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CONFIDENTIAL

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THE NORWEGIAN COMPETITION ACT SECTION 18

SIMPLIFIED NOTIFICATION ("FORENKLET MELDING") OF

EGMONT HOLDING AB'S ACQUISITION

OF

SKITT FISKE AS

1. CONTACT DETAILS**1.1 Notifying party**

Name: Egmont Holding AB
Address: c/o Egmont Publishing AB
205 07 Malmö
Sweden
Swedish organisation number: 556082-2339

1.2 Contact person

Name: Advokatfirmaet Schjødt AS
Lawyer Olav Kolstad / Associate Arne Sigurd Øverland
Address: P.O. Box 2444 Solli
NO-0201 Oslo
E-mail: Olav.kolstad@schjodt.com / Arne.overland@schjodt.com
Phone: (+47) 478 71 010 / 959 37 353

1.3 Target

Name: Skitt Fiske AS
Address: Nygårdsveien 78
3221 Sandefjord
Norway
Reg.no.: 988 637 757

1.4 Contact person

Name: Anders Amundsen
Address: Skogsnipeveien 8
3243 Kodal
E-mail: AA@skittfiske.no
Phone: 934 02 022

2. THE TRANSACTION

2.1 Description of the transaction

- (1) The concentration is an acquisition of sole control by Egmont Holding AB ("**Egmont**") of Skitt Fiske AS ("**Skitt Fiske**" and together with Egmont the "**Parties**") through increase of Egmont's ownership in Skitt Fiske from 34.4% of the shares to 80% of the shares. Since May 29, 2020 Egmont has been the owner of 34.4% of Skitt Fiske without gaining sole or joint control of the company. The additional acquisition of 45.6% of the shares will be from founder and CEO Anders Amundsen personally, A Amundsen Holding AS (reg. no. 917 208 778), Lundhs Labradoreksport AS (reg. no. number 914 042 038), and LC Holding AS (reg. no. 988 987 573).
- (2) Anders Amundsen, the founder and CEO, will own the remaining 20% of the shares either personally or through his private company A Amundsen Holding. [REDACTED]

2.2 The rationale behind the transaction

- (3) The Egmont Group started investing in e-commerce companies in 2013 and currently Egmont has investments in nine e-commerce companies. [REDACTED]
- (4) The online sports retail market in Norway is expected to grow due to a continued shift from offline sales (i.e. physical stores) to online sales, as well as generally increased sales in this market (in 2020 as a consequence of covid-19). The sales in the online channel are expected to reach 20-25% of the total sales in the sports retail market in 2025 from around 19% today. The sports retail market has one very strong player, XXL, but also other strong players. XXL is the most important Nordic omni channel retailer with annual revenue of NOK 4.7bn in the Norwegian market, and around 19% of its sales online.
- (5) Egmont Holding AB holds 85% ownership share in Outnordic Invest AB, which in turn holds 100% of the shares in Fjellsport Group AS and Outnorth AB. Both companies operate within the online sports retail segment in Norway.

(6) [REDACTED]

3. OBLIGATION TO NOTIFY

3.1 Turnover and control

- (7) The Egmont Group's and Skitt Fiske's turnover in Norway for 2020:

Involved undertakings	Turnover Norway (2020)
The Egmont Group ¹	MNOK [REDACTED] ²
Skitt Fiske AS	MNOK 140,9
TOTALT	MNOK [REDACTED]

- (8) On that basis, the Parties combined turnover in Norway exceeds the turnover threshold, cf. the Norwegian competition Act (the "NCA") Section 18.
- (9) Further, it is clear that the transaction implies that Egmont will have sole control over Skitt Fiske, and that the acquisition meets the definition of a concentration under the NCA Section 17 (1) b).
- (10) Based the above, the transaction must be notified to and is subject to control by the Norwegian Competition Authority, cf. the NCA Section 18.

3.2 Simplified notification

- (11) The requirements for submitting a simplified notification is met in our case, as the Parties combined market share do not exceed 20% on any actual or hypothetical product and geographic market, cf. the Norwegian regulation for the notification of mergers Section 3 no. 3 b). For further details, please see the Parties' market shares included in section 5.

