



Decision CPC: 35/2022

Case Number: 08.05.001.022.017

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

**Notification of a concentration concerning the acquisition of the share capital
of MBZ Holding Ltd by Everix Investment Limited**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karydis	Member
Mr. Panayiotis Ousta	Member
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis-Panagiotis Charalambides	Member

Date of Decision: 6th of June 2022

SUMMARY OF THE DECISION

On 11/04/2022, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Everix Investment Limited (hereinafter “Everix”), 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 concerning the acquisition of the share capital of MBZ Holding Ltd (hereinafter “MBZ Holding” or the “Target”) by Everix. In particular, Everix will acquire a portion of the share capital of MBZ Holding while the remaining share capital will remain with the existing shareholder, MBZ Investments Ltd (hereinafter “MBZ Investments”).

The participating parties are the following:

- Everix Investment Limited is a company duly registered under the laws of the Republic of Cyprus. It is a holding company and does not carry out any commercial or other activities that include the offering of any products and/or the provision of any kind of services. Everix has the following subsidiaries:
 - Panoramik Games Ltd, which holds shares in companies involved in the development and publishing of mobile game applications.
 - Smart Project GmbH, which is active in the development of the gamedev product brand.
 - Crazy Panda Group, which is one of the leading developers of mobile applications and social games in Russia. *(The acquisition of control of the company in question has not been completed).*

- MBZ Holding Ltd is a company duly registered under the laws of the Republic of Cyprus. It is a holding company and does not carry out any commercial or other activities that include the offering of any products and/or the provision of any kind of services. MBZ Holding has the following subsidiaries:
 - PlayQuantum Ltd, which offers development services of mobile gaming applications with experience in role-playing and strategy games with PvP and PvE content.
 - AppQuantum Publishing Ltd, which is a free publisher of mobile games. It helps programmers around the world focus on creating mobile games. It publishes their games and increases their revenue so they can produce global successes.
 - AdQuantum Ltd, which deals in advertising. It provides innovative and personalized services to acquire high-quality traffic and pay users in mobile applications by leveraging collaborative, profit-sharing models, on the basis of no cost and no risk to customers.
 - UAP Global LTD, which is a publisher of applications other than game applications.

It is noted that the Target Company at this stage belongs exclusively to MBZ Investments.

- MBZ Investments Ltd (Existing Shareholder) is a company duly registered under the laws of the Republic of Cyprus. MBZ Investments does not carry out any activity other than holding shares in the Target Company, nor does it report income within the Republic of Cyprus. The final beneficiary of the company in question is the PM, who controls the following companies that do not operate within the Republic of Cyprus:
 - Mad Pixel Games Ltd, which is active in the publishing of games through applications for mobile communication devices.
 - Fitingo Limited, which is engaged in development application that operates in the wellness industry.
 - Convert Bees Ltd, which is engaged in marketing applications for mobile communication devices.
 - Game Veterans Ltd, which is engaged in publishing games through applications for mobile communication devices.

This concentration is based on the (i) Participation Agreement dated 23/12/2021 for the acquisition of [.....]% of the shares of the Target Company by Everix through the issuance and assignment of new shares to Everix (“Acquisition Agreement”) and (ii) Shareholders’ Agreement dated 23/12/2021 (“Shareholders’ Agreement”). Upon completion of this merger, new shares representing [.....]% will be issued and granted to Everix of the total issued share capital of the Target Company. The remaining [.....]% of the share capital will remain with its existing shareholder.

The Commission, taking into account the facts of the concentration, has concluded that upon completion of this merger, Everix and the Existing Shareholder will jointly control the Target Company in accordance with the provisions of section 6 (1)(a)(ii) of the Law.

Based in the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were not satisfied and therefore the notified concentration was not of major importance falling within the scope of the Law, since only Everix had turnover in the Republic of Cyprus.

Taking into account the above, the Commission did not proceed with the evaluation of the compatibility of the concentration in question with the operation of competition in the market, following the procedure for establishing the compatibility of a concentration by virtue of the compatibility criteria, as defined in articles 20 and 21 of

the Law, for the significant distortion of competition in the Republic of Cyprus or a significant part thereof, in particular as result of the creation or strengthening of a dominant position and taking into account the criteria defined in article 19 of the Law.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided that the concentration in question does not meet the conditions of article 3(2)(a) of the Law and therefore, cannot be considered as concentration of major importance.

Loukia Christodoulou
Chairperson of the
Commission for the Protection of Competition