

**Simplified notification of concentration**

cf. the Norwegian Competition Act section 18 first paragraph and Regulation on  
the Notification of Concentrations section 3 first paragraph item 3

between

**4SERVICE Gruppen AS**

and

**Ren Pluss Holding AS**

Oslo, 9 December 2016

*Confidential*

*Contains business secrets*

Ref.: #6835532/1

## 1. The notifying party

The acquirer

Name: 4SERVICE Gruppen AS  
Reg.no.: 916 271 344  
Address: C/O Advokatfirmaet BA-HR DA  
Postboks 1524 Vika, NO-0117 Oslo

The acquirer's representative

Name: Advokatfirmaet BA-HR DA  
Contact person: Christoffer Nyegaard Mollestad  
Lawyer in charge: Børre Sofus Arnet  
Address: Postboks 1524 Vika, NO-0117 Oslo  
Telephone: 21 00 00 50 / 90 93 72 13  
E-mail: chrmo@bahr.no

## 2. Other involved party

Name: Ren Pluss Holding AS  
Reg.no.: 917 616 469  
Address: Postboks 6489 Etterstad, 0606 OSLO

## 3. The transaction

This notification concerns the proposed acquisition by 4SERVICE Gruppen AS ("Buyer") of Ren Pluss Holding AS (including its wholly-owned subsidiary Ren Pluss AS (reg. no. 917 719 993)) ("Ren Pluss") (together the "Parties"). According to the Share Purchase Agreement of 6 December, 2016, Buyer will acquire 100% of the shares in Ren Pluss (the "Transaction").

The Buyer is a wholly-owned portfolio company of the investment fund Norvestor VII, L.P. ("Norvestor VII") acting through its general partner Norvestor VII General Partner L.P., in turn acting through its general partner Norvestor VII (GP) Limited.

Through acquiring 100% of the company shares, the Buyer will acquire sole control of Ren Pluss. Hence, the proposed acquisition constitutes a change of control according to Section 17 of the Norwegian Competition Act.<sup>1</sup> Completion is conditioned on approval from the Norwegian Competition Authority.

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<sup>1</sup> The Transaction will include reinvestment by the current shareholders in 4SERVICE. The reinvestment will be made in 4SERVICE Holding AS. Norvestor VII will constitute the sole controlling shareholder of the Buyer. The reinvesting sellers will all be minority shareholders without negative control.

#### 4. **Applicability of a simplified notification**

As described in section 7 below, the Parties are neither active on any of the same product markets, nor do they hold any vertical relations in markets in which the market shares of the Parties exceed 30%. Consequently, the Transaction qualifies for a simplified notification in accordance with the Regulation on the Notification of Concentrations section 3 first paragraph, item 3, litra c.

#### 5. **The involved Parties' structure and area of business**

##### 5.1 **The Buyer, Norvestor and Norvestor's portfolio**

The Buyer is a Norwegian provider of canteen operation services and facility services for the private and public sectors. Buyer is controlled by the investment fund Norvestor VII. Norvestor VII is, along with Norvestor IV, L.P. ("Norvestor IV"), Norvestor V, L.P. ("Norvestor V") and Norvestor VI, L.P. ("Norvestor VI") managed by Norvestor Equity AS. The Norvestor funds and their portfolio companies generated a total global turnover of NOK [REDACTED] in 2015, of which approximately NOK [REDACTED] was generated from Norway.

The Norvestor funds' current investment portfolios include the following undertakings (shareholding indicated):

##### 5.1.1 **Norvestor IV**

**Life Europe AB (51.5%)** is a retail chain for health food, wellness and lifestyle products, comprising more than 440 stores in Norway, Sweden and Finland, of which 130 stores in Norway. Life Europe AB has approximately 620 employees. Further information is available at [www.life.no](http://www.life.no).

**Johnson Metall Group AB (72.7%)** is an international supplier and integrated manufacturer of brass and bronze components to the international bearing industry and the Nordic industrial markets. Johnson Metall Group AB has approximately 485 employees. Further information is available at [www.johnson-metall.com](http://www.johnson-metall.com).

