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## **Publication of recommended voluntary public tender offer for Spar Nord Bank A/S**

10 December 2024

### **Nykredit intends to make a recommended voluntary public tender offer for Spar Nord Bank A/S**

Nykredit Realkredit A/S (“**Nykredit**”) and Spar Nord Bank A/S (“**Spar Nord Bank**”) have today signed a publication agreement (the “**Publication Agreement**”), under which Nykredit commits to make a voluntary public tender offer (the “**Offer**”) to acquire all shares in Spar Nord Bank (with the exception of Spar Nord Bank’s holding of treasury shares) for a cash price of DKK 210 per share, valuing the aggregated issued share capital of Spar Nord Bank at DKK 24.7 billion.

The board of directors of Spar Nord Bank intends to recommend the shareholders to accept the Offer once it is submitted in the form of an offer document approved by the Danish Financial Supervisory Authority (the “FSA”). The Spar Nord Foundation, which currently owns 20.27 per cent of the share capital of Spar Nord Bank, and all members of the board of directors and the executive board of Spar Nord Bank holding Spar Nord Bank shares have made binding and irrevocable advance undertakings to accept the Offer subject to specific conditions.

Nykredit currently owns 19.60 per cent of the total share capital and voting rights of Spar Nord Bank. Taking into account the irrevocable advance undertakings made by the Spar Nord Foundation and the members of the board of directors and the executive board of Spar Nord Bank owning Spar Nord Bank shares, Nykredit is secured acceptance from shares in Spar Nord Bank equivalent to 40.17 per cent of the aggregate share capital and voting rights.

The Offer represents a premium of app. 49 per cent relative to the closing share price of DKK 140.6 on 9 December 2024 and a premium of app. 58 per cent relative to the volume-weighted average trading price of DKK 133.2 for the period from 9 September 2024 to 9 December 2024. Nykredit believes that, in terms of value, the Offer represents a highly attractive offer for the shareholders of Spar Nord Bank.

### **Rationale behind and reasons for the Offer**

Nykredit has been a major shareholder of Spar Nord Bank since 2023 and currently owns 19.60 per cent of its share capital and voting rights. Nykredit Bank A/S (“**Nykredit Bank**”) and Spar Nord Bank, respectively, were Denmark’s fourth-largest and six-largest bank in terms of lending volume at the end of the third quarter of 2024. The purpose of the Offer is to facilitate a combination of Nykredit Bank and Spar Nord Bank aimed at strengthening the banks’ joint position and business and customer base for both personal and business customers, and to exploit potential synergies. The contemplated combination will create Denmark’s third-

largest bank with total lending of approximately DKK 160 billion as per the third quarter of 2024 and a market share of approximately 13 per cent measured by lending volumes and approximately 11 per cent measured by deposit volumes.

A combination of Spar Nord Bank and Nykredit Bank will create a powerful, customer-owned alternative to the largest listed banks in Denmark. Together, Spar Nord Bank and Nykredit Bank will be well-equipped for joint growth and for welcoming even more customers. Spar Nord Bank brings extensive banking expertise to the partnership and the ability to generate profitable business based on local commitment and relationship-building.

Combined, Spar Nord Bank and Nykredit Bank will have Denmark's most extensive network of branches, while the customers of Spar Nord Bank will continue to benefit from a strong local presence. The combined bank will be one single bank, but the branches will still carry different names and logos.

Spar Nord Bank is part of Nykredit's important Totalkredit alliance. Nykredit Bank and Spar Nord Bank operate on the same data processing centre, BEC, and collaborate in a wide range of other areas.

Merete Eldrup, Chairman of Nykredit, comments:

*“Spar Nord Bank and Nykredit are a strong match. Each of us has values and core competencies that, combined, will increase our impact in the market. Spar Nord Bank has a long tradition as a locally anchored relationship bank with decentralised decision-making powers and special strengths in the personal customer and the small and medium-sized business customer segments. Nykredit Bank is currently one of the largest lenders to large corporate customers, agriculture and the real estate sector, as well as one of the largest wealth management advisers. In addition, Nykredit takes a special approach to sustainability, fixed prices and customer-based value offerings for Danish homeowners. By joining forces, we can show even more customers that there is a customer-owned alternative in the financial sector and stand even stronger in the competition with the largest listed banks.”*

Michael Rasmussen, Group Chief Executive of Nykredit, comments:

*“Nykredit and Spar Nord Bank already know each other well. We share a common history as sound and strong companies that are firmly anchored in Denmark and in the many local communities in which we are present. Also, we both have owners committed to long-term, sustainable and responsible thinking, which benefits our customers on a daily basis. Together, we will become Denmark's customer-owned bank, offering even more customers the opportunity to experience the benefits this offers. Both Spar Nord Bank and Nykredit are growing in the banking market. Customers choose us, customer satisfaction levels are high and market shares are rising. By joining forces, we will obtain the scale in our business which is increasingly important in a market with increased regulation, growing digitalisation and pressure on prices. In addition, scale benefits enable us to stand strong in the market and continue our growth.”*

