

**SIMPLIFIED NOTIFICATION OF CONCENTRATION
BETWEEN UNDERTAKINGS**

PURSUANT TO THE NORWEGIAN COMPETITION ACT SECTION 18 (1) AND
REGULATION ON THE FILING OBLIGATION SECTION 3 (1) NO. 3 LETTER
(A) AND (B)

Concerning the acquisition by

Dr. Ing. h.c. F. Porsche Aktiengesellschaft

of

Autozentrum Sport AS

July 6, 2022

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1 SUMMARY

This notification concerns the acquisition by Dr. Ing. h.c. F. Porsche Aktiengesellschaft ("**Porsche**") of sole control over Autozentrum Sport AS ("**Autozentrum Sport**" or the "**Target**") from Autozentrum Holding AS (the "**Seller**"), hereafter referred to as the "**Concentration**". Porsche and Autozentrum Sport will be referred to as the "**Parties**".

Porsche is a German automobile manufacturer specialized in the design, manufacture and distribution of high-performance sports cars, SUVs and sedans. Porsche is a wholly owned, indirectly controlled, subsidiary of Volkswagen Aktiengesellschaft ("**VWAG**"), which is the parent company of the Volkswagen Group ("**VW Group**").

Autozentrum Sport is an automobile distributor/wholesale company focusing on the importation and distribution of Porsche branded automobiles, components, (spare and exchange) parts as well as accessories via a network of authorized Porsche dealers in Norway only. Autozentrum Sport is currently active as the exclusive importer to and wholesaler in Norway by agreement of these Porsche products.

The Concentration concerns the product segment for the wholesale distribution/supply of passenger cars and light commercial vehicles ("**LCVs**") in Norway and relates to a vertical integration by Porsche of a current customer/importer. Porsche is active on the upstream market for the manufacturing and supply of passenger cars and LCVs, and Autozentrum Sport is active on the downstream market for the wholesale distribution of passenger cars and LCVs.

Irrespective of the market definition(s) adopted, the Parties submit that the Concentration will not lead to a significant impediment to effective competition in Norway as explained in section 6 of the notification.

2 CONTACT INFORMATION

2.1 Notifying party (Buyer)

Name: Dr. Ing. h.c. F. Porsche Aktiengesellschaft
Corporate identity number: HRB 730623
Business address: Porscheplatz 1, 70435 Stuttgart, Germany

Representative

Name: Arntzen de Besche Advokatfirma AS
Contact persons: Stein Ove Solberg / Paul Gunnar Hagelund
Postal address: PO 2734 Solli, 0204 Oslo
E-mail: sos@adeb.no / pgh@adeb.no
Phone: 98 29 45 89 / 91 52 96 03

We kindly ask that any contact with the notifying party concerning the Norwegian Competition Authority's assessment of the Concentration is directed to Arntzen de Besche Advokatfirma AS.

2.2 Other undertakings concerned (target)

Name: Autozentrum Sport AS
Organisation no: 978 654 444

Business address: Ryenstubben 9, 0679 Oslo
Postal address: PO 244 Manglerud, 0612 Oslo

Representative

Name: Advokatfirmaet Wiersholm AS
Contact persons: Karsten Kreiling
Postal address: PO 1400 Vika, 0115 Oslo, Norway
E-mail: kakr@wiersholm.no
Phone: 91 58 47 16

3 REASONING FOR SIMPLIFIED NOTIFICATION

The Parties are not engaged in business activities in the same product and geographic market (horizontal overlap). Furthermore, the Parties' combined market share is below 30% in a product market which is upstream or downstream from a product market in which any other party to the concentration is engaged (vertical overlap). Therefore, the Concentration may be notified by way of a simplified notification even though the transaction exceeds the thresholds in Section 18 of the Norwegian Competition Act, cf. Section 3 (1) no. 3 letter (a) and (b) in the Regulation on the Filing Obligation. The Concentration is suitable for treatment under the simplified procedure and does not raise competition concerns in any relevant market.

