

Notice of second written procedure for second lien bonds issued by Kogbron Projekt AB (publ)

To the holders SEK 75,000,000 (or its equivalent in NOK and USD) Second Lien Secured Callable Fixed Rate Bonds 2017/2019 with SEK BOND - ISIN: SE0009696511, NOK BOND - ISIN: NO0010787633, USD BOND – ISIN: NO0010787641, originally dated 24 March 2017, as amended and restated on 22 March 2019 (the "Junior Bonds").

Capitalized terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Junior Bonds (the "Terms and Conditions").

This notice and voting request has been sent by Intertrust (Sweden) AB (the "Agent") on 25 April 2024 to direct registered owners and registered authorised nominees (Sw. *förvaltare*) of the Junior Bonds. If you are an authorized nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument), an authorised nominee under the Norwegian Securities Register Act of 2002 no. 64 (Nw. Verdpapirregisterloven) or if you otherwise are holding Junior Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. See "Voting rights" in Section B (Decision procedure) for further information.

On 8 April 2024, a notice of written procedure was sent to the Bondholders, regarding an amendment of certain provisions of the Terms and Conditions. The voting period expired on 24 April 2024 (the "**First Written Procedure**"). The number of votes obtained proved to be insufficient in order to form a quorum. However, pursuant to the Terms and Conditions, the Issuer retains the right in these cases to call for a second written procedure where the quorum requirement does not apply.

On behalf of and as requested by the Issuer, the Agent, acting in its capacity as Agent for the Junior Bondholders under the Terms and Conditions, hereby initiates a second written procedure (the "**Second Written Procedure**"), whereby the Junior Bondholders can approve or reject a proposal from the Issuer regarding a conversion of Junior Bonds to Senior Bonds. The proposal by the Issuer (the "**Proposal**") and the background thereto is described in Section A (*Background and Proposal*).

Please also see the investor presentation relating to this Written Procedure on "<https://blog.cscglobal.com/our-services/capital-markets-services/bond-news/>" (the "**Investor Presentation**").

NO DUE DILIGENCE CARRIED OUT IN CONNECTION WITH THIS WRITTEN PROCEDURE

Please note that no due diligence whatsoever (legal, financial, tax, environment or otherwise) has been carried out by the Agent or any of its advisors or any other person for the purposes of the Written Procedure or with respect to the Issuer or its assets, other than some specific confirmatory questions directed to and answered by the management of the Issuer. Only an oral interview has been carried out with Mr. Anders Högberg who has confirmed certain aspects of the current state of the project at Karlholm Strand.

It should be noted that the risk factors appended to the Investor Presentation have not been produced specifically for this Second Written Procedure but merely been updated based on the answers by the Mr. Anders Högberg in the interview referred to above.

LIMITATION OF LIABILITY OF THE AGENT

The Proposal is presented to the Junior Bondholders by the Agent on behalf of the Issuer, without any evaluation, advice or recommendations from the Agent to the Junior Bondholders whatsoever. The Agent has not assessed the Proposal (and its effects, should it be adopted) from a legal, commercial, financial or other perspective and the Agent expressly disclaims any liability whatsoever related to the content of this notice and the Proposal (and its effects, should it be adopted). The Agent has assumed that documentation and other evidence (if any) delivered to it pursuant to the Proposal is accurate, correct and complete and the Agent has not verified the contents of any such documentation. The Junior Bondholders are recommended to seek their own professional advice in order to independently evaluate whether the Proposal (and its effects) is acceptable or not. Neither the Agent, nor any of its advisors has carried out any due diligence in connection with the Proposal and no party can guarantee any satisfactory outcome of the Proposal set out herein.

ALL JUNIOR BONDHOLDERS ARE STRONGLY ENCOURAGED TO REVIEW AND CONSIDER THE INVESTOR PRESENTATION AND THE PROPOSAL

Before making a decision whether to accept the Proposal, each Junior Bondholder is advised to carefully review the content of the Investor Presentation, including the risk factors contained therein, this document and the proposed resolution set out in Paragraph 2 (*Proposal*) below and the limitation of liability provision set out above. If a Junior Bondholder is uncertain as to the content and significance of this document and the measures the Junior Bondholder should take, the Junior Bondholder is advised to consult its own legal, tax or finance adviser for this purpose. The Agent will not, and is under no obligation to, update this document.

