



ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ



Decision CPC: 44/2019

Case Number 8.13.019.32

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

Notification of a concentration concerning the acquisition of part of the share capital of Vungle Inc. by The Blackstone Group Inc., via Redbird Parent Holdings, Inc. and Redbird Merger Sub, Inc.

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Aristos Aristidou Palouzas,	Member
Mr. Panayiotis Oustas,	Member
Mr Polinikis-Panagiotis Charalambides	Member

Date of decision: 29/8/2019

SUMMARY OF THE DECISION

On 8/8/2019, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of The Blackstone Group Inc, (together with any of its affiliates or affiliated investment funds as the «Blackstone»), 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 acquisition of 90% of the share capital of Vungle Inc. (hereinafter the “Vungle” or “Target Entity”), via Redbird Parent Holdings, Inc. (hereinafter the

“Redbird Parent”) and Redbird Merger Sub, Inc (hereinafter “the “Redbird Merger Sub”)

Blackstone Group Inc., is a company listed on the New York Stock Exchange. The said company is a global alternative asset manager.

Redbird Parent Holdings, Inc and Redbird Merger Sub, Inc. are special purpose vehicles, set up for the purposes of the notified concentration, controlled by Blackstone.

Vungle Inc. is a company duly registered under the laws of the state of Delaware, USA. The said company provides technology-enabled advertising services to advertisers who are interested in marketing their brands. This company operates as an intermediary between mobile phone application advertisers (as customers) and publishers (as suppliers).

The transaction is based on an Agreement and Plan of merger (hereinafter the “Agreement”) dated 12/07/2019 between Redbird Parent, Redbird Merger Sub, Vungle and Fortis Advisors LLC, as the seller representative.

Based on the provisions of the Agreement, Redbird Merger Sub shall merge and be absorbed by Vungle and the latter shall be the surviving corporation and a subsidiary of Redbird Parent. The 90% of the share capital of Redbird Parent shall be owned by Blackstone funds and around 10% shall be owned by Vungle Management. It is noted that the shareholders of Vungle Management are three natural persons. As a result, upon completion of the proposed transaction, Blackstone will acquire the sole control over the Target Entity, through Redbird Parent.

Taking into account the above mentioned facts, the Commission concluded that the transaction in question constitutes a concentration within the meaning of Article 6(1) (a)(ii) of the Law because it will result in a change of control of the Target Entity on a permanent basis.

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 market for (a) provision of intermediate services for advertising on mobile devices and (b) provision of publishing services for online

casino games. For the purposes of the present case, the territory of the Republic of Cyprus has been defined as a geographic market for the relevant product/service markets.

According with the undertaking concerned, this concentration does not lead to any horizontal overlap as regards the market of provision intermediation services for advertising on mobile devices in Cyprus.

According to the notification, there is a vertical relationship in this concentration, since the participating entities operate at different levels of trade. As it is mentioned in the notification, while there is a vertical relationship between the participating entities, this relationship does not give rise to a vertically affected market, in Cyprus.

Considering the above, the Commission concludes that there is no affected market based on Annex I of the Law. Furthermore, the parties are not active in Cyprus in neighbouring markets.

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 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 competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition