



Decision CPC: 12/2022

Case Number: 08.05.001.022.004

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

**Notification of concentration concerning the acquisition of the share capital of
Xandr Inc. by Microsoft Corporation**

Commission for the Protection of Competition:

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

Date of decision: 2 March 2022

SUMMARY OF DECISION

On the 4th of February 2022 the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Microsoft Corporation (hereinafter the «Microsoft») 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 Microsoft intends to acquire share capital of Xandr Inc (hereinafter the "Target" or "Xandr").

Companies participating at this merger are the following:

- Microsoft Corporation is registered company under the laws of the State of Washington of the United States of America. Microsoft common stock is listed on NASDAQ (MSFT). Microsoft is an international technology company with a very wide range of products and services. Its most well-known product is the Windows operating system, laptops, processors, and all Microsoft Office applications.
- Xandr is a duly registered company under the laws of the State of Delaware of the United States of America law and is an ad tech division of AT&T Inc. AT&T Inc. is a publicly traded company based in the USA, whose subsidiaries and affiliates are active internationally, including in the telecommunications and broadband industries.

Xandr is an advertising technology (ad tech) division of AT&T Inc. that specializes in the field of online advertising and mainly as an open display intermediary, both as a Demand Side Platform (DSP) and as Supply Side Platform (SSP) in the field of digital advertising brokerage.

The concentration under consideration takes place on the basis of the Share Purchase Agreement (hereinafter referred to as "SPA") dated December 21, 2021, which was agreed by and between AT&T as the Seller, and Microsoft Corporation as the Buyer. As stated in the agreement, the Buyer will acquire the entire share capital of Xandr.

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 target by Microsoft.

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 were defined as the digital advertising markets for (a) search advertising and (b) display advertising, which is divided into the sub markets of (i) O&O platform advertising, and (ii) open display advertising. In addition, the Commission concluded that the geographical market for the above relevant markets is the territory of the Republic of Cyprus.

According to the notification data, there is no horizontal overlap between the activities of the parties to the above-mentioned relevant markets in Cyprus.

The parties noted to the notification that there is a potential vertical link between Microsoft's activities in the digital advertising for search advertising and Xandr's activities in the digital advertising for open display, however, their relevant market shares do not exceed the 25% threshold. Therefore, 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 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, 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

Polinikis-Panayiotis Charalambides

Member of the Commission for the Protection of
Competition

Andreas Karides

Member of the Commission for the Protection of
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