

NP3 has entered into conditional acquisitions of properties with an agreed value of SEK 755m and 29.6 percent of Cibola, and intends to carry out a directed new issue of appr. 3.5m ordinary shares

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NP3 Fastigheter AB (publ) ("NP3" or the "Company") has today entered into conditional agreements with Poularde AB ("Poularde"), where the major shareholder and board member in NP3 Mia Bäckvall Juhlin is an indirect owner to 50 percent, for acquisition of all shares in Frösö Park Fastighets AB ("Frösö Park") for an agreed property value of SEK 755 million, and 29.6 percent of the shares in NP3's existing associated company Cibola Holding AB ("Cibola") for a corresponding total underlying property value of SEK 620 million (together the "Acquisitions").

NP3 has, due to the Acquisitions and to maintain a capital structure and liquidity position which allows it to take advantage of investment opportunities while keeping operational and financial risk at the same level or lower, appointed Carnegie Investment Bank AB (publ) ("Carnegie"), Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") and Swedbank AB (publ) ("Swedbank") (together the "Joint Bookrunners") to investigate the conditions for carrying out a directed issue of approximately 3.5 million new ordinary shares (the "Share Issue"), directed to Swedish and international institutional and professional investors through an accelerated book building procedure to be initiated immediately.

The Share Issue is intended to be conducted with deviation from the shareholders' pre-emptive rights and decided by the Board of Directors by virtue of the authorisation that was resolved by the annual general meeting on 7 May 2024. The subscription price and the total number of new ordinary shares will be determined through an accelerated book building procedure. The completion of the accelerated book building procedure, pricing and allocations of new ordinary shares is expected to occur before trading commences on Nasdaq Stockholm at 09.00 CEST on 17 September 2024. The time for the final expression of interest, pricing and allocations in the book building procedure will be determined by the Company and the Company may at any time shorten, extend or terminate, and wholly or partially refrain from carrying out, the Share Issue. The Company will announce the outcome of the Share Issue through a press release after the book building procedure has been completed. The completion of the Share Issue is not subject to the completion of the Acquisitions.

The existing shareholders Inga Albertina Holding AB ("Inga Albertina"), which is controlled by NP3's board member Mia Bäckvall Juhlin, and Bäckarvet Holding AB ("Bäckarvet"), which is controlled by Åse Bäckvall, have expressed an interest in participating in the Share Issue. Bäckarvet and Inga Albertina have also undertaken not to sell or transfer their ordinary shares in NP3 for a period of 12 months.

Background and reasons

NP3 is a cash flow oriented real estate company with a strategy to focus on commercial and high yielding investment properties, mainly in northern Sweden, and the Company assesses that the Acquisitions fit well into that strategy while simultaneously contributing to increase the quality of the property portfolio. As of 30 June 2024, the Company's property value amounted to SEK 20.9bn with a valuation yield of 7.15 percent. During the last 24 months, the Company's loan-to-value ratio has been relatively stable at around 55 percent, despite that the valuation yield of the Company's property portfolio has increased by 87 basis points, which corresponded to a real write-down of approximately 14 percent. This negative value change has however been counteracted by increased net operating income, as a result of the Company's CPI-linked rental agreements as well as the rental development and purchasing power in the Company's markets, which has resulted in stable nominal property values. NP3's over-arching financial targets are a return of 15 percent on equity before tax and a growth in profit from property management per ordinary share of at least 12 percent per year, both over a five-year period. The Company's assessment is that the Acquisitions will contribute to accomplish these targets. During the latest five-year period, the return on equity before tax has amounted to 21.8 percent and growth in profit from property management per ordinary share to 9.5 percent on average per year.

NP3 considers that, given the current market climate, the Company has attractive investment opportunities. The Company therefore aims to maintain a capital structure and liquidity position that will allow it to take advantage of market opportunities while keeping operational and financial risk profile at the same level or lower.

The Acquisitions

NP3 has entered into conditional agreements with Poularde AB, where the major shareholder and NP3 board member Mia Bäckvall Juhlin is an indirect owner to 50 percent, and the major shareholder in NP3, Åse Bäckvall, is an indirect owner to 50 percent. Agreements have been entered into to acquire all shares in Frösö Park for an agreed underlying property value of SEK 755 million, as well as 29.6 percent of the shares in Cibola.

The properties in Frösö Park are strategically located in the area Frösö Park on Frösön in Östersund, which earlier was called the F4 area, where Jämtland Wing was active in various forms between the years 1926 and 2004. The three properties, one of which is leased under a site leasehold right, are connected with a total plot area of 700,000 sqm south of, and in direct connection to, Åre Östersund Airport. The existing buildings on the properties is leased primarily for industrial purposes, with a total of 66,000 sqm of lettable area. The rental value amounts to SEK 68.6 million, and the occupancy rate is 89 percent, excluding rental guarantees. The agreed property value is SEK 755 million before market-based deduction for latent tax of SEK 30 million, corresponding to an initial yield of 7.2 percent. Through the acquisition, the Swedish Fortifications Agency will become NP3's largest individual tenant and the Swedish Police Authority will become the fourth largest, representing, representing 1.8 percent respectively 1.2 percent of NP3's annual rental value.

