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## Simplified notification of merger

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**AX VI INV8 Holding ApS'**

acquisition of sole control over

**NTI Group ApS**

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15 July 2022

CONTAINS BUSINESS SECRETS

## 1 CONTACT INFORMATION

### 1.1 Company acquiring control

Name: AX VI INV8 Holding ApS  
CVR: 43301144  
Address: Sankt Annæ Plads 10, 1250 København K

### 1.2 Representative

Navn: Wikborg Rein Advokatfirma AS  
Kontaktperson: Preben Milde Thorbjørnsen  
Adresse: Postboks 1513 Vika, 0117 Oslo  
Telefonnummer: +47 416 49 340  
E-post: pmt@wr.no

### 1.3 Target company

Navn: NTI Group ApS  
CVR: 39084694  
Adresse: Lejrvej 15, 3500 Værløse

## 2 DESCRIPTION OF THE MERGER

The notified transaction concerns the contemplated acquisition by AX VI INV8 ApS ("**Bidco**") of sole control over NTI Group ApS ("**NTI**") and its subsidiaries through the purchase of 100 % of the shares in NTI (the "**Transaction**").<sup>1</sup> Prior to the Transaction NTI is owned by JHK ApS (approx. 95 %), Hilarius ApS (approx. 2 %) with the remaining ownership held by the management (approx. 3 %).<sup>2</sup> Before the completion of the Transaction, Bidco is ultimately 100 % owned by the Axcel VI fund and controlled by Axcel Management A/S ("**Axcel**").

The share purchase agreement implementing the Transaction, entered into on 27 June 2022, is enclosed as

**Annex 1:** Share Purchase Agreement 27 June 2022

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<sup>1</sup> The simplified notification is submitted in English, cf. the Norwegian Competition Authority's guidelines on simplified notifications, page 2

<sup>2</sup> Please also note that prior to the Transaction, there are non-controlling minority shareholders in some of NTI's subsidiaries.

After the completion of the Transaction, Bidco will continue to be solely controlled by Axcel, while the indirect ownership of Bidco will be held by several investors through the companies AX VI INV8 III Holding ApS ("**Topco**") and AX VI INV8 Holding II ApS ("**Midco**"). Topco will hold approx. 62.9% of the shares in Midco.

After the completion of the Transaction, the expected ownership of Topco is as follows: Axcel VI fund will hold approx. 86.1% (equal to approx. 54.2% indirect ownership of Bidco); Nordea Specialised Investment Fund SICAV-FIS will hold approx. 9.3% (equal to approx. 5.9% indirect ownership of Bidco) and PKA Private Funds IV K/S will hold approx. 4.7% (equal to approx. 3% indirect ownership of Bidco) (Nordea and PKA together referred to as the "**Co-investors**"). Axcel may prior to closing syndicate up to 14% of its expected ownership in Topco (equal to approx. 8.8% indirect ownership of Bidco), which will not affect Axcel's control over Topco.

A group of current reinvesting shareholders and management in NTI ("**Reinvesting Sellers and Management**") will hold the remaining indirect ownership of Bidco (approx. 37.1%) through Midco. The largest individual shareholder among the Reinvesting Sellers and Management, JHK ApS, will hold an indirect ownership of Bidco of 31.6%.

**Annex 2:** Ownership structure after the completion of the Transaction

Axcel VI fund will enter shareholders agreements (SHAs) with the Co-investors and the Reinvesting Sellers and Management with the effect of granting Axcel VI control over their shares in Topco.<sup>3</sup> The agreed form SHA, which will be executed upon the completion of the Transaction, are enclosed as

**Annex 3:** Shareholders Agreement between Axcel VI fund and Nordea

**Annex 4:** Shareholders Agreement between Axcel VI fund and PKA

The Co-investors will hold some ordinary minority shareholders' rights in Topco but will not acquire direct or indirect joint or sole control over NTI. On this basis, Axcel VI fund will enjoy indirect sole control over NTI after the completion of the Transaction. Topco has entered into an SHA with JHK regarding MidCo, which is enclosed as

**Annex 5:** Shareholders Agreement between Axcel VI fund and JHK

The strategic rationale for the Transaction is that the investment allows Axcel to use its experience within the technology sector to develop NTI and continue the growth journey with the management team, see further Axcel's press release for the Transaction: <https://axcel.dk/axcel-invests-in-nti-group/>.