##### 5.1.2 **Norvestor V**

**Apsis Holding AB (67.7%)** is the provider of Apsis Newsletter Pro, which is a software used for permission based e-mail marketing and marketing automation in Northern Europe. Apsis Newsletter Pro is used by more than 6,000 businesses in more than 40 countries. In addition to head office located in Malmo, Sweden, Apsis has several other offices in Sweden, as well as in Norway, Finland, Denmark and Hong Kong. Further information is available at [www.apsis.se](http://www.apsis.se).

**Aptilo Holding AB (88.7%)** is a global provider of pre-integrated management solutions control of billing, user services and access in Wi-Fi, WiMAX and LTE networks, ranging from smaller installations to large carrier networks. Aptilo has activities in more than 60 countries. Further information is available at [www.aptilo.com](http://www.aptilo.com).

**Cegal AS (52.4%)** is a provider of centralized IT operations, focusing on Application Service Provider, consulting services, and hardware and software sales, particularly in the energy sector. Its head office is located in Stavanger, Norway. Cegal has approximately 300

employees, and provides IT operations to more than 200 customers, and more than 14,000 users around the world. Further information is available at [www.cegal.com](http://www.cegal.com).

**Marine Aluminium AS (69.6%)** is a global supplier of aluminium based access and safety solutions for the offshore and shipbuilding industry; helidecks and gangways and other aluminium based products. Its head office is located in Karmøy, Norway. Further information is available at [www.m-a.no](http://www.m-a.no).

**Sentech AS (70%)** is a leading provider of advanced sensor technology for separation profile metering. Its head office is located in Oslo, Norway.

### 5.1.3 Norvestor VI

**Crayon Group Holding AS (49.5%)** advises enterprises with complex IT needs, and provides software asset management (SAM) services. SAM is a business practice that involves managing and optimizing the purchase, deployment, maintenance, utilization, and disposal of software applications within an organization. The Company is headquartered in Norway with 12 branches in Europe, India and the Middle East. Crayon has in 2015 also expanded into the US market through the acquisition of Software Wholesale International and Anglepoint. Further information is available at [www.crayon.com](http://www.crayon.com).

**ABAX Holding AS (82.3%)** is a provider of electronic trip logs, a service that automatically registers data about the location of a vehicle. The system enables the customers to efficiently comply with regulatory reporting requirements of private use of company cars. Developing both hardware and software ABAX has more than 163 employees in Norway, Sweden and Denmark, and more than 10,000 customers, mainly within the Scandinavian market. Its headquarters are located in Larvik, Norway. Further information is available at [www.abax.no](http://www.abax.no).

**Robust AB (84.8%)** is a producer of steel security and fire doors for offices, homes and industrial use. Robust has manufacturing facilities in Sweden and England, and employs approximately 125 people. Further information is available at [www.robust.se](http://www.robust.se).

**iSurvey Holding AS (67.1%)** provides survey and positioning services to support offshore rig moves and marine construction work. iSurvey also performs seabed mapping mainly for cable post-lay (as built documentation), but also tow routes, which involves surveying a planned route before towing major constructions to avoid grounding. iSurvey has offices located in Norway, Scotland and Singapore, and employs approximately 105 people. Further information is available at [www.isurvey-group.com](http://www.isurvey-group.com).

**Future Production Holding AS (76.2%)** is an international provider of tailor made technical and mechanical solutions and equipment to the oil & gas industry. Its main focus is on modifications and upgrades on offshore drilling rigs. Future Production's customers are mainly drilling contractors. Future Production offers solutions and products for handling of equipment on the lower part of the drill floor/pipe deck and moon-pool areas. This includes gooseneck handling, pipe handling and subsea handling systems comprising tailored systems for automated and efficient handling, storing and moving e.g. Christmas trees (drilling equipment) and blow out preventors (BOP) on the rig. Such subsea handling

equipment as mentioned above constitutes Future Production's most significant product category. Future Production currently has 20 employees and is located in Kristiansand, Norway. Further information is available at [www.future-production.no](http://www.future-production.no).

