



**STATEMENT OF 7 JUNE 2022 BY THE BOARD OF DIRECTORS OF SANISTÅL A/S REGARDING THE  
RECOMMENDED CONDITIONAL VOLUNTARY PUBLIC OFFER MADE BY AHLSELL DANMARK APS  
ON 7 JUNE 2022**

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# Statement of 7 June 2022 by the Board of Directors of Sanistål A/S regarding the recommended conditional voluntary public offer made by Ahlsell Danmark ApS on 7 June 2022

## 1 INTRODUCTION

### 1.1 The Offer in Brief

On 24 May 2022, Ahlsell Danmark ApS, a Danish limited liability company with company reg. no. 19 54 11 42 ("**Ahlsell Danmark**" or the "**Offeror**") announced that it had agreed to acquire, subject to certain conditions, the shares held by Danske Bank A/S, Jyske Bank A/S, Nordea Bank Abp and Nykredit A/S (the "**Major Shareholders**") in Sanistål A/S, a Danish limited liability company with company reg. no. 42 99 78 11 ("**Sanistål**" or the "**Company**" and together with its subsidiaries the "**Group**"). The Major Shareholders hold a total of 75.49% of all issued shares of nominally DKK 1.00 in Sanistål (the "**Shares**"), and are, pursuant to four separate share purchase agreements entered into between Ahlsell Danmark and the Major Shareholders (the "**Share Purchase Agreements**"), offered a cash payment of DKK 58.00 in consideration for each Share (the "**Major Shareholders' Offer Price**")

Further, Ahlsell Danmark announced its intention to submit a recommended conditional voluntary public takeover offer (the "**Offer**") for the Shares in Sanistål held by the remaining minority shareholders (the "**Ordinary Shareholders**"). Ahlsell Danmark and Sanistål have on 24 May 2022 entered into a transaction agreement (the "**Transaction Agreement**") setting out, among other things, the terms and conditions pursuant to which the Offer shall be made by Ahlsell Danmark.

On 7 June 2022, Ahlsell Danmark published an offer document (the "**Offer Document**"), setting out the terms of the Offer. Under the Offer, Ahlsell Danmark offers to acquire all Shares held by the Ordinary Shareholders for a cash payment of DKK 85.00 in consideration for each Share (the "**Offer Price**").

The Offer is open for acceptance from 7 June 2022 until 16 August 2022 at 17:00 (CET) or until expiry of any extended offer period as may be announced by Ahlsell Danmark in accordance with the Offer Document (the "**Offer Period**").

The Offer is subject to certain conditions (the "**Conditions**") being satisfied, waived or reduced in scope. The Conditions of the Offer include (non-exhaustively):

- The Share Purchase Agreements having been completed in accordance with their terms with the effect that Ahlsell Danmark has acquired all of the Major Shareholders' Shares, (noting that such completion is conditional upon all necessary regulatory, governmental or similar clearances, approvals, permits and consents from the European Commission and/or other competition authorities with whom Ahlsell Danmark submits merger filings for the purpose of obtaining merger control clearance (the "**Competition Authorities**"), having been obtained).
- No Material Adverse Change (as this term is defined in the Offer Document) having occurred after the date of the Transaction Agreement.
- There having been no change in or binding undertaking to amend or change the share capital of Sanistål or its articles of association and there having been no announcements of proposals of the board of directors of Sanistål (the "**Board of Directors**") in relation hereto that are materially adverse to the Offer or Ahlsell Danmark.
- Sanistål not having made any amendments to the employment contracts with any member of the executive management of Sanistål (the "**Executive Management**", consisting of Claudio Keld Christensen (CEO) and Uffe Iversen (CFO)) that are materially adverse to the Offer or Ahlsell Danmark.
- No legislation or other regulation having been issued or decision made and remaining in effect by a competent court or regulatory authority or other Government Body (as defined below) that would prevent or otherwise prohibit the completion, including settlement, of the Offer in accordance with the terms and conditions set out in the Offer Document ("**Completion**"), nor shall any action have been taken, or any applicable law or order promulgated, entered, enforced, enacted, issued or

deemed applicable to the Offer or the transactions contemplated by the Transaction Agreement by any Government Body, which prohibits, makes illegal or otherwise prevents Completion.

- Since 24 May 2022 and until Completion, neither Sanistål nor any of Sanistål's subsidiaries have (a) entered into any agreements or commitments to acquire or dispose of any businesses (whether in the form of assets or shares), whether through a merger, demerger, contribution (including to a joint venture) or otherwise or (b) raised any short or long-term debt except to the extent such raising of debt is solely for the purpose of refinancing existing debt or in the ordinary course of business.

The full wording of the Conditions is set out in the Offer Document (which prevails in the event of any inconsistencies).

Ahlsell Danmark will release an announcement of the result of the Offer through Nasdaq Copenhagen and electronic media via Sanistål no later than twenty-four (24) hours after expiry of the Offer Period. The announcement will contain the preliminary or if possible the final result of the Offer and a notification of whether the Offer will be extended or Completed. No later than three (3) Business Days (as defined below) after the expiry of the Offer Period, the final result will be announced by Ahlsell Danmark, provided that the Offer Period has not been extended and if not already announced.

This statement contains selected information from the Offer Document. For more information and details (in particular, details of the offer conditions, the acceptance periods, the acceptance procedures and the withdrawal rights), shareholders of Sanistål (the "**Shareholders**") are referred to the statements in the Offer Document. The information herein merely summarises information included in the Offer Document. The Board of Directors points out that the description of the Offer in this statement does not claim to be exhaustive and that, as for the content and settlement of the Offer, solely the provisions of the Offer Document are authoritative. It is the responsibility of each Shareholder to read the Offer Document and to adopt the measures that are appropriate for such Shareholder.

The Board of Directors has neither undertaken any review of the Offer's compliance with relevant statutory provisions being the responsibility of Ahlsell Danmark nor verified any of Ahlsell Danmark's statements in the Offer Document.

For the purposes of this board statement:

"**Ahlsell Group**" shall mean the group of companies under Ahlsell AB (publ), which Ahlsell Sverige AB, the direct and sole owner of Ahlsell Danmark, forms part of.

"**Alternative Transaction**" shall mean any transaction that would, if implemented, hinder, obstruct or delay the entering into, implementation or Completion of the Offer, including:

- (i) an acquisition of Shares or other equity interest of Sanistål that, if consummated through transfer or subscription or otherwise, would result in any Person directly or indirectly owning securities representing ten (10) per cent or more of the Shares, including any other acquisition of financial instruments which would give the holder the same financial exposure to Sanistål or which in any other way could be used by the holder to achieve the same result as having acquired the Shares directly or indirectly;
- (ii) any merger, consolidation or other business combination involving Sanistål or those of Sanistål Affiliates whose assets, individually or in the aggregate, constitute ten (10) per cent or more of the consolidated assets of the Group taken as a whole or would result in any Person directly or indirectly owning securities representing ten (10) per cent or more of the Shares;
- (iii) any direct or indirect acquisition, license or sale of any assets, rights or businesses involving Sanistål or the Sanistål Affiliates that, individually or in the aggregate, (a) constitute ten (10) per cent or more of the aggregate fair value of the consolidated assets of the Group taken as a whole, and/or (b) would hinder or delay Ahlsell Danmark from obtaining approvals, clearances or no-objection statements of the Offer from competent merger control, regulatory or other authorities or would make the granting of such approvals, clearances or no-objection

statements subject to Ahlsell Danmark undertaking any obligations or commitments that would not have had to be undertaken in the absence of any such acquisition, license or sale; or

- (iv) the entering into of any joint venture, alliance or similar undertakings or arrangements that would hinder or delay Ahlsell Danmark from obtaining approvals, clearances or no-objection statements of the Offer from competent merger control, regulatory or other authorities or would make the granting of such approvals, clearances or no-objection statements subject to Ahlsell Danmark undertaking any obligations or commitments that would not have had to be undertaken in the absence of any such joint ventures, alliances or undertakings, in each case, other than the Offer.

