



Decision CPC: 1/2022

Case Number: 08.05.001.021.074

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of concentration concerning the acquisition of joint control of Razer Inc., by CVC Capital Partners SICAV-FIS S.A. (via Sidewinder Holdings Limited) and Individuals

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: 11 January 2022

SUMMARY OF DECISION

On the 17th of December 2021 the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of CVC Capital Partners SICAV-FISS.A. (hereinafter the « CVC»), Mr. M-L T. and Mr L.K 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 via Sidewinder Holdings Limited, Mr. M-L T. and Mr L.K (hereinafter the « the Founders »), intend to acquire indirect joint control of Razer Inc. (hereinafter the “Target”) via joint venture vehicle, Ouroboros (III) Inc. (hereinafter referred to as "TopCo").

Companies participating at this merger are the following:

1. Sidewinder Holdings Limited (hereinafter the CVC HoldCo) is a privately held company duly registered under the laws of Jersey, which is a special purpose company with no prior business, established to operate as an acquiring company for the purpose of the Transaction and is controlled by CVC Capital Partners SICAV-FIS S.A.

CVC and its subsidiaries and CVC Capital Partners Advisory Group Holding Foundation and its subsidiaries are privately owned entities which constitutes the "CVC Network". The activities of this Network include the provision of investment advice and/or investment management on behalf of certain funds and investment platforms.

2. Mr. M-L T. is a co-founder of Razer and has served as CEO of Razer since September 2006. He is also the Executive Director and Chairman of the Board of Razer. He is responsible for the overall strategic development and business operations. In addition, he is responsible for directing and overseeing the design and development of all Razer products.
3. Mr. L.K has been a founding investor in Razer since May 2005 and has been a member of the Board of Directors since November 2012. He is a non-executive director.
4. Ouroboros (III) Inc. (hereinafter referred to as "TopCo") is a newly established special purpose company that will be indirectly owned by approximately [.....]% in CVC HoldCo, by approximately [.....]% to Mr. [.....], and by about [.....]% in Con. L.K).
5. Razer is listed on the Hong Kong Stock Exchange and is headquartered in Irvine, California, with 18 offices worldwide. Razer's main activities are the design, manufacture, distribution, research and development of peripherals for gaming systems (gaming peripherals), software and services, etc. Razer 's core business falls into three categories: (1) Hardware, (2) Software, and (3) Services.

The proposed transaction is based on (i) the consortium agreement on the conduct of the various parties in relation to the Plan, dated 1 December 2021 (hereinafter referred to as the "Agreement") and (ii) of the shareholders' agreement (hereinafter

the "SM") dated 1 December 2021 together with TopCo on the governance of TopCo / Razer after the completion of this operation.

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, to a joint control by CVC HoldCo with Mr. M-L T. and Mr L.K.

The Commission has concluded that for the purposes of evaluating this concentration, the relevant product / service market is (1) the market for virtual credits, (2) the market for computer peripherals, (3) the market for headphones, and (4) the market for laptops. Any further subdivision into sub-markets does not differentiate the outcome of the evaluation of this operation.

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 data of the notification, there is no overlap between the activities of CVC and its subsidiaries and the activities of the Target in Cyprus. Therefore, the Proposed Transaction will not lead to any horizontal overlap.

Regarding vertical relationships, as far as the Parties are concerned, none of the CVCs and the CVC Fund Holding Companies supply any products to Razer, in Cyprus. In addition, none of the CVCs and the CVC Fund Holding Companies are existing Razer customers in Cyprus and there are no vertical relationships between the CVC Fund Holdings Companies and Razer 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