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Press release

Stockholm / Oslo, 21 January 2021

## **SBB launches enhanced tender offer to acquire Entra and create the leading European social infrastructure player**

### **Publication of Combined Offer Document and Exempted Document**

#### **I. SUMMARY HIGHLIGHTS**

Further to the announcement made by Samhällsbyggnadsbolaget i Norden AB ("SBB") on 23 December 2020, SBB hereby announces the launch of its revised tender offer to acquire all outstanding shares in Entra ASA ("Entra") (the "Enhanced Offer").

Under the terms of the Enhanced Offer, Entra shareholders are offered a fixed NOK 190 per Entra share (the "Offer Price"), delivered as NOK 123.50 (65% of the total consideration) in cash (the "Cash Consideration") and NOK 66.50 (35%) in new SBB Class B Shares (the "Share Consideration").

#### **A Highly Attractive Proposal for Entra Shareholders**

- **Compelling value:** the Offer Price of NOK 190 per Entra share represents a premium of
  - 45.4% compared to Entra's volume-weighted average share price during the three months to 23 November 2020 (1);
  - 32.2% to Entra's closing share price on 23 November 2020 (2); and
  - 15.0% to the all-time high closing share price for Entra in the period prior to SBB's initial offer announced on 24 November 2020 (3).

The Offer Price further represents a 18.8% premium to the EPRA Net Asset Value of Entra as at 30 September 2020 (4) and a premium of NOK 5 per Entra share relative to the EPRA Net Reinstatement Value ("NRV") of NOK 185 per Entra share implied by Entra's portfolio revaluation announced on 9 December 2020, which was 14.2% higher than the EPRA NRV as at 30 September 2020 (5).

- **High certainty consideration:** the consideration mix offers Entra shareholders significant certainty of value as 65% of the consideration will be delivered as cash, and the remaining 35% will be delivered as fixed value share consideration that insulates Entra shareholders from movements in SBB's share price until the Enhanced Offer is declared unconditional by SBB.
- **Opportunity to benefit from further upside:** the Enhanced Offer provides Entra shareholders with shares in the enlarged group and, therefore, a pro rata share of strategic and financial benefits of the combination. Entra shareholders seeking increased exposure to the combined group can, subject to certain restrictions, seek to do this through the mix-and-match facility. Further, SBB will pursue a listing of its Class B shares on the Oslo Stock Exchange in 2021 (subject to certain conditions) to provide Entra shareholders the opportunity to trade SBB shares on a local platform.
- **Attractive financial profile:** SBB expects the transaction to be accretive to its Funds From Operations per share in the first year following completion and has identified aggregate pre-tax run-rate synergies of approximately SEK 260 million per annum, of which the majority are related to financing synergies. SBB remains focused on maintaining a sound balance sheet and believes the combined group would be well-positioned to achieve the target credit rating of BBB+ in the medium term.

- **Strong industrial logic:** the combination would create the pre-eminent social infrastructure company in Europe with a uniquely-positioned portfolio of social infrastructure properties, with a well-diversified tenant base, virtually perpetual leases and almost full occupancy underpinned by the strong sovereign credit ratings of the Nordic countries. The combined group will maintain its commitment to become the most sustainable real estate company in the world by 2030.
- **Superior platform for continued growth in Norway:** SBB has a significant footprint in Norway with approximately NOK 18 billion of real estate assets as of 30 September 2020, representing c. 22% of SBB's total property value. Combined with Entra's high-quality portfolio, SBB will build on Entra's role as a provider of flexible, environmentally friendly premises for predominantly public service tenants in and around the four largest cities in Norway. In addition, SBB is continuing the discussions with a leading Norwegian institution with substantial real estate exposure to partner up and back SBB's bid and strategy in Norway going forward. Any developments in these discussions will be announced to the market through announcements of SBB's ticker on Nasdaq Stockholm (ticker code "SBB B").

### Comments from the CEO of SBB

*"We firmly believe our offer constitutes the most attractive proposal for Entra shareholders given its superior premium combined with 65% settlement in cash and a highly certain share consideration which also allows Entra shareholders to continue benefiting from the upside of a strong industrial combination. The combination has a differentiated and strong industrial logic that will benefit all stakeholders. Together we will be stronger and even better positioned to offer flexible and competitive arrangements for our tenants, and our employees will find interesting job opportunities in a larger and more diversified group. We would be delighted to join forces with Entra, and we are certain that the combined entity will have a very exciting future as we are building the leading social infrastructure company in Europe and the most sustainable real estate company in the world."*

## II. FURTHER DETAILS OF THE TENDER OFFER

### Key Offer Terms and Structure

Entra shareholders are offered NOK 190 per Entra share, which will be delivered as a combination of NOK 123.50 in cash and a number of newly issued SBB Class B Shares that represent a value of NOK 66.50, resulting in a 65% Cash Consideration and 35% Share Consideration mix.

