

OFFICE FOR COMPETITION

21st May 2019

COMP-MCCAA/04/2019- The acquisition by Dea Capital Alternative Funds s.g.r. S.p.A. of Abaco S.p.A.

Decision on acquisition in terms of Regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)

The Office for Competition,

Having considered the notification dated 25 April 2019 pursuant to Regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Regulation (EC) No 139/2004

Facts

1. On the 25 April 2019, the Office for Competition received a notification of a proposed acquisition pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), whereby Dea Capital Alternative Funds s.g.r. S.p.A. (hereinafter referred to as “the Notifying Party) will acquire sole control of Abaco S.p.A. (hereinafter referred to as “the Acquired Party”).
2. The notification was filed and accepted as a complete notification on 25 April 2019 and was notified to the public through a notice that appeared in a daily newspaper on 30 April 2019 and a notice that appeared in the Government Gazette No.20,178 on 30 April 2019.

Parties

3. i. The Notifying Party - Dea Capital Alternative Funds s.g.r. S.p.A., having its registered address at Via Brera 21 – 2121, Milan, Italy, is a public limited company active in the private equity and alternative asset management sector, which is subject to the control of De Agostini S.p.A. The Company is active in

collective asset management in the delegated management conferred by subjects who provide collective asset management service and by foreign investment bodies, in the provision of consultancy services in the field of financial investments amongst others. Dea Capital Alternative Funds manages inter alia, IDEA Taste of Italy which is a closed-fund governed fund reserved for qualified investors, dedicated to the food & beverage industry.

ii. The Acquired Party - Abaco S.p.A. having its registered address at Corso Umberto I 43, Mantova, Italy is a public limited company involved in the development and marketing of software, for agriculture and real estate management and related maintenance services and IT support.

iii. The Notifying Party generates turnover in Malta through International Game Technology a leading company in the gaming and services market. While the Acquired Party is present in Malta for Integrated Administration and Control System software, included in the market software/IT solutions for government.

Transaction

4. Pursuant to a Share and Purchase Agreement (hereinafter referred to as "the Agreement") the Notifying Party propose to create a new company (hereinafter referred to as "NewCo") which would then acquire 100% of the capital in terms of voting rights of the Acquired Party. The proposed concentration will be comprised of 70% of shares controlled by the Notifying Party, while the remaining 30% would be held by three current shareholders of Abaco S.p.A.
5. The NewCo will then merge with Abaco S.p.A within 12 months of completion of merger.

Notifiable Concentration

6. In terms of regulation 2 of the Control of Concentrations Regulations, a concentration, inter alia, refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking whether by purchase of securities or assets, by contract or by other means, of direct or indirect control of the whole or parts of one or more undertakings.
7. The proposed transaction brings about the acquisition by the Notifying Party of control on the Acquired Party in the form of shares.
8. Therefore, the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Control of Concentrations Regulations.

Threshold for Notification

9. The aggregate turnover of the concerned undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.
10. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

Simplified Procedure

11. Following the examination of the notification, it is considered that the notified concentration falls within the scope of Regulation 12(1) of the Regulations, whereby it is provided that:

“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...:

(ii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking, provided that none of the parties to the concentration are engaged in business activities in the same product or geographical market, or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged”.

Conclusion

In view of the above and in terms of Regulations 6 (1) (ii) and 12 (4) of the Regulations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.


Godwin Mangion
Director General