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SIMPLIFIED NOTIFICATION

TO

THE NORWEGIAN COMPETITION AUTHORITY

SCANDZA AS

ACQUISITION OF

LEIV VIDAR AS

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1. NOTIFYING ENTITY

Notifying entity:

Company: Scandza AS
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Company number: 892 683 042

Contact:

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2. OTHER UNDERTAKING CONCERNED (TARGET)

Company: Leiv Vidar AS
Address: Birkebeinerveien 2, 3517 Hønefoss
Company number: 988 921 521

3. DESCRIPTION OF THE ACQUISITION

The contemplated transaction involves the acquisition of 100% of the shares in Leiv Vidar AS by Scandza AS.

Leiv Vidar currently owns 91% of the shares in the Swedish business Lindvalls Chark AB, which sells hot dogs and charcuterie to Swedish customers. Prior to the completion of Scandza's acquisition of Leiv Vidar AS, the latter will acquire the remaining 9% of the shares in Lindvalls Chark AB. After completion of the concentration, Scandza will control Leiv Vidar AS, which owns 100% of the shares in Lindvalls Chark AB.

Closing of the acquisition is subject to clearance by the Norwegian Competition Authority.

4. ACTIVITIES AND OWNERSHIP OF THE UNDERTAKINGS CONCERNED

4.1 Scandza

4.1.1 Overview

Scandza is a Norwegian group with activities in the food and beverages sector, primarily in Norway, Sweden and Denmark. Its most important product categories are chilled foods (including meat and dairy), snacks, baked goods and beverages. A chart showing the group structure of Scandza is enclosed as **Appendix 1**.

4.1.2 Scandza Salg

Scandza Salg Norge AS is a sales organisation for companies within the Scandza group. It also sells certain third party products in the Norwegian market, including Bråmhults.

In 2016 Scandza Salg acquired Bonaventura Sales AS, a distributor to the Norwegian grocery, pharmacy and speciality trade. Bonaventura Sales offers a wide range of products within the categories of hair, skin, hygiene, household, mother & child, as well as food. Bonaventura Sales distribute products under brands from several international and Norwegian suppliers, such as Piz Buin, Scholl, Durex, Repsils, Finish, Simple and Semper. The acquisition was notified to the Norwegian Competition Authority on 24 October 2016 and cleared on 28 November 2016.

4.1.3 Synnøve Finden

Synnøve Finden produces, markets and sells dairy products (including cheese and yoghurt); in Norway. It further offers a portfolio of other products, including cereals, crisp bread, frozen berries and cereals. In addition, Synnøve Finden produces, markets and sells Peppes Pizza "do-it-yourself"-products to grocery retail in Norway. The agreement with Peppes Pizza also covers the other Nordic countries, but Synnøve Finden has not established distribution of the products outside of Norway.

Synnøve Finden also has an Estonian subsidiary that trade mainly in cheese products. This company has no production facilities and it has only limited sales to Norway.

4.1.4 Sørlandschips

The main products of Sørlandschips are potato chips, sweets, nuts, dried fruits and berries.

4.1.5 Finsbråten

Finsbråten produces and sells various red and white meat products. It mainly supplies the grocery retail market in Norway, but it also has some sales to the food industry. The company has two production facilities at Eidsvoll where it mainly produces various types of sausages (wiener, grill, specialty sausages etc.), cold cuts and pates, cured meats, pre-cooked products, ready-made foods (BBQ cooked foods), etc.

Most of the products are sold under the “Finsbråten” brand, but Finsbråten also produce for the retail chains (under private label). In addition, Finsbråten produces Peppes Pizza meat topping products for Synnøve Finden, as a contract manufacturer.

Finsbråten also serves some other producers in the food industry, either as a contract producer or as a supplier of raw materials/ingredients, and to some degree independent wholesalers focusing on the food service or institutional household markets. Scandza’s acquisition of Finsbråten and Krone Kjøttprodukter AS in 2014 was notified to the Norwegian Competition Authority 29 September 2014. Krone was merged into Finsbråten in 2016.

