

## SIMPLIFIED NOTIFICATION OF A CONCENTRATION

BETWEEN

**LG Electronics Inc.**

AND

**OSO Group AS**

***11 July 2025***

***Contains business secrets***

## 1 CONTACT INFORMATION

### 1.1 Notifying party

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### 1.2 Target

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## 2 TYPE OF CONCENTRATION

This simplified notification is filed pursuant to Section 18 cf. Section 17 of the Norwegian Competition Act on behalf of LG Electronics Inc. ("**LGE**") in connection with LGE's acquisition of all the shares in OSO Group AS ("**OSO**"). LGE and OSO are jointly referred to as the "**Parties**".

OSO is currently jointly owned by Effector AS (reg no. 988 967 335) and Verso AS (reg no. 988 967 319). Effector AS and Verso AS are jointly referred to as the "**Sellers**". Pursuant to a share purchase agreement dated 30 June 2025 (the "**SPA**"), LGE will purchase all the shares in OSO from the Sellers (the "**Transaction**").<sup>1</sup>



Following the Transaction, LGE will own 100% of the shares in OSO. The Transaction entails that LGE will obtain control over OSO on a lasting basis, cf. Section 17 of the Norwegian Competition Act.

The 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 achieved a turnover in 2024 exceeding NOK 100 million and their combined turnover exceeded NOK 1 billion in Norway in 2024.

The execution of the Transaction is subject to approval from the NCA and is scheduled to take place shortly after the required authorization is obtained. The Transaction will not be notified in other jurisdictions than Norway.

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

The Transaction qualifies for a simplified notification in accordance with Section 3 first paragraph item 3 letter b) of the Regulation on the Notification of Concentrations. As further explained in Section 6 and 7, the Transaction does not give rise to any possible horizontal or vertical overlap in Norway. As LGE is not active within the relevant business areas in Norway, any potential overlap would be on EEA-wide markets, and the Parties' combined market share is well below 20%. Additionally, as further explained in Section 7, the Transaction leads to a vertical overlap in an EEA-wide market, but the Parties' market share falls well below 30% on the upstream and downstream markets.

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

#### **4.1 LGE**

LGE is a South Korean multinational major appliance and consumer electronics corporation, headquartered in Yeouido-dong, Seoul, South Korea. LGE was spun off from LG Electronics Investment Ltd. and listed on the Korea Exchange in 2002. Some of LGE's preferred shares are listed on the London Stock Exchange. As of December 31, 2024, LG Corp. owns 34.3 % of the LGE's total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

LGE and its subsidiaries operate five major business segments: the Home Appliance & Air Solution segment, which manufactures and sells refrigerators, washing machines, vacuum cleaners, and residential and commercial air conditioners; the Home Entertainment segment, focused on TVs and digital media products; the Vehicle Component Solutions segment, which designs and manufactures automobile parts; the Business Solutions segment, producing and selling monitors, PCs, information displays, and other related products; and the Optics Solutions segment, encompassing optics solutions, substrate materials, and automotive components.

As of 31 December 2024, LGE has 152 subsidiaries globally. For a complete list of the subsidiaries, including descriptions of their primary business and controlling interest, please see the Groups

consolidated financial statements available at: <https://www.lg.com/global/investor-relations/financial-information/>.

In Norway, LGE is active through its Swedish subsidiary LG Electronics Nordic AB (Org.nr 556575-6383). LGE is a primary wholesaler in the following markets in Norway: TV/audio/video, home appliances (washing machines, washer/dryer combos, dryers, refrigerators & freezers, dishwashers, stylers, wine coolers), and IT products (monitors). More information is available at: <https://www.lg.com/no>.

## 4.2 OSO

OSO is a manufacturer of water heaters, established in 1932 and headquartered in Hokksund, Norway. The company is a Norwegian-owned family business with production in Norway and around 265 employees.