4. DESCRIPTION OF THE PARTIES

4.1 Notifying party

- (12) Egmont Holding AB (Swedish reg. no. 556082-2339), is a wholly owned subsidiary of Egmont International Holding A/S, which is the top Danish holding company for all the Egmont Group's commercial activities. Egmont International Holding A/S is in turn wholly owned by Egmont Fonden, which is a Danish commercial foundation.
- (13) Egmont Holding AB is the holding company for the Egmont Group's activities based in Sweden. Egmont Holding AB is based in Malmö and does not have operating activities other than to be the holding company for the Group's Swedish activities within magazine publishing and film production and distribution. Egmont Holding AB is also the direct owner of Egmont's e-commerce business, as set out in the table below.

¹ Egmont Holding AB is a holding company in Sweden and does not have own turnover as such and does not prepare consolidated financial statements (but only parent company financial statements). Egmont Holding AB is a wholly owned company in the Egmont Group, which is ultimately owned by Egmont Fonden, a Danish commercial foundation.

² The Egmont Group had a total worldwide turnover in 2020 of NOK 16,502.2m (EUR 1,541.9m) of which [REDACTED] was generated in Norway.

- (14) Egmont Holding AB holds the direct controlling ownership in the following undertakings:

Company name	Area of business	Ownership share
Egmont Story House AB	Magazine publishing and marketing services (see appendix 1 for subsidiaries)	100%
Bagaren och Kocken AB	E-commerce (interior/kitchen)	100%
Outnordic Invest AB	E-commerce (outdoor sports)	85%
Nordisk Film Sverige AB	Film production, film distribution, gift cards, cinemas and gaming (see appendix 1 for subsidiaries)	100%
Royal Design Group Holding AB	E-commerce (home/interior)	100%

- (15) Further, Egmont Holding AB has a direct non-controlling ownership in the following undertaking:

Company name	Area of business	Ownership share
Jollyroom Group AB	E-commerce (parenting)	49%

- (16) Egmont Holding AS (org. no. 931 601 636), a wholly owned subsidiary of Egmont International Holding A/S, is the the holding company for the Egmont Group's activities based in Norway. Egmont Holding AS is based in Oslo and does not have operating activities other than to be the holding company for the Group's Norwegian activities within publishing and TV and film production and distribution.

- (17) Egmont Holding AS holds direct controlling ownership in the following undertakings:

Company name	Area of business	Ownership share
Story House Egmont AS (org.no. 964 441 332)	Magazine publishing and marketing services (see appendix 1 for subsidiaries)	100%
Egmont Kids Media Nordic AS (org. no. 975 925 072)	Magazine and journal publishing for kids.	100%
TV 2 Gruppen AS (org. no. 962 925 634)	TV- and media content provider, and public service broadcaster in Norway.	100%

Nordisk Film AS (org. no. 974 350 750)	Film production, film distribution, gift cards, cinemas and gaming (see appendix 1 for subsidiaries)	100%
Cappelen Damm Holding AS (org. no. 991 172 041).	Publishing, bookstore, distribution and book clubs.	50%
Maipo film AS (org. no. 983 801 978)	Film and video production	50%
Filmweb AS (org. no. 979 166 583)	Webpage for movies and cinemas	64%
Drammen Kino AS (org. no. 980 648 644)	Cinema	67%

- (18) Please see attached overview of all the companies in the Egmont Group,

Appendix 1: Egmont Group Company overview

- (19) When it comes to the market affected by the Transaction, the Egmont Group is active on the Norwegian market for retail supply of outdoor sports equipment, through their Swedish sister company, Outnordic Invest AB.
- (20) Outnordic Invest AB is an ecommerce company focusing on online outdoor sports retail. Outnordic's Norwegian business is run through two companies (i) Fjellsport Group AS with org. no. 994 516 094 which sells and promotes its products through the website fjellsport.no, and (ii) Outnorth AB based in Sweden that sells and promotes its products to the Norwegian market through the website outnorth.no
- (21) For further details about Egmont Groups' business, please refer to:

