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NORDREST INTENDS TO LIST THE COMPANY'S SHARES ON NASDAQ FIRST NORTH GROWTH MARKET

Nordrest Holding AB ("Nordrest", the "Company" or the "Group"), a leading player in foodservice, hereby announces the intention to list the Company's shares for trading on Nasdaq First North Growth Market (the "Listing") and, in connection therewith, carry out an offering of new and existing shares for a total amount of approximately SEK 300 million to the public (the "Offering"). Nasdaq Stockholm AB has on April 25, 2024, assessed that Nordrest meets the applicable listing requirements on Nasdaq First North Growth Market and will, subject to customary conditions being met, approve an application for admission to trading of the Company's shares. Nordrest intends to carry out the Offering and Listing during the second quarter of 2024, provided that prevailing market conditions are favourable.

Nordrest is a pure foodservice company focusing on natural guest flows and contract-based meal solutions. The Company's offering includes meal solutions tailored to each customer's needs and preferences, as well as ready-made brand concepts such as Taste by Nordrest, Togo by Nordrest, Pocket by Nordrest, La Girafe, Dinners, and Way Cup. Nordrest operates within the customer groups of Defence, Corporate, School, Campus, Health & elderly Care, and Travel. Among the customers are, for example, several European defence forces, Swedish governmental entities, regions, and municipalities, as well as large Swedish industrial companies.

Nordrest has assessed that the Listing and the Offering are expected to promote a positive further development and expansion of Nordrest's operations and believes that the Listing will provide the Company with a broader shareholder base and access to the Swedish and international capital markets. Additionally, the Company assesses that the Listing will strengthen the Company's public profile through increased attention and brand awareness among existing and potential customers, commercial partners, and other stakeholders.

Arbona Growth AB, Roosgruppen AB, Salénia AB and Triega AB are cornerstone investors and, subject to certain customary conditions, have undertaken to acquire shares in the Offering for a total amount of SEK 150 million.

On April 25, 2024, Nasdaq Stockholm AB assessed that Nordrest meets the applicable listing requirements for the Nasdaq First North Growth Market and will approve an application for the admission to trading of the Company's shares. Such approval is conditional upon customary conditions being met, such as the Company submitting a final application and that the share distribution requirement of the Company's shares has been met no later than the first day of trading in the Company's shares on the Nasdaq First North Growth Market. Nordrest intends to carry out the Offering and Listing during the second quarter of 2024, provided that prevailing market conditions are favourable.

Thomas Dahlstedt, CEO, comments:

"With Nordrest's successful history as a pure player in foodservice, our strategic focus on natural guest flows and contracted revenues, along with our proven business model to acquire and retain customers, we are ready to offer investors an attractive journey on the stock market. Our agenda for continued growth, both organically and through potential acquisitions, coupled with a committed and incentive-driven management team, positions Nordrest well to create value for our shareholders."

Anders Ehrling, Chairman of the Board, comments:

"I am proud of Nordrest's strong position as a leading player in foodservice. We are entrepreneurs delivering high-quality meal experiences with a focus on long-term growth. Our ability to deliver stable results makes us an attractive choice for investors. With a management team consisting of structured entrepreneurs, we are ready to take the next step in our development and create value for both our shareholders and customers."

The Offering in brief

Assuming the Company chooses to proceed with the Listing, the Offering is expected to comprise of both newly issued and existing shares for a total amount of approximately SEK 300 million. The shares that will be offered by the existing shareholders of Nordrest are anticipated to primarily be distributed *pro-rata* among the existing shareholders. The shares in the Offering are expected to be offered to the public in Sweden and to institutional investors in Sweden and abroad. The offering to institutional investors will only be made to certain institutional investors outside the United States under Regulation S pursuant to the prevailing U.S. Securities Act ("**U.S. Securities Act**"). Complete terms, instructions, and guidelines for the Offering will be included in the prospectus that the Company intends to publish in connection with the Offering. The prospectus will be available on Nordrest's website, www.nordrest.se.

Selected historical financial information

Below is selected historical financial information for the Group for the financial years 2023, 2022, and 2021, extracted from the Company's audited consolidated financial statements prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Accounting Standards Board's regulations (K3) which have been audited by the Company's auditor.