In addition to Norway, the Transaction will be notified to the Federal Cartel Office (*Bundeskartellamt*) in Germany, the competition authorities in Denmark (*Konkurrence- og Forbrugerstyrelsen*) and Sweden (*Konkurrensvetket*).

The closing of the transaction is planned as soon as the necessary regulatory approvals are obtained.

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<sup>3</sup> See chapter 5 and 6 of the shareholders agreements. The SHA with the Reinvesting Sellers and Management (notably JHK ApS) is entered into with Topco and concerns the control of Midco.

## 3 THE PARTIES

### 3.1 Axcel

Axcel VI fund is one of several Axcel funds which are private equity funds focusing on investing in medium-sized companies in the Nordics. The investment advisor for the Axcel funds is Axcel Management A/S, which is based in Denmark and Sweden and manages assets with a value of over DKK 5,5 billion.

The three active Axcel funds (Axcel IV, Axcel V, and Axcel VI) currently have controlling ownership stakes in eighteen portfolio companies<sup>4</sup>. Each of the portfolio companies is managed as a standalone investment. The portfolio companies are active in a broad range of industries:

#### Axcel IV

- Danish Ship Finance – Danish financial institution that issues loans to Danish and foreign shipowners secured against their vessels
- Delete Group – supplier of environmental services to the industrial, construction, real estate and public sectors in Finland, Sweden, and the Baltic States.
- Frontmatec – supplier of highly advanced solutions, equipment, and software to the global food industry. (Axcel is in the process of divesting Frontmatec and has entered into an agreement regarding the sale)

#### Axcel V

- European Sperm Bank – a sperm bank, with a life-affirming vision and an ambitious plan to give even more Danish and foreign women and couples the possibility to have children. (Axcel is in the process of divesting the European Sperm Bank and has entered into an agreement regarding the sale)
- Gubi – design brand in Scandinavia focusing on furniture, lighting, and interior products
- Loopia – mass hosting provider offering domains, shared web hosting and value-added services
- Mountain Top Industries - producer of accessories for pick-up trucks
- Nissens - thermal solutions for the independent automotive aftermarket and wind / industrial OEMs
- Phase One - digital pioneer in world-class editing software and state-of-the-art cameras

#### Axcel VI

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<sup>4</sup> Axcel has entered into agreements for the divestment of two portfolio companies (Frontmatec and European Sperm Bank) and for the purchase of ITM8, which was approved by the Danish Competition and Consumer Authority on 30 June 2022 but has not yet been completed.

- AddPro – Swedish provider of mission-critical IT services
- SuperOffice - Northern European provider of SaaS CRM software
- Currentum - HVAC, H&S, sprinkler and building automation
- Moment - Delivery of flexible labour services
- VETgruppen - Veterinary clinics
- Prodata – IT consultancy services
- Bullwall – Ransomware protection software
- Picca Automation - Industrial automation services and software solutions
- DANX/Carousel - In-night logistics

Axcel has recently entered into an agreement concerning the acquisition of the Danish IT services provider ITM8. This acquisition is not yet completed.

More information can be found on Axcel's website: <https://axcel.dk>

### 3.2 NTI

NTI is a Danish reseller of IT software solutions and related services (i.e. a value-added reseller or "VAR"). NTI's business is within distribution of IT software and specifically focused on product lifecycle management (PLM) software solutions, which is software for the strategic process of managing the journey of a product from initial ideation to development, service, and disposal. NTI's offerings include primarily "Autodesk" computer aided design (CAD), but also Building Information Modelling (BIM), Computer Aided Engineering (CAE) and Computer Aided Manufacturing (CAM). NTI's related value-added services include setup, development of add-ons to the PLM software sold, training, and advising.

