MERGER DECISION NO 27: 2026

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION BY ALLIANCE ENERGY GROUP PROPRIETARY LIMITED OF 100% SHAREHOLDING IN PRAX BOTSWANA (PTY) LIMITED FROM PRAX SOUTH AFRICA PROPRIETARY LIMITED (IN BUSINESS RESCUE)

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 by Alliance Energy Group Proprietary Limited (“Alliance Energy” or “Acquiring Enterprise”) of 100% shareholding in Prax Botswana (Pty) Limited (Botswana) (“Prax Botswana” or “Target Enterprise”) from Prax South Africa Proprietary Limited (in business rescue) (“Prax South Africa” or “Seller”) (the “Proposed Transaction”). After completion of the merger, the Acquiring Enterprise shall be the sole shareholder of the Target Enterprise.

Merging Parties

The Acquiring Enterprise, Alliance Energy, is a company incorporated in accordance with the Laws of Botswana. Alliance Energy is controlled by Mmonesi Aryl Ralebala Seyed Jemaldeen Muhammed Anzsar, Estate of Late Leinaletsogile L. Gabaraane (under probate), and Mohamed Nafrin Mohideen. The Acquiring Enterprise directly controls Tswanafuel Proprietary Limited, Lubricants Supplies Botswana Proprietary Limited, and TswanaGas Proprietary Limited. In addition, the Acquiring Enterprise indirectly controls: Suggie Holdings Proprietary Limited (under TswanaGas Proprietary Limited), Main Street 2089 Proprietary Limited and Oilco Retail Proprietary Limited (under TswanaFuel Proprietary Limited).

The Target Enterprise, Prax Botswana, is a company incorporated in accordance with the Laws of Botswana. The Target Enterprise does not control any other business in Botswana. Prax Botswana is controlled by Prax South Africa (Pty) Ltd (in business rescue). Prax South Africa also holds interest in National Petroleum Refiners of South Africa Proprietary Limited ("Natref"), National Crude Oil Storage ("Natcos") and interest in the Single Bouy Mooring System ("SBM").

Relevant Markets

The Acquiring Enterprise, through its subsidiaries is involved in the following: petrol and diesel products; bulk fuel supply and distribution services; fuel retail services through fuel service stations; convenience retail services associated with fuel service station operations; automotive, industrial and mining lubricants; greases, filtration products and related petroleum-based products; and related petroleum support and customer services, in Botswana. Similarly, the Target Enterprise is similarly active in the downstream petroleum sector and is principally engaged in the importation, distribution, marketing and sale of petroleum products, including petrol, diesel and lubricants in Botswana. The company supplies its products throughout the country via filling stations, distributors and direct to customers under the TotalEnergies branded products.

Based on the description of the activities of the parties to the transaction, it can be deduced that there is a horizontal overlap established in the Merging Parties' businesses as they are both active in the downstream petroleum sector in Botswana: Firstly, in fuel (petrol and diesel), where both the Acquiring Enterprise (through Tswanafuel Proprietary Limited) and the Target Enterprise are active in: bulk fuel supply and distribution services, retail services through fuel service stations, and convenience retail services associated with fuel service station operations. Secondly, the Merging Parties are both active in the Lubricants market.

In consideration of the structure of competition of the markets of the Merging Parties, the Authority concluded that the relevant competitive assessment is appropriately the broad downstream market for the distribution and marketing of fuel products in Botswana.

Competitive Analysis and Public Interest

The assessment findings show that the implementation of the proposed merger will not result in market concentration nor enhance market power. For completeness, the proposed merger will lead to an insignificant increase in market accretion. The findings show that whether the assessment considers fuel volumes sold or total number of filling station sites per participants, the proposed merger will not lead to any substantial lessening of competition or acquisition of dominance.

In terms of the Counterfactual, the relevant market is characterised by sufficient and more powerful competitors which will remain to impose competition on the Merged Enterprise and there will be effective remaining competition post-merger. Furthermore, the assessment of Countervailing Power established that the relevant market is regulated in terms of selling prices and this diminishes the capability of an individual customer to be able to use its negotiating strength to limit the ability of a Merged Enterprise from raising prices. Price regulation itself, defeats the countervailing power which could be exercised by customers when buying products offered by the Merged Enterprise.

Moreover, the assessment considered Public Interest matters which could emanate from the proposed transaction and based on the information submitted in terms of the Business Rescue, the Authority discovered that the proposed merger may present uncertainties regarding job security for employees of the Target Enterprise. In addition, it has been established that there are currently no Primary fuel transport contracts offered by the Merging Parties, but the proposed merger provides a business opportunity for citizen transporters.

The Determination

The Authority determined through the analysis of the facts of the merger and has pursuant to the provision of section 53 of the Act, decided that the proposed acquisition by Alliance Energy Group Proprietary Limited of 100% shareholding in Prax Botswana (Pty) Limited (Botswana) from Prax South Africa Proprietary Limited (in business rescue), be approved subject to the following conditions:

a) Within 12 months of the decision date, the Merging Parties shall conduct an open, transparent and competitive expression of interest process to identify and appoint no fewer than 5 suitable and qualified citizen-owned companies/transporters with whom they shall enter into distributorship agreements;

b) The Merging Parties are required to submit an update on the progress of the condition above, at least 6 months before the expiry of the 12-month period stated in condition (a);

c) Should the Merging Parties be unable to conclude distributorship agreements within the compliance period, they shall apply to the Authority, not later than 60 days before the expiry of the compliance period for an extension, supported by evidence of efforts expended in complying with condition (a);

d) There shall be no direct merger specific retrenchments or redundancies of citizen employees for a period of three (3) years from the Approval date. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):

    i. voluntary retrenchment and/or voluntary separation arrangements;
    ii. voluntary early retirement packages;
    iii. unreasonable refusals to be redeployed;
    iv. resignations or retirements in the ordinary course of business;
    v. retrenchments lawfully effected for operational requirements unrelated to the Merger; and

   vi. terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance;

e) The Merged Enterprise shall inherit all employees of the Target Enterprise on the same or better terms and conditions of employment;

f) The Merged Enterprise shall provide details (Full Name; Identification Number; Gender; Position; and contact number) of the current employees of the Target Enterprise and the Acquiring Enterprise within thirty (30) business days from the Approval date;

g) The Merged Enterprise shall share a copy of the conditions of approval with all employees of the Target Enterprise and Acquiring Enterprise and/or their respective representatives within thirty (30) business days from the Approval date;

h) The Merged Enterprise shall inform the Authority in writing of the date of the implementation of the merger within (30) business days post implementation date;

i) The Merged Enterprise shall for a period of (three) 3 years from the date of Approval submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the conditions of approval; and

j) The Authority reserves the right to request for any additional information, at any point in time, from the Merged Enterprise which the Authority deems necessary for the monitoring of compliance with these conditions.

However, as stated under section 61 of the Act, this approval does not 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 20th 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