



Decision CPC: 35/2019

Case number: 8.13.019.26

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW  
NO 83(1)/2014**

**Notification of a concentration concerning the acquisition of the share capital  
of SAZKA Group a.s. by KKCG AG**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
MR. Andreas Karydis	Member
Mr. Panayiotis Oustas	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis Panayiotis Charalambides	Member

Date of Decision: 3 July 2019

**SUMMARY OF THE DECISION**

On 4/7/2019 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 said notification involves the acquisition of 25% of the share capital of SAZKA Group a.s. (hereinafter «SAZKA Group») from KKCG.

The enterprises involved in this transaction are the following:

- KKCG AG is a company duly registered in accordance with the laws of Switzerland, which belongs to the KKCG group of companies. The KKCG group invests in various industrial sectors, including the field of gambling and lotteries. The KKCG group's activities in the gaming

industry are consolidated in the SAZKA group, in which KKCG holds 75% of the share capital.

- SAZKA Group A.S. is a company duly registered in accordance with the laws of the Czech Republic. The said enterprise is a holding company and a provider of consultancy services in the field of gambling and lotteries. SAZKA Group, through EMMA Delta Management Limited, is a minority shareholder who owns the de facto exclusive control of OPAP. EMMA Gamma Ltd (hereinafter "Emma Gamma") holds 25% of SAZKA Group's share capital and KKCG holds the rest 75%.

Under a Memorandum of Undertaking between KKCG Plc, Emma Capital Ltd, Emma Gamma and SAZKA Group, Emma Gamma holds 25% of SAZKA Group's share capital as well as veto rights on matters of strategic importance. Therefore, according to the enterprises involved SAZKA Group is jointly controlled by KKCG and Emma Gamma.

The Commission noted that in its decision dated 28/3/2019 and number 10/2018, it approved the acquisition of part of SAZKA Group's share capital by KKCG, via SAZKA Group Plc, but according to the said companies, they did not proceed with the transaction.

The transaction is based on a Share Purchase Agreement (hereinafter the "Agreement") between Emma Gamma as the seller and KKCG as the buyer. According to the Agreement, Emma Gamma would sell 25% of SAZKA Group's share capital to 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 it leads to a permanent change of control of the target from joint control by Emma Gamma and KKCG to sole control by KKCG.

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

The Commission, for the purposes of evaluating this concentration has concluded that the provision of lucky games is defined as a relevant product / service market. The territory of the Republic of Cyprus has been defined as a geographic market.

According to the enterprises involved, the only activity in Cyprus of KKCG in the provision of lucky games is through OPAP which is controlled by SAZKA Group.

Considering the above the Commission concluded that there is no affected market based on Annex I of the Law as there are no horizontal overlaps or vertical or neighboring relationships.

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 acting in accordance with Article 22 of the Law, the Commission unanimously decides not to oppose the notified concentration and declares it compatible with the functioning of the competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition