

NP3 carries out a directed new issue of 4.0 million ordinary shares and raises proceeds of SEK 1,000 million

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The Board of Directors of NP3 Fastigheter AB (publ) ("NP3" or the "Company") has, based on the authorisation granted by the annual general meeting on 7 May 2024, resolved on a directed issue of 4,000,000 ordinary shares at a subscription price of SEK 250 per ordinary share (the "Share Issue"). The Share Issue was expanded in relation to what was communicated in the previous press release from 3.5 million ordinary shares to 4.0 million ordinary shares as a result of great interest from investors. The Company will hereby receive proceeds of SEK 1,000,000,000 before transaction costs. The subscription price in the Share Issue has been determined through a so-called accelerated book building procedure led by Carnegie Investment Bank AB (publ) ("Carnegie"), Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") and Swedbank AB (publ) ("Swedbank") (together the "Joint Bookrunners") and corresponds to a discount of 4.4 percent in relation to the closing share price on 16 September 2024, a discount of 4.6 percent in relation to the volume-weighted average share price the last ten trading days on Nasdaq Stockholm up until 16 September 2024 and a premium of 81.4 percent in relation to the long-term net asset value per ordinary share in NP3, which amounted to SEK 137.85 as of 30 June 2024. The ordinary shares in the Share Issue were offered and allotted to a large number of new Swedish and international institutional and professional investors, including Swedbank Robur Fonder and Enter Fonder, and to certain existing shareholders, including Inga Albertina Holding AB ("Inga Albertina"), Bäckarvet Holding AB ("Bäckarvet"), Länsförsäkringar Fonder and Fjärde AP-fonden. Inga Albertina, controlled by NP3's board member Mia Bäckvall Juhlin, has by resolution of the Board of Directors, received allocation according to the same principles as applied for allocation to the other institutional and professional investors in the Share Issue.

Background and reasons

NP3 has today, as previously communicated, 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 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 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 SEK 30.05 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 SEK 30.05 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

The Board of Directors has made an overall assessment and carefully considered the possibility of raising 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 has been 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 has been determined through an accelerated book building procedure, it is the Board of Directors' assessment that the issue price has been on market terms as it reflects prevailing market conditions and investor demand.

Lock-up

In connection with the Share Issue, the Company has undertaken 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.

NP3 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 and Inga Albertina, together representing 32.1 percent of the shares and 44.6 percent of the votes in NP3 prior to the Share Issue, 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 prior to the Share Issue, 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.

Share capital and number of shares

As a result of the Share Issue, the total number of shares in the Company increases from 95,562,403 shares to 99,562,403 shares, divided on 61,562,403 ordinary shares and 38,000,000 preference shares, and the Company's share capital increases from SEK 334,468,410.5 to SEK 348,468,410.5. The Share Issue entails a dilution of 4.0 percent of the shares and 6.1 percent of the votes in relation to the total number of shares and votes in the Company, respectively, after the Share Issue.

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 23.35 CEST.

Important information

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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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