4.1.6 Bröderna Nilsson

Bröderna Nilsson Delicatesser AB specialises in charcuterie and deli products, including ham and sausages. The products are sold mainly to the groceries retail market in Sweden. Bröderna Nilsson does not have any sales to Norway.

4.1.7 Bisca

Bisca operates within the baked goods market. It is present mainly in Denmark, Norway and Sweden, but has also a small export business to markets outside the Nordic region. Bisca’s main products are biscuits, cakes and cookies. It sells its products under the Karen Volf, Bisca, Godbiten and Royal Biscuit brands. Bisca owns Royal Biscuit Nordic, which operates mainly in Sweden, Denmark and UK.

In addition, Bisca owns 28% of the shares in Baxt, which distributes products from Aunt Mabel’s, Bjørken, Dan Cake and Pågen, amongst others.

4.1.8 Smarte Nytelser

Smarte Nytelser is a company established in February 2016. The company is in the early phase of establishment with the main objective to develop and market food and beverages with focus on nutrition under the Berit Nordstrand brand.

The Company does not intend to manufacture food and beverages, and not own production assets, but will purchase products from other Scandza companies and/or third party producers.

4.1.9 Scandza Drikker

Scandza Drikker’s main business activity is to distribute beverages to retail and Horeca markets in Norway. Its business includes distribution partnerships for Voss Water and Vitamin Well, as well as Brand Phoenix Wine, which produces low alcohol wines.

4.2 CapVest

Scandza is controlled by CapVest Equity Partners III L.P. (CapVest Fund III). CapVest is a private equity firm founded in 1999. CapVest Fund III is a fund established in 2014.

The acquisition of Scandza by CapVest Fund III was notified to the Norwegian Competition Authority on 23 December 2013¹ and cleared on 17 January 2014. The transaction was also notified to the Danish Competition and Consumer Authority (DCCA) 10 January 2014 and cleared 24 January 2014².

There is also another fund under the CapVest brand name; CapVest Equity Partners II L.P. (CapVest Fund II).

Further details on CapVest Fund II and CapVest Fund III are provided in **Appendix 2**. For the purpose of this notification, it can be left open whether the two funds are part of the same group. The information provided in this notification includes both funds. For simplicity, all references below to “CapVest” include CapVest Fund II and CapVest Fund III.

Additional information about CapVest is available on its website, www.capvest.co.uk/home.

In addition to Scandza, CapVest has the following portfolio companies:

- **Mater Private Healthcare.** Mater Private Healthcare is an Irish specialist’s hospital located in Dublin, Ireland. The company has no business activity or turnover in Norway.
- **Valeo Foods.** Valeo Foods was created by CapVest as a vehicle for acquiring two Irish food businesses; Batchelors and Origin Foods. The acquisition of Jacob Fruitfeld Food Group was added in 2011. None of these companies have any activity or turnover in Norway.
- **IBA Molecular.** IBA Molecular is active within molecular imaging and nuclear medicine, serving mainly hospitals and clinics.

CapVest also has a small, non-controlling shareholding in RenoNorden, a company listed on the Oslo Stock Exchange.

4.3 Leiv Vidar AS (target)

Leiv Vidar AS is a supplier of hot dogs and ancillary products. It is mainly active in the market for hot dogs served warm for immediate consumption, in which Leiv Vidar mainly serves convenience stores and fuel stations. In addition, Leiv Vidar has some sales of cold sausages to the groceries retail trade, which is mostly sold under the Leiv Vidar brand and to a lesser extent under the retail chains’ own brand (private label).

¹ Cf. standardized notification submitted by Advokatfirmaet Haavind AS on 23 December 2013.

² <http://www.kfst.dk/Afgoerelsesdatabase/Konkurrenceomraadet/Afgoerelser/2014/20140124-CapVest-forenkelt?tc=73EF69C5672B48B9B9ACBF25584134F0>

Leiv Vidar AS has approximately 56 employees in Norway, of which 45 involved in the manufacturing of products.

Leiv Vidar's Swedish subsidiary Lindvalls Chark AB sells hot dogs to Swedish customers. It does not have any sales in Norway. Lindvalls Chark AB has approximately 130 employees and in 2016 it had a turnover of approx. SEK 306 million.

