

## SIMPLIFIED NOTIFICATION OF A CONCENTRATION

BETWEEN

**Brookfield**

AND

**SBB EduCo AB**

***29 September 2023***

***Contains business secrets***

## 1 CONTACT INFORMATION

### 1.1 Notifying party

Name: **Solna Bidco AB (a Brookfield Corporation subsidiary)**  
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### 1.2 Target

Name: **SBB EduCo AB**  
Company reg no.: SE 559406-8313  
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## 2 THE TYPE OF CONCENTRATION OF UNDERTAKINGS

This notification is submitted on behalf of Brookfield Corporation ("**Brookfield**") in relation to its proposed acquisition of sole control over SBB EduCo AB ("**EduCo**" or the "**Target**") from Samhällsbyggnadsbolaget i Norden AB (publ) ("**SBB**") (hereinafter the "**Proposed Transaction**"). Brookfield and SBB will hereinafter be referred to as the "**Parties**".

Prior to the implementation of the Proposed Transaction, EduCo is a [REDACTED] joint venture under EU merger control rules, jointly controlled by the Parties.<sup>1</sup> EduCo has [REDACTED]

<sup>1</sup> SBB holds [REDACTED]%, while Brookfield holds [REDACTED]%, of the outstanding shares in EduCo. The remaining [REDACTED]% of the shares in EduCo are held by [REDACTED]

[REDACTED]

Through the Proposed Transaction, Brookfield will acquire shares equal to 1,16% of the shares in EduCo through its wholly owned subsidiary Solna Bidco AB ("**Bidco**"). The executed Share Purchase Agreement signed on 24 September 2023 ("**SPA**") is attached as Annex 1.

Annex 1: Share Purchase Agreement

The SPA is considered a business secret in its entirety. The Parties expect closing to take place shortly after the satisfaction of the conditions to closing stipulated in Section 4 of the SPA.

Following completion of the Proposed Transaction, Brookfield will indirectly hold a majority (50,16%) of the shares and voting rights in EduCo, and the Proposed Transaction thus involves the acquisition of sole control by Brookfield over EduCo. The ownership post-closing of the Proposed Transaction is illustrated in Figure 2 below.

For completeness, it is noted that under the terms of the Shareholders Agreement ("**SHA**"), Brookfield will have [REDACTED]

[REDACTED]<sup>3</sup> The SHA, in agreed form, is attached as Annex 2.

Annex 2: Shareholders Agreement

The SHA is considered a business secret in its entirety. [REDACTED]

[REDACTED]<sup>4</sup> More specifically, [REDACTED]  
[REDACTED]<sup>5</sup>

[REDACTED]

<sup>2</sup> The transaction in which Brookfield acquired a minority stake (and joint control) in EduCo from SBB was announced in November 2022. Since EduCo is a [REDACTED] joint venture, this transaction was not subject to mandatory merger control filing in Norway in accordance with Section 17 second paragraph of the Norwegian Competition Act. See Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings, paragraphs 95 to 96.

<sup>3</sup> [REDACTED]

<sup>4</sup> [REDACTED]

<sup>5</sup> Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings.

The Proposed Transaction is subject to a merger notification in Norway pursuant to Section 18, cf. section 17 of the Norwegian Competition Act as each of the undertakings concerned have achieved turnover exceeding NOK 100 million and their combined turnover exceeds NOK 1 billion in Norway in the last completed financial year.

The Proposed Transaction will also be notified to the Swedish and the Finnish Competition Authorities.

### **3 THE CONDITIONS FOR SUBMITTING SIMPLIFIED NOTIFICATION ARE SATISFIED**

The Proposed Transaction qualifies for a simplified notification in accordance with Section 3 first paragraph item 2 as Brookfield through the Proposed Transaction acquires sole control in an undertaking it has previously jointly controlled.

Furthermore, the Proposed Transaction qualifies for a simplified notification in accordance with Section 3 first paragraph item 3 letter a) or alternatively letter c) of the Regulations on the Notification of Concentrations. As further explained in Section 4 and 6 below, the Proposed Transaction will not lead to any horizontal or vertical overlap between the Parties, or alternatively no vertical overlap with market shares exceeding 30 % on any (theoretically) vertically linked markets.

