



DETERMINATION OF MERGER NOTIFICATION - M/23/030 – NOVO GROUP / KELVIN HOLDCO (ELLAB)

Section 21 of the Competition Act 2002

Proposed acquisition by the Novo Group of sole control of Kelvin HoldCo A/S, trading as Ellab

Dated: 28 July 2023

1. On 11 July 2023, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (“Commission”) received a notification of a proposed acquisition whereby Echo BidCo A/S (“Novo BidCo”), an indirect wholly owned subsidiary of Novo Holdings A/S (which is wholly owned and controlled by the Novo Nordisk Foundation) would acquire sole control of Kelvin HoldCo A/S, trading as “Ellab” (“Ellab”) (the “Proposed Transaction”). Novo BidCo, Novo Holdings A/S, and the Novo Nordisk Foundation are collectively referred to as the Novo Group.
2. The Proposed Transaction will be implemented pursuant to a share purchase agreement, dated 20 June 2023, between Ellab, Krogh Invest ApS, and Novo BidCo (the “SPA”). Following the implementation of the Proposed Transaction, the Novo Group would acquire sole control of Ellab.
3. The business activities of the undertakings involved are:
The Acquirer – the Novo Group
 - **Novo Holdings A/S** is a Danish private limited company and the holding company of the Novo Group. Novo Holdings A/S is responsible for managing the assets of the Novo Nordisk Foundation. It manages the Novo Nordisk Foundation’s strategic investments in the life sciences and related areas. It focuses its investments on companies active in the medical and scientific research fields. Novo Holdings A/S is active in the State through: (i) the subsidiaries in which it has a controlling interest (Novo Nordisk A/S and Novozymes A/S); and (ii) the portfolio companies within which it has sought to invest.



- Table 1 lists the portfolio companies of the Novo Holdings A/S in the State. Table 2 lists the portfolio companies of the Novo Group that generate turnover, but do not have a presence, in the State.

Table 1: Novo Holdings A/S companies with a presence in the State

Name	Description of activity
Novo Nordisk Limited	Novo Nordisk is a global healthcare company headquartered in Denmark. Novo Nordisk treats the following diseases: Type 1 diabetes, Type 2 diabetes, obesity, haemophilia, and growth disorders. It has pharmaceutical operations in Santry, Co. Dublin.
PrecisionBiotics Group Limited	Precision Biotics is a food-supplement brand which specialises in the production of probiotics. Precision Biotics forms part of the Novozymes OneHealth Group and is headquartered in Kinsale Road, Co. Cork.
NNIT Ireland Limited	NNIT Ireland provides a complete range of IT migration services to the European market. NNIT Ireland Limited is headquartered in Citywest Business Campus, Co. Dublin.
SL Controls Limited	SL Controls is active in the provision of 'Manufacturing Equipment Systems Integration and Systems Support,' assisting its customers achieve their Six Sigma and Overall Equipment Effectiveness targets. In the State, SL Controls has office locations in Maynooth, Sligo, Limerick and Galway, and is active nationwide.
FIRE1	Headquartered in Dublin, Fire1 comprises a team of 50 engineers, clinical trial specialists and scientists who have developed an implant investigational device which provides unique data to help clinicians manage heart failure and improve patient outcomes (the FIRE1 System). The Fire1 System is an investigational device and is not currently approved for clinical use in any geography.
Chr. Hansen	Chr. Hansen is global bioscience company that develops natural ingredient solutions for the food, nutritional, pharmaceutical and agricultural industries. It has an office location at Fota Retail & Business Park, Co. Cork.
Oxford Biomedica	Oxford Biomedica is a quality and innovation-led viral vector contract manufacturing and development organization focused on delivering life changing therapies to patients. It specialises in providing viral vector development, scale-up, analytics and GMP bioprocessing. Oxford Biomedica has an office location in Swords, Co. Dublin.

Table 2: Novo Group's portfolio companies that generated turnover, but do not have a presence, in the State.