4 DESCRIPTION OF THE CONCENTRATION

4.1 Overview of the proposed Concentration

Under the proposed Concentration, Porsche will acquire 75% of the shares in and sole control over Autozentrum Sport from the Seller. Following the implementation of the Concentration, Porsche will directly own 75% of the shares of the Target and VW Group (through Porsche) will exercise sole control over the Target.

A Share Purchase Agreement (the "SPA") was signed by Porsche and the Seller on 2 May 2022, which is included in Exhibit 1 below:

Exhibit 1 Share Purchase Agreement between Porsche and the Seller
(confidential).

Upon implementation of the Concentration, the Target will be owned by Porsche (75%), while the Seller will keep a 25% minority shareholding in the Target.

The Target will be solely controlled by Porsche, [REDACTED]

[REDACTED]
[REDACTED].

4.2 Strategic and economic rationale for the Concentration

The Target, by agreement, currently is the exclusive importer and wholesale distributor in Norway of Porsche branded automobiles, components, (spare and exchange) parts as well as accessories. Through the Concentration, the Target shall continue to act as the general importer and wholesaler of Porsche products in Norway. While, hence, the business of importing and distributing Porsche products in Norway would not change materially, the Concentration would allow Porsche to

manage and control the import and distribution of Porsche products in Norway from a first-hand perspective. [REDACTED]

4.3 Implementation timetable

[REDACTED] and is conditional upon the Competition Authorities having cleared the Concentration, as set forth in the SPA. Until closing is completed, the Parties will act independently of each other and respect the standstill obligation.

5 DESCRIPTION OF THE UNDERTAKINGS CONCERNED

5.1 Porsche/VW Group

5.1.1 Overview

Porsche is a stock corporation established under the laws of Germany. Porsche is a German automobile manufacturer specialized in the design, manufacture and distribution of high-performance sports cars, SUVs and sedans. Porsche's headquarters is located at: Porscheplatz 1, 70435 Stuttgart, Germany.

Porsche is a wholly owned, indirectly controlled, subsidiary of VWAG, a publicly traded company with its headquarters at Berliner Ring 2, 38440, Wolfsburg, Germany, which is the parent company of the VW Group.

5.1.2 Business areas

The VW Group is active worldwide in the development, manufacture, marketing and sale of passenger cars, LCVs, trucks, buses, coaches, chassis for buses and diesel engines, motor bikes, each including spare parts, and accessories. The VW Group also engages in vehicle distribution. The VW Group includes the vehicle brands Volkswagen Passenger Cars, Volkswagen Light Commercial, Porsche, Audi, Škoda, Bentley, Lamborghini, SEAT, MAN, Scania and Ducati. Recently, VW also established the subsidiary brand MOIA, which will be active in the development and marketing of mobility service solutions such as ride hailing and car sharing.

In addition, the VW Group provides financial and insurance services relating to the distribution and financing of its cars and commercial vehicles. This activity is carried out mainly through Volkswagen Financial Services AG ("FSAG") and its subsidiaries. FSAG provides services such as financing, leasing, insurance and insurance procurement services in connection with cars and commercial vehicles.

Finally, through FSAG's subsidiary Volkswagen Bank GmbH, the VW Group provides direct banking services.

Further information on VW Group can be found on the following website: <https://www.volkswagenag.com>.

5.1.3 Entities within the same corporate group

The shareholder structure of VWAG (as of 31 December 2021) is as follows:¹

- | | | |
|---|---|--------|
| • | Porsche Automobil Holding SE, Stuttgart | 31.4 % |
| • | Foreign institutional investors | 27.0 % |

¹ Available here: <http://www.volkswagenag.com/de/InvestorRelations/shares/shareholder-structure.html>

•	Qatar Holding LLC	10.5 %
•	Federal State of Lower Saxony	11.8 %
•	Private shareholders/Others	16.0 %
•	German institutional investors	3.3 %
•	TOTAL	100.0 %

5.1.4 Turnover figures and operating profits for last audited accounts

Turnover and operating profits 2021	VW Group
Turnover	EUR 250,2 billion
Operating profits	EUR 20,0 billion

Turnover and operating profits 2021	Porsche AG Group
Turnover	EUR 33,1 billion
Operating profits	EUR 5,3 billion

5.1.5 Trade Associations

Porsche is a member of Bilimportørenes Landsforening (BIL), which is the Norwegian car importer organisation.