### **4 THE STRUCTURE AND BUSINESS AREAS OF THE UNDERTAKINGS**

#### **4.1 Notifying party**

##### *4.1.1 Legal and organizational structure*

Bidco is an indirect subsidiary of funds advised or managed (and indirectly controlled) by Brookfield.

Brookfield is a global asset manager with more than USD 850 billion of assets under management across real estate, infrastructure, renewable power, private equity and credit. Brookfield is a public company co-listed on the New York and Toronto stock exchanges under the symbol BN.

Brookfield is a public company and, given that its shares are widely held, it is not controlled by any undertaking. A publicly available list of the top 20 current Class A shareholders is available at: <https://www.morningstar.com/stocks/xnys/bn/ownership>

For further information about Brookfield, please refer to <https://www.brookfield.com/> and Brookfield's annual report for 2022, attached as Annex 3.

Annex 3: Brookfield Corporation Annual Report 2022

##### *4.1.2 Areas of business*

Brookfield is, through its investments and subsidiaries, engaged in several business areas including Renewable Power & Transition, Infrastructure, Private Equity, Real Estate, Credit and Insurance Solutions. The current Norwegian business activities relates to Infrastructure.

Please refer to Annex 4 for a list of Brookfield's controlled portfolio companies that generated revenue in Norway in 2022.<sup>6</sup>

**Annex 4:** List of Brookfield's controlled portfolio companies generating revenue in Norway

Brookfield does not own any real estate properties related to public education in Norway. Moreover, Brookfield is not active in the development, management, or rental of any commercial real estate properties with activities related to public education / public administration / office space in Norway.<sup>7</sup>

Lastly, it is noted that Brookfield does not provide any services related to education in Norway.

## **4.2 Target**

### *4.2.1 Legal and organizational structure*

EduCo is a Swedish holding company for real estate properties in Sweden, Norway, Finland and Denmark. SBB contributed to EduCo all of its social infrastructure properties for public education, for the purpose of setting up the joint venture with Brookfield in 2022. The current and planned ownership structure of EduCo is illustrated in Figure 1 and Figure 2 below. EduCo is currently jointly controlled by the Parties.

Prior to the Proposed Transaction, SBB holds, directly and indirectly, 51% of the shares in EduCo, and the Buyer holds, directly and indirectly, 49% of the shares.

SBB is a Swedish property management company, focused on social infrastructure. SBB's strategy is to own, manage and develop community service properties and rent-regulated residentials over the long term. For further information about SBB, please refer to <https://www.sbbnorden.no/>.

Since EduCo was incorporated on 18 November 2022 it has not yet issued an annual report.

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<sup>6</sup> On 30 September 2019, Brookfield acquired joint control over Oaktree Capital Group, LLC ("Oaktree"), (See Commission Case M.9390 – Brookfield Asset Management / Oaktree Capital Group, decision of 30 July 2019). Oaktree is a global investment management company with approximately \$169.6 billion (approximately €155 billion) in assets under management as of 31 December 2022. Oaktree's investment focus is on corporate credit and insurance solutions, private equity, real assets and listed equities. Oaktree-managed funds and accounts have invested in various industries such as production, health care, textile, travel, mining and media. Additional information on Oaktree is available at <https://www.oaktreecapital.com>. The analysis of Brookfield set out in this filing takes into account Brookfield's joint control over Oaktree. Moreover, Oaktree's controlled portfolio companies that generated revenue in Norway in 2022 have been included in Annex 3.

<sup>7</sup> For completeness, it is noted that one of Brookfield's controlled portfolio companies, Modulaire Group, is active in the manufacturing, sale and rental of modular buildings in Norway. Modular buildings are often used to provide temporary facilities, including construction camps, civilian and military housing, and other operational facilities. However, these activities belong to a separate product market, see Commission decision Case M.2473 - Finnforest / Moelven Industrier, decision of 18 July 2001, recital 22.