Name	Description of activity
Xellia Pharmaceuticals	Xellia Pharmaceuticals is a specialty pharmaceutical company focused on providing important anti-infective treatments against serious and often life-threatening infections. Xellia is headquartered in Copenhagen, Denmark, and operates manufacturing facilities in Denmark, Hungary, China and the U.S.
AltaSciences	Altasciences is a contract research organization offering pharmaceutical and biotechnology companies a proven, flexible approach to preclinical and clinical pharmacology studies, including formulation, manufacturing, and analytical services. Altasciences' integrated, full-service solutions include preclinical safety testing, clinical pharmacology and proof of concept, bioanalysis, program management, medical writing, biostatistics, clinical monitoring, and data management, all customizable to specific sponsor requirements. It does not have an office in the State.
Clario	Clario is a contract research organization specializing in clinical services and customizable medical devices to biopharmaceutical and healthcare organizations. Clario does not have an office in the State.
BBI	BBI Solutions is the world's largest independent producer of immuno-diagnostics reagents. ¹ BBI solutions provide a comprehensive suite of reagents with custom development options, lateral flow development, diagnostic manufacturing services and smartphone reader technologies.

- **Novo Nordisk Foundation** is a Danish enterprise foundation. The Novo Nordisk Foundation's vision is to support research and development that improves lives and sustainability. More specifically, the Novo Nordisk Foundation supports the commercial activities of the companies in the Novo Group and provides grants. The Novo Nordisk Foundation awarded over €4 billion² through more than 3,150 grants. 44% of these grants were awarded for physiological, endocrinological, metabolic and other medical research. 5% was awarded for research hospital activities within

¹ A reagent is a substance or compound added to a system to cause a chemical reaction, or test if one occurs.

² DKK 30.6 billion.



diabetes field and 51% were awarded for other scientific, humanitarian and social purposes.

- **Novo BidCo** is a recently incorporated wholly owned subsidiary of Novo Holdings A/S. Novo BidCo was incorporated in Hellerup, Denmark on 21 November 2021 for the purposes of acting as an acquisition vehicle in transactions of this nature.

The Target – Ellab

- **Ellab**, headquartered in Hillerød, Denmark, provides validation solutions and services to a wide range of customers, including pharmaceutical and biotech companies. In general terms, validation refers to the recording and verification that a given process or piece of equipment meets expected specification or regulatory requirements. Ellab's validation products and services are used for measuring and documenting parameters such as temperature, pressure and carbon dioxide in various industrial processes (pharmaceutical, food manufacturing, healthcare). Most of Ellab's customers in the State are large pharmaceutical and biotech companies.
- Ellab's business can be divided into:
 - *validation solutions* ([...] of sales³) for measuring and documenting parameters (e.g., equipment to measure temperature, humidity, pressure and carbon dioxide to check processes used in pharmaceutical and biotech processes);
 - *monitoring solutions* ([...] of sales) covering these parameters in a hybrid on-premises/cloud IoT solution (eg, continuous monitoring of parameters, with capabilities to alert users if measurements fall outside of parameters);
 - *field services and consulting* ([...] of sales), including equipment calibration, validation and GMP (good manufacturing practice) consulting, which is required for regulatory compliance.

³ Sales percentages refers to Ellab's global sales.



4. After examination of the notification, the Commission has concluded that the Proposed Transaction falls within the scope of paragraph 2.1 of the Simplified Merger Notification Procedure Guidelines for assessing certain notifiable mergers or acquisitions under section 18(1)(a) of the Act as while there is a potential vertical relationship between the Novo Group and Ellab in the State, both the Novo Group and Ellab have market shares less than 25% in their respective markets.
5. In the light of this, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

6. No ancillary restraints were notified.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Echo BidCo A/S, an indirect wholly owned subsidiary of Novo Holdings A/S (which is wholly owned and controlled by the Novo Nordisk Foundation) would acquire sole control of Kelvin HoldCo A/S, trading as "Ellab" will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Ibrahim Bah
Director
Competition Enforcement and Mergers