BIL is a Norwegian industry and interest organization for car importers. The organization was founded in 1916 as the Automobilforhandlerne Forening and changed to its current name in 1979. BIL's main purpose is to engage in government dialogue to influence the automotive industry's framework conditions. As of January 2021, the organization has 25 members. Further information can be found on the following website: <https://bilimportorene.no/>.

5.2 Autozentrum Sport

5.2.1 Overview

Autozentrum Sport, with its place of business at Ryenstubben 9, 0679 Oslo, Norway, is an automobile distribution/wholesale company.

Autozentrum Sport has been an importer of Porsche into Norway since 1997.

Autozentrum Sport currently has 26 employees.

5.2.2 Business areas

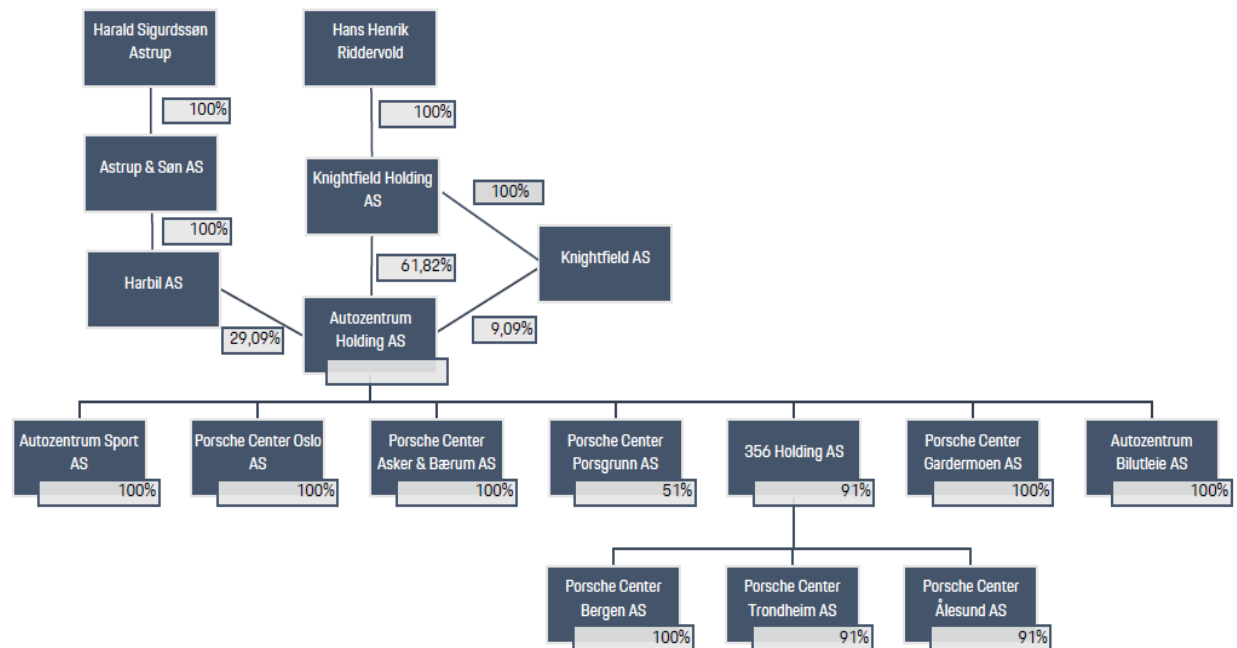
Autozentrum Sport is focusing its business on the importation and distribution of Porsche branded automobiles, components, (spare and exchange) parts as well as accessories via a network of authorized Porsche dealers in Norway.

