

Frequently asked questions – investors

Frequently asked questions about Nykredit's all-cash voluntary takeover offer

Spar Nord Bank A/S (**Spar Nord**) and Nykredit Realkredit A/S (**Nykredit**) have entered into an announcement 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 completion of the offer is conditional on Nykredit owning or having received valid acceptances for at least 67% of the share capital at the end of the offer period, excluding treasury shares held by Spar Nord, at completion of the offer, as well as a number of customary conditions, including obtaining necessary regulatory approvals.

The following 'frequently asked questions' mainly relate to the rationale, structure and technical aspects of the offer from Nykredit.

- 1. What is the position of Spar Nord's management on the offer?**
 - a. 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.
 - b. 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, subject to certain customary conditions.

- 2. What is the rationale behind the transaction?**
 - a. It is planned that Spar Nord Bank and Nykredit Bank A/S will merge after the completion of the offer. The planned merger will create

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Direktionen



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Denmark's third largest bank with a market-leading, nationwide branch network with strong offers for the two banks' complementary customer portfolios of private individuals, homeowners, private banking and corporate customers.

- b. 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.
- c. According to Nykredit, a merged bank will be even better equipped to face competition in a market in which increased regulation and increasing digitalisation make scale important.
- d. The merger will be based on a strong customer-ownership under Forenet Kredit, which ensures that customers obtain a share in the profits through benefits (ForeningsFordele), which include discounts on loans and fees.

3. What will happen to Spar Nord if the merger is completed?

- a. Nykredit intends to continue the Spar Nord name with its extensive local roots and proximity to our customers.
- b. Nykredit's headquarters in Copenhagen will be the group's headquarters with a continued strong local presence with a nationwide branch network. In addition, it is planned to have scalable back-office functions and competence centres in both Aalborg and Copenhagen.
- c. Spar Nord customers receive the same terms and prices as Nykredit customers, including discounts and other benefits.
- d. Nykredit does not expect employees who are directly customer-facing to be affected by the merger, and the customers' contact persons will remain the same.

4. What are the next steps in the transaction?

- a. 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 the date of the offer announcement.
- b. Spar Nord will publish the board of directors' statement immediately after the publication of the offer document.
- c. 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.

- d. The offer period is expected to be approx. 6 weeks from the publication of the offer document, subject to Nykredit's extension of the offer period.
- e. 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.

5. Where can I find more information about the offer?

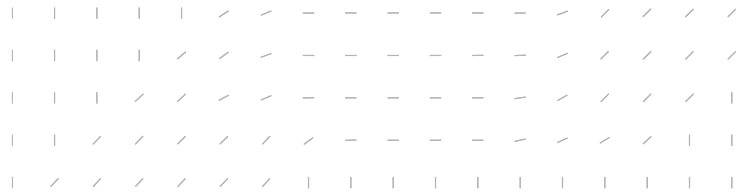
- a. You can find relevant information at this site and Nykredit's website. Further information will be made available in the offer document and the board of directors' statement to be published in connection with the offer.
- b. We recommend that all shareholders read the documents made available on this site including the offer document and the board of directors' statement.

6. What material will shareholders in Spar Nord receive?

- a. The shareholders in Spar Nord will receive an offer document from Nykredit and a statement about the offer from the board of directors of Spar Nord.
- b. All relevant information will be made available on this website and Nykredit's website.

7. What is the consideration offered to Spar Nord's shareholders?

- a. 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 made by Nykredit values Spar Nord's total share capital at approx. DKK 24.7 billion.
- b. The offer price of DKK 210 represents:
 - c. 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;
 - d. 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;
 - e. 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.



