

ACQUISITION BY ENERGystore LIMITED OF WARMfill LIMITED, WARMwall LIMITED, AND RELATED ASSETS

Initial Enforcement Order made by the Competition and Markets Authority pursuant to section 72(2) of the Enterprise Act 2002 (the Act)

Whereas:

- (a) the Competition and Markets Authority (CMA) has reasonable grounds for suspecting that it is or may be the case that Energystore Limited (**Energystore**), Warmfill Ltd (**Warmfill**), Warmwall Limited (**Warmwall**) and related assets (Warmfill and Warmwall are together referred to as the **Target businesses**) have ceased to be distinct;
- (b) the CMA is considering, pursuant to section 22 of the Act, whether it is or may be the case that a relevant merger situation has been created and whether the creation of that situation has resulted or may be expected to result in a substantial lessening of competition in any market or markets in the United Kingdom (**UK**);
- (c) the CMA wishes to ensure that no action is taken pending final determination of any reference under section 22 of the Act which might prejudice that reference or impede the taking of any action by the CMA under Part 3 of the Act which might be justified by the CMA's decisions on the reference; and
- (d) the circumstances set out in section 72(6) of the Act do not apply and the reference has not been finally determined in accordance with section 79(1) of the Act.

Now for the purposes of preventing pre-emptive action in accordance with section 72(2) of the Act the CMA makes the following order addressed to Bacar Group Limited (**Bacar**), Energystore, Warmfill and Warmwall (**Order**).

Commencement, application and scope

1. This Order commences on the commencement date: 1 March 2022.
2. This Order applies to Bacar, Energystore, Warmfill and Warmwall.
3. Notwithstanding any other provision of this Order, no act or omission shall constitute a breach of this Order, and nothing in this Order shall oblige Bacar, Energystore, Warmfill or Warmwall to reverse any act or omission, in each case to the extent that it occurred or was completed prior to the commencement date.

Management of the Bacar and Target businesses until determination of proceedings

4. Except with the prior written consent of the CMA, Bacar, Energystore, Warmfill and Warmwall shall not, during the specified period, take any action which might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action under the Act by the CMA which may be justified by the CMA's decisions on such a reference, including any action which might:
 - (a) lead to the integration of the Target businesses with the Bacar business;
 - (b) transfer the ownership or control of the Bacar business or the Target businesses or any of their subsidiaries; or
 - (c) otherwise impair the ability of the Target businesses or the Bacar business to compete independently in any of the markets affected by the transaction.
5. Further and without prejudice to the generality of paragraph 4 and subject to paragraph 3, Bacar, Energystore, Warmfill, and Warmwall shall at all times during the specified period procure that, except with the prior written consent of the CMA:
 - (a) the Target businesses are carried on separately from the Bacar business and the Target businesses' separate sales or brand identities are maintained;
 - (b) the Target businesses and the Bacar business are maintained as a going concern and sufficient resources are made available for the development of the Target businesses and the Bacar business, on the basis of their respective pre-merger business plans;

- (c) except in the ordinary course of business, no substantive changes are made to the organisational structure of, or the management responsibilities within, the Target businesses or the Bacar business;
- (d) the nature, description, range and quality of goods and/or services supplied in the UK by each of the two businesses are maintained and preserved;
- (e) except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Target businesses and the Bacar business are maintained and preserved, including facilities and goodwill;
 - (ii) none of the assets of the Target businesses or the Bacar business are disposed of; and
 - (iii) no interest in the assets of the Target businesses or the Bacar business are created or disposed of;
- (f) there is no integration of the information technology of the Target businesses or Bacar business, and the software and hardware platforms of the Target businesses shall remain essentially unchanged, except for routine changes and maintenance;
- (g) the customer and supplier lists of the Target businesses and the Bacar business shall be operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target businesses will be carried out by the Target businesses alone and for the avoidance of doubt the Bacar business will not negotiate on behalf of the Target businesses (and vice versa) or enter into any joint agreements with the Target businesses (and vice versa);
- (h) all existing contracts of the Target businesses and the Bacar business continue to be serviced by the business to which they were awarded;
- (i) no changes are made to key staff of the Target businesses or Bacar business;
- (j) no key staff are transferred between the Target businesses and the Bacar business;
- (k) all reasonable steps are taken to encourage all key staff to remain with the Target businesses and the Bacar business; and

