

1 CADE'S HIGHLIGHTS

New Chief Prosecutor of the Federal Prosecutor's Office at CADE takes office



ANDRÉ LUÍS MACAGNAN FREIRE

- Graduated in law (USP) and economics (UnB);
- Federal attorney of the Attorney General's Office (AGU) since January 2017.

New term for CADE's General Superintendent



ALEXANDRE BARRETO DE SOUZA

- Bachelor, specialist, and master in public administration (UnB);
- PhD candidate in political science at the University of Lisbon;
- Public servant since 1993.

Launch of the guide for the analysis of non-horizontal merger reviews: it aims to provide greater transparency to the analysis carried out by CADE, providing clear guidelines for conducting the processes of the so-called vertical and conglomerate merger reviews.

Launch by CADE's General Superintendence of the Manual of Trustee Use: independent third parties hired by companies and subordinated to the antitrust authority to monitor the implementation of antitrust remedies.

2 MERGER REVIEWS

The data indicates a trend of growth in the number of merger reviews submitted, compared to last year's same period.

	2nd Q/23	2nd Q/24	1st Half/24	2023 (whole year)
Merger filings submitted	130	170	310	611 (decided)
Fast-track proceedings	120	158	283	N/A
Non-fast track proceedings	10	12	27	N/A
Average time of analysis				21.5 days
Fast-track proceedings	17.3 days	17.4 days	18.1 days	12.6 days
Non-fast track proceedings			51.3 days	116.7 days

* The average analysis time was obtained from internal estimates, considering transactions necessarily submitted and decided in 2024. The consolidated data for 2023 reflect the official information published by CADE in its yearbook.

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General Superintendence recommends rejection of two cases:

- *Vertical integration:* acquisition, by three cooperatives of the Unimed System (Unimed Conselheiro Lafaiete, Unimed São João Del Rei, and Unimed Inconfidentes), of external control of the Ouro Branco Foundation (FOB). The SG challenged the merger review due to concerns about market foreclosure related to inputs and customers.
- *Horizontal overlap:* acquisition, by the Oben Group, of unitary control of Terphane in the market of thin BOPET films. The SG challenged the merger review due to the "extremely" high combined market share, improbable market entry, and low rivalry.

Tribunal rejects the following case: Knauf do Brasil's purchase of Trevo Industrial de Acartonados, including manufacturing plant of drywall. The case had been challenged by the SG with a recommendation for blocking.

Serial acquisitions: CADE's Tribunal called back a case involving FIP Pátria for an in-depth analysis based on high levels of concentration and the need for a detailed evaluation of rivalry and the dynamics of serial acquisitions (notification of 12 transactions in the last three years that could result in significant economic consolidation in the region).

Gun Jumping in focus: increase in cases and new understandings regarding penalties

- *Increase of cases:* the number of APACs (merger investigations) judged between January and June 2024 is already equal to the total judged in 2023: eight cases judged in 2023; eight cases from January to June 2024.
- Penalties: (i) a precedent sets a limit of 20% of the transaction's value for fines on good-faith offenders; (ii) when the transaction value is very low, other data can be considered for setting the transaction value, such as tangible and intangible assets necessary for the business, possible capital increase, and the nationalized value of global operations etc.

Consultation on purchasing committee: CADE approved a partnership between companies in the sector of construction materials. The companies submitted a consultation seeking the evaluation of the possibility of acting jointly to negotiate general supply conditions with their main suppliers nationwide.

3 CONDUCTS & INVESTIGATIONS

The data indicates a trend of stability in the number of administrative proceedings launched compared to last year's same period.

Conduct	2nd Q/23	2nd Q/24	1st Half/2024	2023 (whole year)
Proceedings launched	3	3	6	10
Leniencies signed	1	Not available	3	2*
Fines imposed	BRL 9,122,196	BRL 128,701,121	BRL 128,701,121	BRL 114 M*
Settlement Agreements	BRL 4,574,562	BRL 211,788	BRL 211,788	BRL 92.2 M*

* The data for 2024 and Q2/2023 are internal estimates, based on public information. In its turn, the consolidated data for 2023 (except for launched cases) reflects the official information published by CADE in its yearbook.

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Conduct of cartel invitation in focus (market of production and commercialization of ethanol): divergence among commissioners on the methodology for analyzing the practice of cartel invitation – whether it should be per se or by the rule of reason. The commissioners agreed that the main point of the analysis would be understanding the context in which the statement was made and the market's particularities – whether the statement is generic enough to indicate only general market knowledge/trend (as in this case) or if there is indeed a high level of reprehensibility/unreasonableness.

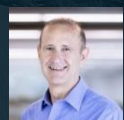
Settlement in focus: settlement agreement executed involving private hospitals in Goiás

- CADE's Tribunal unanimously approved the proposed Settlement Agreement (TCC) signed by the Association of Private High-Complexity Hospitals of the State of Goiás (AHPACEG), assisted by TozziniFreire. The investigated practice concerned the alleged adoption of anti-competitive conducts relating to the influence and promotion of uniform commercial conduct, joint negotiation of prices for medical services and boycott in the hospital services provision market in the city of Goiânia/GO.

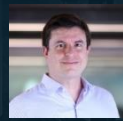
4 OUR TEAM



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