Autozentrum Sport is currently, by agreement, the exclusive importer and wholesale distributor of the abovementioned Porsche products in Norway.

5.2.3 Entities within the same corporate group

Currently, the Target is a wholly owned subsidiary of AZ Holding and does not have any own subsidiaries.

The shareholder structure of AZ Holding is as illustrated in the organizational chart below:



5.2.4 Turnover figures and operating profits for last audited accounts

Turnover and operating profits 2021	Autozentrum Sport
Turnover	NOK 2 325 890 098
Operating profits	NOK 190 837 180

5.2.5 Trade Associations

Autozentrum Sport is a member of BIL, the Norwegian car importer organisation.

6 DESCRIPTION OF THE RELEVANT MARKETS

6.1 Overview

The Parties consider that the relevant product market for the purposes of this Notification could be defined as the market for the wholesale distribution/supply of passenger cars.

The exact market definitions can, however, be left open, as the Concentration will not significantly impede effective competition nor affect the Parties competitors, customers or suppliers in the relevant markets irrespective of the market definition.

6.2 Market for wholesale distribution and supply of passenger cars and light commercial vehicles in Norway

6.2.1 The Parties' assessment on the definition of the relevant markets

A relevant product market comprises all those products and/or services which are regarded as substitutable by the consumers by reason of the products' characteristics, their prices and their intended use.

As a rule, substitutability of certain groups of goods/services is analysed from a consumer perspective i.e., the question is whether customers for the product in question can switch readily to a similar product in response to a small but permanent price increase (demand-side substitutability).

Only as an exception substitutability is analysed from a supplier point of view when the question is whether other suppliers can readily switch production to the relevant products and sell them on the relevant market (supply-side substitutability).

The Parties consider that there may be separate markets for (i) the manufacture and supply, (ii) the wholesale and (iii) the retail distribution of new motor vehicles, which can each be subdivided into passenger cars and LCVs. At the wholesale level, distributors or importers, such as the Target, distribute vehicles to dealers, operating at the retail level. The wholesale function is often carried out by subsidiaries of the vehicle manufacturers themselves or by independent distributors, although the latter have to ensure consistency with the central marketing strategies developed by the manufacturers.² At the retail level, the dealer sells the vehicle to the end customer.

The market for wholesale distribution of passenger cars in Norway comprises the supply of passenger cars through either own dealers or/and independent dealers. There is a wide assortment of different brands that is imported and distributed to dealers and a large variety in the type of cars sold. Certain importers distribute several vehicle brands, while others concentrate solely on a single vehicle brand, such as the Target. The market for wholesale distribution of passenger cars consists of a large amount of market players and is characterised by rigorous competition. The different manufacturers of passenger cars and LCV have a collection of different models within various subsegments that are distributed through the same distribution network.

Therefore, for the purposes of this Notification, the Parties do not consider it meaningful to subdivide the wholesale distribution of passenger cars market into subsegments based on different passenger cars. This is supported by the Commission's case law, where the segmentation of the product market between passenger cars and LCVs is sufficient. Any further segmentation, particularly by type of car, has not been considered appropriate. The Commission has previously stated that the wholesale distribution market should not be further sub-segmented based on "classes" of cars, given that manufacturers normally distribute a model range which covers different market segments under the same distribution channel.³

The Commission has previously defined the wholesale distribution of automotive spare parts and accessories as a separate product market.⁴ The Commission has in its decisional practice made a distinction between the wholesale market and the retail market for distribution of spare parts for motor vehicles.⁵ In addition, the Commission has previously distinguished between original equipment ("OE") spare parts and non-original equipment ("non-OE") spare parts.⁶

As for the market for OE spare parts, the Commission has considered this market to be brand specific. The wholesale distribution of automotive spare parts and accessories (as distinct from the sale of new vehicles) has a general character that depends on brand, justifying in some cases a narrower segmentation of this market based on brand. The Commission further distinguished by

² See cases COMP/M.6403 Volkswagen / KPI Polska / Skoda Auto Polska / VW Bank Polska / VW Leasing Polska (2011); COMP/M.5250 Porsche / Volkswagen (2008); COMP/M.2832 General Motors / Daewoo (2002).

