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Common Market for Eastern
and Southern Africa

27 October 2023

CCC Merger Inquiry Notice No. 28 of 2023

Notice of Inquiry into the Proposed Merger Involving AfricInvest Fund IV LLC, AfricInvest IV Netherlands C.V., AfricInvest Fund III LLC, Kanuri ISN Limited and Ison Infotel Limited

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 merger involving AfricInvest Fund IV LLC, AfricInvest IV Netherlands C.V., AfricInvest Fund III LLC and Kanuri ISN Limited (together, the "**Acquirers**") and Ison Infotel Limited (the "**Target**"), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the proposed transaction involves the acquisition of shares in the Target by the Acquirers and the purchase of shares from certain existing shareholders of the Target pursuant to the terms of an Investment Agreement entered into between the Acquirers, the Target and other parties. The proposed transaction will result in an indirect change of control in various subsidiaries of Target which have operations in COMESA.

The Acquirers

The parties have submitted that AfricInvest is an investment group that manages multiple alternative asset classes with several lines of businesses that include private equity, venture capital, private credit and asset management. AfricInvest provides financing for companies in Africa at various development stages, seeking to deliver value and impact for its investors, portfolio companies, and the communities it serves. AfricInvest is active in the following Member States in the Common Market: Egypt, Ethiopia, Kenya, Libya, Malawi, Mauritius, Rwanda, Tunisia, and Uganda.

The parties have submitted that Kanuri is a special purpose vehicle specifically incorporated to undertake the Proposed Transaction. Kanuri is owned by Verod Capital Growth Fund III LP (92.345%) and Verod Capital Growth III A LP (7.655%) (together **Verod Fund III**), a private equity investment and financial advisory boutique focused on Nigeria and Anglophone West Africa. Kanuri has no presence in the Common Market.

The Target

The parties have submitted that the Target is an investment holding company that has various subsidiaries in different regions in Africa and outside Africa. In the Common Market, the Target has subsidiaries in Egypt, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Uganda and Zambia which offer Business Process Outsourcing services, which include call center services and information technology services.

According to the parties, the Proposed Transaction will secure a capital infusion into the Target which will be used to address and settle existing liabilities, particularly those concerning third-party debts, and to harness the requisite capital for the purpose of undertaking and financing potential transactions in various markets.

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 Transaction 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 transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesacompetition.org. All written representations should be sent to the Commission not later than **17 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. Sandya Booluck, Principal Analyst, Competition Division** on Tel: +265 (0) 1 772 466 or sbooluck@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.