In Denmark, NTI provides its services through NTI A/S. Outside of Denmark, NTI provides its services through its group entities:

- NTI Technopart (Germany)
- NTI Kailer (Germany)
- NTI CWSM (Germany)
- CADsys (Germany)
- NTI Cinteg Design Solutions (Germany)
- NTI EHF (Iceland)
- NTI Sweden AB (Sweden)
- NTI Holding AS (Norway)
- NTI CAD & Co. Group B.V. (Netherlands)
- NKE Italy srl. (Italy)
- NKE Spain (Spain)

More information can be found on NTI's webpage <https://www.nti.biz/no/>.

## 4 REVENUE IN NORWAY

Please refer to the table below for information on the Parties' revenue in Norway for 2021.

**Table 1:** Revenue 2021 Norway

Company	Revenue (MNOK)
Axcel	
NTI	

## 5 NO HORIZONTAL OVERLAP

NTI is operating at the distribution level within the supply chain for the provision of IT software products.

None of Axcel's portfolio companies are primarily active on the market for the distribution of IT software products. However, one of its portfolio companies, AddPro, resells IT products, including software, and related services as a minor part of its primary IT services business.<sup>5</sup> AddPro does not offer PLM software solutions. Moreover, Addpro did not have any standalone sale of software in Norway in 2021.

Axcel has some portfolio companies which are active in the upstream market for development and supply of IT software (SuperOffice, Bullwall, Phase One, Picca Automation, and, to a lesser extent, Frontmatec). None of these companies develops and supply PLM software.

In previous decisions, the European Commission has defined a market for the (wholesale) distribution of IT products. Related services were considered part of the same market.<sup>6</sup> The Commission left open the question whether the market should be further sub-segmented (i) by product categories (e.g. server, storage, PCs, software, etc.), (ii) by direct and indirect sales or (iii) by different distribution models (broadline vs value-added distribution ("VAD")).<sup>7</sup>

In the European Commission's decision in *Tech Data Europe / MuM VAD Business*, it was held that, with respect to the wholesale distribution of IT products, it is common practise to define product markets which cover a range of different products, even if these are not always substitutable from a demand-side perspective. The European Commission therefore found that the product market at the distribution level is not narrower than distribution of software products. Hence, it was considered that the wholesale distribution of CAD software or Autodesk software, which is the main products sold by

<sup>5</sup> Note that Axcel has recently entered into an agreement concerning the acquisition of the Danish IT services provider ITM8, which similarly to AddPro resells IT software as a minor part of its business. The acquisition is not yet completed and ITM8 does, at the time of this notification, thus not belong to the same group of companies as Axcel. ITM8 does not offer PLM software solutions.

<sup>6</sup> See e.g., Decision of the European Commission of 23 February 2017, M.8248 - TECH DATA / AVNET'S TECHNOLOGY SOLUTIONS, paragraph 10 and the cited caselaw.

<sup>7</sup> See e.g., Decision of the European Commission of 12 June 2019, M.9324 - ALSO / ABC DATA GROUP, paragraph 13 and the cited caselaw.

NTI, did not constitute a relevant product market. The market investigation indicated, moreover, that value-added resellers may offer a diverse product portfolio.<sup>8</sup>

On the basis of the above, the parties submit that there is no horizontal overlap between the Parties: NTI is a reseller distributing IT software products; Axcel (through its portfolio companies) does not similarly resell software in Norway but is only active to a small extent on the upstream market for the development and supply of IT software, but does not develop PLM software.

In previous decisions, the European Commission has considered whether the geographic market definitions for distribution of IT products is EEA-wide, regional, or at least national in scope, but ultimately left the precise geographic market definition open.<sup>9</sup>

For the purpose of analysing the present transaction, the parties submit that both markets are national in scope.

