



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 10/2018

Case Number 8.13.018.06

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of a concentration concerning the acquisition of SAKZA Group a.s.
by KKCG AG, via SAKZA Group PLC**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mrs. Eleni Karaoli,	Member
Mr. Panayiotis Oustas,	Member

Date of decision: 28/3/2018

SUMMARY OF THE DECISION

On 27/2/2018, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of KKCG AG (hereinafter «KKCG»), 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”) and it concerns the proposed acquisition of SAZKA Group a.s. (hereinafter «SAZKA Group»), via SAZKA Group PLC.

KKCG AG is a company duly registered under the laws of Switzerland, which belongs to the KKCG Group of companies. KKCG Group invests in various sectors, inter alia in the field of gaming and lotteries. Its activities in the gaming industry consolidate in Group SAZKA PLC.

SAZKA Group a.s. is a company duly registered under the laws of the Czech Republic and is a holding company and provides advisory services in the field of gambling games. SAZKA Group operates in the field of gambling, such as sports betting, lotteries etc. in different countries.

SAZKA Group PLC is a company duly registered under the laws of England established for the purposes of this merger.

The Commission firstly notes the Memorandum of Understanding (hereinafter the "Shareholders Agreement"), between KKCG Plc, Emma Capital Ltd, Emma Gamma Ltd (hereinafter "Emma Gamma") and SAZKA a.s. Group. In accordance with the terms of this agreement, Emma Gamma, which owns 25% of the share capital of SAZKA Group, also owns veto rights in the company, in relation to matters of strategic importance. Therefore, SAZKA Group is controlled jointly by KKCG (which owns 75% of the share capital of SAZKA Group) and Emma Gamma.

The notified concentration is carried out on the basis of the following stages:

1) KKCG and EMMA Gamma founded the company SAZKA Group PLC in which they hold 75% and 25% of the share capital, respectively. KKCG and EMMA Gamma will contribute all their shares of SAZKA Group to SAZKA Group PLC, as well as all veto rights. Then the shares of SAZKA Group PLC will be sold to investors. KKCG and EMMA Gamma will retain some shares in SAZKA Group PLC.

2) After the completion of the above the Shareholders Agreement dated will be terminated. The termination of the Shareholders Agreement will lead to the cessation of application of the veto rights of EMMA Gamma. As a result, the SAZKA Group PLC will be exclusively controlled by KKCG.

The Commission, taking into account the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6(1)(a)(ii) of the Law, since there is a change of control on a permanent basis of SAZKA Group PLC which was jointly control by the KKCG and EMMA Gamma, in sole control from KKCG.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2)(a) of the Law were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission for the purposes of evaluating this concentration defined the relevant product/service market as the provision of gambling games. For the purposes of the present case, the geographic market was defined as the Republic of Cyprus.

According with the undertaking concerned, this concentration does not lead to any horizontal overlap, vertical integration or combination thereof in Cyprus and hence, the concentration will not affect the Cypriot market and its competitive environment.

Considering the above, the Commission concludes that there is no affected market based on Annex I of the Law. In addition, there are no other markets which the notified concentration may have significant impact.

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