5. TURNOVER

The turnover of Leiv Vidar AS in Norway in 2016 was NOK 188 million. Its operating result was NOK 15 million.

Turnover data for Scandza are provided in **Appendix 3**.

6. AFFECTED MARKET

Leiv Vidar is mainly active in the market for hot dogs served warm for immediate consumption. Finsbråten is not active in this market. Scandza takes the view that this market is separate from cold sausages sold through the groceries retail trade. From a customer perspective a warm and ready to consume hot dog is a different product than a package of cold sausages. Also, warm and ready to consume hot dogs are mainly sold at convenience stores and fuel stations, whereas packages of cold sausages are sold mainly through the groceries retailers (supermarkets). Moreover, the logistics and marketing of the products differ.

The distinction between these markets is illustrated by the fact that Leiv Vidar is a leading brand within warm hot dogs for immediate consumption but a small brand in cold sausages through the groceries retail trade, with a market share around 1%.

The acquisition gives rise to an overlap in cold sausages sold to the groceries retail trade.³ However, the parties' combined market share is below 10%. As a result, this is not an affected market.

Cold sausages sold through the retail trade are differentiated across a number of dimensions, including seasoning/flavours, shape, package size and pricing. The parties take the view that the market for cold sausages sold through the retail trade cannot be further sub-divided based on such factors. For sake of completeness, the parties will according to Nielsen data have a combined share of approx. 19% within a segment for "Vienna hot dogs" (Norwegian: wienerpølser) sold through the retail trade.⁴ However, this segment does not constitute a product market separate from cold sausages in general. In any event, the parties' combined share of this segment is not indicative of any competition concerns.

³ The «cold sausages» referred to here are fresh sausages, i.e. do not include so-called "spekepølser", which are not supplied by Leiv Vidar or Finsbråten in Norway.

⁴ Data from Nielsen for the first four 4-weeks periods of 2017.

7. MOST IMPORTANT COMPETITORS, CUSTOMERS AND SUPPLIERS IN NORWAY

The parties' five most important competitors within hot dogs sold to the groceries retail trade are:

1. Nortura (brands: "Gilde" and "Prior")
2. Rema 1000 (brand: "Nordfjord ")
3. Norgesgruppen (brands: "Folkets" and "Jacobs")
4. COOP (brands: "COOP" and "X-tra")
5. Mydland

Both parties' most important groceries retail customers are NorgesGruppen, Coop and Rema 1000.

Each party's five most important suppliers are provided in **Appendix 4**.

8. CONDITIONS FOR A SIMPLIFIED NOTIFICATION

The small overlap between the parties within the supply of cold sausages to the groceries retail trade described in Section 6 above does not exceed the market share thresholds for a simplified notification, as the parties' combined market share is below 20%.

9. ANNUAL REPORTS

The General Partner's Report and Accounts for CapVest Fund II for 2016, is enclosed as **Appendix 5**, and the same for CapVest Fund III is enclosed as **Appendix 6**.

The annual reports for Scandza and Leiv Vidar are available from the Norwegian Register of Business Enterprises.

10. CONFIDENTIALITY

This notification document does not contain any confidential information. However, several appendixes contain confidential information, as further explained in **Appendix 7**.

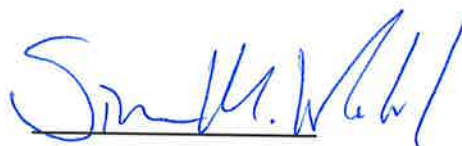
11. ATTACHMENTS

- Appendix 1: A chart of the group structure of Scandza
- Appendix 2: Details on CapVest Fund II and CapVest Fund III (confidential)
- Appendix 3: Scandza turnover (confidential)
- Appendix 4: Suppliers (confidential)

- Appendix 5: Annual report for CapVest Fund II for 2016 (confidential)
- Appendix 6: Annual report for CapVest Fund III for 2016 (confidential)
- Appendix 7: Explanations of confidential information (confidential)

12. SIGNATURE

Oslo, 31 May 2017



Advokatfirmaet Haavind AS

Simen M. Klevstrand