



Adapteo to acquire Stord Innkvartering, the leading Norwegian provider of worker accommodation rental buildings

Adapteo Plc – Inside information – 9 December 2020 at 8.10 a.m. CET

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Adapteo has entered into an agreement to acquire all of the shares in Stord Innkvartering AS ("Stord") from its current private owners at an enterprise value (EV) of NOK 1,050 million (approximately EUR 97 million)^[1]. A purchase price of NOK 667 million (approximately EUR 62 million) will be payable upon the completion of the acquisition and potential additional consideration of up to 10 per cent of the purchase price may become payable in the future depending on Stord's future financial performance. The acquisition is expected to be completed during January 2021. Adapteo expects the acquisition to have a positive effect on its earnings per share from 2021. In connection with the acquisition, Adapteo has entered into a new financing facilities agreement and has also undertaken to raise additional equity, which it is planning to do within its existing share issue authorisation.

The acquisition

Stord operates across Norway within adaptable buildings including accommodation units, offices and canteens. A majority of Stord's customers are in the infrastructure industry and public sector. Stord's building portfolio consists of approximately 4,000 units with approximately 110,000 square meters and the company has an estimated market share of 10–15 per cent of the adaptable building market in Norway.

For the financial year 2019, Stord had revenue of NOK 189 million, EBITDA of NOK 114 million (excluding lease costs), and EBIT of NOK 37 million on a pro forma basis and prepared in accordance with Norwegian generally accepted accounting principles.

For the financial year 2020, Stord estimates revenue of approximately NOK 200 million, EBITDA of NOK 127–132 million, and EBIT of NOK 80–85 million on a pro forma basis and prepared in accordance with IFRS. These figures are estimates and refer to the Stord business subject to the acquisition and do not take into account any potential additional effects arising from the future consolidation of the Stord business as part of the Adapteo group.

Adapteo will today arrange a conference call regarding the Stord acquisition. Further details regarding the conference call can be found at the end of this release.

The acquisition of Stord is supported by a strong strategic rationale and offers further value creation opportunities. In particular:

- Stord has a leading position in the worker accommodation segment, which is a highly complementary customer segment for Adapteo;
- Stord's revenues are characterised by long contracts and good rental revenue visibility, similar to Adapteo's revenues in the public sector. The average contract term in Stord's portfolio is approximately six years;
- Infrastructure expenditure in Norway has a strong outlook and consequently the demand outlook for worker accommodation is robust;
- Stord has a complementary service offering and a modern building portfolio with a high utilisation rate;
- The acquisition is expected to provide critical mass and enables expanding to new customer segments in Norway; and
- Stord provides a solid platform with a proven business model and efficient operations, which can be further leveraged within Adapteo.

Philip Isell Lind af Hageby, President and CEO of Adapteo, comments on the acquisition:

"With the acquisition of Stord, we are strengthening our position within the private sector and expanding our addressable market in Norway by entering the worker accommodation segment, which also serves as a growth platform for further Nordic expansion. I am impressed by Stord's team and the way that they have built the company and by the way they operate it. Stord has a strong and well-established network and expertise within the private sector and will be a great complement to our existing business."

Endre Sørstrømmen, Stord's CEO, comments on the acquisition:

"We are looking forward to becoming part of a leading international group with great expertise in the area of adaptable buildings. Joining our forces creates the opportunity to further strengthening our position and offering within the area of workers accommodations."

The completion of the acquisition of Stord is conditional on certain customary conditions. The completion of the acquisition is not conditional on authority approvals.

Financing

The purchase price will be paid in cash. In connection with the acquisition, Adapteo has entered into a facilities agreement to refinance its existing EUR 500 million loan agreement consisting of a EUR 400 million term loan and a EUR 100 million revolving credit facility. Pursuant to the new agreement, the total amount of the facilities was increased to EUR 630 million to finance the acquisition of Stord and to refinance Stord's existing indebtedness.

In connection with the new facilities agreement, Adapteo has also undertaken to raise additional equity, which it is planning to do within its existing share issue authorisation. Danske Bank A/S, Finland Branch, and Nordea Bank Abp, filial i Sverige, have been mandated to assist Adapteo in evaluating equity financing alternatives.

Adapteo's net debt as at 30 September 2020, as adjusted to include the net debt impacts from the acquisition of Stord as well as the acquisition of Dutch Cabin Group, which was completed on 29 October 2020, amounts to EUR 574 million, without taking into account any additional equity Adapteo may raise.

Contemplated Nasdaq Helsinki listing

Due to the acquisition and the related financing, Adapteo has decided to further postpone its listing on Nasdaq Helsinki. Postponing the listing on Nasdaq Helsinki will enable Adapteo to focus on completing the Stord acquisition and to provide, in connection with the listing, more detailed information on the impact of the Stord acquisition and the acquisition of Dutch Cabin Group announced on 5 October 2020. It remains Adapteo's firm intention to list its shares on Nasdaq Helsinki and Adapteo will announce a new intended timetable when it has been established.

Financial calendar

Adapteo will also postpone the publication of its Financial Statements Release 2020, which had been scheduled to be published on 5 February 2021. Adapteo will announce the new publication date when it has been established.