**"Business Days"** shall mean any day, other than Saturdays, Sundays, Danish public holidays, 5 June, 24 December and 31 December.

**"Compulsory Acquisition"** shall mean a compulsory redemption of the minority Shareholders pursuant to section 70-72 of the Danish Companies Act.

**"Danish Companies Act"** shall mean the Danish Companies Act (Consolidated Act no. 1952 of 11 October 2021).

**"Government Body"** shall mean any (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; or (c) governmental or quasi-governmental authority of any nature including any governmental division, department, agency, commission, instrumentality, official, ministry, fund, foundation, center, organisation, unit, body or entity and any court, arbitrator or other tribunal in each case having legal authority to affect Completion in a material adverse manner.

## 1.2 **Legal background for this statement**

The Offer is regulated by ordinary contract law provisions under Danish law, including the rule that accept is binding. The Offer is not regulated by Consolidated Act no. 2014 of 1 November 2021, the Capital Markets Act, as amended (the **"Capital Markets Act"**), or the Danish Executive Order no. 636 of 15 May 2020 on Takeover Bids (the **"Takeover Order"**), as the Offer will result in a consolidation of control of Sanistål and is not made for the purpose of obtaining control of Sanistål.

As the Offer is not comprised by the Capital Markets Act or the Takeover Order, the Board of Directors is not obliged to prepare a statement to Sanistål's shareholders. However, the Board of Directors has chosen to engage financial as well as legal counsel and to prepare this statement in order to guide Sanistål's shareholders in a way that is compliant with usual practice on takeover offers comprised by the Capital Markets Act and the Takeover Order.

Completion of the Offer by itself will not result in an obligation on Ahlsell Danmark to submit a subsequent mandatory public offer pursuant to section 45 of the Danish Capital Markets Act and section 3 of the Danish Takeover Order. However, the completion of the Share Purchase Agreements is expected to result in Ahlsell Danmark obtaining control over Sanistål during the Offer Period and consequently becoming obliged to submit a mandatory public offer pursuant to section 45 of the Danish Capital Markets Act and section 3 of the Danish Takeover Order.

## 1.3 **Own responsibility of the Sanistål Shareholders**

The statements and assessments in this statement are not binding on the Shareholders. Each Shareholder must make its own decision whether or not to accept the Offer, respectively, taking into account the overall circumstances, its individual situation (including its personal tax situation) and its individual assessment of the future development of the value and stock market price of the Shares, the risk of dilution following the contemplated capital increase described in section 9.2 of this board statement, and risk of a potential delisting of the Shares.

In deciding whether or not to accept the Offer, the Shareholders should make use of all available sources of information and pay sufficient regard to their personal circumstances. In particular, the specific financial and tax situation of individual Shareholders may in individual cases result in assessments that differ from those presented by the Board of Directors. The Board of Directors therefore recommends that the Shareholders obtain on their own responsibility and cost independent tax and legal advice, if necessary, and assumes no liability for the decision taken by a Shareholder in respect of the Offer.

#### 1.4 **Restricted Jurisdictions**

According to the Offer Document, the Offer is not being submitted directly or indirectly in, into or from the United Kingdom, Japan, the United States, Canada, Australia, or South Africa or any other jurisdiction in which the submission of the Offer would violate the laws of that jurisdiction (each a "**Restricted Jurisdiction**"), and the Offer does not apply and cannot be accepted from or within the United Kingdom, the United States, Canada, Australia, Japan or South Africa or any other Restricted Jurisdiction. Accordingly, copies of this Offer Document and any accompanying documents are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from the United Kingdom, Japan, the United States, Canada, Australia, or South Africa or any other Restricted Jurisdiction where doing so would violate the laws in that jurisdiction, and Persons receiving this Offer Document and any accompanying documents may not mail or otherwise distribute or send them in, into or from such jurisdictions as doing so may invalidate any purported acceptance of the offer by Shareholders in such jurisdictions..

The Board of Directors is not able to verify whether the Ordinary Shareholders meet all the legal obligations applicable to them personally on acceptance of the Offer. The Board of Directors recommends that any Ordinary Shareholder that receives the Offer Document or wishes to accept the Offer outside the Kingdom of Denmark or is subject to securities laws of jurisdictions other than the Kingdom of Denmark should inform itself about these laws and comply with them.

Reference is made to the Offer Document for further information relevant for Shareholders in Restricted Jurisdictions and other jurisdictions than the Kingdom of Denmark.

## 2 **CONCLUSION AND BOARD RECOMMENDATION**

The Board of Directors support the Offer and are of the opinion that the completion of the Offer is in the interest of Sanistål, its shareholders and other stakeholders.

The Board of Directors has noted that the Major Shareholders, subject to certain conditions including regulatory, governmental or similar clearances, approvals, permits and consents from the Competition Authorities having been obtained, have agreed to sell their Shares at the Major Shareholders' Offer Price, which is a price significantly below the Offer Price. The Shares held by the Major Shareholders represent jointly approx. 75.49% of the voting rights and share capital in Sanistål.

Based on the analysis set forth in this statement and taking into consideration the advantages and disadvantages of the Offer to the Shareholders, the Board of Directors has unanimously decided to recommend the Ordinary Shareholders to accept the Offer.

This statement is based on an assessment of the issues and factors which the Board of Directors has concluded to be material in evaluating the Offer, including, but not limited to, the Fairness Opinion, the Share Purchase Agreements, the support by the Major Shareholders in Sanistål for the Offer and the information and assumptions on the business operations and finances of Sanistål at the date of this statement and their expected future development.

Notwithstanding this, each Shareholder is, in any event, responsible for making its own decision whether or not to accept the Offer, taking into account the overall circumstances, its, his or her personal situation and its, his or her own assessment of the possible future performance of the value and stock market price of the Shares. Subject to applicable law, the Board of Directors accept no liability should a Shareholder suffer any economic disadvantages as a result of accepting or not accepting the Offer.

The conclusion in this section 2 should be read in conjunction with the full statement.

### **3 BACKGROUND FOR THE BOARD OF DIRECTORS' ANALYSIS OF THE OFFER**

#### **3.1 History, group structure and business strategy**

Sanistål, at that time under the name of Lange & Unmack A/S, commenced its operations in 1926. The legal entity Sanistål was formed in 1972 and was listed on the Copenhagen Stock Exchange (now Nasdaq Copenhagen A/S ("**Nasdaq Copenhagen**") in 1984).

Throughout the 1980's and 1990's, Sanistål's domestic growth continued by way of numerous mergers and acquisitions. In 1995, Sanistål established operations internationally.

