

Notice of written procedure for senior bonds issued by Koggbro Projekt AB (publ)

To the holders of the up to SEK 350,000,000 (or its equivalent in NOK and USD) Senior Secured Callable Fixed Rate Bonds due 2019 with ISIN SE0009696479, NO0010787617, NO0010787625 (the "Bonds") issued by Koggbro Projekt AB (publ) (the "Issuer") on 24 March 2017.

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

This notice and voting request has been sent by Intertrust (Sweden) AB (the "Agent") on 28 May 2024 to direct registered owners and registered authorised nominees (Sw. *förvaltare*) of the 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 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 behalf of and as requested by the Issuer, the Agent, acting in its capacity as Agent for the Bondholders under the Terms and Conditions, hereby initiates a written procedure (the "**Written Procedure**"), whereby the Bondholders can approve or reject a proposal from the Issuer regarding certain amendments to the Terms and Conditions. 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 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 Bondholders by the Agent on behalf of the Issuer, without any evaluation, advice or recommendations from the Agent to the 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 the Proposal is accurate, correct and complete and the Agent has not verified the contents of any such documentation. The 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 BONDHOLDERS ARE STRONGLY ENCOURAGED TO REVIEW AND CONSIDER THE INVESTOR PRESENTATION AND THE PROPOSAL

Before making a decision whether to accept the Proposal, each 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 Bondholder is uncertain as to the content and significance of this document and the measures the Bondholder should take, the 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 WRITTEN PROCEDURE

Bondholders may participate in the Written Procedure by completing and sending the voting form attached below to the Agent. The Agent must **receive the voting form no later than 17 June 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 Written Procedure may expire early if the requisite majority consents of the total Adjusted Nominal Amount have been received before **17 June 2024 at 12.00**.

To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 28 May 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 Bonds.

If you have an interest in a 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 Bondholder on the Record Date, to be able to participate. An alternative may be to ask the person that is registered as a Bondholder and holds the 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 Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

Important Dates

Record Date (for voting): **28 May 2024**

Last time and day to vote: **12:00 CET on 17 June 2024 at 12.00**

A. Background and Proposal

1. Background and current situation

Reorganization in March 2019

The 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 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 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% p.a. payable if and when the full nominal amount of the Senior Bonds is repaid.
- Extend the repayment date of the Senior Bonds by 4 years to 24 March 2023.

Similar changes were made to the terms of the Junior Bonds but with an extension of 5 years to 24 March 2024 and a profit-sharing interest of 6% p.a.

Amortisation

In accordance with the decision taken during the written procedure 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 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 Bondholders and 20% to management fees and development costs to the owner.

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 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
- 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). This could incentive the holders of the Junior Bonds to not prolong the final maturity date and thereafter, following a stay period of 180 days from the current final maturity date of the Junior Bonds, instruct the Security Agent to commence an enforcement of the security that is currently granted to the Bondholders. The Security Agent is pursuant to the Intercreditor Agreement obliged to follow such instruction. Although it is likely that the holders of the Junior Bonds will not receive any recovery in that scenario, a forced sale of the properties would have a severe effect on the value that the holders of the Senior Bonds could have recovered otherwise. Consequently, in order to incentivize the holders of the Junior Bonds to agree to the Proposal, the Issuer is 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 naturally have a diluting effect of 11.25 million SEK on the Senior Bonds (11.25 million will represent c.a. 3,96% of the total amount of Senior Bonds post conversion), but given the current situation, it is the Issuer opinion that this structure would be most beneficial for all stakeholders. The conversion of Junior Bonds into Senior Bonds would also mean that the converted 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.

Please note that if the Junior Bondholders would not accept the conversion of Junior Bonds into Senior Bonds, there will be an acceleration event in the Junior Bonds giving the Junior Bondholders the right to instruct the Senior Agent to enforce the security granted for the Bonds. In such case, a new written procedure will be initiated to handle the situation.

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 Bonds, the Bondholders are kindly asked to:

1. approve and consent to the prolongation of the Final Redemption Date, until 24 March 2028;
2. 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, i.e. so that new Senior Bonds of approximately SEK 11,25 million are issued and distributed to the Junior Bondholders pro rata;
3. approve that the current profit-sharing interest of 4% p.a., which is payable if and when the full nominal amount of the Senior Bonds is repaid (as set out in the Terms and Conditions), shall be increased to 5% p.a. as of the date of the approval of the Proposals;
4. 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);
5. to approve that approximately 475,000 SEK (excluding VAT) is paid to the Agent from the pledged funds to pay the Agent's accrued costs (including legal fees for the preparation of the written procedure, review of the properties, verifying of ownership, management interviews and preparation of a share pledge) in connection with this Written Procedure, and that the Agent shall henceforth have the right to invoice from the pledged account for costs related to future amortizations and the like;
6. approve that 2,000,000 SEK (including VAT) is paid to Vinga Corporate Finance AB from funds in the pledged account for costs related to this Written Procedure;
7. 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
8. 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 1-8 above are jointly referred to as the "**Proposal**".

Other than the Proposals mentioned above, the Terms & Conditions will continue to apply unchanged including the profit-sharing interest elements.

Consequence of not accepting the Proposal

As the Issuer does not have sufficient funds to repay the Bonds at maturity, the Issuer would become insolvent if the Senior 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 Senior Bonds will be significantly lower 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.

B. Decision procedure

The Agent will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Proposal and determine the result of the 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 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 Written Procedure has not yet expired.

Information about the decision taken in the 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 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 WRITTEN PROCEDURE IT WILL BE BINDING ON ALL BONDHOLDERS WHETHER THEY PARTICIPATED IN THE 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 Written Procedure must on **28 May 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 Bonds.

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

1. You can ask the authorised nominee or other intermediary that holds the 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 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 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 Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate.

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

Pursuant to Clause 17(i) of the Terms and Conditions, a quorum in respect of the Written Procedure will only exist if a Bondholder (or Bondholders) representing **at least fifty (50) per cent** of the Adjusted Nominal Amount reply to the Proposal.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. At the option of each Bondholder, a voting form provided at or before 28 April 2023 in respect of the Written Procedure shall also remain valid for any such 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 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 **17 June 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 28 May 2024 for the SEK 350,000,000 (or its equivalent in NOK and USD) Senior Secured Callable Fixed Rate Bonds due 2019 with ISIN SE0009696479, NO0010787617, NO0010787625 (the "Bonds") issued by Koggbron Projekt AB (publ) (the "Issuer") on 24 March 2017.

The Issuer requests the Bondholders to approve the Proposal set out in the notice for the 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.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to clause 17(j) of the Terms and Conditions with respect to the Proposal:

Confirmed

☐

Not confirmed

☐

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 Written Procedure initiated on 28 May 2024 for the SEK 350,000,000 (or its equivalent in NOK and USD) Senior Secured Callable Fixed Rate Bonds due 2019 with ISIN SE0009696479, NO0010787617, NO0010787625 (the "Bonds") issued by Koggbro Projekt AB (publ) (the "Issuer") on 24 March 2017.

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 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 28 May 2024

Intertrust (Sweden) AB

as Agent