Figure 2 Structure pre-Proposed Transaction

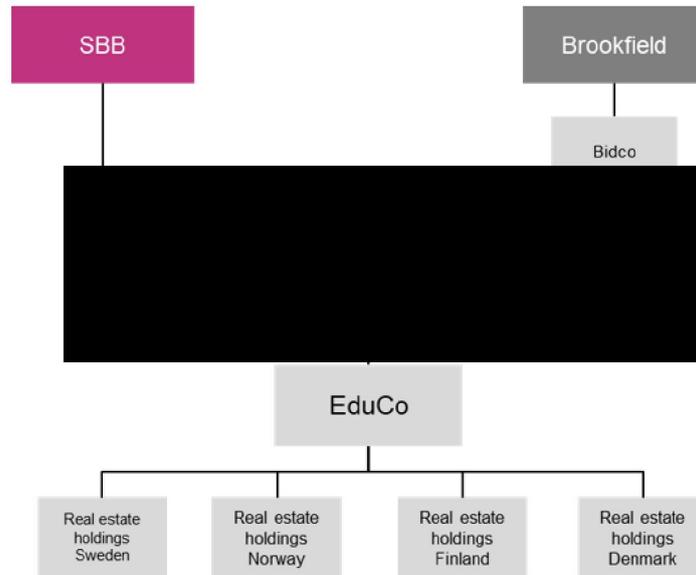
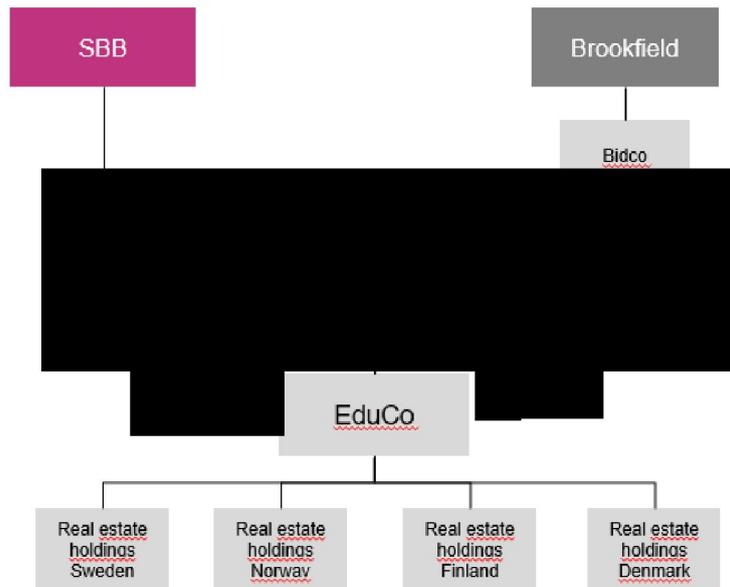


Figure 1 Structure post-closing of the proposed transaction



#### 4.2.2 Areas of business

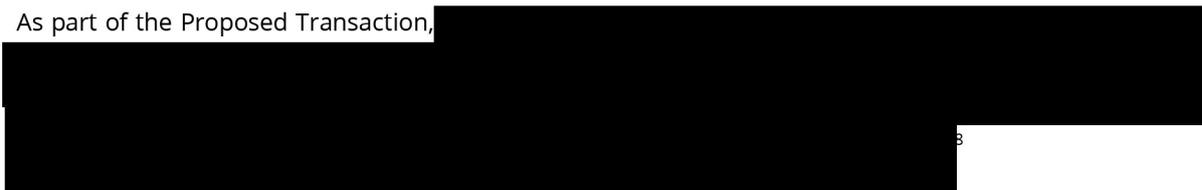
EduCo has a national footprint, and the properties are located in cities from Alta in the north to Kristiansand in the south, including in many of Norway's largest cities (such as Oslo, Bergen, Trondheim, Kristiansand and Bodø). EduCo derives revenue from rents paid by third party tenants, including municipal, county and state authorities. EduCo currently holds approximately 600 real estate

properties all relating to public education, including preschools, elementary schools, upper-secondary schools and universities, of which 305 in Norway. A list of EduCo's real estate holdings in Norway, including location, is provided in Annex 5.