	1 January – 31 December		
SEKm	2023	2022	2021
Net sales	1,770.6	1,206.7	488.9
Other operating income	58.4	38.4	66.5
Total revenue	1,829.0	1,245.1	555.3
EBITDA	174.0	73.9	31.4
EBITA	162.9	66.5	23.3
Operating profit (EBIT)	155.2	59.8	16.9
Net profit	124.4	45.1	18.5

Financial targets

Nordrest has adopted the following mid-term financial targets[1]:

- **Growth:** The organic revenue growth is targeted to exceed 10 percent annually on average.
- **Margin:** The operating profit before depreciation and amortization of intangible assets (EBITA) is targeted to range between 8-10 percent.
- **Leverage:** The leverage, expressed as net debt divided by earnings before interest, taxes, depreciation, and amortization (EBITDA), should not exceed 2.0 times.
- **Dividend policy:** The dividend pay-out ratio is expected to be more than 50 percent of the profit after tax, with reservations for significant acquisitions.

Strengths and competitive advantages

Growing market and customer structure with low sensitivity to economic fluctuations.

The total Swedish foodservice market amounts to approximately SEK 210 billion (according to estimates for 2023), with an annual growth rate of approximately 5.0 percent (average annual growth rate from 2019 to 2023). The market is divided into private (approximately 81 percent) and public (approximately 19 percent) sectors. Generally, the restaurant market follows the economic trend and has proven to be resilient during economic downturns (such as during the financial crisis of 2008, when Sweden's nominal GDP decreased by 2.1 percent while the Swedish restaurant market grew by 5.7 percent). Nordrest operates primarily within the public sector, which accounts for 65 percent of the Group's revenue. This means low cyclical variation and a growth rate comparable to the private sector. The Company primarily focuses on meeting the lunch needs of customers, which is less cyclical than evening meals and other leisure activities.

Strategic focus on natural guest flows and contracted revenues

By identifying and establishing a presence in locations with high predictability in guest flows, the Company creates a solid foundation for operational stability, enabling relatively higher profitability. High natural and predictable guest flows entail low marketing costs and provide excellent opportunities for efficient staffing planning. A majority of the Company's sales (75

percent in 2023) are derived from businesses and the public sector ("**B2B/PS**")^[2]. Sales within B2B/PS occur either through multi-year service agreements with the purchaser, where Nordrest typically has an exclusive right to deliver the requested meals, or through multi-year framework agreements that facilitate for the purchasers, as in the case of NSPA in the customer group Defence. As of December 31, 2023, the Company has a contract portfolio within B2B/PS where contracted periods imply an expected sales of SEK 2.5 billion until 2028 excluding extension options (the weighted average duration amounted to 3.1 years). Including the extension options, the corresponding expected sales for the current contracts are instead SEK 5.0 billion until 2029. In the private sector, the Company also has a large number of contracts with shorter contract periods, but which are automatically extended as long as either party does not terminate the agreements. In addition, the Company has a smaller part of the sales (25 percent in 2023) that are made directly to consumers ("**B2C**")^[3] and are thus dependent on Nordrest's ability to attract diners. However, B2C sales are facilitated by lease agreements entered into with property owners, providing Nordrest with tenancy protection.

A proven business model with a track record of attracting and retaining customers

Since 2016, the Company has only lost^[4] 3 customer contracts (of the customer contracts where the contracted value exceeds SEK 1 million in annual sales, excluding the annually updated contracts), none of which was worth more than SEK 20 million in annual sales, and at the same time took a large number of new contracts. The Company operates with systematic entrepreneurship, ensuring genuine customer orientation and efficiency within the Group. Local restaurant entrepreneurs act as independent units with operational freedom within the Nordrest framework, leading to tailored solutions based on each customer's unique preferences. Strategic support includes centrally pooled procurement activities that enable competitive prices and reduce the burden on local entrepreneurs without compromising quality. Nordrest offers a full range of concepts and brands (such as La Girafe, Pocket, Taste, Togo, Waycup, Dinners) and has the ability to tailor solutions as needed. The Company has a differentiated position compared to other players in the foodservice industry. Nordrest is a pure foodservice company that works with the entire meal experience. The main competitors include international facility service companies for whom the Swedish foodservice market represents only a small part of their operations.