Conference call

A conference call with a presentation on the Stord acquisition for investors, analysts and media will be held on Wednesday 9 December at 10.00 CET. The presentation will be held via tele conference and webcast by President and CEO Philip Isell Lind af Hageby and CFO Erik Skånsberg.

The session will start with a presentation, followed by a Q&A session and will be held in English. A recorded version will be available after the conference at www.adapteogroup.com under Investors.

Dial in numbers and links to conference call

FIN: +358 981710310 PIN: 13418852#

SE: +46 856642651 PIN: 13418852#

UK: +44 3333000804 PIN: 13418852#

US: +1 6319131422 PIN: 13418852#

Link to audiocast: <https://adapteo.videosync.fi/2020-12-09-f668jsyhyz>

[1] Enterprise value includes subsidiaries that will be wholly owned at closing (except one subsidiary that will continue to be 50.8% owned). Exchange rate of NOK 10.778 = EUR 1.

For additional information, please contact

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This is information that Adapteo 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 8.10 a.m. CET on 9 December 2020.

Adapteo in brief

Adapteo is a leading flexible real estate provider in Northern Europe. We build, rent out and sell adaptable buildings for schools, daycare centres, care, offices, accommodation and events. We know that our society will go through an immense change in the years to come. Whatever the future brings, we believe that adaptability is the best solution. With our buildings, we can transform, repurpose, scale up and scale down in a matter of weeks by using a modular and circular building concept. Our buildings can be used for a few days or indefinitely, always optimised for current needs. That is how we build adaptable societies.

Adapteo is listed on Nasdaq Stockholm and operates in Sweden, Finland, Norway, Denmark and Germany. In 2019, Adapteo's Net sales were EUR 216 million.

www.adapteogroup.com

IMPORTANT INFORMATION

Neither this release nor the information contained herein is for publication, distribution or release, in whole or in part, directly or indirectly, in or into the United States, Australia, Canada, Hong Kong, Japan, New Zealand, South Africa or Singapore or any other jurisdiction in which publication or distribution would be unlawful.

Adapteo Plc (the "**Company**") has not authorised any offer of securities to the public in the United Kingdom or any Member State of the European Economic Area (the "**EEA**"). No action has been taken or will be taken to make any offer of securities to the public requiring publication of a prospectus. Any securities may in the United Kingdom and Member States of the EEA only be offered (i) to any legal entity which is a qualified investor as defined in the Prospectus Regulation (a "**Qualified Investor**") or (ii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation. "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (as amended). For the purposes of this paragraph, "offer of securities to the public" means a communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and the securities to be offered, so as to enable an investor to decide to purchase or subscribe for those securities.

Pursuant to the Prospectus Regulation, this release is an advertisement and not a prospectus for the purposes of the Prospectus Regulation.

In the United Kingdom, this release is directed only at Qualified Investors who are (i) persons who are investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a)–(d) of the Order (all such persons together being referred to as "**Relevant Persons**"). Any investment activity to which this release relates will only be available to and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person or a Qualified Investor should not act or rely on this release or any of its contents.

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PRO FORMA FINANCIAL INFORMATION

This release includes unaudited pro forma financial information of Stord presented for illustrative purposes to give effect to certain reorganisations of the Stord business in connection with the acquisition as if such reorganisations had been completed at an earlier date. The unaudited pro forma financial information for the financial year of 2019 give effect to such reorganisations as if they had occurred on 1 January 2019.

The pro forma financial information has been presented for illustrative purposes only. The pro forma financial information addresses a hypothetical situation and is not therefore necessarily indicative of what the Stord's financial position or financial performance actually would have been had the reorganisations been completed as of the date indicated. Further, the pro forma financial information does not purport to project the operating results or financial position of Stord or Adapteo as of any future date. In addition, the pro forma financial information does not reflect any cost savings, synergy benefits, future integration costs, depreciations or any other impacts on the Adapteo group that are expected to be generated or may be incurred as a result of the reorganisations or

the acquisition. The pro forma adjustments presented are preliminary and based on information available at this time.

Further, this release includes illustrative financial forecasts relating to the acquired Stord business for 2020. These illustrative forecasts have been prepared based on pro forma financial information for the Stord business, giving effect to the reorganisations referred to above as if they had occurred on 1 January 2020. The illustrative forecasts have been presented for illustrative purposes only and are forward-looking statements.

FORWARD-LOOKING STATEMENTS

Certain statements in this release are "forward-looking statements." Forward-looking statements include statements concerning plans, assumptions, projections, objectives, targets, goals, strategies, future events, future revenues or performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, the Company's competitive strengths and weaknesses, plans or goals relating to financial position, future operations and development, its business strategy and the anticipated trends in the industry and the political and legal environment in which it operates and other information that is not historical information. In some instances, they can be identified by the use of forward-looking terminology, including the terms "believes," "intends," "may," "will" or "should" or, in each case, their negative or variations on comparable terminology.

Forward-looking statements in this release are based on assumptions. Forward-looking statements involve inherent risks, uncertainties and assumptions, both general and specific, and the risk exists that the predictions, forecasts, projections, plans and other forward-looking statements will not be achieved. Given these risks, uncertainties and assumptions, you are cautioned not to place undue reliance on such forward-looking statements. Any forward-looking statements contained herein speak only as at the date of this release. Save as required by law, the Company does not intend to, and does not assume any obligation to, update or correct any forward-looking statement contained in this release.