*“The Nykredit Group's 'Winning the Double' strategy continues, because partnerships are a crucial part of our group strategy. Our partners can therefore expect us to further engage and invest in our important communities in Totalkredit, BEC, Sparinvest, nærpension and Privatsikring. Partnerships that ensure that we together stand stronger in the Danish financial market and in our interaction with customers.”*

Nykredit considers the management and employees of Spar Nord Bank to be crucial for its future development and aims to ensure that capabilities are retained and developed. However, part of the business rationale behind the Offer naturally lies in human resource synergies.

Nykredit aims to provide the customers with the same good experience they are accustomed to. As such, Nykredit does not expect employees with direct customer responsibilities to be affected in connection with the combination. Furthermore, the plan is for customers to continue with the adviser they currently have and are familiar with. However, combining two businesses will naturally lead to an overlap of functions. Among other things, this will apply to corporate and support functions, primarily at the headquarters in Aalborg and Copenhagen. The adjustments that may be necessary here are expected to be implemented through natural attrition, severance agreements and – ultimately – redundancies in both businesses. The focus, however, is on achieving the adjustments as far as possible by way of natural attrition, as well as assembling the best team in case of overlapping skills and experience.

Nykredit does not plan to merge branches in 2025. The long-term objective is to create a good transition for customers and employees and to create growth and business development in both banks. Obviously, it may prove necessary to evaluate the branch network in some towns and cities with overlapping activities. In these endeavours, the focus will be on retaining a strong local presence and offering customers the best possible service. Also, the intention is to offer Spar Nord Bank's customers the same attractive customer-based benefits currently enjoyed by Nykredit Bank customers.

The future group headquarters will be Nykredit's current headquarters. Going forward, Spar Nord Bank's current headquarters are expected to house a number of activities and continue to be a significant workplace in Aalborg.

## **The Offer**

Nykredit has today entered into an agreement with Spar Nord Bank under which Nykredit has committed making a voluntary public offer to acquire all shares in Spar Nord Bank (with the exception of Spar Nord Bank's holding of treasury shares).

Spar Nord Bank's board of directors unanimously intends to recommend the shareholders to accept the Offer, once it is submitted. The board statement concerning the Offer is expected to be published immediately upon Nykredit's publication of the final offer document when it has been approved by the FSA.

The offer is made in accordance with section 47 of the Danish Capital Markets Act and the Danish Takeover Order (Executive Order no. 636 dated 15 May 2020) and is subject to Danish law. The terms and conditions of the Offer will be set out in an offer document to be published by Nykredit after the FSA's approval, not later than four weeks from today. The offer period is expected to run for 6 weeks from publication of the offer document, subject to any extension of the offer period. Nykredit expects the Offer to be completed in the first half of 2025.

Completion of the offer will be subject to certain conditions, including (i) Nykredit owning or having received valid acceptances from the shareholders with respect to Spar Nord Bank shares representing in aggregate at least 67 per cent of Spar Nord Bank's share capital and voting rights, exclusive of Spar Nord Bank's treasury shares at the time of completion of the Offer, (ii) approvals and authorisations having been obtained from the Danish Competition and Consumer Authority and the FSA, (iii) Spar Nord Bank's board of directors having published, in accordance with applicable law, the board statement containing a recommendation of the Offer, (iv) Spar Nord Bank's board of directors not having withdrawn, conditioned or otherwise modified its recommendation that the shareholders accept the Offer in any manner adverse to the Offer or to Nykredit, (v) no material adverse changes having occurred in respect of Spar Nord Bank, (vi) Spar Nord Bank not having materially breached its obligations to Nykredit under the Publication Agreement, (vii) completion of the Offer not being prevented by legislation, other regulation or by decisions made by a court of law, an administrative decision or the like. In the Publication Agreement, Nykredit has given certain undertakings to ensure that the

necessary regulatory approvals are obtained and that all foreseeable undertakings are accepted and, similarly, Spar Nord Bank has given certain undertakings to support Nykredit's efforts to obtain such approvals.

The consideration for the shares to be acquired under the Offer consists solely of a cash payment. Nykredit has fully financed the offer, and the offer is made without reservations relating to financing.

