

14 August 2024

CCC Merger Inquiry Notice No. 27 of 2024

**Notice of Inquiry into the Proposed Merger involving Dynamo Newco II GMBH, Dynamo US Bidco INC. and Innomotics GMBH and Innomotics LLC**

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 Dynamo NewCo II GmbH (“**Dynamo NewCo**”), Dynamo US Bidco Inc (“**Dynamo Bidco**”), (collectively “**Dynamo**”), as the acquiring firms and Innomotics GmbH and Innomotics LLC (collectively referred to as “**Innomotics**”) as the target firms, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that Dynamo are newly established acquisition vehicles whose purpose is to acquire and hold KPS Capital Partners, LP’s (“**KPS**”) shares in Innomotics. Dynamo does not currently have any activities in the Common Market or any other jurisdiction. KPS is the ultimate controlling entity of the acquiring group. KPS is a US-based private equity firm which, through its affiliated management entities, is the manager of the KPS Funds, a family of investment funds with approximately USD 21.4 billion of assets under management as of 31 December 2023. The partners of KPS have worked to realize significant capital appreciation, by making controlling equity investments in manufacturing and industrial companies, across a diverse array of industries, including basic materials, branded consumer, healthcare and luxury products, automotive parts, capital equipment and general manufacturing. In the Common Market, the acquiring group operates in Egypt, Eswatini, Kenya, Libya, Madagascar, Mauritius, Seychelles, Tunisia, Uganda and Zambia.

The parties have submitted that Innomotics is mainly active in the development, production and global sale of (industrial) low voltage motors, high-voltage motors and medium-voltage drives. Specifically, Innomotics is active in the development, production and sale of the following product types: (i) low voltage motors, i.e. 100V to 1kV motors using the IEC standard, (ii) high voltage motors, i.e. motors exceeding 1kV (power range of 150kW to 105MW); (iii) medium voltage drives (power range of 150kW to 85MW); (iv) accompanying project-based electrification, automation, and digitalization solutions comprising individualized motor and drive systems for demanding applications and digital solutions; and (v) accompanying customer services for its motors and drives including spare parts, retrofit, maintenance and

repair services. In the Common Market, Innomotics operates in Democratic Republic of Congo, Egypt, Kenya, Libya, Malawi, Mauritius, Uganda, Zambia and Zimbabwe.

The notified transaction involves the proposed acquisition of (i) Dynamo NewCo of 100% of the issued share capital (and corresponding voting rights) of Innomotics GmbH; and (ii) Dynamo Bidco of 100% of the issued share capital (and corresponding voting rights) of Innomotics LLC. The parties have submitted that the proposed transaction comprises two parts of a single inter-conditional and indivisible transaction. The parties have submitted that neither part thereof would take place without the other and the two parts are taking place contemporaneously and control is being acquired ultimately by the same acquiring group from the same seller, namely, Siemens Aktiengesellschaft.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether the proposed transaction 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 parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: [akamanga@comesacompetition.org](mailto:akamanga@comesacompetition.org). All written representations should be sent to the Commission not later than **4 September 2024**.

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 **Mr. Ali Kamanga, Principal Analyst, Competition Division** on Tel: +265 (0) 111 772 466 or [akamanga@comesacompetition.org](mailto:akamanga@comesacompetition.org).

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.