

Company announcement 11/2023

23 May 2023

HusCompagniet enters into new facilities agreement for the purpose of refinancing existing indebtedness subject to completion of equity capital raise

HusCompagniet A/S (“HusCompagniet” or the “Company”) has entered into a new facilities agreement (the “New Facilities Agreement”) with Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland (the “Lenders”) for the purpose of refinancing the Company’s existing facilities agreement with the Lenders dated 20 October 2020 (the “Existing Facilities Agreement”). The effective date of the New Facilities Agreement is subject to the Company raising gross proceeds of at least DKK 150 million in an issuance of new shares pursuant to the authorisation in articles 3 of the Company’s articles of association (the “Capital Raise”).

Overview of terms of the New Facilities Agreement

Today, the Company and certain of its subsidiaries as original borrowers and original guarantors, Danske Bank A/S and Nordea Danmark, Filial af Nordea Bank Abp, Finland as mandated lead arrangers and original lenders, and Danske Bank A/S as agent entered into the New Facilities Agreement.

Under the New Facilities Agreement the following facilities are made available to the Group (i) a DKK 500,000,000 term loan facility (the “**Term Loan Facility**”) with a final maturity date falling three years after effective date of the New Facilities Agreement and (ii) a DKK 250 million revolving credit facility with a final maturity date falling three years after the effective date of the New Facilities Agreement (the “**Revolving Facility**”) and together with the Term Loan Facility, the “**New Facilities**”). The size of the New Facilities is as per the Company’s request. The Company may request (on two occasions) that the maturity date of each of the Term Loan Facility and the Revolving Facility is extended for one year at a time. Extension of each of the New Facilities is subject to the discretion of each of the lenders under the New Facilities Agreement.

The Term Loan Facility may be used to repay the outstanding amounts under the Existing Facilities Agreement and to fund payment of transaction costs and expenses associated with the Capital Raise, and the Revolving Facility may be used to repay the outstanding amounts under the Existing Facilities Agreement and for general corporate purposes of the Group. The interest rate payable on a loan under each New Facility for each interest period will be the applicable CIBOR rate, subject, however, to a floor of zero plus a margin dependent on the ratio of the Group’s net debt to its consolidated EBITDA (adjusted pro forma for any acquisition or disposals in the relevant test period).

The New Facilities are unsecured but are guaranteed by the Company and certain of its subsidiaries.

The New Facilities Agreement contains a change of control clause which will be triggered *inter alia* in the event any person or group of persons acting in concert other than the Company is required to make a mandatory takeover offer under Danish law in respect of the Company in accordance with the Danish Capital Markets Act (as amended and supplemented from time to time).

The New Facilities Agreement contains a leverage financial covenant, which will be tested on a quarterly basis, the first time for the last day of the first financial quarter after the first utilisation under the New Facilities Agreement. The leverage covenant relates to the ratio of consolidated net debt to consolidated EBITDA (adjusted pro forma for any acquisition or disposals in the relevant test period). The maximum permitted leverage ratio starts at 3.5:1 for the 12 month period ending on 30 June 2023, gradually increasing to 4.5:1 for the 12 month period ending on 31 March 2024 following which it will decrease again, and for any 12 month period ending on or after 30 September 2024 the leverage ratio must not exceed 3.5:1.

In addition and similarly to the Existing Facilities Agreement, the New Facilities Agreement contains a restriction on the aggregate amount of land and building sites (including show houses) owned by a member of the Group (measured net of any land and building sites in respect of which a binding sales agreement has been entered into with counterparties that are creditworthy).

The New Facilities Agreement restricts dividends and share buy backs until 30 June 2024 (except for share buy backs to hedge positions under share based incentive programmes) and thereafter if the leverage ratio (pro forma adjusted for the dividend/share buy back) exceeds 3.5:1 and M&A will be restricted if leverage (pro forma adjusted for the acquired entity) exceeds 3.5:1.

Finally, the New Facilities Agreement contains customary warranties, representations, covenants and customary events of default and mandatory prepayment events, in each case, subject to customary agreed exceptions, materiality tests, carve-outs and grace periods.

The effective date of the New Facilities Agreement is subject to completion of the Capital Raise no later than 30 June 2023 (or a later date agreed between the Company and the Lenders) as well as fulfilment of certain customary documentary conditions.

The New Facilities Agreement is governed by Danish law.

For additional information, please contact:

Jesper Høybye, Group CFO +45 30 58 46 42

Sofie Heerup Friis, Head of IR +45 30 99 54 00