Attractive financial profile and cash-generative business

Nordrest has experienced positive development over several years with a strong net inflow of contracts. This trend persisted during the pandemic years of 2020 and 2021, although contract wins couldn't be initiated and operationalized as planned due to the pandemic or had abnormally low volumes due to the pandemic. It was only in 2022 that the effect of the Company's contract wins and underlying growth became apparent in the net sales, which amounted to SEK 1,207 million. In 2023, net sales increased by 46.7 percent to SEK 1,771 million. The compound annual growth rate (CAGR) averaged 90.3 percent during the period 2021-2023 and 35.6 percent during the period 2019-2023, compared to the underlying foodservice market's expected CAGR of 4.8 percent during the period 2019-2023. The Company's growth during the period 2019-2023 has been mainly organic – only two acquisitions have contributed to the increased net sales

(Högskolerestauranger with annual net sales of approximately SEK 167 million acquired in June 2019, and the acquisition of Dinners with annual net sales of approximately SEK 63 million where 51 percent was acquired in April 2023 and the remaining 49 percent during the first quarter of 2024).

Agenda for continued strong organic growth and attractive acquisition opportunities

The Company's strategy for organic growth is based on low costs for acquiring new contracts and customers. Nordrest has a process for submitting tenders for procurement, especially in the public sector, and only participates if there are good chances of winning the procurement. Through its growth, Nordrest has achieved a size and critical mass that has led to an increase in inbound inquiries from companies seeking a food service provider over the past two years. The size and capacity that the Company now possesses enable Nordrest to compete for larger contracts than before.

Nordrest's assessment is that, in addition to an agenda for organic growth, the Company also has good acquisition opportunities. The market is fragmented, and the Company views additional acquisitions opportunistically in areas where it already has a position, as well as strategic platform acquisitions in new verticals where the Company is not currently active, and for acquisitions for geographical expansion. Nordrest has a history of platform acquisitions and expansion into new verticals where, according to the Company's assessment, the operations have been successfully developed. In 2014, the foundation for Svea Cater was acquired, after which the Company expanded into the School customer group. In 2016, the Company expanded into the Defence customer group through the acquisition of OutMeals, with remaining 44 percent acquired during the first quarter of 2024. A third example is the acquisition of Högskolerestauranger AB in 2019, which led to an expansion into the Campus customer group. Regarding Nordrest's latest acquisition, Dinners, made in April 2023, with the remaining 49 percent acquired during the first quarter of 2024, the plan is to develop this business in a similar manner within the Travel customer group.

Engaged management team with industry expertise supported by a professional board of directors

The group management of the Company consists of four individuals with extensive industry experience, having held roles in both large foodservice companies and food wholesalers as well as in entrepreneur-owned businesses. There is a significant ownership stake among the management team, with approximately 52 percent ownership for the founder and CEO and approximately 8 percent ownership for other management, employees, and board members.

Advisors

Pareto Securities is the Sole Global Coordinator & Bookrunner, Baker McKenzie is the legal advisor to the Company, and Advokatfirman Schjødt is the legal advisor to Pareto Securities in connection with the Offering. Avanza Bank acts as Retail Distributor in connection with the Offering. FNCA Sverige AB is the Company's Certified Adviser on the Nasdaq First North Growth Market and can be contacted at info@fnca.se or +46 8 528 00 399.

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About Nordrest Holding AB

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Any offering of the securities referred to in this press release will be made by means of a prospectus to be published on Nordrest's website, www.nordrest.se, following approval by the Swedish Financial Supervisory Authority.

This press release does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (together with any applicable implementing measures in any Member State, the 'Prospectus Regulation'). Investors should not invest in the securities described in this announcement on the basis of anything other than the information contained in the prospectus and prospective investors should read the prospectus before making an investment decision so that they fully understand the potential risks and rewards associated with the decision to invest in the securities. Approval of the prospectus by the FIN-FSA should not be considered as an approval of the securities covered by the prospectus.

