

Case Number: 08.05.001.021.055

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW**

**No. 83(I)/2014**

**Notification of a concentration concerning the acquisition of the share capital of Apollonio Private Hospital Public Company Ltd by CVC Funds Holding Companies, through Hellenic Healthcare Holding (Cyprus) Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karydis,	Member
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member

Date of Decision: 3<sup>rd</sup> of December 2021

**SUMMARY OF THE DECISION**

On 18/10/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Hellenic Healthcare Holding (Cyprus) Ltd (hereinafter the “HHH”), 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, CVC Funds Holding Companies, will acquire the share capital of Apollonio Private Hospital Public Company Ltd (hereinafter the “Apollonio” or the “Target”).

The participating parties of the proposed transaction are the following:

- HHH is a limited liability company duly registered under the laws of the Republic of Cyprus. It is established for the purposes of this transaction. It is

owned by Hellenic Healthcare Holding Single Member S.A. (hereinafter the “Hellenic Healthcare”) and it is a part of CVC Funds Holding Companies and by extension the CVC Network.

Hellenic Healthcare is a duly registered company under the laws of Greece and it is a member of HHG Group. HHG Group is active in the Greek market of the provision of private health services.

The CVC Network includes CVC Capital Partners SICAV-FIS S.A. (CVC) and its subsidiaries and CVC Capital Partners Advisory Group Holdings Foundation and its subsidiaries, which are unlisted companies whose activities include the provision of investment counseling and/or investment management on behalf of various investment funds and platforms (hereinafter the “CVC Funds”). The CVC Network provides investment counseling and manages investments on behalf of CVC Funds. It specializes in giving advice on acquisitions and continuously seeks new investment opportunities to expand CVC Capital’s existing investments. The CVC Funds hold holdings in various companies in diverse industries, mainly in Europe, the USA and the Asia-Pacific region (CVC Funds Holding Companies).

Some of the companies of CVC group are active in the pharmaceutical and medical sector. Specifically,

- DFE PHARMA is active in the production of lactose-based excipients. These excipients help to keep a pill in solid form. They do not have active substances like other raw materials of pharmaceutical products. These products are supplied to pharmaceutical industries and not to hospitals or patients or end users but relate to the production of all kinds of medicines in pill form.
- SEBIA is a group company based in France. It mainly offers clinical chemistry instruments and reagents. SEBIA’s instruments use a process referred to as electrophoresis that enables the analysis of proteins and enables clinicians to provide diagnostics for various diseases, such as immune system cancers, hemoglobin deficiencies and others such as alcoholism. It operates in the following Global In Vitro Diagnostic Classifications (“GIVD”):
  - clinical chemistry
  - immune chemistry

- haematology/haemostasis/immunohematology/histology/cytology
- Recordati is active in the manufacture of medicines ZANEDIP, COMBO, UROREC, PROCOGLYVENOL, BETALOC, CLEENEMA and CITRAFLEET.
- Apollonio is a public company duly registered in accordance with the laws of the Republic of Cyprus. It provides private hospital services in Cyprus. Its activities concern the provision of private hospital services to clients in Cyprus. Specifically, it has an Accident and Emergency Department that operates 24 hours a day, 365 days a year for better and immediate care of emergencies. It offers 24-hour patient transport services throughout Cyprus. It owns Vascular Surgery Center, Hemodynamic Department as an integral and organic part of the cardiology clinic. The center offers Diagnostic, Interventional and Therapeutic Services. Also, there is a Radiology Department, Endoscopic Department, Clinical Laboratory, Pathology Department, Surgery Department, Adult Intensive Care Unit, Obstetrics/Gynecology Department and Cardiac Surgery Department. It has an Infections Committee with specialized medical and nursing staff. Apollonio is a part of the General Health System (GHS) of the Republic of Cyprus.

This concentration is based on:

- i) the Agreement for Sale of Shares and Transmission of Offer to Other Members (hereinafter the "Agreement") dated 14/10/2021, between the Major Shareholders, (Sellers) and HHH (Buyer).

According to this Agreement, the Major Shareholders have agreed to transfer all their shares to HHH, provided that at least a specific percentage of the shareholders holding the total issued capital of Apollonio will accept HHH's offer based on of the terms of the Agreement.

- ii) Mutual Undertakings Agreement (hereinafter "MUA") between HHH and the doctors who offer medical services at the Apollonio facilities.

- iii) Offer for the Acquisition of up to the Entire Share Capital of the Company (hereinafter the "Offer"). The submission of this offer is subject to the completion of the Agreement. This offer includes all the process and mechanisms for the acquisition of the entire issued share capital of Apollonio,

as well as all the conditions that must be met in order for the parties to proceed with the completion of the agreement.

The proposed transaction concerns the acquisition of at least the majority of the shares of the issued share capital of Apollonio, which are currently held by the Major Shareholders of Apollonio from HHH and the exercise of substantial control over the activities of Apollonio through the control of the Board of Directors. As a result, the Commission 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 provision of private health services in the territory of the Republic of Cyprus.

The Target is active in the market of providing private hospital services to clients in Cyprus. The CVC Funds Holding Companies, as well as the HHG group, do not operate within the Cyprus territory in the wider field of providing medical and nursing services and/or in any other field and/or activity and/or service which provides Apollonio in Cyprus. As a result, based on the notification there is no a horizontal overlap between the activities of the participating enterprises.

Regarding to vertical link between the participating enterprises, it is noted that according to the data of the notification, some of the CVC Funds Holding Companies provide services in the fields of the production of pharmaceutical products (through the company Recordati), the sale of medical equipment and reagents (through the company Sebia) and the production of lactose-based excipients used as a raw material to keep a pill in solid form (through the company DFE Pharma). However, none of the portfolio companies controlled and managed by CVC Funds carry out activities or offer products or services that can be considered as significant input products/services for Apollonio's activities or vice versa.

The Commission concluded that there is no horizontal overlap or vertical relation between the activities of the participants in the concentration, in Cyprus.

In addition, the Commission concluded that there are no other markets where the notified concentration is likely to have a significant impact, under 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 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