³ See Case M.8449 - Peugeot / Opel.

⁴ See Case M.7401 – Blackstone/Alliance BV/Alliance Automotive; Case M.6718 – Toyota Tshusho Corporation/CFAO.

⁵ See M.6718 - Toyota Tsusho Corporation/CFAO.

⁶ See M.8963 - Eurocar/Bonaldi.

reference to the vehicles for which products are supplied (LCVs vs. heavy commercial vehicles) but without any sub-segmentation by product.⁷

The demand for automotive parts is closely linked to the number of vehicles in the current car park. As vehicles are typically decommissioned at the end of their lifecycle, new vehicles sales play an important role for the demand of service- and spare parts. The automotive components and spare parts industry can be classified into two groups: (i) parts that originate from the Original Equipment Manufacturer (OEM) and are considered part of the brand specific sector of the auto component and spare parts industry consisting of high-value precision parts specifically designed for certain vehicle models, and (ii) the automotive aftermarket (not sourced from the car manufacturer's original maker) that forms part of the auto components and spare parts sector that deals with the manufacture, distribution, retail and installation of varying quality vehicle parts/equipment/accessories by independent wholesalers. The design of visible car components and visible motor vehicles spare parts (body panels, windscreens, lights, mirrors, etc.) is protected by industrial design rights.

The exact definition of the relevant product market for wholesale distribution of spare parts can be left open as the Concentration will not significantly impede effective competition in the relevant markets irrespective of the exact market definition.

6.2.2 The Parties' assessment of the relevant geographical market

A relevant geographic market comprises the area in which the undertakings concerned are involved in the supply and demand of products or services and in which the conditions of competition are sufficiently homogeneous, and which can be distinguish from neighbouring areas because the conditions of competition are appreciably different in those areas.

Regarding the geographic scope of the market relevant to the Concentration for purposes of this Notification, the Parties consider that the relevant geographic market is defined as national in scope.

The Target does not have the necessary license to distribute Porsche vehicles or Porsche products outside its allocated territory i.e., the Norwegian jurisdiction.

The Parties submit that the market for wholesale distribution and supply of passenger cars is national and limited to Norway for the purposes of this Notification. As mentioned above, the conditions of competition in the market for wholesale distribution of passenger cars is homogeneous in Norway. Passenger cars are sold from the importer to dealers located across the different regions in Norway and the Parties are not familiar with any significant deviations with regards to pricing and conditions between the different geographical areas. There is also substantial competition from other European countries.

The Commission has previously considered the wholesale distribution market to be at least national, ultimately leaving the question open whether it is EEA-wide or national in scope.⁸

In past decisions, the Commission has considered the markets for the wholesale supply of automotive spare parts to be regional, national, or even EEA-wide in scope. The ultimate market

⁷ See Case COMP/M.7401 - Blackstone/ Alliance BV/ Alliance Automotive Group, Case COMP/M.6319, Triton / Europart.

⁸ See cases COMP/M.6958 CD&R / We buy any car (2013); COMP/M.5250 Porsche / Volkswagen (2008); COMP/M.182 Inchape / IEP (1992).

definition was left open, but the Commission focused its further competitive assessment mainly on national markets.

In any event, the exact geographic market definition can be left as the Concentration would not raise any competition law concerns under any plausible possible geographic market definition.

6.2.3 Description of the market structure

6.2.3.1 Market shares

The market is characterised by many market participants offering wide range of passenger cars and LCVs to Norwegian customers, both new and used.