PARTICIPATION IN THE SECOND WRITTEN PROCEDURE

Junior Bondholders may participate in the Second Written Procedure by completing and sending the voting form attached below to the Agent. The Agent must **receive the voting form no later than 16 May 2024 at 12.00 CET** by mail, via courier or e-mail to the addresses indicated below. Votes received thereafter will be disregarded. Please note that the Second Written Procedure may expire early if the requisite majority consents of the total Adjusted Nominal Amount have been received before **16 May 2024 at 12.00**.

To be eligible to participate in the Second Written Procedure a person must fulfil the formal criteria for being a Junior Bondholder on 25 April 2024 (the "Record Date"). This means that the person must be registered on a Securities Account with Euroclear Sweden as a direct registered owner (*direktregistrerad ägare*) or authorised nominee (*förvaltare*) with respect to one or several Junior Bonds.

If you have an interest in a Junior Bond but are not registered as a direct registered owner or authorised nominee on a Securities Account, you need to obtain a power of attorney or other proof of authorisation from the person who fulfils the formal criteria for being a Junior Bondholder on the Record Date, to be able to participate. An alternative may be to ask the person that is registered as a Junior Bondholder and holds the Junior Bonds on your behalf to vote in its own name as instructed by you. For further information on voting, please see under *Voting rights* in Section B (*Decision procedure*).

Please contact the securities firm you hold your Junior Bonds through if you do not know how your Junior Bonds are registered or if you need authorisation or other assistance to participate.

Important Dates

Record Date (for voting): **25 April 2024**

Last time and day to vote: **12:00 CET on 16 May 2024 at 12.00**

A. Background and Proposal

1. Background and current situation

Reorganization in March 2019

The Junior Bonds and the Senior Bonds (Bonds ISIN SE0009696479, NO0010787617, NO0010787625) (the "**Senior Bonds**") were initially issued in March 2017. The capital raising was carried out in two tranches with the following breakdown:

Senior Bonds: Ca SEK 350m (in SEK / NOK / USD)

Junior Bonds: Ca SEK 75m (in SEK / NOK / USD)

The Group experienced financial difficulties under its ownership of that time and could not meet its obligations under the Terms and Conditions. The consequences of the financial turbulence for instance included major delays in the timetable for the Karlholm Strand Project.

As there were no good prospects for continuing the project under the previous ownership, the Group was reorganized. Through a Written Procedure in March 2019, the Bondholders authorised the sale of 90% of the shares in the Issuer for SEK 1 to Mimex Management SA, controlled by Anders Högberg. The remaining 10% of the shares in the Issuer are owned by Dextris Terminus SA, also controlled by Anders Högberg.

Anders Högberg is the original owner and initiator of the Karlholm Strand Project and after the Written Procedure was completed in March 2019 was again the ultimate owner of the project in its entirety.

Following the reorganisation and to facilitate partial divestments, all the properties within the Karlholm Strand Project have been transferred to a number of limited partnerships with HHB Bygg AB and Fastighetsbolaget Skälön 1 AB as general partners. The Issuer is thus not the owner, whether directly or indirectly, of the Properties. The remaining and primary security for the Senior Bonds and the Junior Bonds is currently property pledges in the properties within the Karlholm Strand Project, amounting to approximately 120,000,000 SEK, but share pledges in HHB Bygg AB and Fastighetsbolaget Skälön 1 AB have been offered as part of the latest written procedure. The property pledges are released when 80% of the sales price is deposited on the pledged account which subsequently will be used to amortize the Senior Bonds.

To strengthen the Issuer's financial situation and given the significant delays in the Karlholm Strand Project, it was also decided in the written procedure:

- To sell the additional collateral granted for the Junior Bonds, owned by the subsidiary MI Andersson Fastighetsbolag AB, the properties "Sanden" and "Järfälla", and use the net proceeds to amortize the Senior Bonds.
- As of March 2018, introduce a profit-sharing interest (Sw. *vinstdelningsränta*) of 4% respectively 6% p.a. payable if and when the full nominal amount of the Senior Bonds and the Junior Bonds is repaid.
- Extend the repayment date of the Senior Bonds by 4 years to 24 March 2023 and on the Junior Bonds to 24 March 2024.

The Senior Bondholders have subsequently extended the final maturity date to 24 March 2024 and is currently in the process of a new written procedure to extend the final maturity date to 24 March 2029 (the "**Senior Written Procedure**").