Today, the Sanistål Group has operations in Denmark, Latvia, Lithuania and Poland and employs approximately 1,127 people (average FTEs in Q1-2022) through Sanistål and its three (3) subsidiaries. Sanistål is headquartered in Aalborg, Denmark.

##### **3.1.1 Turn-around in 2011**

In 2008, Sanistål became financially distressed during the global economic recession. A financial action plan was initiated, involving significant staff and cost reductions. Further, in 2011, the Shareholders of Sanistål resolved on a directed issue of 10,000,000 Shares to, among others, the Major Shareholders paid by conversion of debt. On that basis, debt of DKK 500,000,000 owed to the Major Shareholders (and DKK 550,000,000 in total), was converted to Shares in Sanistål.

After the financial reconstruction, Sanistål's focus in the following years was on further reducing the interest-bearing debt, strengthening the business platform, upgrading systems and processes, as well as strategically re-focusing the business on its current markets and activities. A key initiative in this respect was the divestment of the steel division in 2019.

In 2019, Sanistål launched the Genesis strategy to improve efficiencies and boost margins of the Danish parent company, the Group's largest business unit. In 2021, Sanistål delivered revenue growth of 7.6%, while the EBITDA margin before special items improved by 1.7 percentage point, largely driven by Genesis initiatives and other optimization efforts, incl. intensified focus on digitisation.

##### **3.1.2 Strategic review 2022**

Sanistål is preparing a new business strategy to replace the current Genesisprogramme, which primarily focused on optimisations. The new strategy, originally due for publication before Summer 2022, focuses on main topics such as:

- Digital transformation
- Sales and Customer Excellence
- Cost-efficiency and profitability
- Sustainability
- People and culture

If the Offer is completed, Ahlsell Danmark ApS will as new majority shareholders have a substantial influence on Sanistål's business strategy. The above description of the new business strategy to be implemented in 2022 therefore presupposes that the Offer is not completed. If the Offer is completed, reference is made to section 8.4 for a description of Ahlsell Danmark's intentions with Sanistål.

#### **3.2 Sanistål's business model**



Sanistål aims to be a value-creating sourcing partner for its customers in the manufacturing and construction industries. Sanistål's product range includes more than 396,000 products in HVAC, water & drainage, transmission, engineering, tools, electrotechnology, steel, energy and climate, fittings & fasteners, as well as chemicals and consumables.

Directing its business at five specific customer categories with a series of common characteristics, Sanistål has a strong strategic focus on supporting its customers' businesses and offer differentiated value creation. Sanistål offers its customers a complete range of products and an effective and reliable supply chain with a broad range of delivery services. Combining local presence and specialist competences with its many digital service concepts, Sanistål contributes to enhanced flexibility in the value chain and development of its customers' businesses.

### 3.3 **Sanistål's share capital**

Sanistål's total share capital is as at 2 June 2022 DKK 11,923,784.00 divided into 11,923,784 shares of a nominal value of DKK 1 each and multiples hereof.

Sanistål has only one (1) share class and all shares have equal voting rights.

The Shares are admitted to trading and official listing on Nasdaq Copenhagen under the symbol SANI and the following ISIN code: DK0010245661.

### 3.4 **Ownership structure**

As at 2 June 2022, a total of 3,309 of the Shareholders were registered in the shareholder register.

As at the day hereof, the following shareholders have reported ownership of 5% or more of the Shares:

- Danske Bank A/S, Denmark, holding 5,151,220 shares corresponding to approx. 43.2% of the Shares;
- Nordea Bank Abp, Finland, holding 1,899,192 shares corresponding to approx. 15.93% of the Shares;
- Jyske Bank A/S, Denmark, holding 1,471,649 shares corresponding to approx. 12.34% of the Shares; and
- Peter Vagn-Jensen, Denmark, holding 599,451 shares corresponding to approx. 5.03% of the Shares.

In addition to the above, Nykredit Bank A/S holds approx. 4.02% of the Shares. Consequently, the Major Shareholders (Danske Bank A/S, Nordea Bank Abp, Jyske Bank A/S and Nykredit Bank A/S) hold approx. 75.49% of the Shares. These shareholdings are the primary consequence of the financial action plan initiated in 2008, including the capital increase in 2011, described in section 3.1 of this board statement.

Therefore, the Major Shareholders are not long-time owners of Shares in Sanistål - instead, their shareholdings were established under extraordinary circumstances for Sanistål. As further described in section 1.1, the Major Shareholders have all entered into Share Purchase Agreements pursuant to which they have agreed to sell their Shares in Sanistål (noting that completion of the Share Purchase Agreements are subject to certain conditions, including all necessary regulatory, governmental or similar clearances, approvals, permits and consents from the Competition Authorities, having been obtained).

### 3.5 **Financial information**

#### 3.5.1 Financial reports

Sanistål announced its annual report for the financial year 2021 (the "**Annual Report**") on 8 March 2022. The historical development of key financial figures for Sanistål for the financial years 2017-2021 is set out on page 24 of the Annual Report.

On 24 May 2022, Sanistål announced its Quarterly Statement for Q1 2022. Group revenue in the first quarter grew by 11.7% to DKK 943.1 million, while operating profit (EBITDA) before special items was DKK 72.3 million, up from DKK 45.7 million in Q1 2021. Progress was attributable to increased activity, higher selling prices, better margins and a lower cost ratio.

Reported EBITDA in Q1 2022 was DKK 56.7 million vs. DKK 39.8 million in Q1 2021. Free cash flow was DKK 41.2 million vs. DKK -14.5 million in the comparison period.

### 3.5.2 Outlook for 2022

In the Annual Report, Sanistål made public its 2022 outlook, which was revised on 9 May 2022. Sanistål now expects revenue at approximately DKK 3.6 billion (previously: DKK ~3.5 billion) while the EBITDA result before special items is expected in the range of DKK 225 – 255 million (previously: DKK 210 – 240 million).

The revised financial outlook for 2022 was reiterated in Sanistål's Quarterly Statement for Q1 2022. The outlook is subject to the qualifications and assumptions set out in company announcements no. 6 published on 9 May 2022 and no. 7 published on 24 May 2022. It should be underlined that there are still considerable uncertainties as a consequence of increasing inflation, salary and price pressure, less consumer trust and the risk of shortage on goods and bottlenecks in the supply lines.

The revised outlook presuppose:

- That an underlying growth in demand on the Danish main market continues to exist
- That the availability of goods does not worsen and that the challenges in increasing prices and stressed deliveries are assumed to be on a par with what Sanistål has experienced in recent months
- That the consequences of the war in Ukraine will not have further negative effects on the economy and market conditions
- That Sanistål's customers are not negatively affected by the expiry of various aid packages in connection with the COVID-19 pandemic with lower demand as a result

Further, Sanistål on 26 April 2022, announced the divestment of its head office in Aalborg, yielding a gain of DKK 34 million, which will be recognised as special items in Q2 2022. In case of Completion of the Offer, special items in 2022 are also expected to include expenses of approx. DKK 10.8 million for cash settlement of share options which have not been hedged by Sanistål's holding of treasury shares, approx. DKK 8.9 million for change of control bonuses and stay-on bonuses and approx. DKK 16.5 million for expenses related to the Board of Director's strategic analysis, the Fairness Opinion (as defined below), fees to advisers, etc.

On 29 April 2022, Sanistål announced the divestment of the subsidiary Serman & Tipsmark A/S. Serman & Tipsmark A/S will in 2022 be reported as discontinuing operations and is expected to contribute with a net result of approximately DKK 1.8 million.

