

## STATEMENT REGARDING MANDATORY OFFER BY FASTIGHETS AB BALDER

This statement is made by the board of directors (the "**Board**") in Entra ASA ("**Entra**" or the "**Company**") pursuant to section 6-16 of the Norwegian Securities Trading Act (the "**STA**"), in connection with the mandatory offer by Fastighets AB Balder (publ) ("**Balder**" or the "**Offeror**") for all of Entra's outstanding shares not already owned by the Offeror (the "**Shares**") against a cash consideration of NOK 202.50 per Share (the "**Offer**"). The terms and conditions of the Offer are set forth in the Offer document approved by Oslo Børs ASA, dated 8 November 2021 (the "**Offer Document**").

### 1 INTRODUCTION

On 12 October 2021, Balder announced that it had acquired a total of 610,059 shares in Entra (the "**Acquisition**"). Following the Acquisition and in accordance with the Offer Document, Balder holds 61,320,119 shares, equalling to 33.67% of the shares and votes in the Company. The Acquisition triggered an obligation for Balder to make a mandatory guaranteed cash offer for the Shares pursuant to section 6-1 of the STA.

### 2 KEY ASPECTS OF THE OFFER

The consideration to be received by shareholders accepting the Offer is NOK 202.50 per share (the "**Offer Price**"). The Offer Price is equal to the highest price the Offeror has paid for shares in Entra during the last six months prior to the Acquisition, adjusted for the October 2021 dividend distribution of NOK 2.50 per Share as announced in a stock exchange announcement by Entra on 4 October 2021 (the "**Dividend Distribution**"). The Offer Price values all 182,132,055 outstanding shares in the Company to approximately NOK 37 billion.

The Offer Price represents a premium of:

- **4.4 %** compared to the last closing price prior to the announcement of the Offer of NOK 193.9 per Share on 12 October 2021<sup>1</sup>
- **9.5 %** compared to the closing price on the day prior to the announcement of the Offer of NOK 185.0 per Share on 11 October 2021
- **0.8 %** compared to the volume weighted average share price for the 3-month period ending 12 October 2021 of NOK 200.9 per Share<sup>2</sup>
- **-10.8 %** (i.e. a discount) compared to the highest closing price in Entra which occurred on 16 August 2021 of NOK 226.9 per Share (adjusted for the Dividend Distribution)<sup>3</sup>
- **0.2 %** compared to Entra's reported Q3 2021 EPRA NRV of NOK 202.0 per Share (adjusted for the Dividend Distribution)<sup>4</sup>

The period in which the Offer may be accepted is from and including 9 November 2021 to 7 December 2021 at 16:30 (Norwegian time) (the "**Offer Period**"). The Offer Period is in accordance with the Offer Document not subject to extension.

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<sup>1</sup> Balder's announcement of the Offer was made after close of the stock market on 12 October 2021.

<sup>2</sup> Calculation based on daily data from Factset. NOK 2.5 per Entra share has been deducted from the daily data provided by Factset on trading days prior to the ex-dividend date (4 October 2021) of the Dividend Distribution.

<sup>3</sup> Calculated based on the actual closing share price on 16 August 2021 of NOK 229.4 and adjusted for the Dividend Distribution of NOK 2.5 per share.

<sup>4</sup> EPRA Net Reinstatement Value, defined as Equity as recognised in the balance sheet, adjusted for interest rate swaps, goodwill relating to deferred tax, and deferred tax in its entirety. Entra reported an EPRA NRV of 204.5 per share per the end of Q3 2021. This figure has been adjusted for the Dividend Distribution of NOK 2.5 per share.

The Offer is in accordance with the STA unconditional.

Should Balder following completion of the Offer hold less than 40 % of the Company's total outstanding shares and votes, a repeated mandatory offer obligation pursuant to the STA will be triggered if Balder later reaches or exceeds more than 40 % of the Entra shares and votes. A corresponding obligation will be triggered if Balder's shareholding reaches or exceeds 50% of the shares and votes in Entra. If Balder as a result of the Offer holds more than 50% of the Shares and votes in the Company, it will not trigger a further mandatory offer obligation if Balder subsequently increases its shareholding in the Company.