Cibola owns five properties primarily for hotel operations, with a total of 38,000 sqm of lettable area and a plot area of 179,000 sqm. The rental value amounts to SEK 52.4 million, and the occupancy rate is 99 percent. The properties are located in Östersund, Mora, Tällberg, Skellefteå, and Berg. The largest individual property, constituting 31 percent of the rental value in Cibola, is located in Östersund and on Frösön directly adjacent to the properties in Frösö Park. The agreed purchase price

for 29.6 percent of the shares is SEK 68 million, corresponding to approximately SEK 230 million for 100 percent of the shares and an underlying property value of SEK 620 million before market-based deduction for latent tax of SEK 14 million, providing an initial yield of 7.2 percent. NP3 already owns 31.6 percent of the shares in Cibola, which is an existing associated company of NP3. After the acquisition, NP3 will own 61.2 percent of the shares, making Cibola a subsidiary of NP3, and it will thereafter be consolidated into the group's accounts.

The purchase price for the Acquisitions will be paid partly in cash and partly in the form of four million newly issued preference shares (the "Consideration Issue") issued at a subscription price of 30.05 SEK per preference share. The acquisition of Frösö Park is conditional on approval from the Swedish Inspectorate of Strategic Products, and both the Acquisitions and the Consideration Issue are subject to that the Share Issue is completed and to approval by an extraordinary general meeting of NP3, which is expected to be held around 22 October 2024. Completion of the Acquisitions is expected to occur around 1 November 2024. Mia Bäckvall Juhlin has not participated in the Board of Directors' preparation and decision concerning the Acquisitions, the Consideration Issue or the Share Issue.

The principle for determining the subscription price in the Consideration Issue has been negotiated between NP3 and Poularde. According to this principle, the subscription price has been set at 30.05 SEK per preference share, which corresponds to the higher of i) the 10-day volume-weighted average preference share price on Nasdaq Stockholm during the period 2 September to 13 September 2024 and ii) the closing price of the preference shares on Nasdaq Stockholm on 13 September 2024. The Board of Directors considers that this principle ensures market fairness in the Consideration Issue.

The use of the cash issue proceeds

The proceeds from the Share Issue are intended to be used to finance the cash purchase price for the Acquisitions, reduce the loan-to-value ratio and enable a different distribution of bank loans and bonds as well as allowing the Company to take advantage of acquisition opportunities and other value-creating investments.

The Share Issue, the Consideration Issue and the Acquisitions will lead to a higher profit from property management and net asset value per ordinary share. The Company's property value will increase from SEK 20.9bn as of 30 June 2024 to SEK 22.4bn, the loan-to-value ratio will decrease from approximately 55 percent to approximately 52 percent and the debt ratio of the forward-looking twelve-month period will decrease from 8.4x to 8.0x.

Deviation from shareholders' pre-emptive rights

Prior to the Share Issue, the Board of Directors has made an overall assessment and carefully considered the possibility to raise capital through a rights issue. The Board of Directors' reasons to deviate from the shareholders' pre-emptive rights are to (i) further diversify and improve the Company's ownership base with institutional investors, (ii) a rights issue would take longer time to execute which would entail a greater exposure to potential market volatility and therefore risk to reduce positive financial effects of the Acquisitions and the Share Issue and (iii) the completion of a directed share issue can be performed at a lower cost and with less complexity than a rights issue. In view of this, it is the overall assessment of the Board of Directors that a directed share issue with deviation from the shareholders' pre-emptive rights is the most advantageous alternative for the Company and its shareholders to perform the capital raise.

Considering the above, it is the Board of Directors' assessment that the Share Issue will be completed in accordance with the terms, as well as the limitations of the Board of Directors' authorisation that was resolved by the annual general meeting on 7 May 2024. Furthermore, it is the Board of Directors' assessment that the deviation from the shareholders' pre-emptive rights is justified.

Since the issue price in the Share Issue will be determined through an accelerated book building procedure, it is the Board of Directors' assessment that the issue price will be on market terms as it reflects prevailing market conditions and investor demand.

Lock-up

Provided that the Share Issue is carried out, the Company will undertake not to, during a period of 180 calendar days after the settlement date in the Share Issue, without consent from the Joint Bookrunners, propose or issue additional ordinary shares, with some exceptions including e.g. issuances in relation to the Company's share-related incentive programmes or consideration shares in connection with acquisitions.

Further, the Company's board members and management, as well as the Company's largest shareholder AB Sagax (publ) (through the subsidiary Satrap Kapitalförvaltning AB), have undertaken, with certain exceptions, not to sell or transfer their ordinary shares in the Company for a period of 90 calendar days after the settlement date in the Share Issue, without consent from the Joint Bookrunners. In addition, Bäckarvet and Inga Albertina have undertaken, with certain exceptions, not to sell or transfer their ordinary shares for a period of 12 months after the settlement date in the Share Issue.