### 3.5.3 Risk factors for the Sanistål business

The above outlook for Sanistål should be viewed in the light of the risks associated with Sanistål's business and markets. The Annual Report identifies a non-exhaustive list of eight (8) key risks that may potentially affect Sanistål:

- Financial risks;
- IT-risks;
- Risks related to product liability;
- Damages to assets, including consequential operating loss;
- Customer and supplier risks;
- Inventory risks;

- State-of-the-market-related risks; and
- Employee risks.

The key risks are explained in further detail, along with mitigation initiatives, on pages 17-19 of the Annual Report.

#### **4 EVENTS AND PROCESS LEADING UP TO THE SUBMISSION OF THE OFFER**

Due to the Majority Shareholders not being long-term owners of Sanistål, the Board of Directors has over the years received various indications of interest of a potential transaction involving Sanistål from multiple bidders. To advise Sanistål in this process, Sanistål engaged Danske Bank Corporate Finance as financial advisor and Plesner Advokatpartnerselskab as legal advisor.

During Q1 of 2022, the Board of Directors was approached by Ahlsell Danmark's parent company, indicating its non-binding interest in a potential transaction involving Sanistål and its Shares. Based on the level of preparedness and firmness of this interest in Sanistål, the Board of Directors considered it to be in the best interest of the Shareholders to engage in a dialogue with Ahlsell Danmark to explore the merits of the non-binding interest.

As part of this process, the Board of Directors explored the possibilities of whether there was any interest from other parties in pursuing an alternative transaction, which taken as a whole, was more favourable to Sanistål, the Shareholders and Sanistål's other stakeholders. During that process, discussions were held with multiple potentially interested parties. As a result of such discussions with other parties, the Board of Directors received another non-binding indication of interest from one other interested party. Following review by interested parties of selected information made available by Sanistål, and based on the discussions with the interested parties, the Board of Directors carefully assessed each of the two indications of interest based on a number of criteria determined by the Board of Directors, including the price offered to the Ordinary Shareholders and an assessment of the level of deal certainty. On that basis, the Board of Directors came to the conclusion that it would be in the best interest of Sanistål, the Shareholders, and other stakeholders to pursue the transaction proposed by Ahlsell Danmark and enter into the Transaction Agreement with Ahlsell Danmark, which agreement was executed on 24 May 2022.

#### **5 SHARE PURCHASE AGREEMENTS**

Ahlsell Danmark and each of the Major Shareholders have each entered into Share Purchase Agreements pursuant to which Ahlsell Danmark will acquire the Major Shareholders' Shares at a price of DKK 58 per Share. The Major Shareholders' Shares account for a total of 9,000,909 Shares equal to approximately 75.49% of the share capital and voting rights in Sanistål as of the date hereof (not excluding treasury Shares).

The completion of the Share Purchase Agreements is subject to certain conditions, including that necessary approvals by relevant regulatory authorities are obtained.

Pursuant to the Share Purchase Agreements, the Major Shareholders may terminate the Share Purchase Agreements if the conditions therein have not been satisfied by 24 November 2022.

#### **6 TRANSACTION AGREEMENT**

##### **6.1 Contents of the Transaction Agreement**

In the Transaction Agreement, Ahlsell Danmark has made certain warranties, covenants and undertakings for the benefit of Sanistål and the Board of Directors. This includes that Ahlsell Danmark has warranted, undertaken and covenanted to Sanistål and the Board of Directors that:

- The Offer is being made for Ahlsell Danmark's own account; and
- Ahlsell Danmark has not entered into any agreement, letter of intent, or understanding (whether orally or in writing) with any third party (other than Ahlsell Danmark's shareholder) that such third

party (a) shall become a co-shareholder, directly or indirectly, in Sanistål or any Group company, or (b) shall acquire any assets, directly or indirectly, of or from the Group, following Completion.

Subject to proper performance of the Share Purchase Agreements by the respective Major Shareholders thereunder and no Alternative Transaction having been entered into by Sanistål, the board of directors of Sanistål (the "**Board of Directors**") or the Executive Management of Sanistål, Ahlsell Danmark has warranted and confirmed to Sanistål and the Board of Directors that Ahlsell Danmark will publish the Offer Document in accordance with all applicable law, rules and regulations and that it will have all required corporate approvals to make and, subject to satisfaction or waiver of the Conditions, Complete the Offer.

In order to satisfy the Conditions, Ahlsell Danmark has further undertaken to make all filings required for approval by the Competition Authorities as soon as possible and no later than 10 Business Days after the announcement on 24 May 2022 of Ahlsell Danmark's intention to make the Offer.

Furthermore, Ahlsell Danmark has warranted and confirmed to Sanistål and the Board of Directors that Ahlsell Danmark has given and will give due regard to Danish restrictions regarding financial assistance applicable to the Group when obtaining the financing required to finance the Offer and that Ahlsell Danmark has in the Offer Document fully disclosed its intentions with regard to declaring any dividends or other payments in accordance with the principle of Section 10(2)(4) of the Danish Takeover Order.

In the Transaction Agreement, Sanistål has made certain covenants to Ahlsell Danmark, including with regard to: (i) reasonable assistance with the implementation of the Offer and merger control filings, (ii) conduct of the Group's business pending Completion, (iii) not to withdraw the conclusion in section 2 of this statement (the "**Board Recommendation**") except if a superior competing offer is made by a bona fide third party, and (iv) not to directly or indirectly solicit or encourage an offer for an Alternative Transaction or Competing Offer and to cease any existing discussions or negotiations in that regard.

It is specified in the Transaction Agreement that, subject to the above, nothing therein hinders or restricts Sanistål or the Board of Directors during the period from the date of the Transaction Agreement until and including Completion from:

- (a) Conducting the Group's businesses as the Board of Directors and the Executive Management deem fit and appropriate and deciding on the strategy of the Group as the Board of Directors deem fit and appropriate and in accordance with their duties, however, in doing this, without deviating from the foregoing, taking the existence of the Offer and the Transaction Agreement into due consideration;
- (b) Withdrawing or amending or publicly proposing to withdraw or amend the Board Recommendation or approving or recommending or publicly proposing to approve or recommend any Alternative Transaction (as defined in the Offer Document) or Competing Offer (as defined in the Offer Document) if a bona fide third party makes an unsolicited superior offer;
- (c) Withdrawing or amending the Board Recommendation if required in the exercise of the Board of Directors' duties under applicable law; or
- (d) Recommending an unsolicited Alternative Transaction or Competing Offer if required in the exercise of the Board of Directors' duties under applicable law.

## 6.2 **Certainty of funds**

It was a pre-condition of Sanistål and the Board of Directors for entering into the Transaction Agreement that Ahlsell Danmark's owner, Ahlsell Sverige AB, a Swedish limited liability company with company reg. no. 556012-9206, issued a commitment letter for the performance of Ahlsell Danmark's obligations under the Offer Document. Under the agreed commitment letter, Ahlsell Sverige AB has subject to the Offer becoming unconditional, irrevocably committed to fund Ahlsell Danmark with up to DKK 248,500,000, which the Board of Directors expects to be sufficient funds for settlement of the Offer. Further, Ahlsell Sverige AB has undertaken as primary obligor to each Shareholder having tendered its Shares into the Offer the full and punctual performance by Ahlsell Danmark of its obligation to settle the Offer to such

Shareholder, which can be relied on and enforced by each Shareholder having tendered Shares under the Offer.