- (l) no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses shall pass, directly or indirectly, from the Target businesses (or any of their employees, directors, agents or affiliates) to the Bacar business (or any of its employees, directors, agents or affiliates), or vice versa, except where strictly necessary in the ordinary course of business (including, for example, where required for compliance with external regulatory and/or accounting obligations or for due diligence, integration planning or the completion of any merger control proceedings relating to the transaction) and on the basis that, should the transaction be prohibited, any records or copies (electronic or otherwise) of such information that have passed, wherever they may be held, will be returned to the business to which they relate and any copies destroyed.

Compliance

6. Bacar/Energystore, and Warmfill and Warmwall (together) shall procure that each of their subsidiaries complies with this Order as if the Order had been issued to each of them.
7. Bacar/Energystore, and Warmfill and Warmwall (together) shall provide to the CMA such information or statement of compliance as it may from time to time require for the purposes of monitoring compliance by Bacar/Energystore, and Warmfill and Warmwall (together) and their subsidiaries with this Order. In particular, on **9 March 2022** and subsequently every four weeks (or, where this does not fall on a working day, the first working day thereafter) the Chief Executive Officer of each of Bacar/Energystore, and Warmfill and Warmwall (together) or other persons of Bacar/Energystore, and Warmfill and Warmwall (together) as agreed with the CMA shall, on behalf of Bacar/Energystore and Warmfill and Warmwall (together), provide a statement to the CMA in the form set out in Annex A and Annex B to this Order, respectively, confirming compliance with this Order.
8. At all times, Bacar/Energystore, and Warmfill and Warmwall shall, or shall procure that Warmfill and Warmwall shall, actively keep the CMA informed of any material developments relating to the Target businesses or the Bacar business, which includes but is not limited to:
- (a) details of key staff who leave or join the Target businesses or the Bacar business;
- (b) any interruption of the Target businesses or Bacar business (including without limitation its procurement, production, logistics, sales and

employee relations arrangements) that has prevented it from operating in the ordinary course of business for more than 24 hours;

- (c) all substantial customer volumes won or lost or substantial changes to the customer contracts for the Target or Bacar business including any substantial changes in customers' demand; and
 - (d) substantial changes in the Target or Bacar business' contractual arrangements or relationships with key suppliers.
9. If Bacar/Energystore or Warmfill and Warmwall has any reason to suspect that this Order might have been breached it shall immediately notify the CMA and any monitoring trustee that Bacar/Energystore, and Warmfill and Warmwall may be directed to appoint under paragraph 10.
10. The CMA may give directions to a specified person or to a holder of a specified office in any body of persons (corporate or unincorporated) to take specified steps for the purpose of carrying out, or ensuring compliance with, this Order, or do or refrain from doing any specified action in order to ensure compliance with the Order. The CMA may vary or revoke any directions so given.
11. Bacar/Energystore and Warmfill and Warmwall shall comply in so far as they are able with such directions as the CMA may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with this Order.

Interpretation

12. The Interpretation Act 1978 shall apply to this Order as it does to Acts of Parliament.
13. For the purposes of this Order:

'the Act' means the Enterprise Act 2002;

'an affiliate' of a person is another person who satisfies the following condition, namely that any enterprise (which, in this context, has the meaning given in section 129(1) of the Act) that the first person carries on from time to time and any enterprise that the second person carries on from time to time would be regarded as being under common control for the purposes of section 26 of the Act;

'business' has the meaning given by section 129(1) and (3) of the Act;

'Bacar' means Bacar Group Limited, with company number NI621064;

'the Bacar business' means the business of Bacar and its subsidiaries, excluding the Target business, carried on as at the commencement date;

'commencement date' means 1 March 2022;

'control' includes the ability directly or indirectly to control or materially to influence the policy of a body corporate or the policy of any person in carrying on an enterprise;

'the decisions' means the decisions of the CMA on the questions which it is required to answer by virtue of section 35 of the Act;

