

CCC Merger Inquiry Notice No. 17 of 2020

Notice of Inquiry into the Proposed Merger involving Borealis AG and OMV Aktiengesellschaft

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 Borealis AG (**Borealis**) as the target undertaking and OMV Aktiengesellschaft (**OMV**) as the acquiring firm, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The transaction concerns the proposed acquisition of the majority of the shares in Borealis by OMV from Mubadala Petroleum Petrochemicals Holding Company L.L.C. (“**Mubadala**”) which will result in OMV gaining sole control of Borealis (the “**Proposed Transaction**”). It has been submitted that currently, Borealis is jointly controlled by OMV and Mubadala. OMV holds a stake of 36% in Borealis and the remaining shares are held by Mubadala. By way of the Proposed Transaction, OMV intends to acquire an additional 39% of the shares in Borealis from Mubadala, which results in OMV holding 75% of the shares in Borealis. Mubadala will remain the only other shareholder, with a stake of 25%. As a result, the Proposed Transaction represents an acquisition of the majority of the shares in and a change from joint to sole control of Borealis.

The parties have submitted that the acquirer, OMV, is active globally in: (i) the upstream exploration, development and production of oil and gas in certain core regions including Central and Eastern Europe, the North Sea, Russia, the Middle East, Africa and Asia-Pacific; (ii) downstream operation of refineries in Austria (Schwechat), Germany (Burghausen) and Romania (Petrobrazi), which produce and sell LPG, jet fuel, naphtha, gasoline, diesel, light fuel oil, heavy fuel oil, sulphur and calcined coke. OMV also operates vertically integrated petrochemical businesses, notably steam crackers for the production of olefins (ethylene and propylene). More information on OMV is available at: www.omv.com/en/products. In the Common Market, OMV derives turnover in Libya and Tunisia.

The parties have submitted that the target, Borealis, is active in: (i) the production of polyolefins which are used in a wide range of areas, namely energy, automotive, consumer products and pipes; (ii) the production of base chemicals such as melamine, phenol, acetone, ethylene and propylene; and (iii) the supply of fertilizers and technical nitrogen products through its distribution network, which stretches from Linz, Austria along the Rhine and

Danube rivers from the Atlantic to the Black Sea. More information on Borealis is available at: www.borealisgroup.com/company/about-borealis/industry-segments. In the Common Market, the target derives turnover in the following Member States: Comoros, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger 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 merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **11th May 2020**.

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, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbooluck@comesa.int.

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.