

Company announcement no. 73
Inside information

Nykredit announces all-cash voluntary takeover offer for Spar Nord Bank

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Spar Nord Bank A/S receives all-cash voluntary takeover offer from Nykredit Realkredit A/S

Today, Spar Nord Bank A/S (**Spar Nord**) and Nykredit Realkredit A/S (**Nykredit**) have entered into a publication agreement (the **Publication Agreement**) according to which Nykredit will make an all-cash voluntary takeover offer for all shares (other than treasury shares held by Spar Nord) in Spar Nord (the **Offer**).

Following negotiations, the parties have reached a common understanding of the terms of an expected merger of Spar Nord and Nykredit Bank A/S (**Nykredit Bank**), a wholly-owned subsidiary of Nykredit. The merger will create the third-largest bank in Denmark with a strong customer-ownership, Denmark's largest branch network and solid market positions in the private and corporate areas.

Based on the negotiated overall agreement, including the offer price, Spar Nord's board of directors supports the Offer and intends to unanimously recommend shareholders in Spar Nord to accept the Offer when made.

The Spar Nord Foundation also supports the Offer and has given an irrevocable undertaking to accept the Offer, subject to certain customary conditions, when it is made.

Spar Nord Bank A/S Executive board



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Skelagervej 15
DK-9000 Aalborg

Reg. no. 9190
Swift spno dk 22

10.12.2024



Offer highlights

- Nykredit offers the shareholders a cash consideration of DKK 210 per share in Spar Nord adjusted for any dividend payments or other distributions to the shareholders prior to completion of the Offer (the **Offer Price**). The Offer made by Nykredit measures Spar Nord's total share capital at approx. DKK 24.7bn.
- The Offer Price of DKK 210 represents:
 - a premium of approx. 49 % compared to the closing share price of DKK 140.6 on Nasdaq Copenhagen on 9 December 2024, which is the last trading day prior to the publication of this company announcement;
 - a premium of approx. 58 % compared to the volume-weighted average share price of DKK 133.2 in the three-month period from 9 September 2024 to 9 December 2024;
 - a premium of approx. 58 % compared to the volume-weighted average share price of DKK 132.8 in the six-month period from 10 June 2024 to 9 December 2024.
- Spar Nord's board of directors supports the Offer and intends to unanimously recommend shareholders in Spar Nord to accept the Offer when the board of directors' statement concerning the Offer is published in accordance with section 22 of the Danish Takeover Order (*overtagelsesbekendtgørelsen*) after Nykredit has published the offer document. The board of directors' decision is supported by a fairness opinion prepared by Carnegie Investment Bank, the financial advisor to the board of directors in connection with the Offer.
- Members of Spar Nord's board of directors and executive board have given irrevocable undertakings to accept the Offer and sell all their shares to Nykredit, corresponding to 0.3% of the total share capital and voting rights in Spar Nord. The undertakings have been given subject to certain customary conditions and restrictions under Spar Nord's remuneration policy.
- The Spar Nord Foundation supports the Offer and has, subject to certain customary conditions, given an irrevocable undertaking to accept the Offer and sell all shares to Nykredit, corresponding to 20.27% of the total share capital and voting rights in Spar Nord. The Spar Nord Foundation's board of directors has based their decision on a fairness opinion prepared by ABG Sundal Collier, which acts as independent financial advisor to the Spar Nord Foundation in relation to the Offer.
- On this day, Nykredit holds 23,074,933 shares in Spar Nord, corresponding to 19.60% of the total share capital and voting rights. Including the irrevocable undertakings given by members of Spar Nord's board of directors and executive board and by the Spar Nord Foundation, Nykredit has secured support from a total of

47,311,567 shares, corresponding to 40.17% of the total share capital and voting rights.

- After the Offer has been made, completion of the Offer is subject to a number of circumstances, including that Nykredit will hold or has received valid acceptances from the shareholders in respect of shares which altogether represent at least 67% of the share capital and voting rights in Spar Nord, excluding treasury shares held by Spar Nord, at completion of the Offer.
- Nykredit will publish a detailed offer document approved by the Danish Financial Supervisory Authority as soon as possible and no later than four (4) weeks from today. The offer period is expected to be six (6) weeks from the publication of the offer document, subject to Nykredit's extension of the offer period in accordance with the terms and conditions of the Offer. Spar Nord will publish the board of directors' statement immediately after the publication of the offer document.
- If, on completion of the Offer or at a later time, Nykredit obtains the number of shares necessary to initiate a delisting of Spar Nord, Nykredit intends to request that the Spar Nord shares be removed from trading and listing on Nasdaq Copenhagen A/S. If, on completion of the Offer or at a later time, Nykredit obtains an ownership interest of more than 90%, Nykredit expects to complete a compulsory acquisition of the remaining shareholders.
- Nykredit expects the Offer to be completed in the first half of 2025.

