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Republic of Serbia  
**COMMISSION FOR PROTECTION  
OF  
COMPETITION**

25/IV Savska Street, Belgrade

Number: 6/0-03-259/2024-106

Date: February 28, 2024

President of the Commission for Protection of Competition, pursuant to Article 22 paragraph 2 and Article 66 paragraph 3 of the Law on Protection of Competition (“Official Gazette of the Republic of Serbia”, number 51/09 and 95/13), and Article 2 paragraph 1 item 7 of the Tariff on the level of compensations for activities within the competence of the Commission for Protection of Competition (“Official Gazette of the RS”, No. 49/2011), in deciding upon notification of concentration of Atlantic Grand d.o.o. Beograd, seated at 6a Surčinska Street, Belgrade, Republic of Serbia, through its holder of power of attorney lawyer Milica M.Subotić, from Subotić & Jevtić Law Office, 31, II/84 Terazije, Belgrade, Republic of Serbia, continued as the procedure of investigation of concentration ex officio, on 150th meeting held on February 28, 2024 adopts the following

## **DECISION**

**I CONDITIONALLY APPROVING** the concentration of market participants resulting from the acquisition of individual control by the company Atlantic Grand doo Beograd, seated at 6a Surčinska Street, Belgrade, Republic of Serbia, registration number 17173006, over the company Strauss Adriatic doo Šimanovci, seated at 41 Miloš Obilić Street, Šimanovci, Republic of Serbia, ID number 06299997, by way of purchase of 100% of share.

## **II DETERMINING SPECIAL CONDITIONS FOR THE APPROVAL OF CONCENTRATION AND DEADLINES FOR THEIR EXECUTION:**

### **I**

1. Atlantic Grand d.o.o. Belgrade (hereinafter referred to as: Atlantic Grand) shall be obligated to disinvest operations (“disinvestment”) related to processing of coffee and production of coffee products in the production plant of this company located at 6 Surčinska Street (hereinafter referred to as: disinvestment subject) under the terms foreseen in this paragraph of the wording, by investing all reasonable effort to apply the following disinvestment measure:
  - 1) disposal of the disinvestment subject, including factory for coffee and coffee products processing, real estate on which this factory is located at, equipment and machines necessary for stated activity,
  - 2) Atlantic Grand shall implement, or secure the implementation, of all necessary measures to provide that after the delivery of the decision of the Commission for Protection of Competition conditionally approving the concentration, there is no exchange of confidential data and/or business sensitive information related to the disinvestment subject, between Atlantic Grand and its related parties, on one side, and subject of

disinvestment, on the other side. Atlantic Grand and/or its related persons may receive or retain only such information that is related to the subject of disinvestment that is justifiably necessary for disposal of business in question or whose disclosure may be required in line with the law or that is reasonably requested by Atlantic Grand and/or its related parties in order to align with its financial reporting or other legal obligations.

2. Atlantic Grand shall actively participate in the process of business disinvestment, which includes active participation in finding potential buyers (“taking reasonable effort”).
3. Atlantic Grand shall, from the date of validity of the decision of the Commission for Protection of Competition conditionally approving the concentration, take available measures for the purpose of maintaining functionality of the subject of disinvestment, that is, restrain from actions that may have significant negative impact on the disinvestment subject, in line with good business practice and minimize the risk from losing potential competitiveness of the disinvestment subject, until the disinvestment occurs.
4. Atlantic Grand shall secure that the disinvestment subject and remaining business of Atlantic Grand and Strauss Adriatic doo Šimanovci remain mutually separated.
5. Atlantic Grand shall sell the subject of disinvestment to the buyer that cumulatively meets the following conditions:
  - 1) not a related person, in the sense of the Law on Protection of Competition, of Atlantic Grand,
  - 2) actual or potential competitor of Atlantic Grand,
  - 3) owns financial assets based on which it shall be able to operate on the market, and
  - 4) received concentration execution approval from the Commission for Protection of Competition, if such approval is necessary.

