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Oslo, June 1. 2018  
Ref: M7912284/1/136064-010-006/MAHA  
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 Asor Helse AS ("**Asor**").

#### **1. THE UNDERTAKINGS CONCERNED**

##### **1.1 The notifying party**

Name: Ecura Helse og Omsorg AS  
Company number: 916 938 640  
Address: Dronning Eufemias Gate 16, 0191 Oslo  
Telephone: 900 78 818  
E-mail: [chris.sorum@ecura.no](mailto:chris.sorum@ecura.no)

##### **1.2 Representatives**

Name: Advokatfirmaet Wiersholm AS  
Contact person: Advokat Håkon C. Størdal and  
advokatfullmektig Harald Nordhus  
Address: Postboks 1400 Vika, 0115 Oslo  
Telephone: 210 210 00  
E-mail: [hcst@wiersholm.no](mailto:hcst@wiersholm.no) and [hnor@wiersholm.no](mailto:hnor@wiersholm.no)

##### **1.3 The target company**

Name: Asor Helse AS  
Company number: 916 122 128  
Address: Hovinveien 19, 0661 Oslo  
Telephone: 22 68 89 91  
E-mail: [c.jenssen@asor.no](mailto:c.jenssen@asor.no)

##### **1.4 Representatives**

Name: Advokatfirmaet Steenstrup Stordrange  
Contact person: Erik Lind

Address: Postboks 1829 Vika, 0123 Oslo  
 Telephone: +47 22 81 45 67  
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## 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 Asor Helse AS. Ecura is controlled 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, Asor is 100% owned by Asor AS, which is again 100% owned by Galiza Jenssen Holding AS. Rizalina G. Jenssen (50%) and Hallvard Erling Jenssen (50%) jointly own Galiza Jenssen Holding AS.

The terms of the Transaction are set out in the Share Purchase Agreement dated June 1. 2018. The Agreement is enclosed as Appendix 1 to this notification.

#### **Appendix 1:** Share Purchase Agreement, June 1. 2018 (CONFIDENTIAL)

Ecura Helse og Omsorg AS will acquire sole control of Asor 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

Ecura is prior to the acquisition of Asor a Norwegian care company providing care services for mentally and physically disabled people as well as rehabilitation for alcohol and drug addictions. In addition, the company provides user-controlled personal assistance ("UPA") and health care recruitment services.

## 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 Asor have overlapping activities in the relevant market for health and care services. The combined market share in this possible market is well below 20%.

The parties have also identified one potential minor vertical overlaps. Ecura provides temporary staff services in the health and care service sector through its subsidiary Ambio. Although Asor does not currently purchase employment services from Ecura, 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, OptimalAssistanse AS and Ambio Helse AS.

An overview of Ecura Helse og Omsorg AS group structure is enclosed as Appendix 2.

###### **Appendix 2: Ecura Helse og Omsorg AS business structure**

###### **4.1.2 Business areas**

Ecura 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 AS 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.

Lastly, Ecura provides recruitment and staffing services in the healthcare sector through Amibo Helse AS. The staff is specialised in health and care services, and includes nurses, health workers, doctors, specialists, care workers, physiotherapists, social workers etc. Ambio also provides online courses on different subjects within the health and care services sector. Revenue from the provision of online courses amounted to approx. MNOK [REDACTED] in 2017.

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

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

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.

Sensio AS is a provider of welfare technology solutions to public institutions and personal safety alarms and home automation to the residential market.

### 4.3 The target – Asor Helse AS

Asor was established as a sole proprietorship (enkeltmannsforetak) in 1999, and was later turned into a limited company. The headquarter is located in Oslo.

### Appendix 3: Asor Helse AS' business structure

Asor's activities can be subdivided into four categories, whereas the primary activity is home nursing services to public customers in Norway:

In-home nursing services constitutes [REDACTED] of Asor's business activities and is provided to individuals living in their own homes who need medical care due to age, illness or disability. The in-home nursing services are fully covered by the municipality in case of a decision (vedtak). Asor has concessions to provide the mentioned service in all of the 15 districts in Oslo and Bærum municipality.

Asor also has concessions to provide UPA. Asor has concessions to provide UPA to 19 Norwegian municipalities. UPA constitutes [REDACTED] of Asor's business activities.

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In-home intensive health care services constitutes [REDACTED] of Asor's business activities. The in-home intensive health care services are fully covered by the municipality in case of a decision (vedtak). Asor has concessions to provide the mentioned service in all of the 15 districts in Oslo and Bærum municipality.

