



Decision CPC: 62/2021

Case Number: 08.05.001.021.051

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of concentration concerning the acquisition of the share capital of the

Sojaprotein D.O.O. by Archer Daniels Midland Europe B.V.

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: 20 September 2021

SUMMARY OF DECISION

On the 1st of September 2021 the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Archer Daniels Midland Europe B.V. (hereinafter the «Archer») 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 Archer intends to acquire 100% of the share capital of Victoria Group D.O.O. (hereinafter the "Victoria Group") and 10.76% of Sojaprotein D.O.O. (hereinafter referred to as "Target Operation"). It is noted that the remaining share capital of the Target Company is held by Victoria Group.

Companies participating at this merger are the following:

1. Archer Daniels Midland Europe B.V. which is a private company duly registered under the laws of the Netherlands. Archer is wholly owned by Archer Daniels Midland Company, a public company listed on the New York Stock Exchange and duly registered under the laws on the State of Delaware of the United States of America (hereinafter referred to as Archer Daniels Midland Company and its subsidiaries, ADM).

ADM converts natural products into staple foods, manufactures, sells and distributes a wide range of ingredients and solutions and owns and operates an extensive global supply and transport network for the supply, storage, refining and transport of agricultural raw materials such as oilseeds, corn, wheat, mill, oats and barley, as well as products derived from these inputs. ADM's activities are organized, managed and classified into three business segments: Livestock Services and Oilseeds, Carbohydrate Solutions and Nutrition.

2. Victoria Group D.O.O. is a limited liability company duly registered under the laws of Serbia. With the implementation of the Transaction, Victoria Group will hold 89.242% of the share capital of the Target Company and will not have any other activities.
3. Sojaprotein D.O.O. is a private company duly registered under the laws of Serbia. The Target Company is a member of the Victoria Group ad Beograd. Target operates in the processing of exclusively non-genetically modified soy beans into soy products for human consumption, including toasted and whole-grain soybean meal, semi-fat and skimmed, lightly toasted soybean meal, and wholemeal meal, full fat with active enzyme, functional mixtures for the food industry, soy products, traditional soy concentrates, concentrates with soy composition for food, raw soybean oil and raw soy lecithin and the production of vegetarian pate for animal feed, including soybean meal, raw soybean meal, crude soybean oil and soy molasses.

The concentration under consideration takes place on the basis of (i) a Share Sale and Purchase Agreement (hereinafter "SPA 1") dated 26 July 2021, which was agreed by and between Apsara Limited, Milija Babovic, MK Group D.O.O. BELGRADE, together as the Sellers, and Archer Daniels Midland Europe B.V., acting as the Buyer and on the basis of (ii) the Sale and Purchase Agreement (hereinafter referred to as "SPA 2") dated 26 July 2021,

agreed by and between Sliderule Trading Limited, as the Seller and Archer Daniels Midland Europe BV, acting as the Buyer.

This notification concerns the acquisition by Archer of 100% of the share capital of Victoria Group (SPA 1). Victoria Group holds only 89.242% of the share capital of the Target Company and will not have any other activities. Under the terms of SPA 2, Archer will acquire all the shares in the Target Company held by Silderule Trading Limited, which represent 10.758% of its share capital. Upon completion of the Transaction, the Buyer will eventually acquire 100% of the shares of the Target.

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 target by Archer.

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.

Based on the above, the Commission has concluded that the relevant product market in this concentration is the sale and distribution of soy-based proteins. Any further separation does not differentiate the outcome of the merger assessment.

The geographic market for the relevant markets for products is the territory of the Republic of Cyprus.

According to the notification data, in Cyprus, the only overlap between the activities of the participants is related to the distribution of soy-based proteins by the Target Company and the distribution of soy-based flour from ADM, a product belonging to the market of proteins with soy. Therefore, there is a horizontal relationship in the activities of the participating companies in the relevant market.

Based on the same data, the combined market share of the participating companies after the Transaction does not exceed 15%. Therefore, no horizontally affected market emerges.

According to the notification data, there is no vertical relationship between ADM and the Target Company in Cyprus, as the participating companies are not active at different levels of trade. Therefore, the participating companies do not have a potential supplier or customer relationship with each other and no vertically affected market arises as a result of the Transaction.

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