



Decision CPC: 67/2021

Case Number: 08.05.001.021.056

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of concentration concerning the acquisition of companies G-Mart
Business and ZPR Business by Partner in Pet Food Hungária Kft., via Rieslaner
spolka z ograniczona odpowiedzialnoscia**

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: 5 November 2021

SUMMARY OF DECISION

On the 18th of October 2021 the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Rieslaner spółka z ograniczoną odpowiedzialnością (hereinafter the « Rieslaner») 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 Partner in Pet Food Hungária Kft. (hereinafter the « PPF») via Rieslaner, intends to acquire the firms G-Mart Business and ZPR Business (hereinafter the “Target Companies”) .

Companies participating at this merger are the following:

1. Rieslaner which is a newly established limited liability company, duly registered under Polish law. Company acts as a special purpose vehicle and has been established for the purposes of this transaction and is directly owned by Partner in Pet Food Hungária Kft. ("PPF").

PPF is a duly registered company under Hungarian law, which produces a range of branded pet food and its own label products and supplies them to supermarkets, pet stores and veterinarians. PPF is indirectly controlled by funds managed by Cinven Capital Management (VI) General Partner Limited (hereinafter "Cinven").

Cinven is a privately held company that provides investment management services and investment advice to various investment funds. Cinven's investment portfolio companies operate in a wide range of sub-sectors, with a particular focus on business services, consumers, financial services, healthcare, industry and technology, as well as the media and telecommunications.

2. G-Mart Business (hereinafter referred to as "G-Mart") is owned by a physical person (hereinafter referred to as the "Founder") and consists of the organized business division under the name G-MART Grzegorz Werbliński, which operates in transport and supply of raw meat mainly in Poland.
3. The company ZPR Business (hereinafter referred to as "ZPR") owned by Zakład Przetwórstwa Rolniczego spółka z ograniczoną odpowiedzialnością spółka komandytowa (hereinafter "ZPR LLP"), which consists of the organized division of a company active in the production of pet food animals. ZPR LLP is a limited liability company active in the production of pet food, mainly in Poland.

The merger in question takes place on the basis of a Preliminary Business Purchase Agreement Real Estate Purchase Agreement (hereinafter referred to as "PPA"), which was agreed by and between the Founder and ZPR LLP as the Sellers, and Rieslaner, acting as the Buyer. As stated in the Agreement, subject to and subject to the terms and conditions of the PPA, the Buyer and the Sellers will sign the Final Agreement and the Final Property Agreement 3, under which the Sellers will sell and

the Buyer will purchase the Target companies, except for the assets and liabilities as defined in the PPA.

An essential element for the examination of this act of concentration is the concept of "concentration" of companies and its general existence, as this concept is defined in Article 6 of the Law.

According to the notification data, during the implementation of the Transaction and according to the PPA, Rieslaner will acquire the sole control of the Target Companies.

The Commission, considering the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6(1)(α)(ii) of the Law, since it leads to a permanent change of control of the Target Companies, by Rieslaner.

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 has concluded that for the purposes of evaluating this concentration, the relevant product / service market is the supply of pet food. Any further separation does not differentiate the outcome of the merger assessment.

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.

According to the notification, the current concentration will lead to small horizontal overlaps between the activities of one of Cinven's controlled holding companies, PPF (through its Giuntini subsidiaries, Mispol is expected to become a PPF subsidiary by the end of January 2022) and Business-Target in the relevant market of pet food products in Cyprus. However, only PPF, Giuntini and Mispol are active in the supply of pet food in the Republic of Cyprus.

Taking into account that the sales of the Target Enterprises in the Republic of Cyprus (specifically of the ZPR company) amounted to approximately € [.....] in 2020, the parties estimate approximately that the market share of the Target Enterprises in the Republic of Cyprus in the supply of food for cat or dog pets is [0-5]%.

PPF's turnover in the Republic of Cyprus in the supply of pet food is € [.....] and therefore, the Parties estimate that PPF's market share in the Republic of Cyprus is [0-5]%. For Giuntini, its turnover in the Republic of Cyprus in the supply of pet food is € [.....] and, therefore, the Parties estimate that Giuntini's market share in the Republic of Cyprus is [0-5]%. Mispol's turnover in the Republic of Cyprus from the supply of pet food amounted to € [.....] in 2020 and, therefore, the Parties estimate that Mispol's market share in the Republic of Cyprus amounts to [0-5] %.

As per the notification, combined market share of the parties is estimated less than [0-5]% and does not exceed the 15% threshold for an affected market.

According to the notification, this concentration does not lead to a vertical relationship between the activities of Cinven's controlled holding companies and the Target Companies. In addition, the notification data does not show any vertical relationship 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