Amortisation of Senior Bonds

In accordance with the decision taken during the written procedure for the Senior Bonds carried out in March 2019, a process was initiated to divest the "Sanden" and "Järfälla" properties in order to use the net proceeds to amortize the Senior Bonds. However, the previous owners of the Group obstructed the process by moving the properties out of MI Andersson Fastighetsbolag AB, in breach of pledge agreements and the Terms and Conditions. In June 2019, MI Andersson Fastighetsbolag AB was declared bankrupt, after which a legal process to clawback the properties began. Following a decision of the Svea Court of Appeal, the completion of the bankruptcy proceedings and the sale of the properties, the Senior Bonds were amortised in December 2022, with an amount corresponding to approximately 31% of the nominal amount (or approximately ca SEK 108 million). The current outstanding principal amount of Senior Bonds is ca. 237 million SEK (equivalent in NOK and USD).

Current status

The Karlholm Strand Project has been further delayed, mainly due to a prolonged zoning planning and building permit processes. The Issuer is dependent on efficient and compliant management by the municipality, which has not been the case. The processes relating to the landfill on the properties have also negatively affected the timetable for the zoning plan and building permits. According to the Issuer, the landfill is now handled in a special order and will not affect the continued residential development in the area. The previous owners also left several of the companies in the Group in a financially challenging situation, which Anders Högberg has had to spend a lot of time and resources managing. The Company is now in financial balance and without the threat of bankruptcy or related legal processes.

Work carried out (within the security structure)

Despite delays, extensive value-enhancing work has been carried out to pave the way for future residential development. Below is a selection of key initiatives:

- Electricity connected to all building rights
- Fibre connected to all building rights
- Water and sewage connected to all building rights (except for 100m of pipework).
- Construction of roads within the area of the existing buildings and to a majority of the building rights
- Landscaping of s square
- In addition, a significant number of property subdivisions have been approved and implemented.

Sales

Four properties have been sold to property developers and construction has started. In addition, there are agreements for the sale of a further properties and deposits for these have been paid.

The current valuation for the remaining properties amounts to SEK 315,000,000 +/- 10%. It should be noted that the valuation is based on a structured sale of the properties and that the value upon a pledge enforcement would be significantly less. It shall further be noted that according to the Terms & Conditions any sales proceeds from a sale of the properties shall be distributed 80% to the Senior Bondholders and 20% to management fees and development costs to the owner.

As the situation currently stands, there will be no value left in the properties to repay the Junior Bonds, whether principal or profit interest. Consequently, the Issuer is proposing a partial write-down and conversion of a part of the Junior Bonds to Senior Bonds, please see below.

Way forward

Conditions (construction and activities outside the security structure)

The basic conditions for continued development and sales in Karlholm Strand are considerably stronger than at the time of the initial issue. From being a vision for a disused factory area, the first home buyers have now moved in, and businesses have opened their doors.

Existing industrial buildings have been renovated and several businesses have been established, including the following:

- Hotel (18 rooms, 50 beds)
- Restaurant
- Gym
- Warehouse / Retail
- Workshop
- Boat garages
- Anders Högberg has built a terraced house which has been completed and the buyers have moved in.
- Älvsbyhus has completed 2 homes and base plates have been moulded for another 4 homes.

Continued construction and sales

An important threshold effect for future construction and sales is the fact that the first home buyers have moved in. Together with the established businesses and leisure activities, this creates a buzz in the area, making it easier for subsequent buyers, developers and retailers to make investment decisions. There is currently construction ongoing of terraced houses around the dug canals on the northern shore of the area. The Issuer has entered into agreements to sell all the waterfront plots belonging to the Junior Bondholders in both the northern and southern parts of the area. These plots are the most attractive and will create attraction for the further development of the area.

Discussions are also taking place with several operators on the construction of a primary school.

Sales and amortisation

In accordance with the Written Procedure conducted in March 2019, the net proceeds of the sale shall be distributed as follows:

- 80% - escrow account to make amortisation payments to Senior Bondholders
- 10% - financing of development costs within the project
- 10% - management fee to Mimex Management SA for the development of the project

In the coming year, the Issuer intends to primarily fulfil already signed agreements on the sale of plots of land. Furthermore, the Issuer intends to continue marketing additional plots in the next phase of the project.

Conversion of Junior Bonds into Senior Bonds

Given the current valuation of the remaining properties in Karlholm, it is likely that the Junior Bonds will recover a very small portion of their invested funds (if any). As explained above, even with a structured sales process, there would likely not be any or very little value left to repay the Junior Bondholders. In a forced enforcement scenario, the likelihood of any recovery for the Junior Bondholders is even less. The Issuer is thus proposing to write-down 85% of the Nominal Amount of the Junior Bonds and convert the remaining 15 % of the Nominal Amount of the Junior Bonds (approx. 11.25 million of 75 million SEK) into Senior Bonds on the same terms, which would have a diluting effect of 11.25 million SEK Total Amount of the Senior Bonds, with the converted Junior Bonds representing approximately c.a. 3,96% of the total

amount of Senior Bonds post conversion). The conversion of Junior Bonds into Senior Bonds would also mean that the new Senior Bonds issued to the current Junior Bondholders would have the benefit of sharing the security granted to the Senior Bondholders. This would mean that the converting Junior Bondholders would get their pro rata share (c.a. 3.96% of the total nominal amount of the senior bonds post conversion) when amortizations are being made under the Senior Bonds, instead of receiving no recovery at all as the situation stands.

