



Decision CPC: 55/2021

Case Number: 08.05.001.021.046

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of a concentration concerning the acquisition of Diamondback Acquisition, Inc., by The Blackstone Group Inc., via Spark Topco Inc. and Spark Acquisition Sub Inc.

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Andreas Karydis	Member

Date of Decision: 30th of July 2021

SUMMARY OF THE DECISION

On 22/07/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of The Blackstone Group Inc., 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”).

The notification concerns a concentration, according to which, the investment funds which are consulted or managed by the affiliated companies of The Blackstone Group Inc (together with any of the affiliated companies or affiliated investment funds as the case may be (hereinafter the “Blackstone”), will acquire the Diamondback Acquisition, Inc. (hereinafter the “Target”) via Spark Topco Inc. (hereinafter “Spark Topco”) and Spark Acquisition Sub Inc. (hereinafter “Spark Acquisition Sub”).

- Blackstone is a global alternative asset manager. It operates as an investment management company. Each company in the Blackstone

investment portfolio is subject to separate management and financing and each has different investors. Each Blackstone portfolio company has its own board of directors, which often includes representatives of Blackstone.

- Spark Topco and Spark Acquisition Sub are special purpose vehicles which are controlled by Blackstone.
- Diamondback Acquisition, Inc. or the Target is the ultimate holding company of Sphera Solutions, Inc. and its subsidiaries (hereinafter together the “Sphera”).

Sphera is a global provider of integrated risk management software and related information services with a focus on Environmental, Social, and Corporate Governance (“ESG”), Performance and Operational Risk, and Product Stewardship.

The concentration is based on an Agreement and Plan of Merger dated 02/07/2021 (hereinafter “Agreement”) between Diamondback Acquisition, Inc., Spark Topco Inc., Spark Acquisition Sub Inc. and Shareholder Representative Services LLC, as a representative of the sellers. Based on this Agreement, Spark Acquisition Sub will be merged with and into the Target. Then, the Target will be the wholly subsidiary of Spark Topco. As a result, Blackstone will acquire the Target via Spark Topco.

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 Company.

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 concentration was of major importance falling within the scope of the Law.

The relevant product/services and geographic market in this case was defined as the market of enterprise application software regarding the Environment, Society and Corporate Governance in the territory of the Republic of Cyprus.

Based on the notification, Blackstone’s activities (including its controlled portfolio companies) do not overlap horizontally with the Target’s activities in Cyprus.

In addition, there are no vertical relationships between the activities of the participating enterprises in Cyprus in the relevant market.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position in the 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