



Konkurransetilsynet
Postboks 439 Sentrum
5805 BERGEN

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Lawyer in charge:
Håkon Cosma Størdal

STRICTLY CONFIDENTIAL – CONTAINS BUSINESS SECRETS

SIMPLIFIED MERGER NOTIFICATION

We hereby provide the Norwegian Competition Authority with a simplified merger notification in accordance with Section 18 of the Competition Act and the Regulation on the notification of concentrations (the "**Regulation**") Section 3.

The notification concerns the proposed acquisition by Ecura Helse og Omsorg AS ("**Ecura**") of 100% of the shares in Ambio Helse AS ("**Ambio**").

1. THE UNDERTAKINGS CONCERNED

1.1 The notifying party

Name: Ecura Helse og Omsorg AS
Company number: 916 938 640
Address: c/o Longship AS, Dronning Eufemias Gate 16, 0191 Oslo
Telephone: 900 78 818
E-mail: chris.sorum@ecura.no

1.2 Representatives

Name: Advokatfirmaet Wiersholm AS
Contact person: Advokat Håkon C. Størdal and
advokatfullmektig Marie Wangsmo Haugland
Address: Postboks 1400 Vika, 0115 Oslo
Telephone: 210 210 00
E-mail: hcst@wiersholm.no and maha@wiersholm.no

1.3 The target company

Name: Ambio Helse AS
Company number: 993 278 467
Address: Jernbanetorget 4, 0154 Oslo
Telephone: 22 41 17 02
E-mail: KMA@ambiohelse.no

1.4 Representatives

Name: Wikborg Rein Advokatfirma AS
Contact person: Sigurd Opedal

Address: Postboks 1513 Vika, 0117 Oslo
Telephone: 22827500
E-mail: sopr@wr.no

2. THE SCOPE OF THE CONCENTRATION

2.1 The nature of the concentration

By virtue of the notified concentration, Ecura Helse og Omsorg AS, contemplates to acquire 100% of the shares in Ambio Helse AS. Ecura is wholly owned by Longship Fund I General Partner Limited, as general partner of Longship Fund I LP and Longship Fund I Co-Invest LP ("**Longship**").

Before the transaction, Ambio Helse AS is 43.1% owned by Ambio AS. The second largest shareholder is Nils Rune Handal, who holds 20.5% of the shares. Other shareholders are nine employees, holding from 1.1% to 11% of the shares.

The terms of the Transaction are set out in the Share Purchase Agreement dated 14 July 2017. The Agreement is enclosed as Appendix 1 to this notification.

Appendix 1: Share Purchase Agreement, 14 July 2017 (CONFIDENTIAL)

Ecura Helse og Omsorg AS will acquire sole control of Ambio Helse AS. Consequently the Transaction amounts to a concentration according to Section 17 of the Norwegian Competition Act.

Completion of the Transaction is subject to approval by the Norwegian Competition Authority.

2.2 Background/rationale for the Transaction

3. THE CONDITIONS FOR FILING A SIMPLIFIED NOTIFICATION ARE FULFILLED

The conditions for a simplified notification in accordance with the Competition Act section 18 and 18 a (f), cf. the Regulation section 3 (1) no. 3 a)-c) are fulfilled.

Ecura and Ambio only have very limited overlapping activities in the relevant market for health and care services. The combined market share in this possible market is well below 20%.

Ambio primarily provides temporary staff services in the health and care service sector, whereas Ecura primarily provides health and care services. Although Ecura does not currently purchase employment services from Ambio, the companies may potentially overlap vertically. However, the market shares are well below 30% in each market and combined.

Thus, the conditions for a simplified notification in the Regulation section 3(1) no 3 b and c are fulfilled.

4. UNDERTAKINGS CONCERNED

4.1 Ecura Helse og Omsorg AS

4.1.1 Organisational and legal structure

Ecura Helse og Omsorg AS is wholly owned by Ecura Holding AS, of which Longship Fund I General Partner Limited, as general partner of Longship Fund I LP and Longship Fund I Co-Invest LP owns approximately [REDACTED]

Ecura Helse og Omsorg AS owns Mestrings- og Læringscenteret AS, Melås Helse AS, Mjøsen Bo og Habilitering AS, Vangseter AS and OptimalAssistanse AS.

An overview of Ecura Helse og Omsorg AS group structure is enclosed as [Appendix 2](#).

Appendix 2: Ecura Helse og Omsorg business structure

4.1.2 Business areas

Ecura Helse og Omsorg AS provides, through its subsidiaries, healthcare services and care services, which are organised into various service lines.

Through its subsidiaries, Ecura provides residential health and care services for users with mental illnesses, physical disabilities, behavioural problems and substance abuse. The services also include 24-hours services in the patients' homes and therapeutic services in kindergartens and schools.

Through OptimalAssistanse AS, Ecura also provides UPA for patients with complex and lasting needs for assistance. UPA serves as an alternative or addition to the public care services and traditional home care services. Ecura has concessions to provide UPA in 38 municipalities.