Please note that a conversion from Junior Bonds to Senior Bonds requires a requisite majority of the Senior Bonds accepting the proposal in the Senior Written Procedure, which also includes a prolongation until 24 March 2029, i.e. by accepting a conversion the Junior Bondholders are also accepting a Final Maturity Date in the Senior Bonds on 24 March 2029. The full Terms and Conditions of the Senior Bonds can be found at <https://www.intertrustgroup.com/our-services/capital-markets-services/Junior-Bond-news/>.

If the Senior Bondholder would not accept a conversion of the Junior Bonds into Senior Bonds, a new written procedure handling the new situation will be sent out to the Junior Bondholders.

Please also note that a decision by a requisite majority of the Junior Bondholders to convert into Senior Bonds will be binding on all Junior Bondholders, whether they have participated in the voting or voted "no".

2. Proposal

Based on the above background and in order to continue developing and subsequently selling the properties at Karlholm Strand and to enable further amortization on the Senior Bonds, the Junior Bondholders are kindly asked to:

1. approve and consent to the write-down of 85% of the Nominal Amount of the Junior Bonds and convert the remaining 15 % of the Nominal Amount of the Junior Bonds (approx. 11.25 million of 75 million SEK) into Senior Bonds (each Junior Bondholder will receive the same currency Bonds as it currently owns, rounded downwards to nearest 1 SEK, 1 EUR, 1 USD, with the FX rate applicable on the conversion date);
2. irrevocably waive any Event of Default resulting from any non-compliance under Clause 15.1 (*Non-Payment*) under the Terms and Conditions for the period between the start of the voting period under the first Written Procedure and the end of the voting period under the second Written Procedure (up to and including the date of execution of the amended and restated Terms and Conditions);
3. authorize the Agent and Vinga Corporate Finance AB to (on behalf of the Bondholders) take all such steps as may be deemed necessary or desirable to implement the Proposal and/or to achieve its purpose, to execute and enter into any documents that may be necessary in connection with the Proposal including any consequential amendments to the Terms and Conditions; and
4. to acknowledge the limitation of liability set out in above under the heading "LIMITATION OF LIABILITY OF THE AGENT".

The requests for approvals and consents set out in Items 1-4 above are jointly referred to as the "**Proposal**".

Consequence of not accepting the Proposal

As the Issuer does not have sufficient funds to repay the Junior Bonds at maturity, the Issuer would become insolvent if the Junior Bonds fell due. The contracts that have been signed for the sale of plots risk being cancelled. In the event of an enforcement of the property mortgages, the value of the plots is expected to fall sharply, meaning that the return on the Junior Bonds will be significantly lower, if any, than if the sales are made in a controlled manner. The sale of plots through an enforcement procedure is also expected to take longer than giving the Issuer time to fulfil the agreements already signed and to continue the marketing

of additional plots. All proceeds from a forced enforcement would be paid to the Senior Bondholders and there is a large likelihood that the recovery for the Junior Bondholders will be zero or very low.

B. Decision procedure

The Agent will determine whether replies received are eligible to participate in the Second Written Procedure, continuously calculate the replies provided in respect of the Proposal and determine the result of the Second Written Procedure as soon as possible based thereon.

Once a requisite majority of consents of the Adjusted Nominal Amount for which Bondholders reply in the Second Written Procedure have been received by the Agent, the relevant decision shall be deemed to be adopted, even if the time period for replies in the Second Written Procedure has not yet expired.

Information about the decision taken in the Second Written Procedure will be sent by notice to the Bondholders, published on the websites of the Issuer and the Agent and published by way of press release by the Agent.

Minutes from the Second Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Agent, as applicable.

IF THE PROPOSAL IS APPROVED BY THE SECOND WRITTEN PROCEDURE IT WILL BE BINDING ON ALL BONDHOLDERS WHETHER THEY PARTICIPATED IN THE SECOND WRITTEN PROCEDURE OR VOTED AGAINST THE PROPOSAL OR NOT, IN ACCORDANCE WITH THE TERMS AND CONDITIONS.