'Energystore' means Energystore Limited, with company number NI010197;

'key staff' means staff in positions of executive or managerial responsibility and/or whose performance affects the viability of the business;

'the ordinary course of business' means matters connected to the day-to-day supply of goods and/or services by the Target businesses or the Bacar business and does not include matters involving significant changes to the organisational structure or related to the post-merger integration of the Target businesses and the Bacar business;

'specified period' means the period beginning on the commencement date and terminating in accordance with section 72(6) of the Act;

'subsidiary', unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

'the transaction' means the transaction by which Bacar and Warmfill and Warmwall have ceased to be distinct within the meaning of section 23 of the Act;

'the two businesses' means the Bacar business and the Target business;

'Warmfill' means Warmfill Ltd, with company number NI043772;

'the Target businesses' means the businesses of Warmfill and Warmwall and their subsidiaries carried on as at the commencement date;

'Warmwall' means Warmwall Limited, with company number NI642175;

unless the context requires otherwise, the singular shall include the plural and vice versa.

Richard Romney

Director, Mergers

1 March 2022

Compliance statement for Bacar/Energystore

I [insert name] confirm on behalf of Bacar/Energystore that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the **Relevant Period**):
 - (a) Bacar/Energystore has complied with the Order made by the CMA in relation to the transaction on 17 December and re-issued on 1 March 2022 (the **Order**)
 - (b) Bacar/Energystore's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Bacar/Energystore that might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Target businesses with the Bacar business;
 - (ii) transfer the ownership or control of the Bacar business or the Target businesses or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Target businesses or the Bacar business to compete independently in any of the markets affected by the transaction.
 - (b) The Target businesses have been carried on separately from the Bacar business and the Target businesses' separate sales or brand identity has been maintained.
 - (c) The Target businesses and the Bacar business have been maintained as a going concern and sufficient resources have been made available for the development of the Target businesses and the Bacar business on the basis of their respective pre-merger business plans.
 - (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Target businesses or the Bacar business, except in the ordinary course of business.

- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Target businesses and the Bacar business have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Target businesses and the Bacar business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Target businesses or the Bacar business have been disposed of; and
 - (iii) no interest in the assets of the Target businesses or the Bacar business has been created or disposed of.
- (g) There has been no integration of the information technology of the Target or Bacar businesses, and the software and hardware platforms of the Target businesses have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target businesses have been carried out by the Target businesses alone and, for the avoidance of doubt, the Bacar business has not negotiated on behalf of the Target businesses (and vice versa) or entered into any joint agreements with the Target businesses (and vice versa).
- (i) All existing contracts of the Target businesses and the Bacar business have been serviced by the business to which they were awarded, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Target businesses or the Bacar business.
- (k) No key staff have been transferred between the Target businesses and the Bacar business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Target businesses and the Bacar business.

(m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Target businesses (or any of its employees, directors, agents or affiliates) to the Bacar business (or any of its employees, directors, agents or affiliates), or vice versa.

(n) Except as listed in paragraph (o) below, there have been no:

- (i) key staff that have left or joined the Target businesses or the Bacar business;
- (ii) interruptions of the Target businesses or the Bacar business (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented it from operating in the ordinary course of business for more than 24 hours;
- (iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Target businesses or the Bacar business; or
- (iv) substantial changes in the Target businesses or Bacar business's contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

3. Bacar/Energystore and its subsidiaries remain in full compliance with the Order and will, or will procure that Warmfill and Warmwall, continue actively to keep the CMA informed of any material developments relating to the Target businesses or the Bacar business in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

5. it is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **fines, imprisonment for a term not exceeding two years, or both.** (Section 117 of the Enterprise Act 2002.)