Ecura has established its own internal competence centre, Ecura Academy. Going forward, this may be a platform for providing training of external personnel or other relevant courses, but to date, Ecura Academy is only used internally.

The newly acquired Mjøsen Bo & Habilitering has a separate business-line ("Opplæring & Aktivitet") providing counselling services to e.g. schools and municipalities. The offerings span everything from training in how to treat behavioural issues to tailoring special course

work for school kids with complex needs. In 2016, Oppl ring & Aktivitet generated [REDACTED]

For more information about Ecura, see <https://ecura.no/>

4.2 Longship Fund I LP

4.2.1 Organisational and legal structure

Longship Fund I General Partner Limited (the "GP"), as general partner of Longship Fund I LP and Longship Fund I Co-Invest LP, is a Guernsey registered limited partnership with the registration number 2451 and Longship Fund I Co-Invest LP is a Guernsey registered limited partnership with the registration number 2455 (together "Longship Fund I" or the "Fund"). The Fund is regulated as a registered, closed-ended, collective investment scheme by the Guernsey Financial Services Commission (the "GFSC"); the regulator of financial services business in Guernsey.

[REDACTED] The GP is a Guernsey registered company with the registration number 61082. The company is licensed and regulated by the GFSC under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended (the "POI Law").

The funds are owned by Norwegian and international investors, and is managed by the company Longship AS.

4.2.2 Business areas

Longship is a private equity investor targeting medium sized growth companies in Norway. The company generally implements buy-out strategies by taking strategic and controlling ownership positions.

Current Longship investments apart from Ecura Helse og Omsorg are Garda Sikring and HR Prosjekt AS.

For more information about Longship, see: <http://www.longship.no>

4.3 The target – Ambio Helse AS

4.3.1 Ambio Helse AS' legal and organizational structure

Ambio was established in 2008 and its headquarter is located in Oslo.

Ambio Helse AS is 43.1% owned by Ambio AS. The second largest shareholder is Nils Rune Handal, who holds 20.5% of the shares. Other shareholders are nine employees, holding from 1.1% to 11% of the shares. A list of Ambio's shareholders is enclosed as Appendix 1 to the SPA.

Ambio Helse AS controls Bedre.no AS, Helserekuttering AS and Ambio Helse AB. In 2016, there was no activities in Bedre.no AS or in Helserekuttering AS.

4.3.2 Business areas

Ambio's activities can be subdivided into four categories, whereas the primary activity is temporary employment of healthcare and care personnel to public and private customers in Norway and Sweden.

Temporary employment in the health sector

Recruitment and staffing in the healthcare sector constitutes [REDACTED] of Ambio's business activities. The staff is specialised in health and care services, and includes nurses, health workers, doctors, specialists, care workers, physiotherapists, social workers etc.

User-controlled personal assistance

Ambio Helse AS also has concessions to provide UPA. UPA is a new focus area of Ambio as of 2017. Ambio has concessions to provide UPA [REDACTED]

Training of health personnel

Ambio provides training to staff and personnel in the health and care services sector, such as dementia counselling and specialised health counselling for the municipality health service. Ambio also develops health related e-learning courses that are provided to municipalities and private institutions all over the country.

In 2016 Ambio's turnover derived from courses and training constituted MNOK [REDACTED]

Patient surveys

Ambio provides, on behalf of municipalities, surveys of patients that have been receiving healthcare and final reports on the service.

For more information about Ambio, see <http://ambiohelse.no/>

4.4 The Parties' turnover and operating result in Norway 2016

Company	Turnover in Norway	Operating result in Norway
Longship Fund I	[REDACTED]	
Ecura Helse og Omsorg AS	264 MNOK ²	41 MNOK
Ambio Helse AS	142,5 MNOK	10,3 MNOK

5. MARKET(S) AFFECTED BY THE TRANSACTION

5.1 Introduction

As described in section 4.3, Ambio's primary activities include provision of temporary employment/staffing to private and public undertakings in the health sector. Ecura on the other hand primarily provides healthcare services and care services, including residential healthcare services and UPA. Thus, the main activities of the Parties do not overlap horizontally.

However, Ambio also has concessions to provide healthcare- and care services by way of UPA, [REDACTED]. Ambio also provides training of personnel internally and externally. Thus, the Parties consider that the relevant market for the purpose of this notification is the market for healthcare- and care services (including UPA and training). The Parties consider that this market is National.

¹ The turnover includes the turnover of Mjøsen Bo- og Habilitering AS, Vangseter AS Trygg Vei AS and OptimalAssistanse AS, which were acquired in 2016-2017

² The turnover includes the turnover of Ecura, Vangseter AS, Mjøsen Bo- og Habilitering AS and OptimalAssistanse

For the sake of completion, it is also mentioned that Ecura's subsidiary, Melås Helse AS, also occasionally rent out employees to municipalities in exceptional situations, but this is not an established business model in Melås. In 2016, Melås had less than NOK [REDACTED] in such other income. According to Ecura, this activity represents such little part of Ecura's business activities, that it can be disregarded for the purpose of this notification.