8. How do I know that the offer price is fair?

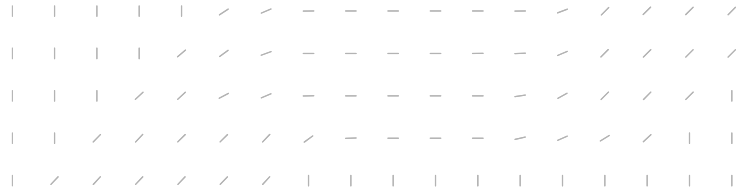
- a. Based on the negotiated overall agreement, including the offer price, Spar Nord's board of directors supports the offer and intends to unanimously recommend shareholders in Spar Nord to accept the offer when made.
- b. Members of Spar Nord's board of directors and executive board have given irrevocable undertakings to accept the offer and sell all their shares to Nykredit, subject to certain customary conditions.
- c. The board of directors' financial advisor, Carnegie, has prepared a fairness opinion confirming that the offer price is fair to the shareholders in Spar Nord from a financial perspective.
- d. The offer price represents a valuation that exceeds analysts' price targets, and the valuation of the total book value is at the absolute top among historical bank transactions.

9. Why hasn't Spar Nord reached out to other potential buyers?

- a. Nykredit approached the board of directors, and we then entered exclusive negotiations with Nykredit in light of the relatively high certainty of being able to complete the transaction due to Nykredit's significant ownership stake and further commitments from the Spar Nord Foundation to support the offer.
- b. After thorough negotiations, the board of directors has achieved a higher price and better terms, leading to an overall offer so attractive that the board of directors unanimously supports it and will recommend that the shareholders accept the offer when made.
- c. Both the premium and the valuation of the total book value are above what is normally seen in similar transactions in the banking market.
- d. We will of course publish any relevant alternative offer that may be made.

10. What is the Spar Nord Foundation's position on the offer?

- a. 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.
- b. The decision is supported by a fairness opinion prepared by ABG Sundal Collier which acts as independent financial advisor to the Spar Nord Foundation in relation to the offer.



11. What are my transaction costs and tax consequences of accepting the offer?

- a. Transaction costs and tax consequences related to acceptance of the offer may vary for each individual shareholder, depending on e.g. custodian bank, jurisdiction and nature of the shareholder. Please consult with your custodian bank and seek the necessary tax advice if you are in doubt.

12. How do I accept the offer and tender my shares?

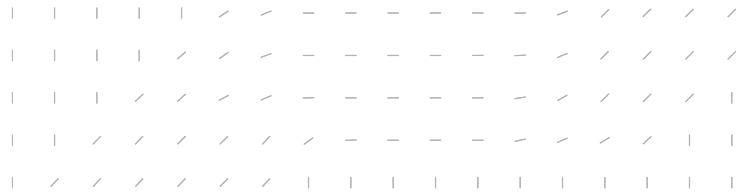
- a. With the publication of the offer document, an acceptance form will be available. You will need to complete and return the acceptance form to your custodian bank in due time to allow the custodian bank to process and communicate the acceptance to the settlement bank before the offer period expires.
- b. Shareholders resident in certain jurisdictions will not be able to accept the offer. More details will be set out in the offer document.
- c. Please refer to the offer document, once published. It is your own responsibility that you accept the offer prior to the expiry of the offer period (which may be extended).

13. What happens if Nykredit obtains acceptance from less than 67% of the share capital?

- a. If Nykredit is not owning or having received valid acceptance from at least 67% of the share capital before the end of the offer period, Nykredit is, subject to certain limitations, obliged to extend the offer period.
- b. Nykredit holds 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 40.17% of the total share capital and voting rights.

14. Can I withdraw my acceptance if a competing offer is launched?

- a. Shareholders will be irrevocably bound by their acceptances under the terms of the offer document, but any shareholder having accepted the offer from Nykredit may withdraw this acceptance during a period of 3 business days after publication of the offer document for a competing offer by submission of a withdrawal notification to the account holding institution to whom the original acceptance notification was submitted.



15. Can I continue to trade Spar Nord shares?

- a. You can trade Spar Nord shares as you normally would until you have accepted the offer to sell your shares.

16. Can Nykredit delist the Spar Nord share and complete a compulsory acquisition of the minority shareholders?

- a. 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.
- b. 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

17. What happens if the offer is not completed?

- a. If the offer is not completed, Spar Nord will continue as Denmark's 6th largest and most personal bank with continued strong local presence, close customer relationships and the skilled employees for which we have been known for 200 years.