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Common Market for Eastern and Southern Africa

12 September 2024

CCC Merger Inquiry Notice No. 31 of 2024

Notice of Inquiry into the Proposed Acquisition of Wananchi Group (Holdings) Limited by Axian Telecom Fibre 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 acquisition by Axian Telecom Fibre Limited ("**Axian**" or the "**Acquiring Firm**") and Wananchi Group (Holdings) Limited ("**WGHL**" or the "**Target Firm**"), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the Acquiring Firm is a newly incorporated company Mauritius. It is a wholly owned subsidiary of Axian Telecom Limited ("**ATL**"), a company also incorporated in Mauritius. All entities controlled by ATL in the Common Market are referred to as the '**Acquiring Group**'. The Acquiring Group constitutes of ATL, Axian, the holding companies incorporated in Mauritius and the subsidiaries incorporated in other countries but operating within the Common Market. The Acquiring Group's operating subsidiaries in the Common Market are Telecom Comores S.A. and Telco Money S.A. in Comoros; Towerco of Africa DRC Limited in the Democratic Republic of Congo ("**DRC**"); Towerco of Africa Uganda Limited in Uganda; BNI Madagascar, Mvola S.A., Nexta S.A., Sanko S.A., Pulse Sarl, Telecom Malagasy S.A. and Towerco of Africa Madagascar in Madagascar; and Axian Telecom Kenya Limited in Kenya which is an administrative office in Kenya that carries out business support functions for the Acquiring Group and does not generate any turnover in Kenya. In the Common Market, therefore, the Acquiring Group operates in Comoros, DRC, Kenya, Madagascar, Mauritius and Uganda.

The parties have submitted that WGHL is a holding company registered in Mauritius with subsidiaries in the following Member States: Mauritius, Kenya, Uganda, Malawi and Rwanda. In Mauritius, the Target Firm's subsidiaries are Wananchi Satellite Limited, Wananchi Programming Ltd, Wananchi Telecom Ltd, Wananchi Services Ltd (which is dormant) and DTH Holding Ltd (which is dormant). In Kenya, the Target Firm's subsidiaries are Wananchi Group (Kenya) Limited, Wananchi Telecom Limited, Simbanet Com Limited, Wananchi Satellite Distribution Limited (which is dormant) and Cable Television Network Limited (which is dormant). In Uganda, the Target Firm's subsidiaries are Simbanet (U) Limited, Wananchi Group (Uganda) Limited and Wananchi Cable Uganda Limited. In Malawi, the Target Firm's subsidiaries are

Wananchi Media Limited and Simbanet Malawi Limited. In Rwanda, the Target's Firm sole subsidiary is Wananchi Group Rwanda Limited (which is dormant). The Target Firm and all its subsidiaries are together referred to as the '**Target Group**'. As a condition precedent to the completion of this transaction, the Target Firm will divest of its indirect majority shareholding in iSat Africa Ltd FZC, a holding company incorporated in the United Arab Emirates with subsidiaries in Kenya and Zambia (the "**iSAT Group**"). As such, the iSAT Group does not form part of the Target Group for the purposes of this transaction. In the Common Market, the Target Group is active in Kenya, Malawi, Mauritius and Uganda.

The notified transaction involves the acquisition of 99.63% of the issued ordinary shares of the Target Firm by the Acquiring Firm.

The parties have submitted that the transaction is an opportunity for the Acquiring Group to expand its footprint in East Africa by leveraging on an established and trusted brand. Further, the transaction affords the Acquiring Group an opportunity to enter into new digital markets and optimize the use of the Merging Parties' existing assets where synergies can be leveraged.

The parties have submitted that from the Target Group's perspective, the transaction will provide an exit for its current investors who want to realise their investment, while also allowing the Target Group to access additional growth capital as part of the Acquiring Group, post-transaction.

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: sbundhun@comesacompetition.org. All written representations should be sent to the Commission not later than **3 October 2024.**

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) 111 772 466 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.