Annex 5: List of EduCo's real estate holdings in Norway

For completeness, it is noted that EduCo does not provide any services related to public education, and solely manages the real estate properties.

As part of the Proposed Transaction,



## 5 TURNOVER AND OPERATING RESULT IN NORWAY FOR THE LAST FISCAL YEAR (2022)

Name	Turnover (in MNOK)	Operating result (in MNOK)
Brookfield	[REDACTED] <sup>9</sup>	[N/A] <sup>10</sup>
EduCo	[REDACTED] <sup>11</sup>	[N/A] <sup>12</sup>

## 6 NO AFFECTED MARKETS

### 6.1 Introduction

The Proposed Transaction does not give rise to any affected market, as Brookfield and the Target does not have horizontally or vertically overlapping activities. However, to ease the assessment of the Proposed Transaction, the overall relevant market the Target operates in, and how it hypothetically can relate to other markets Brookfield operates, is given in the following sections.

### 6.2 No horizontal overlaps

#### 6.2.1 Product market

As far as Brookfield is aware, the Norwegian Competition Authority (the "NCA") has not previously defined any relevant market(s) in the real estate sector. However, Swedish Competition Authority (the

<sup>8</sup> For completeness, [REDACTED]

<sup>9</sup> Converted from USD to NOK with Norges Bank's average exchange rate for 2022 ( 9,6245 NOK = 1 USD).

<sup>10</sup> Brookfield does not have a consolidated operating result for Norway

<sup>11</sup> Converted from SEK to NOK with Norges Bank's average exchange rate for 2022 ( 95,03 NOK = 100 SEK).

<sup>12</sup> EduCo does not have a consolidated operating result for Norway as it was established November 2022 .

"SCA") have in previous decisions made a distinction between real estate properties for commercial use and real estate properties for residential use.<sup>13</sup>

The European Commission (the "**Commission**") has in its previous decisions considered the real estate sector and has principally held that this sector can be subdivided into two principal segments, (i) real estate for commercial use (i.e. offices, retail (shops) and industrial properties); and (ii) residential use (housing).<sup>14</sup> This division has also been applied in decisions from the Commission concerning the real estate sector in Sweden.<sup>15</sup> The Commission has also considered possible segmentations of the market for commercial real estate services according to the different services<sup>16</sup> or exploitation of the real estate.<sup>17</sup>

Brookfield has not been able to identify any decisions from the NCA or the Commission that relate to real estate properties for public education (or related activities). In any event, Brookfield submits that the precise market definition can be left open for the purpose of this notification since the Proposed Transaction will not have any appreciable competitive impact.

## 6.2.2 Geographic market

To Brookfield's best knowledge, the NCA has not previously defined the geographical scope of real estate market(s).

The Commission has previously considered, but ultimately left open, the question of whether the geographic scope of real estate markets can be regarded as national, regional or local.<sup>18</sup>

Brookfield submits that, for the purpose of assessing the Proposed Transaction, the precise geographic market definition can be left open since the Proposed Transaction does not raise competition concerns under any plausible geographic market definition.

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<sup>13</sup> Concerning real estate for commercial use (Sw, *kommersiella fastigheter*) see for example Dnr 567/2016, decision of 4 April 2016 and Dnr 466/2016, decision of 2 August 2016. Concerning real estate for residential (Sw, *bostadsfastigheter*) see for example decisions Dnr 362/2017, decision of 7 July 2017, and Dnr 636/2016, decision of 21 November 2016.

<sup>14</sup> See Cases M.2825 - Fortis AG SA / Bernheim-Comofi SA, decision of 9 July 2002, recital 8; and M.3370 - BNP Paribas/Atis Real International, decision of 9 March 2004, recital 9. See also M.2110 - Deutsche Bank/SEI/JV, decision of 25 September 2000.