#### Home care and practical assistance

Asor provides home care and practical assistance to individuals who need help due to illness, injury, disability, age or other reasons. Asor has concessions to provide the home care and practical assistance in all of the 15 districts in Oslo and Bærum municipality.

For more information about Asor, see <http://www.asor.no/>

#### **4.4 The Parties' turnover and operating result in Norway 2017**

<b>Company</b>	<b>Turnover in Norway</b>	<b>Operating result in Norway</b>
Longship Fund I	[REDACTED]	
Ecura Helse og Omsorg AS <sup>1</sup>	495 MNOK	47 MNOK
Asor Helse AS	117 MNOK	13 MNOK

### **5. MARKET(S) AFFECTED BY THE TRANSACTION**

#### **5.1 Introduction**

As described in section 4.3, Asor's primary activities include provision of home-based health care and UPA. Ecura provides healthcare services and care services, including residential healthcare services and UPA. The Parties consider that the relevant market for the purpose of this notification is the market for healthcare- and care services (including UPA). The Parties consider that this market is National.

Asor does not currently purchase employment services from Ecura. However, as a provider of health care services, there is a potential vertical overlap. In any event, the Parties' market shares in the upstream and downstream markets are limited. Accordingly, the transaction will not affect competition in either market.<sup>2</sup>

#### **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, residential healthcare services, UPA, and therapeutic counselling. 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. 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

<sup>1</sup> The turnover includes the turnover of Ecura, Mestrings- og Læringscenteret AS, Melås Helse AS, Vangseter AS, Mjøsen Bo- og Habilitering AS, Ambio Helse AS and OptimalAssistance AS.

<sup>2</sup> For the sake of completeness, the parties note that Asor has previously purchased online courses from Ambio Helse AS.

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 proposed transaction will not affect competition in the health and care services market. Asor's market share in this market is limited, amounting to only [REDACTED].<sup>3</sup> Ecura's market share is also limited, approx. [REDACTED]. Accordingly, the parties' market share post-transaction will be approx. [REDACTED]. The low combined market share alone indicates that the transaction will not affect competition horizontally.

For the sake of completion, the parties have also provided market shares for the hypothetical market segment for home-based health care, including UPA services. In this hypothetical market segment, Asor has a market share of [REDACTED].<sup>4</sup> while Ecura's market share is approx. [REDACTED].<sup>5</sup> Thus, regardless of how the market is defined, the transaction will not have negative effect on competition.

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.

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

Asor does not currently purchase employment services from Ecura. However, as a provider of health care services, there is a potential vertical overlap.

Based on their own assessments, Ecura calculates their market share in the narrowest possible market for recruitment in the Norwegian health and care sector to approx. [REDACTED].<sup>6</sup>

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

Accordingly, the transaction will not have any negative effects in either market.

<sup>3</sup> NHO assess that the total market turnover in 2016 was approx. NOK 13.8 billion. The estimate is based on procurements by municipalities. NHO assumes that this estimate correctly reflects the turnover in 2017. Ecura's activities related to these services amounted to approx. MNOK [REDACTED].

Please note that the estimate also includes turnover from employment services procured by municipalities. However, the parties' have no be able to identify how much of the turnover that can be attributed to employment services. NHO assess – based on turnover from their members – that the market for employment services in the Norwegian health and care sector is approx. NOK 1,5 billion. This estimate also includes services procured by other customers than municipalities. Thus, the share of the overall turnover attributed to employment services is less than NOK 1,5 billion. However, even in the event that NOK 1,5 billion was deducted from NHO's estimate (13,8-1,5 = 12,3), the parties' market shares would still be negligible (Ecura [REDACTED]% and Asor [REDACTED]%).

<sup>4</sup> NHO assesses that the total market turnover in 2016 was approx. NOK 4.5 billion. NHO assumes that this estimate correctly reflects the turnover in 2017.

<sup>5</sup> Turnover from Optimal Assistanse AS in 2017 amounted to MNOK 27.

<sup>6</sup> NHO assesses that the total market turnover is approx. NOK 1.5 billion. Activities related to temporary employment services amounted to a turnover of approx. MNOK [REDACTED].

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

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

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

Asor's five most important competitors, suppliers and customers in the market for health and care services are included as Appendix 5.

**Appendix 5:** Overview of Asor'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 6.

**Appendix 6:** Longship Fund I - Report and financial statements 2017 (CONFIDENTIAL)

The annual report of Ecura Holding AS is enclosed as Appendix 7.

**Appendix 7:** Ecura Holding AS – Annual report 2017

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

**Appendix 8:** Asor – Annual report 2017

## **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 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

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