Kjeld Johannesen, chairman of Spar Nord's board of directors, says: "All members of the board of directors are convinced that the Offer from Nykredit is attractive to the shareholders in Spar Nord and creates a strong foundation for the continued development of the bank in a strong customer-ownership, ensuring that the customers will obtain benefits and a share in the value creation. The Offer underlines Spar Nord's strong market position and good outlook in a changing Danish banking market where Nykredit will be a strong partner sharing Spar Nord's basic values. Since Nykredit first approached us, we have negotiated an attractive agreement, including a higher offer price and other conditions. Therefore, we, the board of directors, have agreed to unanimously recommend that the shareholders accept the Offer when made by Nykredit on the agreed terms and conditions."

Lasse Nyby, chief executive officer of Spar Nord, says: "The merger of Spar Nord and Nykredit Bank will create Denmark's largest relationship bank with extensive local roots and proximity to our customers. Together, we will become an even stronger and customer-owned alternative to the largest listed banks. The foundation is solidly based on shared products, systems and business partners as well as a shared customer view focusing on per-

sonal service and local presence. We are pleased with the great recognition of Spar Nord's business and name as well as Nykredit's deep respect for our talented employees, who are crucial in continuing the strong development in a unified bank with even closer relationships, better offers and attractive benefits (*ForeningsFordele*) for our customers."

Michael Slavensky Dahl, chairman of Spar Nord Foundation's board of directors, says: "Following negotiations with Nykredit and thorough consideration, the board of directors of Spar Nord Foundation has decided to accept the Offer when made by Nykredit. We have received an independent fairness opinion prepared by ABG Sundal Collier, which confirms the fairness of the offer and contributes to our overall assessment that the transaction is appropriate to future-proof the bank's position as a competitive financial institution. At the same time, it increases the foundation's assets considerably and contributes to the foundation's ability to fulfil its distribution purpose."

Rationale and background of the Offer

Nykredit has been a major shareholder in Spar Nord since 2003 and currently holds 19.60% of the share capital and voting rights. Nykredit Bank and Spar Nord are Denmark's fourth and sixth largest banks measured by lending at the end of the third quarter of 2024. The planned merger will create Denmark's third largest bank with total lending of approx. DKK 160bn as at the third quarter of 2024 and market shares of approx. 13% in bank loans and approx. 11% in deposits. At the same time, Spar Nord and Nykredit will offer a market-leading, nationwide branch network with strong offers for the two banks' complementary customer portfolio of private individuals, homeowners, private banking and corporate customers.

Nykredit and Spar Nord have collaborated for more than 20 years and have established an operational platform with shared IT systems, business partners and products within mortgage credit, insurance, pension, etc. With the planned merger, Nykredit intends to build on the close collaboration and the strengths of both banks' business models to sharpen competitiveness by ensuring a continued strong local presence based on scalable back-office functions and competence centres in both Aalborg and Copenhagen. This will make a merged bank even better equipped to face competition in a market in which increased regulation and increasing digitalisation make scale important.

Nykredit intends to continue the Spar Nord name, which is well known to the customers and a commercially strong brand. Branches and joint locations therefore may carry the names and logos of both Nykredit Bank and Spar Nord, while operations will be sought merged as soon as possible. Nykredit's headquarters will remain in Nordhavn in Copenhagen, and Nykredit Bank's and Spar Nord's existing business areas are essentially the same and are expected to be maintained but adapted to avoid duplicate functions to the extent possible.

Nykredit considers Spar Nord's management and employees to be crucial to future development and wants to ensure that skills and competences are retained and developed. Nykredit does not expect employees who are directly customer-facing to be affected by the merger. Nykredit expects that a necessary reduction of employees with overlapping areas of responsibility and tasks may be implemented in staff functions of both businesses, taking into account the necessary qualifications and, to the greatest extent possible, through natural wastage and severance agreements and, ultimately, redundancies if necessary.

The merger will be based on a strong customer-ownership under Forenet Kredit, which is an association for customers of Nykredit and Totalkredit and majority shareholder in both companies. Forenet Kredit is based on democratic principles and ensures that customers obtain a share in the profits through benefits (*ForeningsFordele*), which include discounts on loans and fees.

Board of directors' statement

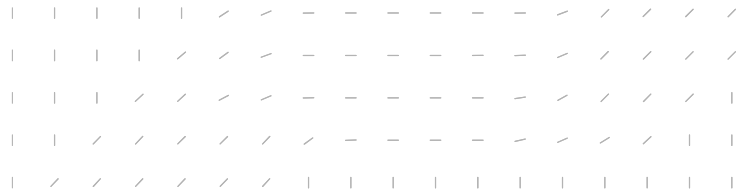
Spar Nord's board of directors has made an overall assessment of the Offer and has confirmed in the Publication Agreement that the board of directors intends to unanimously recommend the shareholders in Spar Nord to accept the Offer when made by Nykredit in the form of an offer document approved by the Danish Financial Supervisory Authority. The recommendation will be included in the board of directors' statement concerning the Offer to be published in accordance with section 22 of the Danish Executive Order no. 636 of 15 May 2020 on Takeover Offers.

