



Decision CPC: 10/2021

Case Number: 08.05.001.021.007

## THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

### Notification of a concentration concerning the acquisition of the share capital of Native Instruments Holding GmbH by Francisco Partners Management L.P., via Music Creation Group Topco (UK) Ltd.

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karydis,	Member
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis-Panagiotis Charalambides	Member

Date of Decision: 23<sup>rd</sup> of February 2021

#### SUMMARY OF THE DECISION

On 27/1/2021, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Francisco Partners Management L.P. 14 (hereinafter the "Francisco"), a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the "Law").

The notification concerns a concentration, according to which, Francisco, will acquire the share capital of Native Instruments Holding GmbH (hereinafter "Native Instruments" or the "Target"), via Music Creation Group Topco (UK) Ltd (hereinafter "Music Creation").

- Francisco Partners Management L.P. is a company duly registered in accordance with the laws of the United States of America. This company is a

global investment company specializing in investments in technology and technology-based enterprises.

- Music Creation Group Topco (UK) Limited is a company duly registered in accordance with UK laws. This company is a subsidiary of Francisco Partners Management L.P and acts as a "vehicle" which is set up to acquire the Target Company. After the completion of the acquisition, it will operate as a simple holding company holding the shares of the Target Company.
- Native Instruments Holding GmbH is a company duly registered in accordance with the laws of Germany. This company is the Target Company in this concentration and is a programmer and supplier of music software as well as provides equipment required for the production of music.

The concentration is based on a Share Purchase and Sale Agreement dated 7/1/2021 (hereinafter "Agreement"). Based on this Agreement, Francisco, will acquire 100% of the share capital of Native Instruments, via Music Creation.

The Commission, taking into account the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6 (1)(a)(ii) of the Law, since it leads to a permanent change of control of the Target Company.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The relevant product/services and geographic market in this case was defined as the market of the development and supply of software and relevant equipment for the production of music in the territory of the Republic of Cyprus.

According to the notification, there is no horizontal overlap between the activities of Francisco and Music Creations, and the Target Company in Cyprus.

In addition the Commission noted that there are no vertical relationships between the activities of the participating companies in Cyprus. It also concluded that there are no other markets in which the notified concentration may have a significant impact, based on the provisions of the Law.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position in the affected market and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Loukia Christodoulou  
Chairperson of the  
Commission for the Protection of Competition