## 6 VERTICAL RELATIONS

The Parties have not identified any other relevant potential vertical connections but note that AddPro (and ITM8) provides general IT services, which are used by all types of companies, in principle, hence there is a potential vertical connection between these companies and NTI. Moreover, should NTI broaden its offerings to other software types than PLM, there would be a potential vertical connection between Axcel's portfolio companies involved in the development and supply of software (SuperOffice, Bullwall, Phase One, Picca Automation, and Frontmatec). This is not currently envisaged.

The Parties submit that these potential vertical connections are immaterial for the purpose of the Transaction as it makes up only a minor part of their businesses and the market.

In any event, the Parties note that the total spend on IT software through value-added resellers (the distribution market) in Norway in 2021 amounted to approx. MNOK 21 811, of which NTI accounted for only [REDACTED] equivalent to a market share of [REDACTED]. Moreover, Axcel's portfolio companies (which do not develop PLM software) accounted for only [REDACTED] of the total IT software spend in 2021 in Norway.<sup>11</sup>

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<sup>8</sup> See Decision of the European Commission of 27 October 2011, M.6323 - TECH DATA EUROPE / MuM VAD BUSINESS, paragraphs 10-21.

<sup>9</sup> See e.g. Decision of the European Commission of 23 February 2017 M.8248 - TECH DATA / AVNET'S TECHNOLOGY SOLUTIONS paragraph 20.

<sup>10</sup> Axcel has entered into agreements for the divestment of Frontmatec

<sup>11</sup> As for ITM8, Axcel does not have access to detailed turnover data since the transaction has not been closed yet. To the extent that ITM8 can be considered active on the Norwegian IT distribution market, the parties assume, however, that ITM8's software sales in Norway (if any) would account for



The market data is provided by Bain and is based on reports from IDC, which is a globally recognized provider of market intelligence, especially within the IT industry. The data is based on IDC's software end-users spending in EMEA forecast for 2020-2025 and IDC data on the IT software vendor market for Norway.

## 7 THE CONDITIONS FOR SUBMITTING A SIMPLIFIED NOTIFICATION ARE MET

The Transaction qualifies for review under the simplified merger control procedure because the parties do not have market shares exceeding 20 per cent on any markets where both parties are active (horizontal overlap) and the parties do not have market shares exceeding 30 per cent on any vertically related markets, cf. Section 3 (1) no. 3 (b) and (c) of the regulation on notifications to the Norwegian Competition Authority (Norwegian: "Meldepliktsforskriften").<sup>12</sup>

## 8 ANNUAL REPORTS

Annual reports for Axcel and NTI is enclosed as

**Annex 6:** Annual report (2021) for Axcel<sup>13</sup>

**Annex 7:** Annual report (2021) for NTI

## 9 BUSINESS SECRETS

This notification includes business secrets. A non-confidential version of the notification and the basis for the suggested redactions, is included as

**Annex 8:** Basis for suggested redactions

**Annex 9:** Non-confidential version of the notification

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less than [REDACTED] of the total VAR software sales (the distribution market) in Norway. The Parties also note in any event that this would not be PLM software.

<sup>12</sup> <https://lovdata.no/pro/#document/SF/forskrift/2013-12-11-1466?from=NL/lov/2004-03-05-12/>

<sup>13</sup> In addition to the annual report for Axcel, annex 6 includes the annual reports of the Swedish portfolio companies Addpro, Currentum and Loopia. The annual reports of all other portfolio companies are publicly available. For the Danish portfolio companies annual reports can be found at <https://datacvr.virk.dk/> and for the Norwegian portfolio company, SuperOffice, the annual report can be found at <https://w2.brreg.no/eHandelPortal/ecomsys/>. The annual report the Finnish portfolio company, Delete Group, can be found at <https://deletegroup.fi/en/delete-group-oyj-annual-report-2021/>.



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Oslo, 15 July 2022  
**WIKBORG REIN ADVOKATFIRMA AS**

Preben M. Thorbjørnsen