Ecura does not currently purchase temporary employment services from Ambio. However, [REDACTED] The Parties' market shares in the upstream and downstream markets are limited, such that the transaction will not affect competition in either market.

5.2 Healthcare services and care services

5.2.1 Product market and geographic market

The Parties consider that the relevant market is provision of health and care services in Norway.

Providers of health and care services normally provide a differentiated spectre of services, including 24-hours homecare and accommodation, UPA, therapeutic counselling and training of personnel. The distinction between many of the services is often blurry, and all service lines serve a common objective, namely to assist individuals with various needs. Training of internal personnel is a prerequisite for providing such services, and many suppliers use or can easily use internal experience and knowledge from this to provide training activity externally. Due to both demand and supplier substitution across all service lines, there are thus no grounds for further segmentation of the market.

Moreover, the services are mainly provided to municipalities on basis of concessions. Many of the municipalities also provide the services themselves, such that the providers also compete with the municipalities. The Parties thus believe that the market includes both private and public services.

The concessions are awarded by way of competitive tenders, in which all interested providers may participate, irrespective of physical presence at the time of bidding. Since it is possible for the providers to supply its services to all areas of Norway, it is likely that the geographic market is national in scope.

5.2.2 The transaction will not affect competition in the health and care services market

The Parties only have limited overlap in the market for health and care services. Less than [REDACTED] of Ambio's business activities constitute health and care services, amounting to an income of MNOK [REDACTED] in 2016. Ambio's market share in this potential market is thus negligible (approx. [REDACTED]).³ Ecura's market share is also limited, approx. [REDACTED]. The low combined market share alone indicates that the transaction will not affect competition horizontally.

Furthermore, the market is highly fragmented and the largest customers are municipalities with considerable buyer power. The concessions are normally awarded by way of tenders, in which several providers compete. The winner of the tender will be compensated by the municipality for supplying its health and care services to patients in the relevant municipality. As an alternative to providing health and care services through private providers, the municipalities may also choose to provide the services themselves. Irrespective of market share, it is thus not possible for any operator to exercise market power in this market.

³ Ecura assesses that the total revenue in a possible market for private health and care services in Norway is approx. [REDACTED]. The calculations are based on publicly available information about revenues of operators active in this market.

⁴ Ecura's subsidiaries active in this possible market segment generated NOK [REDACTED] on a pro forma basis.

The barriers to entry are also low, and there are constantly several new entries in the market. Consequently, the transaction will not negatively affect competition.

5.3 No vertical overlap

Currently, Ecura does not purchase employment services from Ambio. [REDACTED]

Based on own assessments, Ambio calculates their market share in the narrowest possible market for recruitment in the Norwegian health and care sector to approx. [REDACTED].⁵

Furthermore, as mentioned above, Ecura's market share in the market for health and care services is limited to approx. [REDACTED].

The limited market shares in each market indicates that there will be no negative effects in either the upstream or the downstream market as a result of the transaction.

6. THE PARTIES' MOST IMPORTANT COMPETITORS, CUSTOMERS AND SUPPLIERS

Ecura's five most important competitors, suppliers and customers in the market for health and care services are included as Appendix 3.

Appendix 3: Overview of Ecura's most important competitors, suppliers and customers (CONFIDENTIAL)

Ambio's five most important competitors, suppliers and customers in the market for health and care services are included as Appendix 4.

Appendix 4: Overview of Ambio's most important competitors, suppliers and customers (CONFIDENTIAL)

7. ANNUAL REPORTS AND ACCOUNTS

The annual report and financial statements of Longship Fund I are enclosed as Appendix 5.

Appendix 5: Longship Fund I - Report and financial statements 2016 (CONFIDENTIAL)

The annual report and financial statements of Ecura are enclosed as Appendix 6 and 7.

Appendix 6: Ecura – Annual report 2016

Appendix 7: Ecura – financial statements 2016

The annual report and financial statements of Ambio are enclosed as Appendix 8.

Appendix 8: Ambio – Report and financial statements 2016

8. PUBLIC ACCESS

This notification contains business secrets. All business secrets are marked in the text in double underlined format.

The confidential information involves operational and/or business matters, which for competition reasons it is important to keep secret in the interests of the party whom the information concerns, cf. Public Administration Act § 13 (1) 2. A disclosure of this information would be a competition disadvantages for the relevant party vis-à-vis its

⁵ Ambio assesses that the total market turnover is [REDACTED] Activities related to temporary employment services amounted to a turnover of approx. MNOK [REDACTED]

competitors, suppliers and/or customers, and the party would risk an economic loss. The individual business secrets are further substantiated in Appendix 9.

Appendix 9: Statement of reasons - confidentiality

We kindly ask the Competition Authority to contact us should any third party require access to the notification and that we are contacted before access is granted.

Yours sincerely
for Advokatfirmaet Wiersholm AS


for Håkon Cosma Størdal
hcst@wiersholm.no