



DETERMINATION OF MERGER NOTIFICATION M/24/045 – EQT/KEYWORDS STUDIOS PLC

Section 21 of the Competition Act 2002

Proposed acquisition by Houting UK Limited, a subsidiary of EQT's BPEA FUND VIII, of sole control of Keywords Studios Plc.

Dated 15 August 2024

1. On 29 July 2024, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the "Act"), the Competition and Consumer Protection Commission (the "Commission") received a notification of a proposed acquisition whereby Houting UK Limited ("Houting"), a subsidiary of EQT's BPEA Fund VIII ("BPEA Fund VIII" together with the other EQT funds, "EQT"), would acquire sole control of Keywords Studios Plc (together with its subsidiaries "Keywords Studios") (the "Proposed Transaction").
2. Following the completion of the Proposed Transaction, EQT will solely control Keywords Studios. As part of the Proposed Transaction, Temasek (Private Holdings) Limited ("Temasek") and Canada Pension Plan Investment Board ("CPP Investments") each intend to acquire an indirect non-controlling minority stake of 24.5% in Houting UK. The remaining 51% will be held by EQT.
3. The business activities of the undertakings involved are:

The Acquirer - Houting:

- Houting is a company newly formed for the purposes of the Proposed Transaction and is indirectly wholly owned by EQT. Houting has no existing operations.

EQT:

- EQT is a global investment organisation headquartered in Sweden that manages and advises investment funds. In the State, EQT's controlled portfolio companies are active in a range of industries. BPEA Fund VIII is an investment fund which is controlled, managed, and advised by EQT. It has investments in a range of sectors,



including healthcare, technology services, business services, education, and financial services. BPEA Fund VIII indirectly wholly owns Houting. EQT has a number of controlled portfolio companies which are active in the State and in a range of industries including: healthcare, business software solutions; pharmaceuticals; technology and hardware; veterinary care; and media and communications.

The Target – Keywords Studios

- Keywords Studios provides outsourced gaming technology services. The company assists video game publishers and entertainment companies throughout the content development cycle. Keywords Studios operates in several locations globally, and has approximately 70 studios in North America, Europe, Asia and Latin America. Keywords Studios is active in the State and is a publicly traded company registered in England and Wales.
 - Keywords Studios works with game publishers and its services are inputs in the process of making video games. Game publishers (such as Microsoft, Ubisoft, Electronic Arts etc.) use third-party services, such as Keywords, to save costs, reduce time to market and limit the overheads of large in-house development teams. In the State, Keywords Studios is primarily involved in localisation and localisation testing¹ as well as audio and marketing.
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 since:
- two or more of the undertakings involved in the merger/acquisition are active in the same product and geographic market, but their combined market share is less than 15%.

¹ Localisation refers to the translation of in-game text and localisation testing refers to evaluating the cultural appropriateness and accuracy of a game's narrative.



5. This conclusion was reached on the basis that, although there is a horizontal overlap between EQT, via its minority shareholding in Virtuos and its subsidiary Black Shamrock, and Keywords Studios in the provision of video games services, the combined market share of the parties in this potential product market in the State will be less than 15%.
6. In 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

7. 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 Houting UK Limited, a subsidiary of EQT's BPEA Fund VIII, would acquire sole control of Keywords Studios Plc, 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 Division