



## THE PROPOSED ACQUISITION OF 40% OF THE ISSUED SHARE CAPITAL, WITH CONTROLLING RIGHTS, OF BBOXX CAPITAL KENYA LIMITED BY BEYOND ENERGY INVESTMENT LIMITED

1. The Competition Authority of Kenya has approved the proposed acquisition of 40% of the issued share capital, with controlling rights, of BBOXX Capital Kenya Limited by Beyond Energy Investment Limited.
2. Beyond Energy Investment Limited (BEIL), the acquirer, is newly incorporated. Its parent company is present in Kenya through several subsidiaries in the insurance sector.
3. BBOXX Capital Kenya Limited (BBOXX), the target, is incorporated in Kenya and ultimately owned by BBOXX Limited of United Kingdom (BBOXX UK).
4. The proposed transaction involves the acquisition of 40% of the shares of the target with controlling rights by the acquirer. The proposed transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No.12 of 2010.
5. The parties' combined turnover for the preceding year was **over Sh1 billion** and, therefore, the transaction met the threshold for full merger analysis as provided in the **Merger Threshold Guidelines**.
6. The acquirer is newly incorporated. However, its parent company's subsidiaries are present in Kenya offering insurance services. The target distributes home solar systems in Western Kenya and Turkana.
7. Since there was no overlap in the activities of the parties, the relevant product market was determined as the market for distribution of home solar system in Western Kenya region and Turkana for the purposes of analysing this transaction.
8. BBOXX distributes home Solar Photovoltaic (PV) systems in Western Kenya and Turkana and therefore the relevant geographic market is Western Kenya and Turkana.
9. Data from the Kenya Climate Innovation Center indicates that Kenya has more than forty (40)

manufacturers and distributors of solar PV and home systems. Independent businessmen also import and distribute solar PV and home systems across the country.

10. The Government of Kenya has also invested in the sector through the Scaling-Up Renewable Energy Program (SREP) which aims to lower greenhouse gas (GHG) emission development pathway by harnessing renewable energy resources.
11. The solar sector in Kenya started with donor-driven initiatives in the 1980s. It has since developed into a vibrant private sector-driven market. Kenya Climate. According to the Innovation Centre, Kenya Solar PV Market assessment study, it is estimated that about 25,000 – 30,000 solar PV products are traded annually in the Kenyan market.
12. Post-merger, the market structure and concentration will not change since the acquirer, through its subsidiaries, does not have similar commercial activities in Kenya. Therefore, the transaction is unlikely to lead to substantial prevention or lessening of competition in the market for distribution of solar PV and home system in Western Kenya and Turkana.
13. The transaction is unlikely to lead to any negative public interest concerns.
14. Public interest concerns during merger analysis include;
  - i. extent to which the proposed merger would impact employment opportunities;
  - ii. impact on competitiveness of small and medium enterprises (SMEs);
  - iii. impact on particular industries/sectors; and
  - iv. impact on the ability of national industries to compete in international markets.
15. Premised on the fact that the transaction is unlikely to raise negative competition or public interest concerns, the Authority approved the proposed acquisition of 40% of the shares, with controlling rights, in BBOX Capital Kenya Limited by Beyond Energy Investment Limited.