

19 October 2023

CCC Merger Inquiry Notice No. 27 of 2023

Notice of Inquiry into the Proposed Acquisition of Indirect Joint Control of Awash Wine Share Company by Ascent Capital Holdings Africa II Ltd and Zoscales Fund I LP

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed acquisition of indirect joint control of Awash Wine Share Company (“**Awash**”) by Ascent Capital Holdings Africa II Ltd (“**Ascent Capital**”) and Zoscales Fund I LP (“**Zoscales Fund I**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that Ascent Capital is an investment holding company incorporated under the laws of Mauritius with its business address 5th Floor, Nexsky Building, Ebène, Cybercity, 72201, Mauritius. Ascent Capital is controlled by Ascent Rift Valley Fund II LP (“**ARVF II**”), which is in turn managed by Ascent Capital Management Africa II Ltd (“**Ascent II**”). Ascent Capital, ARVF II, Ascent II and entities controlled by Ascent Capital, ARVF II and Ascent II are collectively referred to as the Ascent Capital Group. The Ascent Capital Group’s controlled portfolio companies engage in a range of activities in the Common Market, including (i) providing loans to individuals and small and medium sized enterprises; (ii) manufacturing multi-use injection moulded plastics including beverage crates; (iii) providing insurance brokerage services; (iv) providing tracking, valuation, repossession, storage, maintenance and auctioneering solutions; and (v) engaging in hospital activities and healthcare services. In the Common Market, the Ascent Capital Group’s portfolio companies are active in Democratic Republic of Congo, Kenya, Mauritius, Uganda and Zambia.

The parties have submitted that Zoscales Fund I is a private equity fund in the form of a limited partnership with legal personality registered in Mauritius, with its registered address at 5th Floor, Nexsky Building, Ebène, Cybercity, 72201, Mauritius. Zoscales Fund I forms part of the broader Zoscales Partners AG Group (collectively, the Zoscales Group). The Zoscales Group’s controlled portfolio companies engage in a range of activities in the Common Market, including (i) manufacturing and supplying metal crown caps for carbonated soft drinks and beer products; (ii) manufacturing and distributing a diverse portfolio of well-known personal care and laundry soaps; (iii)

biscuit production; (iv) providing imaging diagnostic services; (v) offering employment solutions; and (vi) offering healthcare services. In the Common Market, Zoscales Group is active, through its portfolio companies, in Ethiopia and Kenya.

The parties have submitted that Awash is a company incorporated in accordance with the laws of Ethiopia, with its registered office address at c/o Lideta Sub City, Woreda 02, House No. 1000, Addis Ababa, Ethiopia. Awash produces wine and a ready-to-drink cocktail. In the Common Market, Awash is active in Ethiopia only.

The proposed transaction concerns the proposed acquisition of joint control of Awash by Ascent Capital and Zoscales Fund I through Bacchus M8 limited. The parties have further submitted that the proposed transaction will enable Ascent Capital and Zoscales Fund I to develop their investment portfolios in line with their investment strategy on the African continent and will enable Awash to continue to ensure its medium and long-term development and to develop and structure its activities accordingly.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether the proposed joint venture is or would be contrary to the public interest as provided for under Article 26 of the Regulations.

In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the parties to the proposed joint venture to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbundhun@comesacompetition.org. All written representations should be sent to the Commission not later than **9 November 2023**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sunjida Bundhun, Senior Analyst, Competition Division** on Tel: +265 (0) 1 772 466 or sbundhun@comesacompetition.org

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.