



Decision CPC: 42/2022

Case Number: 08.05.001.022.030

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

**Notification of concentration regarding the acquisition of the share capital of
Pascal World Schools Ltd by Providence Equity Partners, LLC, via N.A.C.E.
Midco Ltd**

Commission for the Protection of Competition:

Mr. Aristos Aristeidou Palouzas	Serves as a Chairperson
Mr. Andreas Karydis	Member
Mr. Panayiotis Ousta	Member

Date of Decision: 29th of June 2022

SUMMARY OF THE DECISION

On 08/06/2022, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of N.A.C.E. Midco Ltd, 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 Providence Equity Partners, LLC (hereinafter the “Providence”) intend to acquire the share capital of Pascal World Schools Ltd (hereinafter the “TopCo”), via N.A.C.E. Midco Ltd (hereinafter the “N.A.C.E.” or the “Purchaser”).

The parties involved in the transaction are the following:

- N.A.C.E. Midco Limited is a private company duly registered under the laws of the Republic of Cyprus. It is a special purpose vehicle, with no prior business activities, established to act for the purposes of this transaction. It is a member of the Globeducate group (hereinafter the “Globeducate”). Globeducate is one of the top five K-12 education networks.

Globeducate is controlled by Providence Funds. Providence Equity Partners, LLC is a private equity investment firm focused on investing in the media, communications, education, software and services sectors, as well as managing investments in North America, Europe and emerging markets.

- Pascal World Schools Ltd is a private limited liability company duly registered under the laws of the Republic of Cyprus. TopCo is the parent company of PASCAL Education (Cyprus) Limited (hereinafter “OpCo”, and together with the Target, the “PASCAL”). PASCAL is a K-12 co-educational organization in Cyprus and consists of three English-language kindergartens, three English-language primary schools, three English-language secondary schools and two Greek-language secondary schools throughout Cyprus, (hereinafter all together the “Schools”). The Schools are owned and operated by OpCo, and are duly licensed by the Ministry of Education, Culture, Sports and Youth of the Republic of Cyprus (hereinafter the “MOECSY”) pursuant to and in accordance with the Private Schools Law of 2019 (L.147(I)/2019) (hereinafter the “Private Schools Law”).

This concentration is based on a Share Purchase Agreement dated 07/06/2022, which was agreed upon by and among N.A.C.E. Midco Limited, as a Purchaser and the natural persons 1) A.A. 2) C.A. 3) A.A. 4) P.A 5) E.A. (hereinafter the “Sellers”) (hereinafter the “Agreement”). Under the terms of the Agreement, N.A.C.E. Midco Limited intends to acquire 100% of the share capital of Pascal World Schools Ltd.

The Commission, taking into account the facts of the concentration, has concluded that upon completion of this merger, Providence will have indirectly the sole control over the Target, in accordance with the provisions of section 6 (1)(a)(ii) of the Law.

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 market in this case were defined as a) the provision of K-12 private education and, (b) the provision of application software intended for use by kindergartens and primary schools. In addition, the Commission concluded that the geographical market is defined, for the relevant markets under reference, as that of the territory of the Republic of Cyprus.

According to the Parties, the business activities of Providence portfolio companies do not overlap with the business activities of the Target in Cyprus. Globeducate is active in the same market as Target, but does not participate in any entity that operates private K-12 schools in the Republic of Cyprus. Apart from Globeducate, none of Providence's portfolio companies, which carry out turnover in Cyprus, are active in the same market as PASCAL.

Therefore, based on the data in the notification, there is no affected market on the basis of Annex I of the Law regarding the horizontal overlap of the activities of the participating companies in Cyprus.

Moreover, according to the data in the notification, Anthology and Seesaw provide software services in the field of education. According to the participants, Anthology's software is not intended for use by K-12 educational institutions (ie, kindergartens, elementary and secondary schools), but instead is intended for use in other areas of education (such as higher education and vocational education programs). The Target operates in the K-12 education sector and in no other sector of education. Accordingly, although both Anthology and PASCAL are active in the field of education, no vertical or neighboring links arise between their operations, as PASCAL is an operator of K-12 education institutions and Anthology is a supplier/service provider to clients who are in other areas of education.

Seesaw is a primary school classroom technology platform that sits at the intersection of various areas of education technology, namely: digital portfolio of individual student work, learning management system, supplemental content and curriculum, communication parent-teachers and multimodal creative learning tools.

According to the notification, Seesaw's software is intended for use by pre-primary and primary schools and therefore, there is a vertical relationship between PASCAL, which is the manager of such schools, and Seesaw as a supplier/service provider of software in the education sector.

According to the most recent estimate of the Buyer, the total turnover in the relevant market in relation to the academic year 2019/2020 amounts to approximately €212,000,000. The estimate is based on the number of students in the private sector

during the academic year in question, on the average price of annual tuition fees during the year in question from a selected sample of private schools in Cyprus.

Therefore, according to the information in the notification, PASCAL's market share in the relevant K-12 education market is [5-10%].

Regarding application software intended for use by kindergartens and primary schools, the participants have not given market shares, as they do not know the entire market in Cyprus. According to them, their turnover is very small (Seesaw [.....]) and they assure that it is well below 25%, which is the minimum to result in an affected market as a result of a vertical link.

Furthermore, the parties note that according to the information in the notification, there is a possible vertical relationship between Doubleverify and the Target, on the basis that Doubleverify's services serve a wide range of customers including groups of companies, agencies, publishers and platforms multimedia technology can generally be provided to corporate groups, including educational institutions, such as Target. However, even if there is such a relationship, due to the small turnover of Doubleverify in Cyprus [.....], the market shares are negligible and certainly far below 25% which is the minimum for an affected market to result vertical relationship.

Based on the above data, there is no market affected by horizontal overlap and/or vertical relationship of the activities of the participating companies, as defined in Appendix I of the Law. In addition, no other markets arise which could be significantly affected by the notified concentration.

According to the provisions of the Law, specifically articles 20 and 21, the criterion, on the basis of which a concentration is declared compatible or incompatible with the operation of competition in the market, concerns the significant hindrance of competition in the Republic or in a significant part of it, in particular as result of the creation or strengthening of a dominant position.

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.

Mr. Aristos Aristeidou Palouzas

Serves as a Chairperson of the Commission for the Protection of Competition