



## THE PROPOSED ACQUISITION OF CONTROL OF AFRICA BIO SYSTEMS LIMITED BY MAISHA HOLDINGS LIMITED.

1. The Competition Authority of Kenya has approved the proposed acquisition of control of Africa Biosystems Limited by Maisha Holdings unconditionally.
2. Maisha Holdings Limited (Maisha Holdings), the acquiring undertaking, is a Special Purpose Vehicle (SPV) controlled by Adenia Capital and ultimately under Adenia Partners.
3. In Kenya, Adenia Partners has interests in the importation and supply of earth movers and in the retail sector where it operates self-service stores, retail supermarkets and engages in the wholesale distribution of goods.
4. The target, Africa Biosystems Limited (ABL), is incorporated in Kenya. The company imports and distributes life science equipment and consumables across Eastern African markets. ABL is a key distributor of products from Thermo Fisher Scientific, an American supplier of reagents, consumables, scientific instruments, services and software for life science, laboratories and healthcare.
5. ABL's main products are equipment used for human identification, security, infectious disease surveillance, epidemiology, food quality and safety testing, and molecular diagnostics.
6. The proposed transaction involves the acquisition of the entire issued share capital of ABL by Maisha Holdings. **The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No. 12 of 2010.**



7. The parties' combined and relevant turnover for the preceding year was **over Sh1 billion**. The transaction therefore met the threshold for mandatory notification and full merger analysis as provided in the **Competition (General) Rules, 2019**.
8. The acquirer is a newly incorporated SPV for the proposed transaction. The subsidiaries related to its parent company are engaged in the retail sale of fast-moving consumer goods and the importation and sale of earth movers for use in the construction sector.
9. On the other hand, the target imports and distributes life sciences equipment and consumables.
10. From the foregoing, the parties' activities do not overlap. Therefore, for purposes of analyzing the transaction, the relevant product market was determined as the market for life sciences equipment and consumables.
11. The target's products and services are distributed locally and therefore the relevant geographic market was determined to be national.
12. In 2019, Thermo Fisher Scientific generated revenue of \$25.5 Billion. Only three percent (3%) of these sales was attributable to the Africa, Middle East, Central America, Caribbean, Oceania and Latin America market.
13. Locally, the main players in the market for life sciences equipment and consumables are: the Kenya Medical Suppliers Authority (KEMSA), Mission for Essential Drugs & Supplies (MEDS), Harleys, Surgipharm Limited, Medipharm East Africa LTD, Meditec Systems Limited, Kenya, Bio-zeq Kenya Limited, and Pulse Medics Equipment LTD Kenya.
14. Others are Crown Healthcare LTD, Omaera Pharmaceuticals Limited, Bobcare Medical System Ltd, Apple Pharmaceuticals Ltd, Centric Medical Solutions, Blekam



(EA) Ltd, Scitech Diagnostics Ltd, Meck Supplies (K) Ltd, Ashcott Ltd, Seropharm East Africa Ltd, Chemoquip Ltd and, Hass Scientific & Medical Supplies Ltd.

15. Based on the Authority's analysis of the undertakings' revenues, the target's sales translate to a market share of below 1% and, therefore, post-merger, the market structure and concentration will not be significantly altered.
16. Therefore, it is the Authority's view that the proposed transaction is unlikely to lead to substantial lessening or prevention of competition in the market for life sciences and consumables in Kenya.
17. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. The public interest concerns the Authority considers include;
  - i. extent to which a 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.
18. It is the Authority's view is that the proposed transaction will not raise public interest concerns since the merging parties have indicated that the target's twenty-four (24) employees will be retained.
19. **Premised on the foregoing, the Authority approved the proposed acquisition of control of Africa Biosystems Limited by Maisha Holdings unconditionally.**