the Authority does not foresee any detriment to matters of public interest that will arise as a result of the transaction under consideration. No job losses are anticipated in Botswana as a result of the proposed merger. Furthermore, the Proposed Transaction will promote technical and economic progress in Botswana through an expansion of the product offering, improved product quality, as well as job creation. The Authority therefore does not envisage any negative public interest concerns as a result of the same.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not expected to significantly change upon implementation of the proposed merger 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 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 all shares in STEAG GmbH by Asterion Industrial Partners, SGEIC, S.A.

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 November 2023.

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