**Nomor Holding AB** (67.3%) is a Swedish pest control company. Nomor provides sanitation services and preventative measures for extermination pests; full service agreements to customers that have to abide by certain food safety standards; and Home & House services such as preventive building inspection. Further information is available at [www.nomor.se](http://www.nomor.se).

**Permascand AB** (ca. 80.7%), is a leading Swedish engineering and manufacturing company across the business areas of electrochemical process technology, water treatment systems and welded equipment & components, with more than 90% of revenues from international sales. Further information is available at <http://permascand.com>.

**PG Group Parent Holding AS** (55.9%) is an international provider of cargo handling systems, pump systems and pump solutions for the marine and oil & gas industry. PG offers pumps that may handle wet and dry bulk cargo and liquids up- and downstream, including control systems and solutions designed, engineered and manufactured to the highest industrial standards. The pumps and pump systems are based on a combination of proprietary products and customized products sourced from partners. Some of PG's key proprietary products are PG-Hyde BTWS (Ballast Water Treatment System), PG-MACS, PG-MAPS and various PG pumps. Further information is available at [www.pg-marinegroup.com](http://www.pg-marinegroup.com).

**Phonero AS<sup>2</sup>** (55.6%) Phonero is a Norwegian mobile services provider and mobile virtual network operator ("MVNO"). Phonero also provides fixed network telephony services. Established in 2008, the company is headquartered in Kristiansand, and has regional offices in Stavanger, Bergen, Trondheim and Oslo. The company has about 195 employees, as well as a sales team of 120. Phonero focuses on providing mobile services to the business segment and the public sector. Further information is available at <http://www.phonero.no>.

**Roadworks AS** (77.0%) is a Norwegian company providing an extensive range of products and services required for the operation and maintenance of road related infrastructure, including monitoring and automation within the Norwegian market. The Company was established in 2015 and is located in Langhus, Grimstad and Trondheim. Further information is available at [www.roadworks.no](http://www.roadworks.no)

#### 5.1.4 Norvestor VII

**HydraWell Intervention AS** (46.1%) is a well integrity specialist providing a range of step-changing proprietary tools and associated services to oilfield operators and services integrators. The Company has designed, developed, tested and commercialized a proprietary plugging technology for wellbore applications. HydraWell services oilfield

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<sup>2</sup> At the time of writing, Phonero is in the process of being acquired by Telia Company AB, cf. notification of concentration filed with the Competition Authority on 11 November 2016

operators and oil service companies. The company is based outside Stavanger, Norway, and has 24 employees. Further information is available at <http://hydrawell.no/>

**Eneas Group AS (81.0%)** is active within the electric power sector. Its main business areas consist of being a supplier of electric power to the small and medium-sized enterprises (“SME”) segment and providing services related to so-called “smart metering”, which relates to the monitoring and handling of power consumption for SME-customers. Eneas is headquartered in Drammen, and operates the call centre business Neras Direct from its location in Trondheim. Eneas has 170 employees. Further information can be found at <http://eneas.no/>.

## 5.2 4SERVICE Gruppen AS

4SERVICE is a Norwegian provider of canteen operation services and facility services for the private and public sectors. Established in 2010, the company is headquartered at Høvik outside of Oslo, with a regional office in Stavanger. 4SERVICE has 770 employees. The annual turnover of 4SERVICE in 2015 was approximately MNOK 417.5, with an operating result of approximately MNOK 5.8.

4SERVICE focuses on providing canteen operation and food services for the private business and public sectors, including on offshore installations and for on-shore camps related to long-term infrastructure and construction projects. Canteen and food services, i.e. the procurement, preparation and provision of food through on-site canteens, as well as catering services and distribution and maintenance of third party coffee and juice vending machines, constitute the primary focus, but 4SERVICE also provides, as part of their general canteen and food services, supplemental support services such as cleaning, reception and switchboard services, to their customers. 4SERVICE’s business is directed at different customer segments, although the services provided are essentially the same throughout the company’s activities.