<https://www.egmont.com/business-areas/e-commerce>

4.2 Target

- (22) Skitt Fiske is a Norwegian based omni-channel outdoor sports retailer.
- (23) Skitt Fiske has one physical store in Norway and is headquartered in Sandefjord. The company has 26 employees.
- (24) Skitt Fiske has a product offering with many third party brands offered within the outdoor sport segment including fishing equipment, hunting gear and outdoor apparel, shoes and gear.
- (25) Skitt Fiske does not have any non-controlling ownership in any undertakings.
- (26) For further details about Skitt Fiske's business, please refer to:

<https://www.skittfiske.no/>

5. THE REQUIREMENTS FOR SUBMITTING A SIMPLIFIED NOTIFICATION IS MET

- (27) As described above under item 4, Skitt Fiske, is a Norwegian online retailer that sells a wide variety of products within the sports outdoor segment.
- (28) The Egmont Group is active in the Norwegian outdoor sports market through their subsidiary, Outnordic Invest AB, a Swedish ecommerce company focusing on the sports outdoor segment.
- (29) The Egmont Group and Skitt Fiske are therefore both active within the online retail sports outdoor apparel, shoes and gear (equipment) segment with horizontal overlapping business.
- (30) The Parties are of the opinion that the relevant product comprise of the retail supply of sports equipment. This understanding is evidenced by the fact that all the largest market players are the sports chains, which also offer a wide range of sports equipment, including fishing and hunting.
- (31) Further, the relevant product market includes both offline and online sales due to the strong interrelation between the distribution channels which leads to substitutability of these channels from the customer's as well as a supplier's point of view. The reasons for this are that the same products are sold through both channels, both channels have the same customers, and the leading players have significant sales in both sales channels. These leading players also generally offers "click and collect" functions where the customer can order products online and collect them at a physical store. Customers can choose to buy the same product either in physical or online stores, and all leading players who previously sold their products through physical stores now also generate a significant portion of their revenue through their online sales channels.
- (32) In any event, the exact market definition can be left open, since no serious concerns arise even under the narrowest delineation of the market distinguishing between online (omni-channel) and offline sales (traditional sport shops).
- (33) With respect to the definition of the relevant geographic market for the retail supply of sports equipment, the Parties are of the opinion that the market, in line with the Commission's previous practice, must be considered to be national in scope.³
- (34) For the sake of completeness, the Parties will provide their market share figures on (i) a Norwegian market for retail supply of sports equipment, (ii) a hypothetical Norwegian online market for retail supply of sports equipment.
- (35) The Parties combined market shares on the Norwegian market for retail supply of sports equipment:⁴

The Egmont Group ⁵	Skitt Fiske ⁶	Together

³ Se COMP/M.9894, *Mobilux/Conforama France*, para 16.

⁴ The Parties estimate that the overall Norwegian market for retail supply of sports equipment is approximately NOK 23bn. This estimate is based on the reported 2020 revenue of Norwegian sports chains in the Norwegian market to Norsk Sportsbransjeforening, and their estimate of the Sports chains' market share of 63% in 2019.

⁵ Egmont Group (Fjellsport and Outnorth) had a total turnover in Norway of [REDACTED] Fjellsport [REDACTED] and Outnorth [REDACTED]. The entire turnover comes from internet sales.

⁶ Skitt Fiske total sales in Norway in 2020 were MNOK 140,9.

