



Decision CPC: 75/2022

Case Number: 08.05.001.022.054

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

**Notification of concentration regarding the acquisition of the share capital of
Invel Real Estate Partners Greece SAS by Dacapo Holdings Limited, via Invel
Re Holdings (Cyprus) 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: 29th of November 2022

SUMMARY OF THE DECISION

On 27/09/2022 and 03/11/2022, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Invel Re Holdings (Cyprus) Limited, 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 Dacapo Holdings Limited (hereinafter the “Dacapo”) will acquire the share capital of Invel Real Estate Partners Greece SAS (hereinafter the “IREP Greece” or the “Target”), via Invel Re Holdings (Cyprus) Limited (hereinafter the “Invel Holdings Cy”).

The companies participating in this merger are the following:

- Invel Holdings Cy is a company duly registered under the laws of the Republic of Cyprus. It is a holding company.
- Dacapo Holdings Limited is a company duly registered under the laws of Guernsey. It is a holding company and its main sources of income are investment income.
- The Target is a company duly registered under the laws of Luxembourg. It is a holding company. Castlelake is a US SEC Investment Adviser and is a global alternative investment firm that manages funds and asset vehicles on behalf of institutional investors. Among other companies, Target indirectly controls Prodea, which is a real estate investment company in Greece. Prodea and its subsidiaries engage in investments in the real estate market and the active management and exploitation of real estate assets in accordance with the applicable regulatory framework. Prodea's real estate portfolio consists mainly of commercial properties (mainly offices and retail properties) owned directly or through its subsidiaries.

It is also noted that Dacapo and Castlelake are two separate legal entities and there is no control relationship between them.

This concentration is based on the Share Sale and Purchase Agreement.

The Commission, taking into account the facts of the concentration, has concluded that Dacapo, via Invel Holdings Cy, will acquire 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 real estate rental market, which can be further categorized into the real estate rental market for commercial purposes b) the consulting market. 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 notification, there is no horizontal relationship between the involved parties in the Republic of Cyprus. IREM conducts turnover in the Republic of Cyprus

through the provision of real estate advisory services, while the Target through the leasing of properties for commercial purposes, i.e. they conduct turnover in the Republic of Cyprus in different markets.

According to the notification, there is a vertical relationship between the activities of IREM and Prodea in the Republic of Cyprus, as Prodea holds a percentage of participation. It is noted that Dacapo, via IREM, carried out turnover in the Republic of Cyprus through real estate advisory services at Aphrodite Hills Resort Limited.

In addition, there is a vertical relationship between the activities of IREM Cyprus and Prodea from the provision of real estate advisory services to Prodea's affiliated entities and subsidiaries. In particular, it is noted that Dacapo, via IREM Cyprus, carried out turnover in the Republic of Cyprus from consultancy services in relation to properties provided to affiliated entities and subsidiaries of Prodea.

According to the data of the notification, from the most recent statistics obtained from the Statistical Service of the Ministry of Finance, the annual turnover for the NACE code 6820 (Rental of privately owned properties) for the year 2020, amounted to €80.121.000 in Republic of Cyprus. Therefore, the parties estimate that Prodea's market share of commercial real estate rental in Cyprus is [5-10]%.

From the latest statistics obtained from the Statistical Service of the Ministry of Finance, the annual turnover for NACE code 7022 (Business and other management consultancy activities) for the year 2020 amounted to €494.674.000 in the Republic of Cyprus. The parties argue that there has been an increase in the market for the provision of advisory services from 2020 onwards. The Parties estimate that the market share of IREM Cyprus in the provision of consulting services in Cyprus is [0-5]%.

From the above, the Commission concludes that there is no exceeding of the prescribed market share limit of 25%. Therefore, the existing vertical relationship does not constitute an affected market on the basis of Annex I, as the market shares of the participants are below the 25% limit set by the Law.

Also, the Parties submit that no neighboring relations arise between their activities in the Republic of Cyprus.

Taking into account the above, the Commission concludes that in this concentration no affected market is created 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.

Mrs. Loukia Christodoulou

President of the Commission for the Protection of Competition