



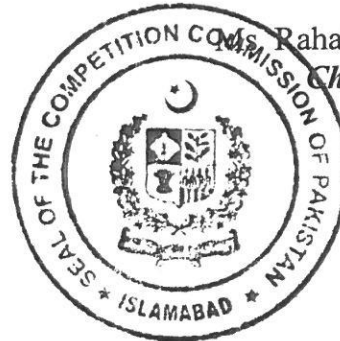
BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S.
CAREEM PLATFORM INC. BY M/S. EMIRATES TELECOMMUNICATIONS
GROUP COMPANY PJSC FROM M/S. CAREEM NETWORKS FZ LLC.

CASE: 1374/Merger-CCP/2023

Commission



Rahat Kaunain Hassan
Chairperson

ORDER

1. On May 23, 2023 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. Emirates Telecommunications Group Company PJSC ("**Etisalat**" or "**Acquirer**") which intends to acquire % shareholding in M/s. Careem Platform Inc ("**CP**" or "**Target**") from M/s. Careem Networks FZ LLC ("**Careem**" or "**Seller**").
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:

i. The business activities of the undertakings concerned are:

a) For the Acquirer: A company incorporated under the laws of the United Arab Emirates. Etisalat is a regional leading integrated telecommunications company that operates in 16 countries. The Etisalat group offers a range of communication services to consumers, businesses and government segments in multiple regions. Its portfolio of products and services includes mobile communications, fixed broadband, internet, internet protocol television ("**IPTV**"), voice carrier services, cloud and security, internet of things, mobile money, and other value-added services. The Etisalat group's operations are spread across three geographic regions in the Middle East, Africa and Asia. The Etisalat group is present in Pakistan through its controlling interest in M/s. Pakistan Telecommunication Company Limited ("**PTCL**"). PTCL's activities include the provision of fixed and (through its wholly owned subsidiary Pak Telecom Mobile Limited, trading as Ufone) mobile telecommunications services in Pakistan. Etisalat currently holds 23% indirect stake in PTCL.

b) For the Target: A company incorporated under the laws of British Virgins Island. CP is a newly created holding company that will own the platform. Through its local operational entities, it will be active in the provision of delivery, payment, last mile logistics, and other services directly or via third parties on the platform in several regions. CP is currently owned by Careem which is further owned and controlled by M/s. Uber Technologies, Inc. ("**Uber**").

ii. The notified merger relates to Etisalat intending to acquire a stake of approximately % in the share capital of and sole control over the Target in conformity with Common Stock Purchase Agreement ("**CSPA**") which took place on 9 April 2023. Careem, (along with its affiliates) the current owner of legal entities and assets that will be transferred to the Target, will retain a non-controlling stake of approx. % in the share capital of the Target.

iii. The value of the transaction, comprises an aggregate consideration of USD million (PKR /- as at 29/05/2023). This aggregate consideration consists of (i) USD in cash; and (ii) the remainder of in-kind contributions valued at USD 15.5 million. These amounts are subject to an adjustment mechanism pursuant to the CSPA.



- iv. The relevant product market in this case has been identified as “**Point-to-Point Delivery Service**” and the relevant geographic market is “**Pakistan**”. In Pakistan, post-completion, the Target will primarily offer the “Order Anything” service (previously also referred to as “Shop & Drop” and “Pick & Drop”). These services are currently offered by Careem in Pakistan that will form the Target’s business in Pakistan.
- v. As submitted, as per the parties' knowledge, the Target is a small player in the Pakistani market and its share for the year 2022 is estimated to be % . Bykea, Foodpanda and Indriver are the three largest service providers in the relevant market in Pakistan. As submitted, these companies together hold at least % to % of the market.
- vi. Post-transaction there will be no impact in the market position of the entities.
3. An ancillary restriction has been reported in this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations 2020. This Order is without prejudice to any such requirements.
4. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
5. In the subject transaction, matters which may fall outside the scope of the Commission’s purview, remain subject to applicable laws.
6. It is so ordered.


(Ms. Rahat Kaunain Hassan)

Chairperson

Islamabad the 8th JUNE, 2023.

