

Press release

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NCC sells attractive office properties in Norway for nearly SEK 2 billion

NCC is selling the Valle Wood and Valle View office projects, including the remaining development rights in the Helsfyr area of Oslo, to Valle Eiendom Holding AS, a newly formed property company established by Pareto Securities, for nearly SEK 2 billion. The transaction is being carried out in two stages, the first in the fourth quarter of 2019 and the second in 2021.

“The development and sale of Valle Wood and Valle View are prime examples of successful property development. NCC has been an active driver in this urban development project, making the Valle area a vital part of the Norwegian capital,” says, Thomas Dahle, Head of NCC Property Development in Norway.

NCC’s development project in Valle covers nearly 60,000 square meters of office development rights and is strategically located: easily visible from the E6 motorway and close to the subway, airport buses and transit routes.

The office projects are being built in phases; Valle Wood was completed in the summer of 2019 and is Norway’s largest commercial property in solid wood. The second phase, Valle View, has been started and leased to the Norwegian Directorate of Immigration, with completion planned for the second quarter of 2021.

In addition to the two initial projects, approximately 27,000 square meters of office development rights remain, including about 83 parking spaces in the Valle Vision project.

Valle Eiendom Holding AS, a newly formed property company established by Pareto Securities, has signed an agreement with NCC to acquire the entire Valle project, which covers all the phases including the remaining development rights, for an underlying property value of nearly SEK 2 billion.

The transaction will be implemented in the form of a company divestment in the NCC Property Development business area. The first stage encompasses Valle Wood and Valle Vision (development rights) and is expected to generate a positive earnings effect in the fourth quarter of 2019.

Transfer and payment of the purchase consideration for Valle View are expected to result in a positive earnings effect in conjunction with completion in the second quarter of 2021.

At the time of signing this agreement, the leasing rate was 87% for Valle Wood and 69% for Valle View. In conjunction with the sale, NCC is offering rental guarantees for unleased areas for a period of five years from the transfer of the respective phases.

Helsfyr is a well-established office area in Oslo. The development of Valle is part of the overall development plan for the area, which also includes a stadium for

the Vålerenga football club, shops, a school and approximately 300 residential apartments.

Valle Wood and Valle View will be environmentally certified under the international BREEAM system, with a rating of Excellent. NCC's objective is to minimize the environmental impact and add value for customers and society with environmentally certified buildings, attractive workplaces and inclusive urban environments.

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This is the type of information that NCC AB is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out above on August 26, 2019, at 12:30 p.m. CET.

About NCC. Our vision is to renew our industry and provide superior sustainable solutions. NCC is one of the leading companies in the Nordics within construction, infrastructure and property development, with sales of over SEK 57 billion and 16,500 employees in 2018. The NCC share is listed on Nasdaq Stockholm.