As a basis for the assessment of the financial consequences of the Offer for the shareholders in Spar Nord, the board of directors' financial advisor, Carnegie Investment Bank, has prepared a fairness opinion dated 6 December 2024. The fairness opinion confirms (subject to the factors and assumptions specified in the opinion) that the Offer Price is fair to the shareholders (excluding Nykredit) in Spar Nord from a financial perspective.

Conditions

The Offer is subject to a number of circumstances, including that Nykredit will hold or has received valid acceptances from the shareholders in respect of shares which altogether represent at least 67% of the share capital and voting rights in Spar Nord, excluding treasury shares held by Spar Nord, at completion of the Offer, that the necessary public authority approvals are obtained, that the board of directors has not withdrawn their recommendation that the shareholders accept the Offer and certain other circumstances.

In the Publication Agreement, Nykredit has given certain undertakings to ensure that the necessary public authority approvals are obtained and that all foreseeable undertakings are accepted, and, similarly, Spar Nord has given certain undertakings to support Nykredit's efforts to obtain such approvals.



Process and preliminary schedule

Nykredit's announcement of the decision to launch the Offer is enclosed.

The Offer will be completed in accordance with Danish law. The terms and conditions of the Offer will be set out in an offer document to be published by Nykredit following approval by the Danish Financial Supervisory Authority and no later than four (4) weeks from the publication of this announcement.

Following the publication of the offer document, all shareholders in Spar Nord (except shareholders resident in certain jurisdictions) will be able to sell their shares in Spar Nord to Nykredit. The offer period is expected to be six (6) weeks from the publication of the offer document with an option for extension.

Nykredit will announce the final result of the Offer no later than three (3) days after the expiry of the offer period (which may be extended) and expects the Offer to be completed in the first half of 2025.

If, on completion of the Offer or at a later time, Nykredit obtains the number of shares necessary to initiate a delisting of Spar Nord, Nykredit intends to request that the Spar Nord shares be removed from trading and listing on Nasdaq Copenhagen A/S. If, on completion of the Offer or at a later time, Nykredit obtains an ownership interest of more than 90%, Nykredit expects to complete a compulsory acquisition of the remaining shareholders.

Advisors

Spar Nord is advised by Carnegie Investment Bank as exclusive financial advisor and by Accura Advokatpartnerselskab as legal advisor.

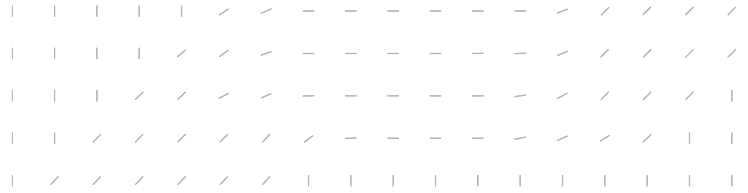
Yours faithfully
Spar Nord Bank A/S
The board of directors

Questions relating to this announcement may be directed to Neel Rosenberg (media) on +45 25 27 04 33 or to CFO Rune Brandt Børglum (investors) on +45 96 34 42 36.

Any relevant material will be made available at <https://www.spar-nord.com/investor-relations/takeover-offer> as soon as possible after publication.

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





Important information

This announcement (the **Announcement**) is not directed at shareholders in Spar Nord Bank A/S whose participation in the Offer would require the issuance of an offer document, registration or other activities other than what is required under Danish law. The Offer is not and will not be made, neither directly nor indirectly, to shareholders resident in any jurisdiction in which making the Offer or accepting it would be contrary to the legislation 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 personally obtain any necessary information about any applicable restrictions and to observe such restrictions.

This Announcement does not constitute an offer or an invitation to purchase securities or a solicitation of an offer to purchase securities under the Offer or otherwise. The Offer will be made solely by means of an offer document when approved by the Danish Financial Supervisory Authority, which will contain the full terms and conditions of the Offer, including details of how to accept the Offer. Shareholders in Spar Nord are advised to read the offer document and its related documents when they are published as they contain important information.

Important information for shareholders in the United States

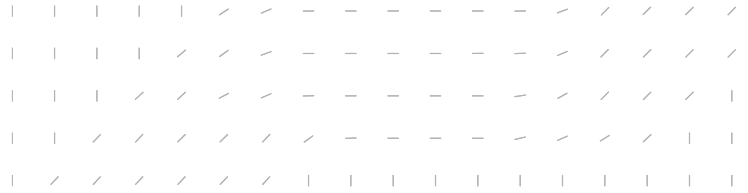
The Offer will be made for the shares in Spar Nord Bank A/S which is a public limited liability company incorporated and admitted to trading on a regulated market in Denmark, and is subject to the disclosure and procedural requirements of Danish law, including the Danish Capital Markets Act and the Danish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

The Offer will be made to shareholders of Spar Nord 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 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 affiliates, 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 or any securities that are convertible into, exchangeable for or exercisable for such shares in Spar Nord 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 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, 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, 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 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 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 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.