## II

6. Atlantic Grand shall submit a written notice to the Commission for Protection of Competition within one month from the validity of the decision of the Commission for Protection of Competition conditionally approving the concentration, that shall include the following mandatory elements:
  - 1) measures/activities Atlantic Grand intends to take related to disinvestment of operations,
  - 2) data on sales commissioner, that shall be in charge for implementing disinvestment of operations,
  - 3) data on supervision commissioner, that shall be in charge for supervision over the management, operations and maintaining sustainability of subject of disinvestment until the moment of disinvestment, with submission of relevant reports to the Commission for Protection of Competition.
7. Sales and Supervision Commissioners cannot be the same person.
8. Commissioner must be a legal entity that is not a related person with Atlantic Grand, that is, a natural person that is not an employee, director, member of board of directors, management, executive or supervisory board of any company within the group of companies to which Atlantic Grand belongs to (including all companies in similar connection with the company over which control is attained by way of concentration). This condition must be met in the period of three years prior to adoption of the decision of the Commission for Protection of Competition and three years after the validity of such decision.

9. Commissioners, or their related persons in the sense of the Law on Protection of Competition, as well as spouses, adoptees, or adopted parents, blood relatives in straight line regardless of the nature of kinship in the side line to the second level of kinship, or in-laws to the second level of kinship cannot be persons that have a private interest that impacts or could impact actions in performing their duties during the mandate and within three years from the provision of termination of mandate of the commissioner.
10. Commissioners must hold necessary qualifications for performing the function of the commissioner for supervision and sales (for example, sufficient relevant experience in the area of investment banking, business consultancy or audit).
11. Commission for Protection of Competition shall, by way of special decision, decide on approval for appointment of persons proposed for commissioners. After the delivery of such decision, Atlantic Grand shall appoint stated commissioners.
12. Atlantic Grand shall bear all costs of appointment and operation of commissioners for sale and supervision.
13. Commissioners shall act as contact persons for Atlantic Grand towards the Commission for Protection of Competition related to meeting special conditions for approval of concentration related to entrusted functions, with submission of relevant reports. For this purpose, the commissioners shall mutually cooperate during their relevant period of appointment.
14. Atlantic Grand shall transfer management rights to the commissioner for supervision over the subject of disinvestment, within one month from the date of delivery of the decision of the Commission for Protection of Competition providing consent for appointment of commissioners.
15. Atlantic Grand shall transfer management rights to the commissioner for sales over the subject of disinvestment, within one month from the date of delivery of the decision of the Commission for Protection of Competition providing consent for appointment of commissioners. In case the commissioner for sales is a legal entity, Atlantic Grand shall, immediately upon appointment, demand from such legal entity to appoint a natural person, that is, natural persons, that shall be in charge for the sales of subject of disinvestment for the commissioner. Such natural person shall meet all the conditions regulated under items 8 and 9.
16. Supervision commissioner shall:
  - 1) in its first report to the Commission for Protection of Competition, propose a detailed operational plan in which it shall be stated how it intends to perform supervision related to fulfilment of obligations and conditions as foreseen in this decision,
  - 2) act as contact for any request of third parties, especially potential buyers, related to the subject of disinvestment,
  - 3) deliver the Commission for Protection of Competition, with simultaneous sending of copies to Atlantic Grand (with excluded confidential data), written report within 15 days upon completion of each month, that shall include report on business and management over the subject of disinvestment, in order for the Commission for Protection of Competition to assess whether business in question is managed in a manner that is in line with conditions and terms from this decision.
17. Sales commissioner shall deliver the Commission for Protection of Competition quarterly reports on progress of the sales process, with simultaneous delivery of one copy to the Supervision Commissioner and one copy with excluded confidential data to Atlantic Grand

within 30 days from the end of the reporting period, where the first quarterly reporting period shall start from the date of validity of this decision. These reports shall include information on potential buyers and on sales status Atlantic Grand shall deliver to the sales commissioner.