Should Balder, following the completion of the Offer hold more than 90% of the Company's total outstanding shares, Balder will be entitled to a statutory redemption of the remaining of the Company's shares and will thus be able to delist Entra from trading. Under the same circumstances, any remaining shareholders are entitled to demand that Balder acquire their shares.

### 3 THE OFFER'S IMPACT ON THE COMPANY AND ITS EMPLOYEES

As set forth in the Offer Document, it is the intention of Balder that Entra will remain headquartered in Norway, and that no reorganisation of the Company will take place. The Offeror has according to the Offer Document no intention of making any changes to the Company's workforce following the completion of the Offer or other changes that would have legal, economic, or work-related consequences for the employees of the Company.

As stated in a stock exchange announcement by Balder on 12 October 2021; "Balder has previously communicated that we prefer Entra to continue to be listed on the Oslo Stock Exchange. This is still our opinion, but at the same time we wish to increase our ownership interest in Entra, why we now intend to submit a mandatory offer."

### 4 THE BOARD'S ASSESSMENT AND RECOMMENDATION

The Board has reviewed the Offer and considered factors that the Board deems material and relevant for the assessment of whether the Offer should be accepted by the shareholders of Entra.

In its work the Board has consulted with ABG Sundal Collier ASA ("**ABGSC**") as financial advisor and Wikborg Rein Advokatfirma AS as legal advisor.

ABGSC has provided a fairness opinion dated 29 November 2021, in line with the recommendation set out in the Norwegian Code of Practice for Corporate Governance.

The fairness opinion summary is attached to this statement.

The Board has noted the expressed preference of Balder to keep Entra listed on the Oslo Stock Exchange, despite crossing 1/3 ownership and indicating interest to potentially further increase its ownership.

The ownership structure of Entra is already concentrated with the Offeror holding more than 1/3 of the shares and Castellum Aktiebolag AB (publ) holding close to 1/3 the shares. The concentration of ownership will have negative consequences for liquidity and index weighting for the Entra share, with subsequent negative implications for future share trading price, and two shareholders with de facto control could potentially lead to weakened corporate governance going forward.

The Board has considered alternative strategic options available to Entra again, following a comprehensive strategic review in relation to the competing voluntary offers on Entra earlier this year.

Any strategic option subject to shareholder approval with statutory requisite majority, will in practice need the support of the two major shareholders. This may limit the strategic options for Entra on a stand-alone basis going forward.

The Board is confident in the Company's stand-alone prospects as the leading owner, manager and developer of office properties in Norway. A superior quality portfolio with ample development potential, a clear strategy and ample financial flexibility will in the Board's view ensure growth and value creation for the Company's shareholder going forward on a stand-alone basis.

However, the Offer represents a liquidity event for shareholders looking to monetize their position in the Company, in addition to selling their share in the market above the Offer Price if possible, and there can be no assurance as to the future trading price of the Shares given the aforementioned concerns related to a concentrated ownership structure.

#### **Recommendation:**

**While the Offer could have been more compelling from a financial point of view, for shareholders where liquidity in the share and/or visibility as to the future ownership and governance (including dividend distribution) of Entra is important, the Board will recommend acceptance of the Offer, or selling the shares in the market if the price is higher.**

**For shareholders who focus on long term value potential with less sensitivity to future liquidity, ownership and governance, the Board sees the Offer as not sufficiently attractive to warrant a recommendation.**

**The conclusion is unanimous.**

The Board's assessment of the Offer does not entail any certainty as for future market prices of the Entra shares. Shareholders should carefully study the Offer Document and consider their alternatives in light of the information included in this statement as well as other available information, and ultimately draw their independent conclusions as to accept or reject the Offer.

#### **5 STATEMENT FROM THE EMPLOYEES OF ENTRA**

The Board has not received any statements from Entra's employees about the Offer. The employee elected members of the Board has participated in the dealings of the Board and support the conclusion referred to above.

#### **6 SHARES OF THE BOARD AND MANAGEMENT**

No member of the Board or the management of Entra have accepted the Offer for their shares.