



Decision CPC: 81/2021

Case Number: 08.05.001.021.070

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of concentration concerning the acquisition of the share capital of Biosynth Beteiligungs AG by KKR & Co. Inc. (via Kohlberg Kravis Roberts & Co. LP & Gallus Bidco Limited) and Dr. Urs Spitz

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Andreas Karidis,	Member
Mr. Panayiotis Oustas,	Member
Mr. Aristos Aristidou Palouzas,	Member
Mr. Polinikis Panayiotis Charalambides	Member

Date of decision: 23 December 2021

SUMMARY OF DECISION

On the 19th of November 2021 the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Kohlberg Kravis Roberts & Co. and US (physical person) 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").

This notification concerns a concentration according to which KKR & Co. Inc. (via Kohlberg Kravis Roberts & Co. LP and Gallus Bidco Ltd) and US intends to acquire the share capital of Biosynth Beteiligungs AG (hereinafter the "Target"). It is noted that US is the CEO and

President of the Target, will remain a shareholder of the Target, together with KKR, after the implementation of the proposed act.

Companies participating at this merger are the following:

1. Gallus Bidco Limited is a privately held company duly registered under the laws of the United Kingdom. It is a special purpose vehicle, without previous business activities, which was established for the purposes of this transaction. Gallus Bidco Limited is owned by Kohlberg Kravis Roberts & Co. LP, a private company duly registered under the laws of Delaware of the United States of America, an investment advisor registered with the United States Securities and Exchange Commission and an indirect subsidiary of KKR & Co. Inc.
2. KKR & Co. Inc. is listed on the New York Stock Exchange and it is an international investment firm that offers a wide range of alternative investment funds and other investment products to investors. KKR & Co. Inc. also provides capital market solutions for own purposes, its affiliated portfolio companies and other clients.
3. US is the founder of Biosynth Beteiligungs AG and is currently the Chief Executive Officer and President of Biosynth Beteiligungs AG. US holds [.....]% of the share capital of the Target and does not control any company other than Biosynth Beteiligungs AG.
4. Target company was created in 2019 by the merger of two players in the fine chemicals market, Biosynth and Carbosynth. The Target belongs by [.....]% to Argalos AG and by [.....]% to US. This company consists of two departments: the research products department and the pharmaceuticals and diagnostics department.

The concentration under consideration takes place on the basis of document "Share Purchase Agreement" (hereinafter referred to as the "Agreement") dated October 30, 2021, which sets out the main terms and conditions regarding the acquisition of the share capital of the Target Company.

According to what is provided in the Terms, Gallus Bidco Ltd, will acquire 100% of Target, with KKR to (indirectly) own about 70% and US to hold (indirectly) approximately 30% of the equity. At the same time, a Shareholder Agreement (hereinafter "SHA") will be signed between the two shareholders, which will govern the relationship between the two regarding the Objective.

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 joint control of the Target by KKR and US.

In accordance with the above findings, the Commission proceeded to assess the compatibility of the concentration in question with the operation of competition in the market, in accordance with the procedure for determining the compatibility of a concentration under the compatibility criteria, as defined in Articles 20 and 21 of the Law, for the significant obstruction of competition in the Republic of Cyprus or in a significant part of it, in particular as a result of the creation or strengthening of a dominant position and taking into account the individual criteria set out in Article 19 of the said Law.

The Commission concluded that for the purposes of evaluating this concentration, the relevant product / service market relates to a) the supply of laboratory products and life sciences products and b) the provision of production services by contract. In addition, the Commission concluded that the geographical market for the relevant markets in question is that of the territory of the Republic of Cyprus.

The activities of KKR (including those of its controlled portfolio companies) do not overlap with the business activities of the Target in Cyprus. There is, therefore, no horizontal overlap between KKR's activities (including those of its controlled holding companies) and the Target in Cyprus or Europe.

In addition, as the participants conclude, there are no vertical relationships between the activities of KKR (including those of its controlled portfolio companies) and the Target in Cyprus.

Taking into account the above, the Commission concludes that in this concentration no affected market is created based on Annex I of the Law. In addition, there are no other markets in which the notified concentration may have a significant effect.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no 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