Voting rights

Anyone who wishes to participate in the Second Written Procedure must on **25 April 2024 at 12.00** (the "**Record Date**"):

- (i) be registered on the Securities Account as a direct registered owner (*direktregistrerad ägare*); or
- (ii) be registered on the Securities Account as authorised nominee (*förvaltare*),

with respect to one or several Junior Bonds.

If you are not registered as a direct registered owner, but your Junior Bonds are held through a registered authorised nominee (*förvaltare*) or another intermediary, you may have two different options to influence the voting for the Junior Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Junior Bonds on your behalf to vote in its own name as instructed by you.

2. You can obtain a power of attorney or other authorisation from the authorised nominee or other intermediary and send in your own voting form based on the authorisation. If you hold your Junior Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Junior Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Junior Bonds on your behalf for assistance, if you wish to participate in the Second Written Procedure and do not know how your Junior Bonds are registered or need authorisation or other assistance to participate.

Junior Bonds owned by the Issuer, any other Group Company or an Affiliate do not entitle the holders to any voting rights and are not included in the Adjusted Nominal Amount.

Quorum

No quorum requirement applies to this Second Written Procedure.

The votes of those Bondholders who, during the First Written Procedure, consented to their votes being valid for a second written procedure, will continue to be so valid for the Second Written Procedure.

Majority

Pursuant to Clause 17(g) of the Terms and Conditions, **at least sixty-six and two thirds (66 2/3) per cent.** of the Adjusted Nominal Amount for which Junior Bondholders reply in the Written Procedure must consent to the Proposal in order for it to be approved.

Final date to vote in the Written Procedure

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than by **16 May 2024 at 12.00**. Votes received thereafter will be disregarded.

Address for sending replies

By regular mail:

Intertrust (Sweden) AB
Attn: WP Koggbro Projekt, P.O. Box 16285, 103 25 Stockholm

By courier:

Intertrust (Sweden) AB
Attn: WP Koggbro Projekt, Sveavägen 9, 10th floor, 111 57 Stockholm

VOTING FORM

Voting form for the Written Procedure initiated on 25 April 2024 for the SEK 75,000,000 (or its equivalent in NOK and USD) Second Lien Secured Callable Fixed Rate Bonds 2017/2019 with SEK BOND - ISIN: SE0009696511, NOK BOND - ISIN: NO0010787633, USD BOND – ISIN: NO0010787641, originally dated 24 March 2017, as amended and restated on 22 March 2019 (the "Junior Bonds").

The Issuer requests the Junior Bondholders to approve the Proposal set out in the notice for the Second Written Procedure. The Agent is hereby empowered to enter into all necessary documentation required to implement the Proposal, in the event the Proposal is approved.

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve **B) Reject** **C) Refrain from voting**

with respect to the Proposal.

Signature

Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorization if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorized nominee. The voting form shall be signed by an authorized signatory. A certified copy of a registration certificate or a corresponding authorization document for the legal entity shall be appended to the voting form for any legal entity voting. The registration certificate, where applicable, may not be older than one year.



POWER OF ATTORNEY/AUTHORISATION¹

Power of Attorney for the Second Written Procedure initiated on 8 April 2024 for SEK 75,000,000 (or its equivalent in NOK and USD) Second Lien Secured Callable Fixed Rate Bonds 2017/2019 with SEK BOND - ISIN: SE0009696511, NOK BOND - ISIN: NO0010787633, USD BOND – ISIN: NO0010787641, originally dated 24 March 2017, as amended and restated on 22 March 2019 (the "Junior Bonds").

Authorized Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

We hereby confirm that the Authorized Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of⁵: _____

We are (put a cross in the appropriate box):

Registered as authorized nominee on a Securities Account

Registered as direct registered owner on a Securities Account

Other intermediary and hold the Junior Bonds through⁶ _____

Date:

Signature

¹ Use this form to confirm a person's/entity's authority to vote if the person/entity is not registered as a direct registered owner or authorized nominee.

² Insert the name of the person/entity that should be authorized to vote.

³ Insert the aggregate nominal amount the Authorized Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents

⁶ Mark this option if the undersigned is not registered as authorized nominee or direct registered owner in the Securities Account kept by Euroclear Sweden. Please insert the name of the firm the undersigned holds the Notes through.

For further questions please see below.

To the Agent:

Intertrust (Sweden) AB, trustee@intertrustgroup.com, +46 8 402 72 00

Stockholm on 25 April 2024

Intertrust (Sweden) AB

as Agent