The subsidiary 4SERVICE AS holds 4SERVICE’s conventional customer contracts for canteen operations and food services, which depending on the conditions of the individual contracts may include several of the support services referred to above. 4SERVICE currently operates 22 on-site canteens. 4SERVICE AS also holds some of 4SERVICE’s conventional customer contracts for the provision of canteen operations and food services to on-shore camps as further described below. Among 4SERVICE AS’ biggest customers are [REDACTED]

The subsidiary 4SERVICE Offshore AS focuses on the provision of canteen operations and food services to offshore oil & gas floating installations in the North Sea, while 4SERVICE Offshore Hotels AS deliver similar services for offshore oil & gas fixed installations in the North Sea. The services provided offshore are canteen and kiosk operations, as well as accommodation and cleaning services. 4SERVICE Offshore AS holds three contracts in this customer segment, encompassing five floating offshore rigs. Among 4SERVICE Offshore AS’ biggest customers are [REDACTED]

[REDACTED] 4SERVICE Offshore Hotels AS holds two contracts in this customer segment, encompassing one fixed installation and floatels. Among 4SERVICE Offshore Hotels AS’ biggest customers are Total E&P Norge AS and Floatel International AB.

The subsidiary 4SERVICE Landanlegg AS focuses on the provision of canteen operations, food services and accommodation services to on-shore camps. 4SERVICE are currently engaged in the operation of 16 on-shore camps. The camps are typically temporarily established in connection with long-term construction or infrastructure projects. The services provided by 4SERVICE are canteen and kiosk operations, as well as camp management-related services such as cleaning, reception, booking and access control. The camps are accommodation facilities. The facilities are provided by a different party than 4SERVICE. For certain camps, camp management is provided by joint ventures owned by 4SERVICE and another party, in which the other party is responsible for providing accommodation facilities, typically barracks. In other camps, the facilities are owned by the contract customer. In yet other instances, 4SERVICE leases the facilities from third parties. Among 4SERVICE Landanlegg AS' biggest customers are [REDACTED]

Further information is available at [www.4service.no](http://www.4service.no).

### 5.3 Ren Pluss

Ren Pluss is a Norwegian company that through its wholly-owned subsidiary Ren Pluss AS provides facility cleaning services for the business and public sectors. The company was originally established in 1972 under the name Reingjøring og Vedlikehold AS, and changed its name to Ren Pluss AS in 2011. Ren Pluss is headquartered in Oslo, with regional offices in several Norwegian cities, including Bergen, Stavanger, Kongsberg and Fredrikstad. The company employs approximately 450 people. The annual turnover of Ren Pluss in 2015 was approximately MNOK 139, with an operating result of approximately MNOK 8.3.

Ren Pluss primary focus is conventional daily cleaning services of office buildings and other places of business. The services consist of general cleaning services such as cleaning of floors and other surfaces, dust wiping and cleaning of bathrooms and other sanitary facilities. Ren Pluss also offers services which do not typically form part of daily cleaning, such as floor treatments, dry cleaning of various textiles and fabrics (typically carpets, rug and mats). Furthermore Ren Pluss may perform so-called deep cleaning (*hovedrengjøring*), which is a more substantial and thorough cleaning of the facilities. Ren Pluss may also offer sanitary products such as soap and paper towels, including dispensers for these products.

Ren Pluss also offers cleaning of exteriors such as facades, including window cleaning.

Further information is available at <http://www.renpluss.no/>.

#### 5.3.1 Reorganisation

Ren Pluss and its wholly-owned subsidiary Ren Pluss AS were incorporated on 24 June 2016. Ren Pluss AS (reg. no. 917 719 993) merged with Ren Pluss AS (reg. no. 847 842 792) on 24 November 2016. Coincidental with merger completion Ren Pluss AS (reg. no. 847 842 792) was deregistered.

Before merging with Ren Pluss AS (reg. no. 847 842 792) Ren Pluss AS (reg. no. 917 719 993) had not been engaged in any form of operational business activity and had not held any form of ownership interest in any other company. Subsequent to the merger with Ren Pluss AS (reg. no. 847 842 792) Ren Pluss AS (reg. no. 917 719 993) continues to operate the business activities previously operated by Ren Pluss AS (reg. no. 847 842 792), subject to no change whatsoever, neither in respect of form nor scope.