## **7 CHANGE OF CONTROL RELATED PROVISIONS**

### **7.1 Introduction**

Sanistål and/or its subsidiaries are parties to certain commercial agreements that contain change of control provisions that may be triggered by Completion of the Offer.

### **7.2 Commercial contracts**

This includes financing agreements as well as agreements with suppliers and customers. For current Shareholders, change of control provisions in existing agreements that Sanistål is a party to are relevant primarily if Ahlsell Danmark completes the Offer without acquiring more than 90% of the outstanding share capital and voting rights in Sanistål (excluding treasury shares), since in such situations Ahlsell Danmark will not be able to carry out a Compulsory Acquisition of the remaining Shareholders. On the date hereof, the Board of Directors currently assumes that the consummation of the Offer and any change of control potentially arising therefrom with regard to Sanistål will not lead to a termination of any material business relationships by the respective contractual partners of Sanistål.

The Board of Directors notes that it cannot be ruled out that, following a change of control after a successful completion of the Offer, repayment obligations on the part of Sanistål or termination rights for Sanistål's creditors, as well as certain other termination rights could be triggered.

### **7.3 Incentive programmes and bonuses**

The Company has introduced an option programme. Pursuant to the programme, certain employees of the Company have been granted options exercisable to Shares. A number of current and former senior employees holds a total of 419,395 share options in the Company with an average strike price of DKK 67.

As a starting point, the share options may only be exercised after a period of vesting and then only within a certain period of time (the exercise period). The length of both the vesting period and the exercise period is prescribed in each individual option agreement.

However, the Board of Directors is in case of a takeover offer obliged to offer the holders of share options the possibility to extraordinarily exercise their share options. If options are not exercised during this extraordinary exercise window, they will lapse after expiry of the expected mandatory offer described in section 1.2.

The Company expects to settle as many of the share options as possible by way of cash settlement.

## **8 THE BOARD OF DIRECTORS' VIEW ON CERTAIN FACTORS RELATING TO THE OFFER**

### **8.1 The Board of Directors' evaluation of the Offer**

The Board of Directors has carefully assessed the Offer and its terms and conditions based on a draft Offer Document substantially in the form made public and other available information. In assessing the Offer, the Board of Directors has analysed the Offer using methods consistent with market practice for evaluating public offers for listed companies, including the valuation of Sanistål relative to comparable listed companies and comparable transactions, premiums in previous public offers, the stock market's expectations in respect of the Company and the Board of Directors' view on Sanistål's long-term value based on its expected dividend and cash flow generation.

Sanistål has retained Danske Bank Corporate Finance as financial adviser and Plesner Advokatpartnerselskab as legal advisor. Further, Sanistål has obtained a fairness opinion from HCN Partners P/S ("**HCN Partners**"), as further described in section 8.3.

## 8.2 Assessment of the Offer Price

### 8.2.1 Historical stock exchange prices

The table below shows the Offer Price compared to the market price of the Shares on relevant historical dates and in relevant historical periods.

Period	Share price (DKK)	The difference between the relevant historical prices of the Share and the Offer Price (premium) (%)
Daily average share price on 23 May 2022 (last trading day before announcement of the Offer)	DKK 68.93	23.31%
1-month's volume weighted average share price for the period of 23 April 2022 to 23 May 2022	DKK 70.10	21.26%
3-months' volume weighted average share price for the period of 23 February 2022 to 23 May 2022	DKK 68.63	23.86%

*All historical Share prices are in DKK per Share of a nominal value of DKK 1.00. The average prices are calculated on the basis of daily volume weighted average prices of the Shares in each stated period as derived from the website of Nasdaq Copenhagen.*

### 8.2.2 Offer as a result of a thorough, deliberate review

The Offer is the result of a long-term interest in Sanistål, in which period the Board of Directors has received various indications of interest in a potential transaction involving the Company, including the indication of interest received from Ahlsell Danmark.

As further described in section 4 of this board statement, the non-binding interest indicated by Ahlsell Danmark during Q1 of 2022 has initiated a thorough review of the indication of interest from Ahlsell Danmark as well as a study of potential alternative transactions.

The Board of Directors notes that the Major Shareholders have on a fully informed basis accepted to sell their Shares at the Major Shareholders' Offer Price. This price is significantly lower than the Offer Price being offered to the Ordinary Shareholders. This agreement by the Major Shareholders for the lower price, following an extensive strategic review process, supports in the opinion of the Board of Directors that the Offer Price being offered to the Ordinary Shareholders is attractive from a financial point of view and is taken into consideration in the Board of Directors' conclusion to recommend the Offer to the Ordinary Shareholders.

After an extensive review of the Offer, the Board of Directors has therefore come to the conclusion that it is in the best interest of Sanistål, the Ordinary Shareholders and other stakeholders of Sanistål to enter into the Transaction Agreement with Ahlsell Danmark.

In its assessment of the Offer, and potential alternatives to the Offer, the Board of Directors has relied on the assistance of Danske Bank Corporate Finance as financial advisor and Plesner Advokatpartnerselskab as legal advisor.

### 8.3 **Fairness Opinion**

In order to assist its assessment of the Offer and decision to recommend the Offer, the Board of Directors has obtained an independent fairness opinion (the "**Fairness Opinion**") from HCN Partners. The Fairness Opinion concludes that, subject to the methodologies and assumptions specified therein, the Offer Price of DKK 85 per Share to the Ordinary Shareholders is fair from a financial perspective.

### 8.4 **The Offer's impact on the interests of the Shareholders and the Company, including on employment, and the Board of Directors' assessment thereof**

#### 8.4.1 Introduction

Ahlsell Danmark explains the background to the Offer as well as the strategic rationale and its intentions with Sanistål in the Offer Document. Shareholders are advised to read these sections of the Offer Document carefully (see sections 2.7, 2.8 and 7 of the Offer Document).

In this section 8.4, the Board of Directors assesses a number of matters related to the Offer that have or may have an impact on Sanistål, the Shareholders and other stakeholders, and which may be of importance to the Shareholders' position on the Offer.

A non-exhaustive set of statements in the Offer Document considered by the Board of Directors to be of particular importance to the Shareholders' position on the Offer is set out below. For each statement, the Board of Directors will state its assessment of the Offer's impact on the interests of the Shareholders and the Company.

The following summarised description makes no claim to be exhaustive.