<sup>15</sup> See Cases M.1937 - Skandia Life / Diligentia, decision of 11 May 2000, and M.1637 - DB Investments/SPP/Öhman, decision of 11 August 1999.

<sup>16</sup> Possible segmentations have included (i) real estate development; (ii) real estate rental; (iii) real estate management; and (iv) real estate property, see Cases M.2825 - Fortis AG SA / Bernheim-Comofi SA, decision of 9 July 2002, recital 7; M.6020 - ACS / Hochtief, decision of 14 January 2011, recitals 12-13; and M.6834 - Goldman Sachs / TPG Lundy / Brookgate, decision of 14 March 2013, recital 14.

<sup>17</sup> Possible segmentations have included (i) office properties; (ii) industrial properties; and (iii) retail properties. See Case M.2863 - Morgan Stanley / Olivetti / Telecom Italia / Tiglio, decision of 30 August 2002, recital 19.

<sup>18</sup> See Cases M.2863 - Morgan Stanley / Olivetti / Telecom Italia / Tiglio, decision of 30 August 2002, recitals 21 and 22; M.3370 - BNP Paribas / ARI, decision of 9 March 2004, recitals 13 to 15; and M.6889 - Sogecap / Cardif / Ensemble Immobilier Clichy-la-Garenne, decision of 13 May 2013, recital 15. See also M.2110 - Deutsche Bank / SEI / JV, decision of 25 September 2000, recital 9; and M.2825 - Fortis AG SA / Bernheim-Comofi SA, decision of 9 July 2002, recital 9.

### 6.2.3 *Competitive assessment*

There are no relevant horizontal overlaps between Brookfield and EduCo, given that Brookfield does not own, develop or manage any real estate properties related to public education (or similar activities such as public administration or offices) in Norway. Furthermore, Brookfield does not own, develop or manage any real estate properties in Norway.<sup>19</sup>

Consequently, the Proposed Transaction does not give rise to any competition concerns.

Furthermore, since there is no potential horizontal overlap, Section 3 second paragraph letter d) of the Regulations on the Notification of Concentrations does not apply and it is therefore not necessary to provide information about the five most important competitors, customers and suppliers of the undertakings concerned and the undertakings in their respective corporate groups.

### 6.3 **Potential vertical relations**

There are also no relevant vertical overlaps, in the sense of Section 18 a, first paragraph, letter e and f of the Norwegian Competition Act, as neither Brookfield nor EduCo, on their own or combined, holds a market share exceeding 30 % on any (theoretically) vertically linked markets in relation to the market for management of real estate properties in Norway.<sup>20</sup>

Consequently, the Proposed Transaction does not give rise to any vertically affected markets and cannot give rise to any competition concerns on this basis.

## 7 **DISCLOSURE/PUBLIC ACCESS**

This notification contains business secrets, cf. Section 18 b of the Competition Act. A proposal for a public version of the notification is enclosed. Enclosed as Annex 7 is also an overview which explains why each type of redacted information constitutes business secrets. This explanation document is also considered as business secrets in its entirety.

Annex 6: Public version of the notification

Annex 7: Justification of business secrets

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<sup>19</sup> Excluding any potential offices or other facilities Brookfield's controlled portfolio companies might own or manage on their own behalf as a part of their operational activities in the supply of non-related goods or services in Norway.

<sup>20</sup> For completeness, in theory, there could be a remote vertical link with Modulaire Group, that offers modular buildings to customers in Norway (which can be used in the education sector). The modular building would generally be sourced directly by the municipality concerned. However, it cannot be excluded that EduCo could source and provide modular buildings as part of (a temporary) offering to customers. [REDACTED] In any event, the Parties confirm that they do not have individual nor combined market shares above 30 % on any (theoretically) vertically linked market in Norway.

# THOMMESSEN

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In the event that the notification or other documents in the case are not published on the Competition Authority's website, we kindly ask to be notified should the Competition Authority receive any requests for access to such documents.

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Best regards

Advokatfirmaet Thommessen AS



Ingunn Egeland Martinsen

Advokatfullmektig