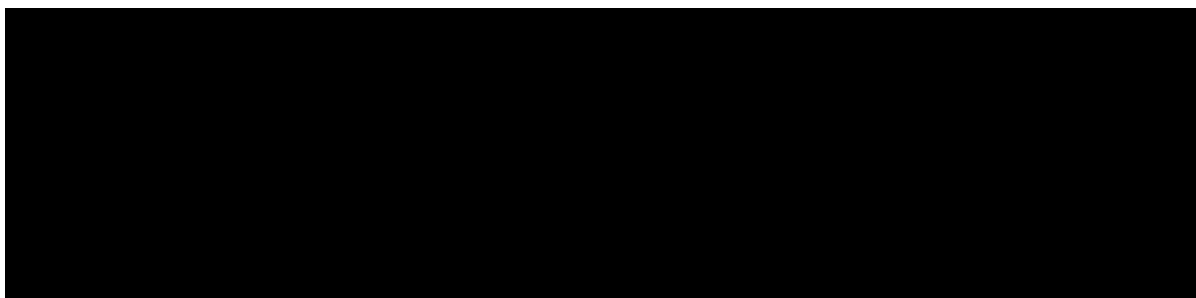
The Norwegian Road Federation (*Opplysningsrådet for veitrafikken*; OFV) is a Norwegian interest group established in 1948, and its purpose is to spread information and to influence opinion for the benefit of road transportation. It is a member of the International Road Federation. The Road Federation produces figures and statistics regarding the sale of passenger cars to Norwegian customers based on registrations at the Norwegian Public Roads Administration (*Statens vegvesen*; NPRA). The registration statistics show the 20 most sold car brands and car models for each month and year in 2021 and 2020. The accumulated figures and statistics are made publicly available here: <https://ofv.no/registreringsstatistikk>.

Based on the statistics for 2021, the 20 largest car brands sold a total of 176 276 passenger cars in the Norwegian market. As described above, the VW Group includes the vehicle brands Volkswagen Passenger Cars, Volkswagen Light Commercial, Porsche, Audi, Škoda, Bentley, Lamborghini, SEAT, MAN, Scania and Ducati. These vehicle brands collectively amount to 37 137 passenger cars (21 % of total cars sold). Porsche is not included among the 20 largest car brands sold, but approximately 2043 new passenger cars from Porsche were distributed in the Norwegian market in 2021. If added to the overall figure, this would in turn amount to 1,1 % of total cars sold, notwithstanding the other vehicle brands not included in the statistics.

Given that the Parties' do not distribute vehicles of competitors, their market share is closely related to competition at the production level. Considering Porsche 's vehicles are not distributed by other independent importers besides the Target, the Parties' market share on the wholesale distribution market will closely correlate with the market share on the market for manufacturing and supply of passenger cars and LCVs. The competitors' retailers do not rely on the Parties' as they operate their own exclusive distribution channels and do not distribute the Parties' vehicles.

As a result, the Parties' combined market share is well below 30% in their respective vertically linked product markets.

6.2.3.2 Porsche





6.2.3.3 Autozentrum Sport



6.2.4 Description of market effects of the Concentration

The Concentration concerns the product segment for the wholesale distribution/supply of passenger cars in Norway and relates to a vertical integration by Porsche of a current customer/importer.

The Concentration will not significantly impede effective competition and will not affect the Parties competitors, customers or suppliers with regard to the vertical link between the Parties in the markets for manufacturing and supply (upstream) and wholesale distribution (downstream) of passenger cars and LCVs.

Porsche distributes its products via exclusive importers and wholesalers as well as an exclusive dealership network in each country. Exclusive importers and wholesalers are either national Porsche entities or national partner. Through the Concentration, the Target will become a national Porsche entity.

Porsche is not active as an importer/wholesaler where it has exclusive import and distribution agreements with third parties, i.e., Porsche is not active as a wholesaler of Porsche products in

⁹ There are no other appreciable customers for vehicles, parts or components in Norway.

Norway. Given that the Target has so far only been active for Porsche with regards to the market concerned, there is no change to the competitive situation post-closing from a vertical perspective.