## 6. Turnover

	Turnover in Norway 2015 (NOK)
Norvestor	██████████
4Service	417 538 000
Ren Pluss	139 168 000

## 7. No markets affected by the concentration

4SERVICE does not offer facility cleaning services separately from its services within the market for canteen and food services. As such, the Parties are not to be considered as competitors in the relevant market for facility cleaning services prior to the notified Transaction. Hence, the Transaction does not raise any horizontal issues. The Parties do hold vertical relations along 3 separate dimensions, as set out below. However, the companies concerned have market shares below 30% in the relevant markets, and there are no markets affected by the Transaction.

The notifying party have identified vertical relations along the following dimensions:

### 7.1 Ren Pluss as sub-supplier of facility cleaning services to 4SERVICE

First, being a provider of facility cleaning services to the business and public sectors, Ren Pluss may be also be a supplier of facility cleaning services to 4SERVICE in the context of being a sub-supplier. As noted above, 4SERVICE provides cleaning services as part of its canteen operations and food services, and may procure such services via sub-suppliers which then perform the services on 4SERVICE's behalf.

It is the view of the notifying party that the market for facility cleaning services to the business and public sectors is national in scope. The large market players such as ISS, Elite and TOMA operate and compete for customer contracts on a nationwide basis. Ren Pluss is primarily active in the counties Oslo, Østfold, Buskerud, Akserhus, Rogaland and Hordaland, but may in principle compete for contracts all over Norway. In any event, a definitive delineation of the scope of the geographic market may be left out in the present case, as the Transaction does not give rise to competition concerns under any circumstances, cf. the below.

According to the best estimates of the notifying party, the national market for facility cleaning services to the business and public sectors is valued at NOK 17.8 billion, of which NOK 11 billion is regularly subject to tenders and as such constitutes the core market. The market is highly fragmented with NHO Service having 117 members from the cleaning



services industry and the total number of companies amounting to approximately 6 000, the majority of which are very small.<sup>3</sup> The market is driven by a number of industry leaders, e.g. ISS, Elite and Toma.

According to the best estimates of the notifying party, the market share of Ren Pluss in a national market for facility cleaning services to the business and public sectors is estimated at less than [REDACTED]

The notifying party does not possess market data on any hypothetical narrower markets for the provision of facility cleaning services to businesses which in turn provides such services as part of an integrated service package, such as 4SERVICE does in the canteen operation and food services markets. However, in light of Ren Pluss limited turnover and the fragmented nature of the facility cleaning services market, as well as the competitive power of the abovementioned market leaders, the notifying party presumes that such a market share will be very low, and in any case significantly less than 30 %. In any event, a definitive delineation of the relevant market may be left open in the present case, as the Transaction does not give rise to competition concerns under any circumstances.

4SERVICE is active within the market for canteen operations and food services, and provides its services to the Norwegian public and private sectors. 4SERVICE focuses on the operation of conventional canteens and on the provision of canteen operations, food and accommodation services to on-shore camps established in connection with construction or infrastructure projects and to offshore installations in the oil & gas industry. With regard to the operation of conventional canteens, the basic service offered is the operation of onsite canteens at the place of the customer's business. In the standard scenario this entails the operation of a canteen in an office building on the basis of contract. As part of the services related to the operation of the canteen as such, i.e. the procurement, preparation and provision of food and related logistic and administrative tasks, various additional support services may also be offered. Such support services may encompass, *inter alia*, cleaning services, reception services and kiosk operations. With regard to on-shore camps and offshore installations, 4SERVICE's scope of services includes accommodation and laundry services in addition to canteen operations and related services.

It is the view of the notifying party that the market for canteen operations and food services is no less than national in scope. 4SERVICE operates all over Norway.

According to the best estimate of the notifying party, the annual total value of a Norwegian market for canteen operations and food services amounts to NOK 9.2 billion.<sup>4</sup> According to the notifying party's best estimate, 4SERVICE's market share in this market is estimated to constitute less than [REDACTED]. It would be possible to further delineate the market to the following narrow segments:

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<sup>3</sup> Market data from NHO Service 2015.

<sup>4</sup> According to NHO Service member data.