OSO is a manufacturer and primary wholesaler of a wide range of stainless-steel water heaters. This includes both direct and indirect water heaters, and accumulator tanks. Direct water heaters heat the water directly in the tank using an energy source (which could be e.g. electricity, gas or propane), while indirect water heaters use an external heat source (such as a boiler or heat pump). Accumulator tanks store hot or cold water.

OSO manufactures water heaters for domestic, commercial/industrial and marine/offshore industries. For domestic use, OSO offers water heaters with capacities up to 300 liters. For commercial use, OSO offers water heaters with capacities ranging from 300 to 15,000 liters. For marine and offshore installations, OSO offers water heaters specifically designed to withstand the demanding and harsh marine environments. [REDACTED] OSO also offers smart control solutions which optimize water heating based on electricity pricing from the Nord Pool market and user consumption patterns. OSO's customers are primarily retailers in plumbing and the HVAC (Heating, Ventilation, and Air Conditioning) industry.

OSO is a holding company. An overview of OSO's subsidiaries (all of which are 100% owned by OSO) and a description of their business areas are as follows:

- **Oso Hotwater AS** (Reg. nr. 986 173 617, Norway): Manufactures domestic tanks and serves as the sales company for OSO water heaters.
- **Oso Technology AS** (Reg. no. 989 031 503, Norway): Owns manufacturing equipment, patents, and brands for the group.
- **Norteam Holding AS** (Reg. no. 929 169 212, Norway): Holding company for injection molding and property. The company owns the following subsidiaries:
  - **Flowform AS** (Reg. no. 827 385 522, Norway): Specializes in plastic injection molding, supplying parts to OSO and external customers.

- Norteam Eiendom AS (Reg. no. 827 385 492, Norway): Owns and rents out manufacturing facilities in Norway to FlowForm AS.
- **Oso Property AS** (Reg. no. 964 458 855, Norway): Owns and rents out manufacturing facilities in Norway to OSO Hotwater AS.
- **Oso Energy AS** (Reg. no. 925 156 663, Norway): Sales company for Smart IoT and Grid-control services.
- **Onetank AS** (Reg. no. 921 055 595, Norway): Sales company for the second brand of commercial tanks over one thousand liters.
- **OSO Hotwater Sweden Holding AB** (Reg. no. 559327-2494, Sweden): Holding company for the Swedish entities.
  - OSO Hotwater AB (Reg. no. 556615-0024, Sweden): Manufacturer of commercial tanks & sales company for OSO water heaters in Sweden.
  - CNC Manufacturing AB (Reg. no. 556560-9194, Sweden): CNC machining, supplying parts to OSO & external customers.<sup>2</sup>
- **OSO Hotwater OY** (Reg. no. 3261892-1, Finland): Sales company for OSO in Finland and the Baltics.
- **OSO Hotwater Ltd.** (Reg. no. 02877815, UK): Sales company for OSO in the UK.
- **OSO Hotwater Canada Holding Inc.** (Reg. no. 747059 Canada): Holding company for Canadian entity.
  - **OSO Hotwater Inc.** (Reg. no. 747057, Canada): Sales company for OSO in Canada.

OSO is a member of the following trade associations:

- Norway: VA og VVS Produsentene ([VA og VVS Produsentene VVP](#)).
- UK: Hot Water Association ([Hot Water Association: Developing Hot Water](#)).

More information about OSO is available at <https://osohotwater.no/>.