Further, Entra Shareholders will be offered a mix and match facility, whereby each Entra shareholder, subject to certain restrictions, may elect to receive as much cash consideration or as much share consideration as possible for the tendered shares in Entra, as described in the Combined Offer Document.

The share component of the offer is denominated as a fixed value per Entra share and the number of SBB Class B common shares that will be delivered under the Share Consideration will be calculated based on the volume-weighted average share price of the SBB Class B Share during the last three trading days before the Enhanced Offer is declared unconditional by SBB, and based on the SEK/NOK exchange rate of Norges Bank on the last of these three trading days. SBB reserves the right to settle the share-based consideration under the offer, in whole or in part, using cash.

### Offer Timeline and Conditionality

The shareholders of Entra may accept the Enhanced Offer in the period from and including today, 21 January 2021, to and including 26 February 2021 at 16:30 hours (CET). SBB may at its sole discretion extend the offer period (one or more times), but the offer period will in no event be extended beyond 16:30 hours (CET) on 1 April 2021.

Settlement is expected to take place as soon as SBB has announced that the conditions for the Enhanced Offer have been fulfilled or that SBB has decided to complete the Enhanced Offer by waiving any unfulfilled conditions. Settlement of the Cash Consideration is expected to take place on or around 9 March 2021 under the current timetable. Settlement of the Share Consideration is expected to take place on or around 15 March 2021 under the current timetable, following approval and publication of a listing prospectus.

Completion of the Enhanced Offer is subject to certain customary conditions including, but not limited to, 90% minimum acceptance of the Enhanced Offer, waivable at SBB's sole discretion, as further set out in the Combined Offer Document (as defined below).

There are no financing conditions for the offer and the Cash Consideration in the Enhanced Offer will be fully financed through a combination of cash on balance sheet, available credit lines and third party debt financing provided by Goldman Sachs via a bridge commitment.

SBB confirms it has completed its due diligence on Entra, and accordingly the Enhanced Offer is not subject to a due diligence condition. SBB also confirms that it has satisfied the regulatory condition to its previously announced offer by obtaining clearance from the Norwegian Competition authorities.

The resolution to issue the SBB Class B Shares for the Share Consideration will be resolved by SBB's board of directors based on an existing authorisation granted by the annual general meeting held on 27 April 2020 and is, as such, not subject to any approval by the general meeting. Furthermore, SBB will apply for a listing of its Class B shares on the Oslo Stock Exchange to provide Entra shareholders the opportunity to trade SBB shares on a local platform, as further described in the Combined Offer Document.

The complete terms and conditions for the Enhanced Offer, including procedures for how to accept the Enhanced Offer and detailed information regarding settlement, are set out in the Combined Offer Document.

In connection with the offer, SBB has prepared a combined offer document and an "Exempted Document" (the "Combined Offer Document") pursuant to and in accordance with Article 1 (4) (f) of Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"). Oslo Stock Exchange has in its capacity as takeover authority of Norway pursuant to Section 6-14 of the Norwegian Securities Trading Act reviewed and approved the relevant parts of the Combined Offer Document relating to the Enhanced Offer, as further set out in the Combined Offer Document. The Combined Offer Document serves as a prospectus equivalent document for the purpose of offering shares to the public, cf. Section 7-1 of the Norwegian Securities Act cf. the Prospectus Regulation Article 1 (4) point (f). The Combined Offer Document is not a prospectus within the meaning of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017, and therefore it has not been subject to scrutiny and approval by the relevant competent authority as set out in Article 20 of Regulation 2017/1129.

Subject to regulatory restrictions in certain jurisdictions, the Combined Offer Document is sent to all shareholders in Entra whose address appears in Entra's share register in the VPS as of 25 January 2021. The Combined Offer Document will also, subject to regulatory restrictions in certain jurisdictions, be available at <http://www.arctic.com/entra> and via link from <https://corporate.sbbnorden.se/en/section/entra-tender-offer/> from today, 21 January 2021. Subject to regulatory restrictions in certain jurisdictions, hard copies of the Combined Offer Document may be obtained free of charge from the same date by contacting SBB or Arctic Securities AS.