Extraordinary general meeting and voting commitments

The Acquisitions of Frösö Park and Cibola from Poularde exceed 1 percent of NP3's total value and therefore, from a company law perspective, constitute a material transaction between related parties. Pursuant to chapter 16a of the Companies Act, the Acquisitions are subject to approval by a general meeting. The portion of the purchase price for Frösö Park which is intended to be paid through the Consideration Issue is subject to chapter 16 of the Companies Act (the so-called Leo rules) and requires approval by a general meeting.

Provided that the Share Issue is carried out, the Company will convene an extraordinary general meeting for the approval of the Board of Directors' proposal regarding the Acquisitions and the Consideration Issue. The notice will be made public through a separate press release around 23 September 2024. The extraordinary general meeting is expected to be held around 22 October 2024.

The Company's largest shareholders AB Sagax (publ) (through the subsidiary Satrap Kapitalförvaltning AB), Bäckarvet, Inga Albertina, together representing 32.1 percent of the shares and 44.6 percent of the votes in NP3, have undertaken to vote in favour of the Board of Directors' proposals at the extraordinary general meeting. In addition, Länsförsäkringar Fondförvaltning, AP4, Danske Invest and SEB Investment Management representing 13.6 percent of the shares and 15.4 percent of the votes in NP3, have notified the Company of their intention to vote in favour of the Board of Directors' proposal at the extraordinary general meeting.

With consideration to chapter 16a of the Companies Act and good practice on the stock market, Inga Albertina and Bäckarvet will not participate with their respective ownership of shares in NP3 with respect to the general meeting's approval of the Acquisitions.

Advisors

Carnegie, Danske Bank and Swedbank are Joint Bookrunners in connection with the Share Issue. Snellman Advokatbyrå is legal advisor to NP3 and Baker McKenzie is legal advisor to the Joint Bookrunners.

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NP3 is a cash flow oriented real estate company focusing on commercial and high yielding investment properties, mainly in northern Sweden. As of 30 June 2024, the property portfolio comprised of 2,029,000 square metres lettable area distributed over 516 real estate properties within the segments industrial, logistics, retail, offices and others. The property portfolio is divided into eight business areas: Sundsvall, Gävle, Dalarna, Östersund, Umeå, Skellefteå, Luleå and mid-Sweden. The property value as of 30 June 2024 amounted to SEK 20.9bn. The NP3 share is listed on Nasdaq Stockholm, Large Cap. NP3 was founded in 2010 and is based in Sundsvall. Read more on www.np3fastigheter.se.

This information is information that NP3 is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 16 September 2024 at 17.31 CEST.

Important information

This press release does not constitute an offer to, or an invitation to, acquire or subscribe for any securities in NP3 in any jurisdiction, neither from NP3, Carnegie Investment Bank AB (publ), Danske Bank A/S, Danmark, Sverige Filial, Swedbank AB (publ) or anyone else. Copies of this press release will not be produced and may not be distributed or sent to the United States, Australia, Belarus, Hong Kong, Japan, Canada, New Zealand, Russia, Switzerland, Singapore, the United Kingdom, South Africa or any other jurisdiction where such distribution would be illegal or require registration or other action. The recipient of this press release is responsible for using this press release and the information herein in accordance with applicable rules in each jurisdiction.

This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in NP3's shares. Any investment decision in connection with the Share Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by Carnegie, Danske Bank or Swedbank. The information contained in this press release is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this press release or its accuracy or completeness. Carnegie, Danske Bank and Swedbank are acting for the Company in connection with the Share Issue and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Share Issue or any other matter referred to herein.

This press release does not constitute a recommendation concerning any investor's decision with respect to the Share Issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and all publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance.

This press release is not a prospectus for the purposes of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. NP3 has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Share Issue. In any EEA Member State, this communication is only addressed to and is directed at qualified investors and corresponding investors in that Member State within the meaning of the Prospectus Regulation.

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In the United Kingdom, this press release and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this press release relates is available only to, and will be engaged in only with, "qualified investors" (within the meaning of the United Kingdom version of Regulation (EU) 2017/1129 which is part of United Kingdom law by virtue of the European Union (Withdrawal) Act 2018) who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this press release relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in NP3 have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II (the "Positive Target Market"); and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II. Distributors should note that: the price of the shares in NP3 may decline and investors could lose all or part of their investment, the shares in NP3 offer no guaranteed income and no capital protection

and an investment in the shares in NP3 is only compatible with investors who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. Conversely, an investment in the shares in NP3 is not compatible with investors who need full capital protection or full repayment of the amount invested, have no risk tolerance or require a fully guaranteed income or fully predictable return profile (the "Negative Target Market", and together with the Positive Target Market, the "Target Market"). The Target Market assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Share Issue.

For the avoidance of doubt, the Target Market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in NP3.

Each distributor is responsible for undertaking its own Target Market assessment in respect of the shares in NP3 and determining appropriate distribution channels.

Bifogade filer

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