## 5 TURNOVER AND OPERATING RESULT IN NORWAY FOR THE LAST FISCAL YEAR (2024)

| Name | Turnover<br>(in thousand NOK) | Operating result<br>(in thousand NOK) |
|------|-------------------------------|---------------------------------------|
| LGE  |                               | N/A <sup>3</sup>                      |
| OSO  |                               | N/A <sup>4</sup>                      |

## 6 NO HORIZONTAL AFFECTED MARKETS

### 6.1 Introduction

OSO manufactures and sells water heaters for domestic, commercial, and marine applications, on a wholesale level. LGE is a manufacturer and wholesaler of heat pumps, some of which have an integrated water storage module, and (re)sells indirect water heaters in certain European countries as part of wider air-to-water heat pump systems.<sup>5</sup> In Norway, LGE has not recorded any sales of heat pumps or water heaters,

On this basis, the notifying party submits that the Transaction does not give rise to any possible horizontal or vertical overlap in Norway. As LGE is not active within these business areas in Norway, any potential overlap would be on EEA-wide markets.

For the sake of completeness, the Parties have included information on the relevant markets for the target company's business activities and indicated potential horizontal and vertical interfaces to LGE's business.

### 6.2 The market for water heaters

#### 6.2.1 The product market

Water heaters are designed to provide hot water for sanitary purposes. With respect to boilers (intended for space heating), the European Commission ("EC") has considered segmentations based on parameters such as including (i) end-use/application (domestic vs commercial), (ii) energy source, and (iii) capacity ranges.<sup>6</sup> The market for water heaters may be distinguished similarly. Additionally, the EC has previously considered a market for solar hot water systems, made up of a (i) solar collector, (ii) solar (indirect) hot water cylinder and (iii) solar controller, which may suggest a distinction between

<sup>3</sup> LGE does not assess operating results on a jurisdiction-by-jurisdiction basis.

<sup>4</sup> OSO does not assess operating results on a jurisdiction-by-jurisdiction basis.

<sup>5</sup> See section 7 for an overview of the potential vertical overlap between the Parties in this regard.

<sup>6</sup> COMP/M.11160 - CARRIER / VIESSMANN, para. 64 and 94.

direct and indirect water heaters.<sup>7</sup> The Parties are not aware of any decisional practice by the EC or the Norwegian Competition Authority directly related to water heaters.<sup>8</sup>

From a demand side perspective, direct and indirect water heaters share a common objective of producing and storing hot water. Indirect water heaters will, in contrast to direct water heaters, typically require a more advanced set-up and require a larger investment for the installation. However, from a supply side perspective, the main components are the same, and most manufacturers are active in all categories.

Within water heaters, the only relevant products sold by LGE are heat pump water heaters ("HPWH"). These are a type of indirect water heater, where the external heat source is the heat pump (and not a boiler or furnace). HPWHs work by extracting heat from the surrounding air and transferring it to the water in the hot water cylinder. OSO has recently started selling HPWHs to customers in the UK.

In the present case, the exact product market definition can be left open as the Transaction will not result in competition concerns irrespective of market definition.

#### 6.2.2 *The geographic market*

The EC has not defined the relevant geographic market for the supply of water heaters.

The Parties find that most water heater suppliers active in the EEA supply across multiple EEA member states. However, in most cases suppliers depend on either a local sales presence or a local distributor or installer to make sales in any specific country, which could indicate that the market is national in scope.<sup>9</sup> Regarding solar hot water systems, the EC has in the past left open whether the market is EEA-wide or national.<sup>10</sup>

The exact geographic market definition for water heaters can be left open, as the Transaction does not give rise to serious doubts under any of the alternative geographic market definitions, i.e., EEA-wide, or national.

#### 6.2.3 *The competitive assessment of the Transaction*

Regarding a potentially national (Norwegian) market for water heaters, there is no overlap between the Parties as LGE does not supply any kind of direct or indirect water heater to the Norwegian market.

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<sup>7</sup> COMP/M.5573 *Remeha Group/Baxi Holdings*, para. 35. See Section 4.2 for the differences between direct and indirect water heaters.

<sup>8</sup> In *Remeha Group/Baxi Holdings*, para. 10, the EC did not address the market for water heaters; the EC only noted that water heaters must be distinguished from boilers, which are intended for space heating.

<sup>9</sup> Similar to the boiler market, see *CARRIER/VISSMANN*, para. 97-102.