#### 8.4.2 Ahlsell Danmark's Intentions with the Company

Ahlsell Danmark has in the Offer Document expressed the following intentions with respect to the Company:

*"The Offeror and Ahlsell Group plan to continue on the foundational work laid down by Sanistål in the recent years. Ahlsell Group believes that a combination of Sanistål and Ahlsell will create a strong platform for providing continued expansion across the Nordics and especially in Denmark, that is grounded on a customer-centric model, utilizing best-in-class digital tools and data to provide value-added service to its suppliers and customers.*

*In light of the current geopolitical and financial situations, Ahlsell Group finds it important to materially reduce Sanistål's financial leverage. Following Completion, and if considered advantageous, the Offeror may propose and carry out a capital increase in Sanistål (with pre-emption rights for all shareholders, if relevant) at market price to reduce the financial leverage of Sanistål and provide flexibility to repay existing debt and pursue general corporate purposes fully underwritten by Ahlsell Group"*

The Board of Directors' comments: The Board of Directors finds it positive that Sanistål is further capitalised. The Board of Directors further notes that Shareholders who do not tender their Shares in the Offer and who do not exercise their pre-emption rights in the contemplated capital increase (which exercise of pre-emption rights will require capital) will have their shareholdings diluted. If the capital increase is carried out in a situation where Ahlsell Danmark has acquired less than 90% of the Shares and voting rights in the Offer, the capital increase could result in Ahlsell Danmark's shareholding in the Company being increased to more than 90% This would entitle Ahlsell Danmark to carry out a Compulsory Acquisition in accordance with the Danish Companies Act, as described in section 8.4.5)

#### 8.4.3 Ahlsell Danmark's Intentions in respect of Employees

Ahlsell Danmark has in the Offer Document expressed the following intentions with respect to the employees of the Group:

*"The Offeror expects that jobs for the management and employees of Sanistål and its Subsidiaries will be maintained and continued on substantially the same terms (other than terms in relation to incentive bonuses that are discharged in accordance with their terms as part of or subsequent to the Completion of the Offer)".*

The Board of Directors' comments: In assessing the consequences of the Offer for employment in the Group, the Board of Directors has relied on the above-mentioned statements made in the Offer Document, including that the management and employees of Sanistål and its subsidiaries will be maintained and continued on substantially the same terms (other than terms in relation to incentive bonuses that are discharged in accordance with their terms as part of or subsequent to the Completion of the Offer).

#### 8.4.4 Ahlsell Danmark's Intentions in respect of distribution of funds

Ahlsell Danmark has in the Offer Document expressed the following intentions with respect to distribution of funds:

*"The Offeror does not expect to propose distributions of dividends in the first twelve (12) months following Completion. However, the Offeror may at any given time resolve to propose that Sanistål pay dividends (whether ordinary or interim), carry out a capital reduction or otherwise make distributions to the Shareholders, including to the Offeror, within the first twelve (12) months after settlement.*

*Such distributions of dividends may total an amount equivalent to Sanistål's free reserves and other assets in accordance with the section 179 of the Danish Companies Act and subject to the statutory minimum requirements, including the limitations in the Danish Companies Act"*

The Board of Directors' comments: The Board of Directors notes that Shareholders not tendering their Shares in the Offer cannot be certain that they will receive dividends in the first twelve (12) months following Completion. If any distribution of dividends is made, the Board of Directors is not capable of assessing whether such distribution is prudent, as this will depend on the relevant factors applicable if and when such decision is made. The Board of Directors notes that distribution of dividends, if any, will be subject to statutory minimum requirements, including the limitations in the Danish Companies Act.

#### 8.4.5 Ahlsell Danmark's Intentions in respect of Compulsory Acquisition of Minority Shareholders

Ahlsell Danmark has in the Offer Document expressed the following intentions with respect to Compulsory Acquisition of minority shareholders:

*"If, after the Completion of the Offer, the Offeror has acquired more than ninety percent (90%) of the Shares and votes at that time outstanding and of the voting rights in Sanistål (such ratio of ninety percent (90%) being calculated based on any treasury Shares in Sanistål being deducted from all Shares in the denominator), the Offeror expects, and reserves the right, but shall not be obliged to initiate and complete a Compulsory Acquisition of the Shares held by the remaining Shareholders in accordance with sections 70-72 of the Danish Companies Act and subject to continued compliance with any applicable regulatory requirements. Any such Compulsory Acquisition is expected to take place on terms, including purchase price, equivalent to the terms applicable to the Offer at the Offer Price. In the event that the Offeror acquires ninety percent (90%) or less of the Shares and voting rights outstanding upon the expiry of the Offer Period, but subsequently acquires Shares which brings the Offeror above the ninety percent (90%) threshold and allows the Offeror to initiate a Compulsory Acquisition a Shareholder objecting to the purchase price to be paid in connection with such Compulsory Acquisition can file a claim at the Court in Aalborg (Da: Retten i Aalborg) with the effect of an appraiser being appointed by the court to assess the value of the Shares which are subjected to the Compulsory Acquisition."*



The Board of Directors' comments: The Board of Directors notes Ahlsell Danmark's intention to initiate and complete a Compulsory Acquisition of the minority Shareholders at the time Ahlsell Danmark holds more than 90% of the Shares and voting rights of the Company. In such event, Shareholders not having accepted the Offer will also be redeemed. In the event a Compulsory Acquisition is initiated within three (3) months after the end of the Offer Period, and Ahlsell Danmark has acquired more than 90% of the Shares as a result of the Offer, the redemption price will be equal to the Offer Price, whereas the redemption price in the event of a redemption later than 3 months after the end of the Offer Period, or if Ahlsell Danmark did not acquire 90% of the Shares as a result of the Offer, the redemption price may be lower or higher than the Offer Price. Further, the Board of Directors notes that the Offer may be completed with Ahlsell Danmark holding less Shares (and voting rights) than is required under the Danish Companies Act for Ahlsell Danmark being entitled and obliged to redeem the minority Shareholders. Thus, Shareholders not accepting the Offer have no certainty that their Shares will be redeemed following Completion of the Offer.

#### 8.4.6 Ahlsell Danmark's Intentions in respect of delisting from Nasdaq Copenhagen

Ahlsell Danmark has in the Offer Document expressed the following intentions with respect to delisting from Nasdaq Copenhagen:

*"If the Offer is Completed, and the Offeror holds more than ninety percent (90%) of the Shares and voting rights in Sanistål, the Offeror intends to apply for a termination of trading and delisting of all Shares from Nasdaq Copenhagen as soon as possible, which is expected to happen when a Compulsory Acquisition is initiated.*

*If, after Completion, the Offeror holds ninety percent (90%) or less of the Shares and voting rights in Sanistål, the Offeror expects to but shall not be obliged to seek to delist the Shares from Nasdaq Copenhagen, subject to applicable laws, rules and regulations. If delisting occurs, the Offeror will in due course initiate amendments to the articles of association of Sanistål to reflect that Sanistål is no longer a listed company."*

The Board of Directors' comments: The Board of Directors notes Ahlsell Danmark's intention to seek to delist the Shares from Nasdaq Copenhagen, also in the event Ahlsell Danmark, following Completion of the Offer, holds less than 90% of all Shares and voting rights in Sanistål and, thus, not being able to complete a Compulsory Acquisition of the minority Shareholders. In the event Ahlsell Danmark would be able, under such circumstances, to carry out a delisting of the Shares from Nasdaq Copenhagen, Shareholders not having accepted the Offer would no longer benefit from the enhanced reporting obligations required by a company with shares admitted to trading on Nasdaq Copenhagen and the free flow of and liquidity in the Shares would likely be reduced materially, among other consequences. There is no assurance that minority Shareholders would be able to redeem or otherwise dispose of their shares at the Offer Price or at all.

