

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of a concentration concerning the acquisition of the share capital of Vendavo Holdings, Inc., by ACCEL-KKR CAPITAL PARTNERS VI, LP and FRANCISCO PARTNERS MANAGEMENT, LP, via Project Victory Merger 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
Mr. Polynikis-Panagiotis Charalambides	Member

Date of Decision: 6th of September 2021

SUMMARY OF THE DECISION

On 11/08/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of ACCEL-KKR CAPITAL PARTNERS VI, LP (hereinafter “ACCEL-KKR”) and FRANCISCO PARTNERS MANAGEMENT, LP (hereinafter “FRANCISCO PARTNERS”) 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, ACCEL-KKR and Francisco Partners, via Project Victory Merger Sub, Inc. (hereinafter “Merger Sub”), will acquire the share capital of Vendavo Holdings, Inc. (hereinafter “Vendavo”).

The parties involved in the concentration are the following:

1. ACCEL-KKR Capital Partners and its affiliated funds are controlled by Accel-KKR Holdings GP, LLC (hereinafter "AKKR"). AKKR is an investment company which focuses on technology, especially on middle-market software and IT-enabled companies and provides capital solutions, including venture capital, minority investment and alternative credits.
2. Francisco Partners is a private equity firm that focuses exclusively on investments in technology and in technology-enabled businesses. Currently controls solely Vendavo, via Francisco Partners VI, LP and its affiliated funds.
3. Project Victory Merger Sub, Inc. is a start-up company, duly registered under the laws of the State of Delaware of the United States of America. It is a special purpose acquisition vehicle. It was established by AKKR and Francisco Partners, for the purpose of completing this Transaction.
4. Vendavo is a parent company duly registered under the laws of the State of Delaware in the United States of America. Vendavo, through its subsidiaries, is a provider of business-to-business price optimization and management software that allows businesses to optimize prices and sales to achieve predictable, profitable results. The solutions of Vendavo use analytics to help customers across industries optimize and manage complex pricing terms and agreements.

The concentration is based on a Merger Agreement dated 29/07/2021 (hereinafter "Agreement") and a limited partnership agreement and limited company between the affiliated companies of ACCEL-KKR and Francisco Partners. Based on this Agreement, ACCEL-KKR and FRANCISCO PARTNERS, via Merger Sub, will acquire the share capital of Vendavo.

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 the provision of Customer Relationship Management (CRM) software solutions in the territory of the Republic of Cyprus.

It is noted that the proposed Transaction will lead to a combined market share in the CRM software sector in Cyprus well below 15% from a horizontal perspective and in any case will not lead to any market share increase, as the Target Company is not active in Cyprus.

Moreover, according to the notification, none of the respective controlled holding companies of AKKR or Francisco Partners has any activities that are vertically-related to those of Vendavo.

Taking into account the above, the Commission concluded that there is no affected market based on Annex I of the Law. In addition, there are no other markets in which the notified concentration may have a significant effect.

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