If, on completion of the Offer or at a later time, Nykredit obtains the number of shares required to apply for a delisting of Spar Nord Bank, Nykredit intends to seek to have the Spar Nord Bank shares removed from trading and listing on Nasdaq Copenhagen. If, on completion of the Offer or at a later time, Nykredit obtains an ownership interest of more than 90 per cent in Spar Nord Bank, Nykredit expects to complete a compulsory acquisition of the remaining shareholders.

For additional information, see Spar Nord Bank's company announcement dated today.

## Highlights of the Offer

- Nykredit offers to pay DKK 210 cash per share in Spar Nord Bank subject to adjustment for any dividend or other distributions paid by Spar Nord Bank prior to completion of the Offer.
- The offer price represents:
  - a premium of app. 49 per cent relative to the closing share price of DKK 140.6 on 9 December 2024
  - a premium of app. 58 per cent relative to the three-month volume-weighted average trading price of DKK 133.2 for the period from 9 September 2024 to 9 December 2024.
  - a premium of app. 58 per cent relative to the six-month volume-weighted average trading price of DKK 132.8 for the period from 10 June 2024 to 9 December 2024.
- Subject to specific conditions, the Spar Nord Foundation has made a binding and irrevocable advance undertaking to accept the Offer for its entire shareholding representing a total of 20.27 per cent of Spar Nord Bank's share capital.
- Subject to certain conditions, all members of Spar Nord Bank's board of directors and executive board owning Spar Nord Bank shares have made binding and irrevocable advance undertakings to accept the Offer for their respective shareholdings representing a total of 0.3 per cent of Spar Nord Bank's share capital.
- Completion of the Offer is subject to the satisfaction of certain conditions, including Nykredit obtaining the necessary approvals and permissions from the FSA and the Danish Competition and Consumer Authority, and Nykredit owning or having received valid acceptances from the shareholders with respect to Spar Nord Bank shares representing in aggregate at least 67 per cent of Spar Nord Bank's share capital and voting rights, exclusive of Spar Nord Bank's treasury shares at the time of completion of the Offer, at the end of the acceptance period.

The offer is made as a cash offer without reservations relating to financing and is expected to be completed during the first half of 2025. If a sufficient ownership interest is obtained on or after completion of the Offer, Nykredit expects to delist Spar Nord Bank and compulsorily acquire the remaining shareholdings prior to any combination of the two companies.

## About Nykredit

Nykredit Realkredit A/S ("Nykredit") is a public limited company incorporated under the laws of Denmark, company reg. (CVR) no. 12 71 92 80, having its registered office at Sundkrogsgade 25, 2150 Nordhavn,

Denmark. Nykredit is a mortgage credit institution and, together with its wholly-owned subsidiary Totalkredit A/S, is a market leader of the Danish mortgage credit market with a market share of some 45.2 per cent. Nykredit offers mortgage financing for private individuals and businesses.

Nykredit is part of the Nykredit Group, which historically dates back to 1851. In addition to carrying on mortgage credit business, the Group carries on banking business through Nykredit Bank – including banking and wealth management operations – and has a total of around 4,000 employees in Denmark.

Nykredit is owned by an association of the Nykredit Group's customers, Forenet Kredit. Forenet Kredit owns close to 80 per cent of Nykredit's shares. Other major shareholders are five Danish pension funds: Akademikernes Pension AP Pension, PensionDanmark, PFA and PKA.

Nykredit is known for the advantages offered through the association. Forenet Kredit makes capital contributions to the Nykredit Group when times are good, and Nykredit has decided to pass these on to its customers.

Since, 2017, Forenet Kredit has paid over DKK 8 billion in capital contributions to the Nykredit Group, and in the period to 2027, Forenet Kredit has provided a further DKK 7 billion.

## **Advisers**

Deloitte Corporate Finance, a part of Deloitte Statsautoriseret Revisionspartnerselskab, have been engaged as financial advisers to Nykredit.

Haagen & Møller Advokatpartnerselskab have been engaged as legal advisers to Nykredit with respect to Danish law. Davis Polk & Wardwell London LLP have been engaged as legal advisers to Nykredit with respect to US and UK law.

## **The further process**

The next step is to publish the offer document as soon as it has been approved by the FSA. The shareholders of Spar Nord Bank will then have time to consider the offer.

During the period until regulatory approval has been obtained, Spar Nord Bank and Nykredit will continue to operate as two competing businesses, as they do today; for example, they may not share information on customers or other aspects normally not shared with competitors. Once regulatory approval has been obtained and the other conditions of the Offer are fulfilled, the Offer can be completed, and the actual combination of Spar Nord Bank and Nykredit Bank can commence.

The timing of the milestones for the upcoming process has not been fixed. However, the Offer is expected to be completed during the first half of 2025.