#### 8.4.7 Lapse of Share Purchase Agreements and Transaction Agreement in case of delay in Completion.

Ahlsell Danmark has in the Offer Document expressed the following with respect to termination of the Share Purchase Agreements and the Transaction Agreement:

*"Pursuant to the Share Purchase Agreements, the Major Shareholders may terminate the Share Purchase Agreements if the conditions therein have not been satisfied by 24 November 2022."*

*"The Transaction Agreement may be terminated*

- (a) by mutual written consent of Sanistål and the Offeror;*
- (b) by Sanistål or the Offeror, if the Offeror, subject to the terms of the Transaction Agreement, withdraws the Offer based on a failure of any of the Conditions to be satisfied or waived prior to Completion; or*

(c) *by Sanistål, if (i) the Offeror has not published within three (3) Business Days after the expiry of the Offer Period that the Offer will be Completed, (ii) the Offeror breaches its obligation to make payment to settle the Offer, or (iii) if Completion has not occurred on or before 24 November 2022.*"

The Board of Directors' comments: The Board of Directors notes that if completion of the Share Purchase Agreements has not taken place on 24 November 2022 due to all necessary regulatory, governmental or similar clearances, approvals, permits and consents from the Competition Authorities not having been obtained, each Major Shareholder has the right to terminate their respective Share Purchase Agreements. Should one or more Major Shareholders choose to terminate the Share Purchase Agreements on these grounds, Ahlsell Danmark will not be obliged to complete the Offer, as this is a Condition to the Offer (as described in section 1.1).

Further, the Board of Directors notes that if Completion has not taken place on 24 November 2022, Sanistål shall have the right to terminate the Transaction Agreement. If the Transaction Agreement is terminated, the Board of Directors will, inter alia, no longer be obliged to refrain from actively soliciting an Alternative Transaction.

#### 8.4.8 Satisfaction of Conditions, settlement and certainty of Completion.

Ahlsell Danmark has in the Offer Document expressed the following with respect to satisfaction of Conditions, settlement and certainty of Completion:

*"The completion of the Share Purchase Agreements is subject to certain conditions, including that necessary approvals by relevant regulatory authorities are obtained."*

*"If the Offer is Completed, settlement of the Offer will take place as soon as possible thereafter. The trading day for settlement will at the latest be four (4) Business Days after the announcement of the final result of the Offer."*

The Board of Directors' comments: The Board of Directors notes that the Conditions of the Offer are customary for a Danish public takeover and as agreed with Ahlsell Danmark in the Transaction Agreement. Furthermore, the Board of Directors notes that expected settlement procedures for the Shares are customary and the settlement period is not significantly longer than in other comparable Danish public takeovers.

## 9 THE OFFER'S CONSEQUENCES ON THE SANISTÅL SHAREHOLDERS

The following remarks are intended to provide the Shareholders with information concerning the assessment of the effects of the acceptance or non-acceptance of the Offer. The following comments do not claim to be exhaustive. It is the own responsibility of each Shareholder to evaluate the effects of an acceptance or non-acceptance of the Offer. The Board of Directors therefore recommends that Shareholders seek professional advice, if necessary. The Board of Directors furthermore points out that it does not and cannot assess whether Shareholders, through accepting or not accepting the Offer, might be exposed to possible tax disadvantages (especially any tax liability on capital gains) or if tax benefits could be forfeited. The Board of Directors recommends that, before deciding to accept or not accept the Offer, Shareholders should seek tax advice, taking into consideration the personal circumstances of the Shareholder in question.

### 9.1 Possible consequences for Shareholders accepting the Offer

Shareholders intending to accept the Offer should, in particular, consider the following in the light of the remarks made above:

- Shareholders accepting the Offer will not be able to benefit from any future positive performance of the value creation of Sanistål.

- The Offer will only be settled following the fulfilment of all Conditions (or Ahlsell Danmark's waiver thereof to the extent possible). Whether the Conditions have been satisfied, waived or reduced in scope, where possible, may become evident only following the expiry of the Offer Period.
- Shareholders accepting the Offer are bound by their tenders of Shares, and the Offer Price is fixed and will not vary even if the market price of the Shares varies. A withdrawal from the acceptance of the Offer is possible only under the narrow conditions set out in section 7.1 of the Offer Document.
- The Shareholders' freedom of disposal is restricted in relation to those Shares for which they have accepted the Offer.
- Settlement of the Offer may be delayed or might not even take place at all due to Ahlsell Danmark's need to obtain regulatory approvals to satisfy the Conditions.
- The Shareholders will normally have to pay tax on the gain realised if they decide to sell their Shares.
- Acceptance of the Offer may expedite the taxation. The tax consequences of accepting the Offer depends on the tax affairs of each individual Shareholder, see above under section 9.

## 9.2 Possible consequences for Shareholders not accepting the Offer

Shareholders not accepting the Offer and not otherwise disposing of their Shares will remain Shareholders of Sanistål. Shareholders should take note, in particular, of Ahlsell Danmark's remarks set out in sections 2.7.3, 2.8 and 7.2-7.6 of the Offer Document which set out certain statements on possible consequences for the Shareholders if Ahlsell Danmark becomes majority shareholder in Sanistål without holding 100% of the Shares:

- Ahlsell Danmark is able to exercise a Compulsory Acquisition of minority Shareholders if Ahlsell Danmark holds 90% of the outstanding shares and voting rights (excluding shares held in treasury), however, there is no guarantee that such holding will be established. If Ahlsell Danmark fails to acquire 90% of the issued and outstanding Shares, Ahlsell Danmark will not be able to exercise a Compulsory Acquisition of minority Shareholders, and such minority Shareholders will have certain minority protection rights under Danish law and under the articles of association of the Company. Any temporary or permanent delay in exercising a Compulsory Acquisition of minority Shareholders could adversely affect Ahlsell Danmark's ability to integrate the Company's business, including achieving targeted business benefits and synergies, as well as the market value of the Shares and the Company's access to capital and other sources of funding on acceptable terms.
- Following Completion, and if considered advantageous, Ahlsell Danmark may propose and carry out a capital increase in Sanistål (with pre-emption rights for all Shareholders, if relevant) at market price to reduce the financial leverage of Sanistål and provide flexibility to repay existing debt and pursue general corporate purposes fully underwritten by the Ahlsell Group. Shareholders who do not accept the Offer and who do not exercise their pre-emption rights in such capital increase, if any, will therefore have their shareholdings diluted. If the capital increase is underwritten by the Ahlsell Group this will mean that the Ahlsell Group will subscribe for any new shares not subscribed for by the existing Shareholders. In case any existing Shareholder(s) do not want to exercise their pre-emption rights in such potential capital increase, this could increase Ahlsell Danmark's shareholding further, and this could increase the likeliness of a Compulsory Acquisition of minority Shareholders as described in section 8.4.5 of this board statement.
- If Ahlsell Danmark does not exercise its squeeze-out right described in the bullets above, Shareholders will bear the risks and rewards of the future performance of those Shares in respect of which they do not accept the Offer.
- The settlement of the Offer will likely result in a reduction of the free float of the issued Shares. Supply of and demand for Shares may also be less than today after settlement of the Offer, and therefore the liquidity of the Shares may decrease. It will therefore be possible that buy and sell orders with respect to Shares cannot be executed or cannot be executed in a timely fashion.

Moreover, the possible limitation of the liquidity of Shares could result in substantially heavier price fluctuations of the Shares in the future.