- (36) The Parties combined market share on a hypothetical Norwegian online market for retail supply of sports equipment:⁷

The Egmont Group	Skitt Fiske	Together

- (37) Considering an even narrower segment of fishing equipment isolated, the Egmont Group and Skitt Fiske also have a small overlap. A hypothetical Norwegian market for retail supply of fishing equipment in 2020 is estimated to be at least NOK 640-750m. Skitt Fiske had total sales in this segment in 2020 of [REDACTED]. The Egmont Group has limited activities in this segment through Fjellsport AS which had total sales in 2020 of [REDACTED] in the segment (less than [REDACTED]) giving the Parties a total estimated share of this segment of [REDACTED]. Other key players in this segment include:

- (1) specialized fishing equipment suppliers, such as Jakt&Friluft AS (with total sales in 2020 of NOK 152 of which NOK20-30m are fishing equipment (3-5% of the market), Jaktia Jessheim and Jakt & Fiskespecialisten AS which both have minor shares of the segment, and
 - (2) general sports/equipment stores with high sales of fishing equipment, such as Biltema Norge AS, XXL Sport og Villmark AS and Invent Sport AS (Sport Outlet).
- (38) As it follows from the above, the Parties' combined market share does not exceed 20% on any actual or hypothetical market, cf. the Norwegian regulation for the notification of mergers Section 3 no 3 b).
- (39) Further, the Parties do not have any actual vertical overlap, and the transaction will not lead to any actual or potential vertical overlap.
- (40) Based on this, the requirements for submitting a simplified notification are met, cf. the Norwegian regulation for the notification of mergers Section 3 no 3 b).

6. SUPPLIERS, COMPETITORS AND CUSTOMERS

6.1 Five largest suppliers on the overall Norwegian market for retail supply sports equipment

6.1.1 Skitt Fiske

Company name	Address	Contact details

⁷ The parties do not have any publicly available recognized sources with respect to the online share of total sales. Post Nord reports an online share 13-15% of all Norwegian retail in 2020. The online conversion is fairly advanced for the sports retail segment, and we therefore apply a higher online share than the overall market of 19%. This is equal to the XXL online share. This corresponds to an online market for Norwegian stores of NOK 4.3bn. However, this number does not include non-norwegian internet retailers selling sports equipment to Norwegian consumers. According to Post Nord reports 41% of all online purchases were made in foreign online stores. Thus, the relevant online market is approximately NOK 7,3bn (4.3bn (59%) + 3bn (41%)).



6.1.2 *The Egmont Group*⁸

Company name	Address	Contact details
[Redacted content]		

6.2 **Five largest customers on the overall Norwegian market for retail outdoor sports equipment**

The parties sell online directly to the end consumer and therefore this section is not relevant.

⁸ Fjellsport AS

6.3 Five largest competitors on the overall Norwegian market for retail supply of sports equipment

6.3.1 Notifying party and target

Company name	Address	Contact details
XXL Sport & Villmark AS	Postboks 353 Alnabru, 0614 Oslo,	+47 24 08 40 00 https://www.xxl.no/
Sport Holding AS	Stranden 11, 0250 Oslo	+47 23 11 86 00 https://sportholding.no/
Stadion AS	Solgaard Skog 3, 1599 Moss	+47 69 15 80 10 http://www.stadion.no/
Coop Norge SA	Postboks 21 Haugenstua, 0915 Oslo	+47 22 89 95 95 https://coop.no/
Ivent Sport AS	Ulvenvegen 344, 5217 Hagavik	+47 55 10 00 75 https://sportnorge.no/

7. OBLIGATION TO NOTIFY IN OTHER JURISDICTIONS

- (41) The transaction is not is not subject to notification in other jurisdictions.

8. ANNUAL REPORTS

- (42) The annual reports for Fjellsport AS, Fjellsport Group AS and Skitt Fiske AS are available at <https://www.brreg.no/> and the annual report for Egmont Fonden is available at <https://www.egmont.com/key-figures-reports>.

- (43) The annual reports of the following entities are enclosed:

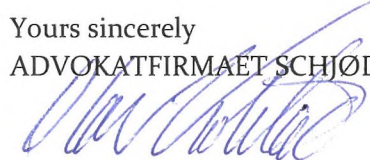
Appendix 2: Annual report Egmont Holding AB

Appendix 3: Annual report Outnordic Invest AB

Appendix 4: Annual report Outnorth AB

Yours sincerely

ADVOKATFIRMAET SCHJØDT AS



Olav Kolstad
advokat/dr. juris