

THE BOARD OF DIRECTORS OF NORDIC WATERPROOFING UNANIMOUSLY RECOMMENDS THE SHAREHOLDERS NOT TO ACCEPT THE CASH-BASED MANDATORY PUBLIC OFFER BY KINGSPAN

The board of directors of Nordic Waterproofing Holding AB (“Nordic Waterproofing” or the “Company”) unanimously recommends the shareholders of Nordic Waterproofing not to accept the cash-based mandatory public offer submitted by Kingspan Holdings (IRL) Limited (“Kingspan”) on 10 October 2023.

Background

This statement is made by the board of directors of Nordic Waterproofing (the “Board”) pursuant to Nasdaq Stockholm’s Takeover Rules (the “Takeover Rules”).

On 13 September 2023, Nordic Waterproofing’s main shareholder Kingspan announced that Kingspan had acquired 1,648,089 shares in Nordic Waterproofing for a price of SEK 160 per share and that Kingspan’s shareholding in Nordic Waterproofing thereafter amounted to 30.9 per cent of the shares and votes in Nordic Waterproofing. Through the acquisition of additional shares in Nordic Waterproofing, an obligation arose for Kingspan to submit a public offer for the remaining shares in Nordic Waterproofing (a mandatory public offer) within four weeks from the acquisition date, in accordance with the Swedish Takeover Act.

On 10 October 2023, Kingspan submitted a public offer to the shareholders in Nordic Waterproofing to transfer all of their shares in Nordic Waterproofing to Kingspan for SEK 160 in cash per share (the “Offer” and such consideration being, the “Offer Price”). On 22 November 2023, Kingspan published an offer document regarding the Offer.

The Offer values all shares in Nordic Waterproofing at approximately SEK 3,839^[1] million. The total value of the Offer, based on 16,538,259 outstanding shares in Nordic Waterproofing which are not owned by Kingspan, amounts to approximately SEK 2,646^[2] million.

The Offer price represents a:

- discount of 6.4 per cent compared to the closing price of SEK 171.0 for the Nordic Waterproofing share on Nasdaq Stockholm on 5 February 2024 (being the last day of trading before the Board’s announcement of its opinion regarding the Offer);
- premium of 13.8 per cent compared to the closing price of SEK 140.6 for the Nordic Waterproofing share on Nasdaq Stockholm on 13 September 2023 (being the last day of trading before Kingspan announced that the mandatory bid threshold was crossed);

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- premium of 12.3 per cent compared to the volume-weighted average share price for the Nordic Waterproofing share on Nasdaq Stockholm during the last 90 days of trading up to and including 13 September 2023 (being the last day of trading before Kingspan announced that the mandatory bid threshold was crossed);
- discount of 1.2 per cent compared to the closing price of SEK 162.0 for the Nordic Waterproofing share on Nasdaq Stockholm on 9 October 2023 (being the last day of trading before the announcement of the Offer);
- premium of 1.8 per cent compared to Nordic Waterproofing's volume-weighted average share price for the shares on Nasdaq Stockholm during the last 90 days of trading up to and including 9 October 2023; and
- premium of 2.7 per cent compared to Nordic Waterproofing's volume-weighted average share price for the shares on Nasdaq Stockholm during the last 180 days of trading up to and including 9 October 2023.

The initial acceptance period for the Offer commenced on 23 November 2023 and was initially expected to end on 1 February 2024. With reference to the ongoing process to obtain merger approval from the EU Commission and in accordance with an exemption granted by the Swedish Securities Council, Kingspan, on 9 January 2024, announced that the initial acceptance period has been extended until 27 March 2024.

The completion of the Offer is conditional upon, with respect to the Offer and completion of the acquisition of Nordic Waterproofing, receipt of all necessary regulatory, governmental or similar clearances, approvals, decisions and other actions from authorities or similar, including from competition authorities, in each case on terms which, in Kingspan's opinion, are acceptable.

For further information about the Offer, please refer to <https://www.kingspangroup.com/en/investors/kingspan-and-nordic-waterproofing/>.

Fairness opinion

The Board appointed Bank of America Europe Designated Activity Company, Stockholm Branch ("BofA Securities"), to render a fairness opinion to the Company to support the Board in its evaluation of the Offer.

The Board received a fairness opinion, dated 6 February 2024, from BofA Securities, to the effect that, as of the date of such opinion, the Offer Price to be received by holders of Company shares (other than Kingspan) pursuant to the Offer, was not fair, from a financial point of view, to such holders, which opinion was based upon and subject to the assumptions, procedures followed, matters considered and limitations and qualifications on the review undertaken as more fully described in such opinion (the "**Opinion**"). The Opinion was provided solely for the use and benefit of the Board and does not constitute a recommendation as to whether any holder of Company shares should tender such shares in connection with the Offer, how any holders of Company shares should act in connection with the Offer or any other matter. BofA Securities will receive a fixed fee for providing the Opinion which is not contingent upon the amount of the Offer Price, the acceptance level of the Offer or whether it is completed or not. The complete Opinion is attached as an appendix to this statement.

