

MERGER DECISION NO 43:2025

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF THE MAJORITY OF THE ISSUED ORDINARY SHARES OF TiAUTO HOLDINGS PROPRIETARY LIMITED BY AFRICA AUTOSERVICE HOLDINGS PROPRIETARY LIMITED

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 (majority shareholding) of the issued ordinary shares of TiAuto Holdings Proprietary Limited (“THP” or the “Target Enterprise”) by Africa Autoservice Holdings Proprietary Limited (“Africa Autoservice Holdings” or the “Acquiring Enterprise”) - (the “Proposed Transaction”). Upon implementation of the Proposed Transaction, Africa Autoservice Holdings will hold at least 98% of the issued ordinary shares in THP and therefore have sole control over it.

Africa Autoservice Holdings is a special purpose vehicle established for the purpose of the Proposed Transaction and is incorporated in accordance with the laws of South Africa. Africa Autoservice Holdings is currently wholly owned by Marubeni Corporation (“Marubeni”), a general trading company that is incorporated in Japan and listed on the Tokyo Stock Exchange (“TSE”). Marubeni and the firms controlled by it will collectively be referred to as the Acquiring Group. The Acquiring Group does not control any enterprises incorporated in Botswana.

THP is a company incorporated in South Africa. In Botswana, THP indirectly wholly owns Silverline Investments Proprietary Limited (“Silverline”).

Relevant Markets

In terms of the activities of the Merging Parties, Marubeni and its subsidiaries make investments and are involved in a wide range of industries, including lifestyle, food & agriculture, metals & mineral resources, energy & chemicals, power & infrastructure

services, finance, leasing & real estate business, aerospace & mobility, next generation business development and next generation corporate development. The Acquiring Group conducts its business through its various offices and subsidiaries in Africa, Asia, Europe, North America, Oceania and South America. Africa Autoservice Holdings is an SPV with no business activities.

On the other hand, THP primarily provides the wholesale and retail sale and servicing of tyres and wheels, as well as the sale of various accessories related to motor vehicles. THP operates 126 Tiger Wheel & Tyre (TWT) fitment centres in several countries and 21 Tyres & More outlets that underpin THP's activities in the provision of tyre replacement and associated services at the retail level. THP's retail activities include value-added products and services such as Tiger Advantage Plus, a recurring, subscription programme offering customers significant cost benefits.

THP operates an integrated back-end wholesale division. Through Treads Unlimited and Treads for Africa, THP provides wholesale operations serving as a synergistic supplier to customer-owned fitment centres as well as other third parties through seven regional warehouses. In Botswana, THP generates revenues through Silverline, THP's wholly owned subsidiary in Botswana which operates two retail stores in Gaborone trading under the TWT brand. Silverline primarily provides the retail sale and servicing of tyres and wheels under the brand Tiger Wheel & Tyre.

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the investigations have revealed that the Acquiring Group has no business interests in Botswana whereas the Target Enterprise provides retail sale and servicing of tyres and wheels. Therefore, the transaction under assessment is 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.

The implementation of the Proposed Merger is not expected to result in the acquisition of a dominant position in the relevant market in Botswana as the Acquiring Enterprise will only be acquiring the Target Enterprise's market share in Botswana. In addition, the relevant market is competitive and characterised by many players in Botswana who will continue to provide competitive pressure on the Merged Enterprise.

In terms of Public Interest considerations, the Authority does not foresee any detriment to public interest that will arise because of the transaction under consideration. The proposed merger will not result in any retrenchments in Botswana.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not going to change upon implementation of the proposed transaction 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 effects on public interest matters in Botswana as per the provisions of section 52(2) of the Act.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed acquisition of the majority issued ordinary shares of TiAuto Holdings Proprietary Limited by Africa Autoservice Holdings 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 21st day of November 2025

Gideon G. Nkala, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013