

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM216Mar21

In the matter between:

Revego Africa Energy Fund Partnership Managers (Pty) Ltd an *en commandite* partnership, represented by Revego General Partner (RF) (Pty) Ltd

Primary Acquiring Firm

And

Genesis Khobab Wind (RF) (Pty) Ltd; Genesis Loeriesfontein Wind (RF) (Pty) Ltd; and Genesis Noupoot Wind (RF) (Pty) Ltd

Primary Target Firm

Panel: E Daniels (Presiding Member)
Y Carrim (Tribunal Panel Member)
A Ndoni (Tribunal Panel Member)

Heard on: 25 May 2021
Order Issued on: 25 May 2021
Reasons Issued on: 25 May 2021

ORDER

Further to the recommendation of the Competition Commission in terms of section 14A(1)(b) of the Competition Act, 1998 ("the Act") the Competition Tribunal orders that—

1. the merger between the abovementioned parties be approved in terms of section 16(2)(a) of the Act; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).

Enver Daniels

Presiding Member
Mr Enver Daniels

25 May 2021

Date

Concurring: Ms Yasmin Carrim and Ms Andiswa Ndoni

Merger Clearance Certificate

Date : 25 May 2021

To : Nortons Attorneys

Notice CT 10

About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

Contacting the Tribunal

The Competition Tribunal
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Case Number: LM216Mar21

Revego Africa Energy Fund Partnership Managers (Pty) Ltd an *en commandite* partnership, represented by Revego General Partner (RF) (Pty) Ltd And Genesis Khobab Wind (RF) (Pty) Ltd; Genesis Loeriesfontein Wind (RF) (Pty) Ltd; Genesis Noupoot Wind (RF) (Pty) Ltd

You applied to the Competition Commission on **03 March 2021** for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act, or was the subject of a Request for consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

☒ no conditions.

☐ the conditions listed on the attached sheet.

The Competition Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

- a) it was granted on the basis of incorrect information for which a party to the merger was responsible.
- b) the approval was obtained by deceit.
- c) a firm concerned has breached an obligation attached to this approval.

The Registrar, Competition Tribunal



COMPETITION TRIBUNAL OF SOUTH AFRICA

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Revego Africa Energy Fund Partnership Managers (Pty) Ltd, (Primary Acquiring Firm)
an *en commandite* partnership, represented by Revego
General Partner (RF) (Pty) Ltd
and
Genesis Khobab Wind (RF) (Pty) Ltd; Genesis Loeriesfontein (Primary Target Firms)
Wind (RF) (Pty) Ltd; and Genesis Noupoot Wind (RF) (Pty) Ltd

REASONS FOR DECISION

- [1] On 25 May 2021, the Competition Tribunal unconditionally approved a large merger between Revego Africa Energy Fund Partnership Managers (Pty) Ltd, an *en commandite* partnership, represented by Revego General Partner (RF) Proprietary Limited in its capacity as General Partner (“Revego”) and Genesis Khobab Wind (RF) (Pty) Ltd (“Genesis Khobab”), Genesis Loeriesfontein Wind (RF) (Pty) Ltd (“Genesis Loeriesfontein”), and Genesis Noupoot Wind (RF) (Pty) Ltd (“Genesis Noupoot”).
- [2] Revego intends to acquire 100% of the issued shares in Genesis Khobab, Genesis Loeriesfontein, and Genesis Noupoot – special purpose vehicles that solely hold a non-controlling 15% interest in wind farm projects in the Northern Cape: Project Khobab,¹ Project Loeriesfontein² and Project Noupoot,³ respectively.
- [3] Revego is wholly owned by Revego Fund Managers (Pty) Ltd (“RFM”), which is also the fund manager of the Fund Partnership and exerts management control over the Fund Partnership. Revego is ultimately controlled by Investec and does not directly or indirectly control any firm in South Africa. Revego manages third party funds and provides intermediary services on a discretionary basis. As a fund manager, Revego is responsible for the sourcing and managing of investments in operating renewable energy projects in South Africa and broader sub-Saharan Africa. The acquiring group has no other interests in renewable energy projects, nor does Revego nor RFM. However, Revego intends, through the Fund Partnership, to acquire equity instruments in several renewable energy projects.
- [4] The Competition Commission found no horizontal or vertical overlaps in the activities of the merger parties.
- [5] Revego intends, through the Fund Partnership, to acquire equity instruments in several renewable energy projects. In this regard, these acquisitions are the start of a series

¹ Genesis Khobab holds a 15% interest in South Africa Mainstream Renewable Power Khobab Wind (RF) Proprietary Limited (the Khobab renewable project).

² Genesis Loeriesfontein holds a 15% interest in South Africa Mainstream Renewable Power Loeriesfontein 2 (RF) Proprietary Limited (the Loeriesfontein renewable project).

³ Genesis Noupoot holds a 15% interest in South Africa Mainstream Renewable Power Noupoot (RF) Proprietary Limited (the Noupoot renewable project).

of renewable energy project acquisitions in which the Revego will invest. The Commission analysed the potential for this transaction to create information exchange concerns in light of—

- a. Investec's minor interest⁴ in the renewable energy project Kathu Solar Park, a 100MW Greenfield Concentrated Solar Power (CSP) project with parabolic trough and molten salt storage technology (the "Kathu Project") located in the town of Kathu, Northern Cape; and
- b. the contemporaneously notified transaction where Revego intends to acquire Aurora Wind Power (RF) (Pty) Ltd, a renewable energy Independent Power Producer ("IPP").

- [6] The Commission found it unlikely any information exchange concerns may arise through Investec as a platform for the exchange of competitively sensitive information due to the fact that:
- a. Revego's supply of electricity will be for Eskom's national grid in line with the Renewable Energy Independent Power Producers Procurement Programme ("REIPPPP") and the associated tender process.
 - b. The acquiring group's strategy in acquiring stakes in several renewable energy projects; and, with the exception of Aurora, the acquiring group will only hold minority shareholding and will not be active in the day-to-day operation and management of any of the various renewal energy projects.
- [7] Neither of the target firms have any employees and accordingly, the proposed transaction will not have an adverse effect on employment and the merger also raises no other public interest concerns.
- [8] We concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market, or to have a negative impact on the public interest.

Mr Enver Daniels

Ms Yasmin Carrim and Ms Andiswa Ndoni concurring

25 May 2021

Date

Tribunal Case Manager:

For the Merging Parties:

For the Commission:

Mpumelelo Tshabalala

Anton Roets and Avias Ngwenya

Reabetswe Molotsi and Grashum Mutizwa

⁴ Shareholding of 7.5%.