



## MERGER NOTICE NO 47: 2021

### **THE PROPOSED ACQUISITION OF 100% SHARES IN OVOBIX (RF) (PTY) LTD AND LUXANIO 227 (PTY) LTD, AND ULTIMATELY THEIR RESPECTIVE SHAREHOLDING IN CASH MANAGEMENT SOLUTIONS (PTY) LTD AND K20211477132 (SOUTH AFRICA) (PTY) LTD BY NET1 APPLIED TECHNOLOGIES SOUTH AFRICA (PTY) LTD**

Pursuant to section 49 (1) of the Competition Act 2018, the Competition and Consumer Authority ("the Authority") has received a merger notification for the proposed acquisition of 100% shares in Ovobix (RF) (Pty) Ltd ["Ovobix"] and Luxanio 227 (Pty) Ltd ["Luxanio"], and ultimately their respective shareholding in Cash Management Solutions (Pty) Ltd ["CCMS"] and K20211477132 (South Africa) (Pty) Ltd ["K2021"] by Net1 Applied Technologies South Africa (Pty) Ltd ["Net1 SA"]. Net1 SA will acquire the remaining shares in CCMS and K2021 from Old Mutual Life Assurance Company South Africa Limited ("Old Mutual").

The Acquiring Enterprise, Net1 SA, is a company incorporated in accordance with the Laws of the Republic of South Africa. It is a 100% subsidiary of Net1 UEPS Technologies, Inc. ("Net1 Inc."), a public company listed on the NASDAQ, United States. Net1 Inc., is not controlled by any entity. Net1 Inc., through its subsidiaries, is a financial technology company that utilises its proprietary banking and payment technology to achieve financial inclusion through distribution of low-cost financial and value-added services to consumers and small businesses in Southern Africa. In Botswana, Net1 Inc., operates through its 100% subsidiary SmartSwitch Botswana (Pty) Ltd ["SmartSwitch"].

SmartSwitch, is involved in the distribution of benefits to social grant recipients for the Government of Botswana, specifically those who are destitute, those who are receiving home-based care and orphans. These allowances are not paid in cash to the recipients, but are paid into an account which is linked to a card issued to the recipient. The recipient is then able to use the card to purchase goods and services at participating merchants, without ever access to cash. The directors of SmartSwitch are France Lassie Mabiletsa (Motswana); and Alexander Michael Ramsay Smith (British). Net1 SA does not control any entity in Botswana.

The Primary Target Enterprises, Ovobix and Luxanio are companies incorporated in accordance with the Laws of the Republic of South Africa.

1. Ovobix is ultimately controlled by Lirast (Mauritius) Company Ltd, a company registered in British Virgin Islands. Ovobix controls CCMS and K2021, South African based companies.
  - 1.1 CCMS, in turn wholly controls: Main Street 1723 (Pty) Ltd ["Main Street"]; Cash Connect Capital (Pty) Ltd; Cash Connect Rentals (Pty) Ltd ["Cash Connect Rentals"]; and Deposit Manager (Pty) Ltd. These are companies registered in South Africa.

1.1.1 Main Street, in turn controls: Kazang Prepaid (Pty) Ltd (Botswana) ["Kazang Botswana"]; Kazang Prepaid Namibia (Pty) Ltd; and Sandulela Technology (Pty) Ltd; and

1.1.2 Cash Connect Rentals, in turn controls, Cash Connect Rentals Collateral Holding trust which is registered in South Africa.

CCMS, through its subsidiaries are involved in the provision of the point of sale and payment devices, and the provision of the value-added services ("VAS"). In Botswana, CCMS provides products and services in the field of VAS, such as prepaid airtime, electricity, Mukuru and DSTV through its Kazang Connect division. The directors of Kazang Botswana are Julian Michael Van Reenen (South African); Martin Wright (South African); and Robert Michael N. Vinen (Motswana).

1.2 K2021, wholly controls K20263969 (South Africa) (Pty) Ltd, a company registered in South Africa. K2021, is a newly incorporated entity which provides unsecured short term business loans to the South African retail sector. K2021 does not have any activities in Botswana.

2. Luxanio is a 100% subsidiary of Vista Capital Investments (Pty) Ltd ["Vista Capital"]. Vista Capital, is wholly controlled by Vista Holdings (Pty) Ltd ["Vista Holdings"], which is in turn controlled By Blackriver View Trust. Vista Capital and Vista Holdings are companies registered in Namibia. Luxanio has non-controlling shareholding in CCMS and K2021.

Luxanio and Ovobix currently have a stake in CCMS and K2021 and have no other activities.

According to section 50 (3), of the Competition Act 2018, "any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger". The Competition and Consumer Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

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