### III

18. Atlantic Grand shall, within 18 months from the date of delivery of the decision of the Commission for Protection of Competition providing consent for appointment of the commissioner (“disinvestment deadline”), sell, that is, invest all reasonable effort for the purpose of selling the subject of disinvestment to the appropriate buyer under previously stated conditions, at price that is not a minimum price and that is considered appropriate for Atlantic Grand.
19. If, within disinvestment deadline, Atlantic Grand does not provide for disinvestment of the business, sales commissioner shall, within 15 days after the expiration of the deadline, deliver to the Commission for Protection of Competition a justified notice on failed disinvestment and all measures taken for the purpose of disinvestment.
20. If the Commission for Protection of Competition determines that all reasonable measures have been taken for disinvestment, it may allow extension of the deadline for additional six months (“additional deadline for disinvestment”) from the date Atlantic Grand receives the decision of the Commission for Protection of Competition on additional period, then Atlantic Grand shall not be entitled to set a minimum price for the subject of disinvestment, but, the business shall be disinvested at price offered by the buyer. Sales commissioner shall care of the legitimate financial interest of Atlantic Grand.
21. Supervision commissioner shall deliver a report on successful disinvestment transaction to the Commission for Protection of Competition within 15 calendar days from disinvestment.

### IV

22. Atlantic Grand shall not, within five years from successful disinvestment, acquire the business that has been disinvested (that is, repurchase or lease) or, in case of successful disinvestment, take action that enable Atlantic Grand direct or indirect impact to disinvested business.

### V

23. Atlantic Grand (and/or its related parties) shall, within five years from the delivery of this decision, deliver to the Commission for Protection of Competition general sales terms (sales policy) including data on sales channels, buyer categorization, discount policy and other general sales terms, including reasons for amendment of general sales terms.
24. General sales terms shall be delivered once a year, or more frequently if such terms are changed, by July 1st each year for previous year, where the first reporting period shall refer to 2023.

### VI

25. Atlantic Grand (and/or its related parties) shall, within five years from the delivery of this decision, submit written reports to the Commission for Protection of Competition containing data on:
  - 1) total quantity and price of imported raw coffee,
  - 2) production capacity and level of utilization of production capacities of Atlantic Grand

and taken over company Strauss Adriatic doo Šimanovci in Serbia,

- 3) annual quantity of production of traditional (domestic) roasted coffee in production facilities of Atlantic Grand and taken over company Strauss Adriatic doo Šimanovci in Serbia,
  - 4) total quantity and wholesale price (w/o VAT) of sold traditional roasted coffee in Serbia, per sales channels and per brands, as well as data on export (quantity, price, export destination countries).
26. Atlantic Grand shall deliver to the Commission for Protection of Competition report twice a year - for a six-month period, within 30 days from the expiration of the reporting period, where the first reporting period of 6 months shall start on the date of delivery of this decision.

## VII

27. Atlantic Grand shall, upon termination of the contract on coffee production for other market participants with which this company and Strauss Adriatic have concluded contracts on coffee production under private brands, not renew current contracts, and within five years from the date of delivery of this decision, shall not conclude new contracts on coffee production for other market participants.

## VIII

28. Commission for Protection of Competition, in justified cases, may extend the deadlines prescribed for meeting special conditions for the approval of concentration at the request of Atlantic Grand and/or its related companies, with clarified request and report of the supervision and/or sales commissioner. Burden of evidence of justified reasons shall be upon the applicant, and the request shall be submitted one month prior to expiration of such period at the latest.
29. Commission for Protection of Competition may, in extraordinary situations, including situation when in additionally provided disinvested period Atlantic Grand fails to disinvest the business, terminate, amend or replace one or several obligations included in these special terms for concentration approval, as the response to justified request of Atlantic Grand and/or its related company, with stating relevant reasons. Such request shall be accompanied by the report of the supervision and/or sales commissioner. Burden of evidence on existence of justified reasons shall be upon the applicant, and the Commission for Protection of Competition shall determine whether such request is justified and whether all reasonable measures for disinvestment have been taken.

**III** Concentration investigation procedure ex officio may be repeated due to violation of the conditional concentration approval.

**IV IT SHALL BE ESTABLISHED** that the notifying party, Atlantic Grand d.o.o. Beograd, paid the amount of XXX, on June 7, 2023, and the amount of XXX on November 14, 2023 to the account of the Commission for Protection of Competition, representing appropriate regulated amount for the issuance of decision on concentration approval in summary procedure.

**PRESIDENT OF THE COMMISSION**

Nebojša Perić, m.p.