In EEA Member States other than Sweden (each a '**Relevant Member State**'), this communication is only addressed to and is only directed at qualified investors in that Relevant Member State within the meaning of Article 2(e) of the Prospectus Regulation, that is, only to investors who are able to take advantage of any offer without a prospectus having been registered in that Relevant Member State.

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This press release does not identify or purport to identify any risks (direct or indirect) that may be associated with an investment in shares. An investment decision to acquire or subscribe for new shares in the Offering may only be made on the basis of publicly available information about the Company or the Company's shares, which has not been verified by the Sole Global Coordinator and the Sole Bookrunner. The Sole Global Coordinator and Sole Bookrunner are acting on behalf of the Company in connection with the transaction and not on behalf of anyone else. The Sole Global Coordinator and Sole Bookrunner will not be responsible to anyone else for providing the protections afforded to its clients or for providing advice in relation to the transaction or in relation to any other matter referred to herein.

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Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or expectations regarding the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and can be identified by the use of words such as "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "anticipates", "should", "could" and, in each case, the negatives thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, many of which are based on additional assumptions. Although the Company believes that the assumptions reflected in these forward-looking statements are reasonable, there can be no assurance that they will materialise or that they are accurate. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, actual results or outcomes could differ materially from those in the forward-looking statements for a variety of reasons. Such risks, uncertainties, contingencies, and other important factors could cause actual events to differ materially from the expectations expressed or implied in this press release by the forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements contained in this press release are accurate and any reader of this press release should not place undue reliance on the forward-looking statements contained in this press release. The information, opinions and forward-looking statements expressed or implied herein are made only as of the date of this press release and are subject to change. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, except as required by law or Nasdaq First North Growth Market's Rule Book for Issuers.

Information to distributors

For the purpose of complying with the product governance requirements set out in: (a) Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as consolidated, ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593, which complements MiFID II; and (c) national implementing measures (together, the "**MiFID II Product Governance Requirements**") and to discharge any non-contractual, contractual or other liability to which any "manufacturer" (within the meaning of the MiFID II Product Governance Requirements) might otherwise be subject, the Offer Shares have been subject to a product approval process, which has determined that such shares are: (i) suitable for a target market of retail investors and investors meeting the criteria of professional clients and eligible

counterparties, as defined in MiFID II; and (ii) suitable for distribution through all distribution channels permitted under MiFID II (the "**EU Target Market Assessment**"). For the purposes of complying with each manufacturer's product authorisation process in the UK, the Target Market Assessment for the Company's shares has concluded that: (i) the target market for such shares is only eligible counterparties as defined in the FCA Handbook Conduct of Business Sourcebook and professional investors as defined in Regulation (EU) 600/2014 which is part of UK legislation through the European Union (Withdrawal) Act 2018 ("**UK MiFIR**") and (ii) all distribution channels for such shares to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" together with the EU Target Market Assessment "**Target Market Assessment**") Notwithstanding the Target Market Assessment, distributors should note that: the price of Nordrest Shares may fall and investors may lose all or part of their investment; that Nordrest Shares carry no guarantee of return or capital protection; and that an investment in Nordrest Shares is suitable only for investors who do not require a guaranteed return or capital protection and who (acting alone or with the assistance of an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and have sufficient resources to bear any losses that may result from such an investment. The Target Market Assessment is without prejudice to any other requirements relating to contractual, legal, or regulatory selling restrictions in connection with the Offer. Furthermore, it should be noted that, notwithstanding the Target Market Assessment, the Sole Global Coordinator and the Sole Bookrunner will only provide investors who fulfil the criteria of professional clients and eligible counterparties.

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 UK MiFIR 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 of Nordrest.

Each distributor is responsible for conducting its own Target Market Assessment in respect of Nordrest's shares and for determining appropriate distribution channels.

[1] The term "medium-term" used by the Company refers to a period of 3-5 years.

[2] B2B is a well-established term in the market that refers to business-to-business sales, while PS denotes sales within the public sector.

[3] B2C is a well-established term in the market that refers to business-to-consumer sales.

[4] Contracts that have been terminated and/or not renewed by the customer, i.e., excluding contracts that the Company has chosen to terminate on its own initiative or by agreement with the customer.

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About Us

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