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Impact on the Company and its employees

In accordance with the Takeover Rules, the Board is required, on the basis of Kingspan's statement in the press release announcing the Offer, to present its opinion regarding the impact that the implementation of the Offer will have on the Company, particularly on terms of employment and its opinion regarding Kingspan's strategic plans for the Company and the effect it is anticipated that such plans will have on employment and on the locations where the Company operates.

In its press release, Kingspan stated, among other things, the following:

"Kingspan does not plan any changes regarding Nordic Waterproofing's operations or its management or employees as a result of the Offer (including employment terms and conditions), or for the employment at the locations where Nordic Waterproofing operates. Kingspan does currently not have any strategic plans for Nordic Waterproofing that may have an impact on employment or the locations where the Company operates. Following completion of the Offer, and after careful consideration, Kingspan will evaluate these matters and how the Company can best be developed."

The Board assumes that this description is accurate and has for relevant purposes no reason to adopt a different opinion.

The Board's statement on the Offer

The Board's opinion of the Offer is based on an overall assessment of a number of factors that the Board has considered relevant in the evaluation of the Offer. These factors include, but are not limited to, the market share price of Nordic Waterproofing, the Company's strategic options given its operational and financial prerequisites as well as prevailing market conditions and challenges in each market in which the Company operates, the Company's expected future development and related opportunities and risks.

Further, the Board has analysed the Offer using the methods normally used for evaluating public offers for listed companies, including Nordic Waterproofing's valuation in relation to comparable listed companies and comparable transactions, premiums in previous public offers, the stock market's expectations in respect of Nordic Waterproofing and the Board's view on Nordic Waterproofing's long-term value, based on expected future cash flows.

Further, the Board has considered the Opinion from BofA Securities.

Having conducted this evaluation, the Board believes that the terms of the Offer do not reflect the long-term growth prospect of Nordic Waterproofing nor do they take into account the synergy and coordination effects of the transaction.

In view of the above, the Board unanimously recommends Nordic Waterproofing's shareholders to not accept the Offer.

Governing law

Swedish law applies to this statement (other than the Opinion) and the statement shall be construed accordingly. Disputes arising pursuant to this statement (other than the Opinion) are to be settled exclusively by Swedish courts.

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Advisers

The Board has appointed Nordea Bank Abp, filial i Sverige ("**Nordea**") as financial adviser and Setterwalls Advokatbyrå AB as legal adviser. The advisers are assisting the Board in its assessment of the Offer.

Other

Nordea is acting exclusively for the Company and for no one else in connection with the Offer, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Offer or otherwise.

BofA Securities, a subsidiary of Bank of America Corporation, is acting exclusively for the Company and for no one else in connection with the rendering of the Opinion, and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the rendering of the Opinion or otherwise.

[1] Based on 23,991,989 shares in Nordic Waterproofing (excluding 91,946 shares held by Nordic Waterproofing).

[2] Based on 23,991,989 shares in Nordic Waterproofing (excluding 91,946 shares held by Nordic Waterproofing).

For further information, please contact:

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Nordic Waterproofing in brief

Nordic Waterproofing is one of the leading providers in the waterproofing market in northern Europe. The Company provides high-quality products and solutions for waterproofing in Sweden, Finland, Denmark, Norway, Belgium, the Netherlands, Poland, the United Kingdom and Germany. Nordic Waterproofing also provides installation services through wholly-owned subsidiaries or part-owned companies in Sweden, Finland, Denmark and Norway. The Company markets its products and solutions under several brands, all with an extensive heritage, most of which are among the most established and well-recognized brands in their respective markets, such as Matakki, Trebolit, Phønix Tag Materialer, Kerabit, Byggpartner, SealEco, Distri Pond, Taasinge Elementer, RVT and Veg Tech. Nordic Waterproofing Holding AB is listed in the Mid Cap segment on Nasdaq Stockholm with the stock ticker NWG.

Additional information about Nordic Waterproofing is available at www.nordicwaterproofing.com

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This information is information that Nordic Waterproofing Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2024-02-06 08:00 CET.

Attachments

[THE BOARD OF DIRECTORS OF NORDIC WATERPROOFING UNANIMOUSLY RECOMMENDS THE SHAREHOLDERS NOT TO ACCEPT THE CASH-BASED MANDATORY PUBLIC OFFER BY KINGSPAN Project Navigator Fairness Opinion Letter \(2024 02 06\) Signed](#)