#### **Advisors:**

Arctic Securities, Citigroup Global Markets Europe AG, DNB Markets and Goldman Sachs International are acting as financial advisers to SBB. Arctic Securities is also acting as settlement agent for the Enhanced Offer. Goldman Sachs is also acting as Mandated Sole Arranger on the bridge facility. Advokatfirmaet Thommessen AS is acting as Norwegian legal counsel to SBB and Advokatfirman Vinge KB is acting as Swedish legal counsel to SBB. Advokatfirmaet Wiersholm AS is acting as Norwegian legal counsel to the Receiving Agent.

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This is information that Samhällsbyggnadsbolaget i Norden AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was sent for publication, through the agency of the contact person set out above, on 21 January 2021, at 08:45 a.m. (CET).

**Footnotes:**

- (1) Undisturbed 3-month volume-weighted average share price for Entra of NOK 130.66 on 23 November 2020 (source: Bloomberg).
- (2) Undisturbed closing price of NOK 143.70 on 23 November 2020 (source: Bloomberg).
- (3) Based on daily closing prices, with all-time high in the period prior to 23 November 2020 of NOK 165.20 on 7 February 2020 (source: Bloomberg).
- (4) EPRA Net Asset Value of NOK 160 as at 30 September 2020 (source: Entra disclosures).
- (5) Based on reported EPRA Net Reinstatement Value of NOK 162 as at 30 September 2020 and valuation uplift equivalent to NOK 23 per share, as announced by Entra on 9 December 2020 (source: Entra disclosures).

**About SBB:**

SBB was established in March 2016, and is the leading Nordic social infrastructure property company. It has a portfolio across Sweden, Norway, Finland and Denmark with a gross asset value of SEK 81 billion as of 30 September 2020. SBB generates most of its income from the management of its social infrastructure property portfolio, which includes (i) community services properties, such as elderly care homes, schools and group housing, in Sweden, Norway, Finland and Denmark and (ii) rent-regulated residential properties in Sweden. SBB also generates additional income streams from property renovations, property development activities and real estate transactions. SBB's business model is to acquire and manage properties and deploy permanent capital to effectively generate sustainable and steady risk-adjusted returns. As of 30 September 2020, community services properties and rent-regulated residential properties accounted for approximately 78% and 16% of the SBB Group's total portfolio by gross asset value, respectively. SBB has built its business based on strong and difficult to replicate relationships with municipalities. SBB takes its responsibilities to the community very seriously by also developing building rights for social infrastructure. SBB's series B shares (ticker SBB B) and D shares (ticker SBB D) are listed on Nasdaq Stockholm, Large Cap. SBB's preference shares (ticker SBB PEF) are listed on Nasdaq First North Premier Growth Market. Certified Adviser is Erik Penser Bank (contact: [certifiedadviser@penser.se](mailto:certifiedadviser@penser.se) / +46 84638300). Please see [www.sbbnorden.se](http://www.sbbnorden.se) for further information about SBB.

**IMPORTANT INFORMATION:**

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The information contained herein does not constitute an offer of securities to the public in the United Kingdom. No prospectus offering securities to the public will be published in the United Kingdom. This announcement is only being distributed to and is only directed at (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth companies and other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made.

This publication may contain specific forward-looking statements, e.g. statements including terms like "believe," "assume," "expect," "forecast," "project," "may," "could," "might," "will" or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of SBB and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties, readers should not rely on forward-looking statements. SBB assumes no responsibility to up-date forward-looking statements or to adapt them to future events or developments.

The financial advisors to SBB may engage in ordinary course trading activities in securities of Entra ASA, which may include purchases or arrangements to purchase such securities.

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#### **Notice to U.S. Holders**

The Enhanced Offer described in this announcement will be made for the shares of Entra ASA, a Norwegian company, and is subject to Norwegian disclosure requirements, which are different from those of the United States. This announcement is neither an offer to purchase nor a solicitation of an offer to sell shares of the Entra ASA. At the time the Enhanced Offer is commenced, SBB will disseminate the Combined Offer documents as required by applicable law and shareholders of Entra ASA should review such documents carefully.

The Enhanced Offer will be made in the United States pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended, and otherwise in accordance with the requirements of Norwegian law.