Over the last few decades, the automotive industry has faced important structural changes due to a strong and constant movement towards consolidation between operators at different levels and operating in different activities (cars, spare parts and components manufacturing, car dealerships, repair, rental and financial services etc.).

Generally, the competitors on the downstream market for wholesale distribution of passenger cars and LCVs operate their own exclusive distribution channels and do not distribute the Parties' vehicles. Therefore, there is no risk for customer foreclosure resulting from the Concentration. With regards to input foreclosure, there are numerous established competitors present and the market shares of the parties are not very high on the upstream market for the manufacturing and supply of passenger cars and LCVs.

The Concentration will not have an impact on the competitive landscape of the relevant market, irrespective of the market definition.

6.2.5 Description of barriers to entry

Generally, the barriers to enter the market concerned, i.e., the wholesale distribution of passenger cars, are low, as they do not depend on significant investments or know-how. However, an exclusive wholesale-ship is typically awarded through an appointment by the manufacturer and following a respective tender.

The importer link is typically characterized by importer agreements with manufacturers that include exclusivity clauses. In the short term, it is therefore not possible to establish oneself as an importer of a product that is already imported to Norway for as long as the exclusivity is in force. This concerns both vehicles and OEM-parts for service and repair. There is an exception for second-hand imports (so-called "grey imports"), but these fall outside the market definition as described above.

The Parties' do not consider there to be any other significant barriers to entry relevant to the Concentration.

7 EFFICIENCY GAINS

Acquiring control over the Target, the Concentration allows Porsche to take over the existing (sales and customer) infrastructure that has been used and managed by the Seller in the past to run the import and wholesale business from a first-hand perspective, i.e., step into the role of its former customer, Autozentrum Sport. This will enable and facilitate Porsche's ambition to become active as an importer and wholesaler in Norway for Porsche related products. [REDACTED]

8 NOTIFICATION OF THIS CONCENTRATION TO OTHER COMPETITION AUTHORITIES

The Concentration will also be notified (or submitted for confirmation that no filing obligation exists) to the competition authorities in Montenegro, Albania, Serbia, Saudi-Arabia, Kuwait, Morocco, and North-Macedonia.

9 ANNUAL REPORT AND FINANCIAL STATEMENTS

Annual reports with financial statements for the Parties are included in Exhibit 2 to Exhibit 5 below:

- | | |
|------------------|---|
| Exhibit 2 | VW Group annual report for 2021 |
| Exhibit 3 | Porsche AG Group annual report for 2021 |
| Exhibit 4 | Autozentrum Sport AS annual report for 2021 |
| Exhibit 5 | Autozentrum Holding AS annual report for 2021 |

10 CONFIDENTIALITY – BUSINESS SECRETS

This notification contains information which must be kept confidential for competition reasons. The information must be treated strictly in confidence and not disclosed in any way, cf. the Norwegian Public Administration Act Section 13 first paragraph no. 2.

The public version of the notification is enclosed, together with the grounds for information which is sought to be kept confidential under the Norwegian Competition Act Section 18b.

- | | |
|------------------|---|
| Exhibit 6 | Draft public version of the notification |
| Exhibit 7 | Justification of business secrets (confidentiality) |

11 CLOSING REMARKS

Should there be any questions to this notification, we kindly ask the Authority to contact the undersigned.

We also kindly ask to be informed if the Authority receives any requests for access to this notification.

Yours sincerely,



Stein Ove Solberg
Arntzen de Besche Advokatfirma AS

LIST OF EXHIBITS

Exhibit 1	Share purchase agreement
Exhibit 2	VW Group annual report for 2021
Exhibit 3	Porsche AG Group annual report for 2021
Exhibit 4	Autozentrum Sport AS annual report for 2021
Exhibit 5	Autozentrum Holding AS annual report for 2021
Exhibit 6	Draft public version of the notification
Exhibit 7	Justification of business secrets (confidentiality)