## **Additional information**

Contact persons:

Investor contact:

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Media contact:

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For further information about the Offer, go to <https://www.nykredit.com>

*This announcement is not directed at shareholders of Spar Nord Bank A/S whose participation in the Offer would require the issuance of an offer document, registration or activities other than what is required under Danish law. The Offer is not made and will not be made, directly or indirectly, to shareholders resident in any jurisdiction in which the submission of the Offer or acceptance thereof would be in contravention of the laws of such jurisdiction. Any person coming into possession of this announcement or any other document containing a reference to the Offer is expected and assumed to independently obtain all necessary information about any applicable restrictions and to observe these.*

*This announcement does not constitute an offer or an invitation to purchase securities or a solicitation of an offer to purchase securities in accordance with the Offer or otherwise. The Offer will be submitted only in the form of an offer document approved by the FSA, which will set out the full terms and conditions of the Offer, including information on how to accept the Offer. The shareholders of Spar Nord Bank are advised to read the offer document and any related documents, once published, as they contain important information.*

#### Important Information for Shareholders in the United States

*The Offer will be made for the shares in Spar Nord Bank which is a public limited liability company incorporated and admitted to trading on a regulated market in Denmark, and is subject to the disclosure and procedural requirements of Danish law, including the Danish Capital Markets Act and the Danish Takeover Order.*

*The Offer will be made to shareholders of Spar Nord Bank in the United States in compliance with the applicable U.S. tender offer rules under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"), including Regulation 14E promulgated thereunder, subject to the relief available for a "Tier II" tender offer, and otherwise in accordance with the requirements of Danish law and practice.*

*Accordingly, U.S. shareholders of Spar Nord Bank should be aware that this announcement and any other documents regarding the Offer have been prepared in accordance with, and will be subject to, the disclosure and other procedural requirements, including with respect to withdrawal rights, the Offer timetable, settlement procedures and timing of payments of Danish law and practice, which may materially differ from those applicable under U.S. domestic tender offer law and practice. In addition, the financial information contained in this announcement or the offer document has not been prepared in accordance with U.S. generally accepted accounting principles, or derived therefrom, and may therefore differ from, or not be comparable with, financial information of U.S. companies.*

*In accordance with the laws of, and practice in, Denmark and to the extent permitted by applicable law, including Rule 14e-5 under the U.S. Exchange Act, Nykredit, any of its affiliate or any nominees or brokers of the foregoing (acting as agents, or in a similar capacity, for Nykredit or any of its affiliate, as applicable) may from time to time, and other than pursuant to the Offer, directly or indirectly, purchase, or arrange to purchase outside of the United States, shares in Spar Nord bank or any securities that are convertible into, exchangeable for or exercisable for such shares in Spar Nord Bank before or during the period in which the Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be announced through Nasdaq Copenhagen and relevant electronic media if, and to the extent, such announcement is required under applicable law. To the extent information about such purchases or arrangements to purchase is made public*

*in Denmark, such information will be disclosed by means of a press release or other means reasonably calculated to inform U.S. shareholders of Spar Nord Bank of such information.*

*In addition, subject to the applicable laws of Denmark and U.S. securities laws, including Rule 14e-5 under the U.S. Exchange Act, the financial advisers to Nykredit or their respective affiliates may also engage in ordinary course trading activities in securities of Spar Nord Bank, which may include purchases or arrangements to purchase such securities.*

*It may not be possible for U.S. Shareholders to effect service of process within the United States upon Spar Nord Bank, Nykredit or any of their respective affiliates, or their respective officers or directors, some or all of which may reside outside the United States, or to enforce against any of them judgments of the United States courts predicated upon the civil liability provisions of the federal securities laws of the United States or other U.S. law. It may not be possible to bring an action against Nykredit, Spar Nord Bank and/or their respective officers or directors (as applicable) in a non-U.S. court for violations of U.S. laws. Further, it may not be possible to compel Nykredit and Spar Nord Bank or their respective affiliates, as applicable, to subject themselves to the judgment of a U.S. court. In addition, it may be difficult to enforce in Denmark original actions, or actions for the enforcement of judgments of U.S. courts, based on the civil liability provisions of the U.S. federal securities laws.*

*The Offer, if consummated, may have consequences under U.S. federal income tax and under applicable U.S. state and local, as well non-U.S., tax laws. Each shareholder of Spar Nord Bank is urged to consult its independent professional adviser immediately regarding the tax consequences of the Offer.*

***NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY IN ANY STATE OF THE U.S. HAS APPROVED OR DECLINED TO APPROVE THE OFFER OR THIS ANNOUNCEMENT, PASSED UPON THE FAIRNESS OR MERITS OF THE OFFER OR PROVIDED AN OPINION AS TO THE ACCURACY OR COMPLETENESS OF THIS ANNOUNCEMENT OR ANY OFFER DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.***