- the operation of conventional on-site canteens and provision of food and related services at places of work
- the provision of canteen operations, food services and accommodation including related support services such as cleaning and booking, to offshore installations in the oil & gas industry
- The provision of canteen operations, food services and accommodation, including related support services, to on-shore camps

However, 4SERVICE's market shares would be low even in such segments, with market shares estimated at less than ■■■, less than ■■■ and less than ■■■ respectively.

Against the background of the above, there will be no ability or incentive for either input or customer foreclosure following the Transaction. As such, the Transaction does not affect any markets in the value chain for facility cleaning services, including a hypothetical market for the provision of facility cleaning services to businesses which provides these services as part of a broader service package.

## **7.2 Ren Pluss as supplier of facility cleaning services to Norvestor portfolio companies as end customers**

As Ren Pluss is a provider of facility cleaning services to end customers in the business and public sectors, Ren Pluss may be a potential supplier to any Norvestor portfolio company with a demand for such services. However, as the target customer group with respect to facility cleaning services must be assumed to be every private or public enterprise with a demand for such services, the Norvestor portfolio companies, numbering 19 companies<sup>5</sup>, constitute no more than a negligible share of the market. Consequently, and in light of Ren Pluss's limited market share of less than ■■■ in a national market for facility cleaning services to the business and public sectors (see section 7.1 above), there is no ability or incentive for either input or customer foreclosure following the Transaction. As such, the Transaction does not affect any markets in the value chain for facility cleaning services.

## **7.3 Phonero as supplier of telephony services to Ren Pluss as end customer**

As a provider of mobile services focusing primarily on the business segment, as well as a provider of fixed network telephony, Norvestor portfolio company Phonero is a potential or actual supplier to Ren Pluss, which, being a potential business customer of mobile services and fixed network telephony, constitutes an end user in these respective value chains. Accordingly, Ren Pluss as a customer would constitute the end point of the value chains, and the characteristics of the facility cleaning services market will not in itself be relevant to the customer relationship between Ren Pluss and Phonero. Regardless of the market shares of Ren Pluss, the company represents only a negligible portion of the downstream

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<sup>5</sup> Not including subsidiaries.

markets for mobile services and fixed network telephony. This would be the case even if one were to define a separate market for mobile services to the business segment.<sup>6</sup>

Furthermore, Phonero's market share is significantly below 30%<sup>7</sup> even in a narrowly defined market segment for mobile services to the business segment. Against this background, there is no ability or incentive for either input or customer foreclosure following the vertical relation created by the Transaction. The Transaction does not affect any markets in the respective value chains for mobile services and fixed network telephony.

## 8. Annual reports

The 2015 audited annual reports of Norvestor VII General Partner L.P., Norvestor VII (GP) Limited and Norvestor VII, L.P. are attached to this notification as Annex 1, 2 and 3, respectively. These annual reports contain business secrets.

The 2015 audited annual reports of 4SERVICE Gruppen AS, 4SERVICE AS, 4SERVICE Offshore AS, 4SERVICE Landanlegg AS and Ren Pluss AS are publicly available and are therefore not attached to this notification. Ren Pluss Holding AS, 4SERVICE Holding AS and 4SERVICE Offshore Hotels AS, being recently established, do not have any approved annual reports to date.

## 9. Other

The Transaction will not be notified to the competition authorities in any other jurisdictions than Norway.

## 10. Confidentiality

The notification contains business secrets. Business secrets are marked with a [REDACTED].

Yours sincerely,

for Advokatfirmaet BA-HR DA



Christoffer Nyegaard Mollestad

Associate

Lawyer in charge: Børre Sofus Arnet

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<sup>6</sup> In *Decision V2015-1 - TeliaSonera AB (publ) - Tele2 Norge AS/Network Norway AS*, the Competition Authority did not see the need to assess whether a separate business market for mobile services exists, cf. the decision paragraph 128, but indicated that certain conditions support the finding of a separate market, cf. the decision paragraph 128.

<sup>7</sup> Cf. Nasjonal Kommunikasjonsmyndighet's ("NKOM") mobile services market reports, available at <http://www.nkom.no/aktuelt/rapporter>