6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover** (both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF Bacar/Energystore

Signature

Name

Title

Date

Compliance statement for Warmfill and Warmwall

I [insert name] confirm on behalf of Warmfill and Warmwall that:

Compliance in the Relevant Period

1. In the period from [insert date] to [insert date] (the **Relevant Period**):
 - (a) Warmfill and Warmwall have complied with the Order made by the CMA in relation to the transaction on 17 December and re-issued on 1 March 2022 (the **Order**).
 - (b) Warmfill's and Warmwall's subsidiaries have also complied with this Order.
2. Subject to paragraph 3 of the Order, and except with the prior written consent of the CMA:
 - (a) No action has been taken by Warmfill and/or Warmwall that might prejudice a reference of the transaction under section 22 of the Act or impede the taking of any action by the CMA which may be justified by its decision on such a reference, including any action which might:
 - (i) lead to the integration of the Target businesses with the Bacar business;
 - (ii) transfer the ownership or control of the Bacar business or the Target businesses or any of their subsidiaries; or
 - (iii) otherwise impair the ability of the Target businesses or the Bacar business to compete independently in any of the markets affected by the transaction.
 - (b) The Target businesses have been carried on separately from the Bacar business and the Target businesses' separate sales or brand identity has been maintained.
 - (c) The Target businesses have been maintained as going concerns and sufficient resources have been made available for the development of the Target businesses on the basis of its pre-merger business plans.

- (d) No substantive changes have been made to the organisational structure of, or the management responsibilities within, the Target business, except in the ordinary course of business.
- (e) The nature, description, range and quality of goods and/or services supplied in the UK by the Target businesses have been maintained and preserved.
- (f) Except in the ordinary course of business for the separate operation of the two businesses:
 - (i) all of the assets of the Target business, including facilities and goodwill, have been maintained and preserved as at the start of the Relevant Period;
 - (ii) none of the assets of the Target businesses have been disposed of; and
 - (iii) no interest in the assets of the Target businesses has been created or disposed of.
- (g) There has been no integration of the information technology of the Target businesses or Bacar businesses, and the software and hardware platforms of the Target businesses have remained essentially unchanged, except for routine changes and maintenance.
- (h) Subject to integration which had occurred prior to the commencement date, the customer and supplier lists of the two businesses have been operated and updated separately and any negotiations with any existing or potential customers and suppliers in relation to the Target businesses have been carried out by the Warmfill and/or Warmwall businesses alone and, for the avoidance of doubt, the Bacar business has not negotiated on behalf of the Target businesses (and vice versa) or entered into any joint agreements with the Target businesses (and vice versa).
- (i) All existing contracts of the Target businesses have been serviced by the Target businesses, except to the extent novated, assigned or subcontracted prior to the commencement date.
- (j) No changes have been made to key staff of the Target businesses.
- (k) No key staff have been transferred between the Target businesses and the Bacar business.
- (l) All reasonable steps have been taken to encourage all key staff to remain with the Target businesses.

(m) Except as permitted by the Order, no business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature relating to either of the two businesses, has passed, directly or indirectly, from the Target businesses (or any of its employees, directors, agents or affiliates) to the Bacar business (or any of its employees, directors, agents or affiliates), or vice versa.

(n) Except as listed in paragraph (o) below, there have been no:

(i) key staff that have left or joined the Target businesses;

(ii) interruptions of the Target businesses (including without limitation procurement, production, logistics, sales and employee relations arrangements) that have prevented them from operating in the ordinary course of business for more than 24 hours;

(iii) substantial customer volumes won or lost or substantial changes to the customer contracts for the Target businesses; or

(iv) substantial changes in the Target businesses' contractual arrangements or relationships with key suppliers.

(o) *[list of material developments]*

3. Target businesses and their subsidiaries remain in full compliance with the Order and will continue actively to keep the CMA informed of any material developments relating to the Target businesses in accordance with paragraph 8 of the Order.

Interpretation

4. Terms defined in the Order have the same meaning in this compliance statement.

I understand that:

5. It is a criminal offence under section 117 of the Enterprise Act 2002 for a person recklessly or knowingly to supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in **fines, imprisonment for a term not exceeding two years, or both**. (Section 117 of the Enterprise Act 2002.)

6. Failure to comply with this order without reasonable excuse may result in the CMA imposing a **penalty of up to 5% of the total value of the turnover**

(both in and outside the United Kingdom) of the enterprises owned or controlled by the person on whom the penalty is imposed. (Section 94A of the Enterprise Act 2002.)

FOR AND ON BEHALF OF Warmfill and Warmwall

Signature

Name

Title

Date