- After settlement of the Offer, Ahlsell Danmark will have the voting majority at general meetings, including the necessary voting majority to enforce all important structural measures and other measures under corporate law. This includes, for example, election and dismissal of shareholder representatives of the Board of Directors, election of the statutory auditor, granting or rejecting discharge of Executive Management and Board of Directors members, amendments to the articles of association, capital increases, and, if the majority requirements under statutory law have been satisfied, the exclusion of subscription rights for shareholders in capital measures and reorganisations, mergers, as well as the dissolution of Sanistål.
- After settlement of the Offer or at a later time within the limits of applicable law and regulation, Ahlsell Danmark has expressed an intention to cause Sanistål to apply for delisting of the Shares from Nasdaq Copenhagen. Consequently, the Shareholders would no longer profit from the enhanced reporting obligations of the regulated market and the liquidity of the Shares will, if a delisting is accepted, be reduced further, see section 8.4.8 above.
- Since Ahlsell Danmark will be initiating the Compulsory Acquisition without having acquired more than 90% of the Shares in the Offer, former Ordinary Shareholders will be entitled to challenge the consideration paid in the Compulsory Acquisition (the "**Compulsory Acquisition Consideration**") in court proceedings in Denmark. Any such proceedings would not affect the completion and settlement of the Compulsory Acquisition because a challenge to the Compulsory Acquisition Consideration does not affect legal title to shares that have been transferred in a Compulsory Acquisition. Any remaining Ordinary Shareholders not having transferred their Shares during the four (4) week period will receive cash consideration. Whilst any Ordinary Shareholders being squeezed out may challenge that cash price in the Danish courts, such challenge will not delay or otherwise impede the mandatory acquisition of Shares under the Compulsory Acquisition.

## **10 INTERESTS OF THE MEMBERS OF THE BOARD OF DIRECTORS**

### **10.1 Ownership interests held by the Board of Directors and the Management Group**

One (1) member of the Board of Directors, Gitte Østergaard Futtrup, owns 7 Shares. None of the members of the Board of Directors or the CEO hold any share options in the Company. The CFO, Uffe Iversen, holds 40,647 share options with an average strike price of DKK 67.

### **10.2 Specific interests of members of the Board of Directors**

All members of the Board of Directors have participated in the decision-making concerning this statement. Four members of the Board of Directors (Anders Bønding, Kim Schrøder, Sven Ruder and Stephanie Illgner) have been elected by the general meeting of Shareholders. Three of these members (Anders Bønding, Kim Schrøder and Sven Ruder) are considered independent by the Company pursuant to the Recommendations on Corporate Governance of the Danish Committee on Corporate Governance issued 2 December 2020 (the "**Recommendations on Corporate Governance**"). The last member of the Board of Directors elected by the general meeting (Stephanie Illgner) was elected in March 2022 - her status will therefore, in accordance with the procedure set forth in the Recommendations on Corporate Governance, not be evaluated until in connection with the next annual general meeting in the Company, subject to changes to the Board of Directors and the requirements for Sanistål to comply with the Recommendations on Corporate Governance as a result of completion of the Offer. Two members of the Board of Directors have been elected by the employees of the Company.

Each of the members of the Board of Directors has independently assessed whether he or she can, unconstrained by undue influences, participate in the preparations of this statement and decision to recommend the Offer to the Shareholders and further the interests of the Shareholders collectively. Each of them has, whether in possession of shares or share options or not, determined that they are able to

act in this matter in accordance with a board member's fiduciary duties towards the Shareholders collectively.

The Company's CEO, Claudio Christensen, and the Company's CFO, Uffe Iversen, will each receive an amount corresponding to one (1) year's salary upon Completion of the Offer.

## **11 MISCELLANEOUS**

### **11.1 Applicable law**

This statement shall in all respects be governed by and construed in accordance with substantive Danish law. Disputes arising from this statement shall be settled exclusively by Danish courts.

### **11.2 Versions and governing language**

This statement has been made in a Danish and English version. In case of any discrepancies between the Danish and the English text, the Danish text shall prevail.

### **11.3 Interests of financial advisors**

In addition to Danske Bank A/S being a shareholder in the Company, Danske Bank Corporate Finance is in the ordinary course of business acting as financial advisor to the Company. With respect to these services, the sharing of information is generally restricted for reasons of confidentiality, internal procedures or applicable rules and regulations. Danske Bank Corporate Finance has received or will receive customary fees and commissions for these services.

### **11.4 Cautionary Note Regarding Forward-Looking Statements**

Sanistål's documents, including this statement, may contain forward-looking statements. Words such as "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "future," "likely," "may," "should," "will" and similar references to future periods identify forward-looking statements.

Examples of such forward-looking statements include, but are not limited to, the following:

- statements of targets, plans, objectives or goals for future operations;
- statements containing projections of or targets for revenues, costs, income (or loss), and other financial measures;
- statements regarding future economic performance, future actions and outcome of contingencies; and
- statements regarding the assumptions underlying or relating to such statements.

In this statement, examples of forward-looking statements can be found in section 3.5.2, 8.4 and elsewhere.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on the Company's current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, the Offer, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of the Company's control. The Company's actual results and financial condition may differ materially from those indicated in the forward-looking statements.

For an overview of some, but not all, of the risks that could adversely affect Sanistål's results or the accuracy of forward-looking statements in this statement, reference is made to the overview of risk factors in section 3.5.3 and the Offer's consequences on the Shareholders described in section 9.

Any forward-looking statement made by Sanistål in this statement is based only on information currently available to the Company and speaks only as of the date on which it is made. Unless required by law, Sanistål is under no duty and undertakes no obligation, and does not intend, to update or revise any forward-looking statement after the distribution of this statement whether as a result of new information, future developments or otherwise.

#### 11.5 **Addressees**

This statement is addressed to those of the Shareholders to whom the Offer is made. Reference is made to section 1.1 above.

#### 11.6 **Sources of information**

The information in this statement relating to Ahlsell Danmark has been obtained from sources which are accessible to the public, including the Offer Document. The statement also includes references to or quotations from the Offer Document. Sanistål accepts no responsibility or liability whatsoever for: 1) the accuracy or completeness of such information or 2) any failure by Ahlsell Danmark to disclose information about events which may have occurred or which may affect the meaning or accuracy of such information.

#### 11.7 **References etc.**

The Offer Document is not an integral part of this statement and is not incorporated herein by reference. Sanistål accepts no responsibility for the correctness, completeness or adequacy of the Offer Document, which is the sole responsibility of Ahlsell Danmark.

This statement includes certain references to information, etc. which is available on Sanistål's website [www.sanistål.com](http://www.sanistål.com). The content on Sanistål's website is not an integral part of this statement and is not incorporated herein by reference.

This statement includes certain references to the Annual Report. The specific sections of the Annual Report referred to are incorporated into this statement by such references.

Sanistål does not accept liability for any statements or opinions expressed by anyone in relation to the Offer other than the statements and opinions expressed herein.

## 12 **DISCLAIMER**

The offer is made neither directly nor indirectly in any jurisdiction where this would constitute a violation of the legislation within the jurisdiction in question. This announcement and other documents regarding the offer must not be sent, forwarded or distributed in any other way within a jurisdiction where this would constitute a violation of legislation within said jurisdiction, including in particular in the United Kingdom, the United States, Canada, Japan, Australia or South Africa. This announcement does not constitute an offer or invitation to sell or buy shares in Sanistål A/S. The offer is made solely on the basis of an offer document prepared and published by Ahlsell Danmark ApS which will contain the complete terms and conditions of the offer. Shareholders in Sanistål A/S are encouraged to read the offer document and any associated documents as these will contain important information on the offer.