<sup>10</sup> *Remeha Group/Baxi Holdings*, para. 43.

On a potential EEA-wide market for water heaters, there is a potential horizontal overlap between the Parties as LGE sells HPWHs in several EEA members states.<sup>11</sup> OSO has just recently started selling HPWHs, but only to customers in the UK. On an EEA-wide market, the Parties combined market share within water heaters is estimated to be below 10%.<sup>12</sup> On a market encompassing both the EEA and the UK, the Parties' combined market share within HPWHs is estimated to be below 10%.<sup>13</sup> The increment resulting from the Transaction is minimal, as both LGE's and OSO's presence is very limited. On that basis, the Parties submit that the Transaction is incapable of impeding competition in any market for water heaters.

## 6.2.4 *The Parties' main competitors, customers, and suppliers in the EEA-wide market for water heaters*

An overview of the Parties main competitors, customers, and suppliers in the EEA market for water heaters is provided in the tables below, cf. the Norwegian Regulation on the Notification of Concentration section 3 second paragraph, litra d.

**Table 1: LGE main competitors, customers, and suppliers<sup>14</sup>**

| Competitors | Customers | Suppliers |
|-------------|-----------|-----------|
|             |           |           |

**Table 2: OSO main competitors, customers, and suppliers**

| Competitors | Customers | Suppliers |
|-------------|-----------|-----------|
|             |           |           |

<sup>11</sup> As mentioned above, [REDACTED] See section 7 for an overview of the potential vertical overlap between the Parties in this regard.

<sup>12</sup> Estimate based on BCG's Water Heater Market report dated October 10, 2024.

<sup>13</sup> The Parties' overlap in a potential market for HPWHs is confined to the UK, resulting in no overlap within the EEA alone.

<sup>14</sup> In the water heater market, LGE only sells HPWHs, which is why the input matches that of Table 3.

6.2.5 *The Parties' main competitors, customers, and suppliers in the market for heat pump water heaters encompassing both the EEA and the UK*

An overview of the Parties main competitors, customers, and suppliers in a potential sub-segment for HPWHs in the EEA is provided in the tables below, cf. the Norwegian Regulation on the Notification of Concentration section 3 second paragraph, litra d.

**Table 3: LGE main competitors, customers, and suppliers**

| Competitors | Customers | Suppliers |
|-------------|-----------|-----------|
|             |           |           |

**Table 4: OSO main competitors, customers, and suppliers**

| Competitors | Customers | Suppliers |
|-------------|-----------|-----------|
|             |           |           |

## 7 NO VERTICALLY AFFECTED MARKETS

Certain heat pump products manufactured by LGE (e.g., Air-to-Water Heat Pump Systems and HPWHs), use indirect water heaters as components for water storage, [REDACTED]

As described in section 6.2.2, in a potential EEA-wide market for water heaters, OSO's market share is limited and estimated to be below 10%. On the potential downstream market for heat pumps, LGE is not active in Norway but does have sales in certain other European countries. If the market is EEA-wide (so as to give rise to a potential vertical overlap relevant to this filing), LGE's market share for heat pumps is limited and estimated to be below 10%.

Based on the low market shares, the Parties submit that the vertical overlap is incapable of distorting competition on a market which Norway is a part of.

## 8 ANNUAL REPORTS AND FINANCIAL STATEMENTS

LGE's annual reports and financial statements are available at <https://www.lgcorp.com/ir/dataroom/report/annual>.

For OSO and its Norwegian subsidiaries, annual reports and financial statements are available from Brønnøysund Register Centre. Annual reports and financial statements from the remaining subsidiaries are enclosed.

Appendix 1-8: Annual reports and financial statements from OSO's non-Norwegian subsidiaries

## 9 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 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.

Appendix 9: Public version of the notification

Appendix 10: Justification of business secrets

If 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



Savvas Gabor  
Trainee lawyer