

Oslo, 31 October 2019

To the bondholders in senior secured bonds with ISIN NO001079153.6 (NOK Bonds) and NO001079154.4 (SEK Bonds) (the "Bonds") issued by Solnes Invest AS (the "Issuer") on 4 May 2017.

Notice of amendment of the Notice of Written Procedure initiated 17 October 2019

Intertrust (Norway) AS (the "**Trustee**") is acting as Trustee on behalf of the Bondholders under the Terms and Conditions.

*Capitalized terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Bonds dated 4 May 2017, as amended by an amendment and restatement agreement dated 24 October 2017 (the "**Terms and Conditions**").*

The Trustee hereby wants to inform the bondholders that the proposal from Kamperhaug Boligutvikling AS and the proposal from Colliers International Corporate AS has been amended. Kamperhaug Boligutvikling AS and Colliers Corporate AS hereby wants to increase their proposals to the bondholders. For the full content of the amended proposal from Kamperhaug Boligutvikling AS, please see the letter addressed to the bondholders from Kamperhaug Boligutvikling AS. The letter is attached hereto as Schedule 1. For the full content of the amended proposal from Colliers International Corporate AS, please see the letter addressed to the bondholders from Colliers International Corporate AS. The letter is attached hereto as Schedule 2.

The bondholders who already has submitted their votes under the Notice of Written Procedure initiated on 17 October 2019, and who wants to change their vote in the light of this new information, will have the ability to do so by reaching out to the Trustee.

In order for the bondholder to have the applicable time to consider the amended offer in accordance with cl. 21.1, the deadline for submitting votes to the Trustee will be postponed until **12:00 (CET) on 29 November 2019**.

Status of the two proposals and the indicative offer.

In order to give the Bondholders an overview of the two proposals and the indicative offer subject for the ongoing Written Procedure initiated 17 October 2019, please see below:

Proposal from Kamperhaug Boligutvikling AS

The proposal from Kamperhaug Boligutvikling AS is attached hereto as Schedule 1.

Proposal from Colliers International Corporate AS

The proposal from Colliers International Corporate AS is attached hereto as Schedule 2.

Indicative offer from Beliggenhet Holding AS

The indicative offer from Beliggenhet Holding AS is attached hereto as Schedule 3. The Trustee has received sufficient response from Bondholders who want to proceed with the indicative offer, and this was communicated to Beliggenhet Holding AS within close of business 18 October 2019. Information about the next steps going forward with regards to the indicative offer will be communicated to the Bondholders as soon as the Trustee receives such information from Beliggenhet Holding AS.

For further information, please contact:

Peter Drachmann

Intertrust (Norway) AS

Mail: peter.drachmann@intertrustgroup.com

Phone: +47 40 02 24 44

Schedule 1

Solnes Invest AS
Grimestadstranda 14
3145 TJØME

Sent per e-mail to: Roger Lund, rol@joolmarkets.no
and Eleonore Foss, Eleonore.Foss@intertrustgroup.com

30 October 2019

Proposal to the holders of bonds issued by Solnes Invest AS

1 Background

Reference is made to the senior secured bond agreement dated 4 May 2017 (as amended by an amendment and restatement agreement dated 24 October 2017) entered into between Solnes Invest AS as issuer and Intertrust (Norway) AS as trustee (the "**Terms and Conditions**") pursuant to which Solnes Invest AS has issued NOK bonds in a total nominal amount of NOK 31,000,000 with ISIN: NO 001 079153.6 and SEK bonds in a total nominal amount of SEK 46,000,000 with ISIN: NO 001 079154.4 (the "**Bond Issue**", and the bonds issued thereunder, the "**Bonds**").

Terms defined in the Terms and Conditions shall have the same meaning herein unless the context herein provides otherwise.

Reference is made to our letter dated 28 October 2019 where Kamperhaug Boligutvikling AS gave a committed offer to acquire the Properties for NOK 29,000,000.

Kamperhaug Boligutvikling AS hereby increase its offer to NOK 30,000,000. The offer to acquire the Properties for NOK 30,000,000 is not subject to any reservations other than consent from the Bondholders.

We take this opportunity to point out that the offer from Kamperhaug Boligutvikling AS is the only unconditional offer that has been made to the bondholders and the only offer that will ensure an immediate payment to the bondholders.

On behalf of Kamperhaug Boligutvikling AS, we hereby ask that the proposal set out in section 2 below is presented to the Bondholders.

2 Proposal to the Bondholders

Kamperhaug Boligutvikling AS proposes that the Bondholders approve the following proposal (the "**Proposal**") with such Proposal to be adopted pursuant to a Written Procedure:

The Bondholders approve that

- *Kamperhaug Boligutvikling AS, or one of its affiliates (the "**Buyer**"), may acquire the Properties from the Property Company for a total amount of NOK 30,000,000 (the "**Purchase Price**"),*
- *The Purchase Price shall be transferred directly to the Trustee and distributed among the Bondholders in accordance with the Terms and Conditions.*

- *Following receipt of the Purchase Price, the Trustee shall be obliged to immediately release the Property Pledge including, for the avoidance of doubt, the non-disposal clause (Nw. urådighet) registered on the Properties.*

The Bondholders authorise and instruct the Trustee to take such steps on behalf of the Bondholders as may be necessary or desirable in connection with the implementation of the Proposal, including, but without limitation to (a) prepare, finalise and enter into the necessary agreements, and (b) for and on behalf of the Bondholders, take such further actions and negotiate, agree, enter into, sign and execute such agreements and documents that are required to complete and effect to the Proposal.

Yours sincerely,
Advokatfirmaet Grette AS

Thomas J. Fjell
Partner
thfj@grette.no

Schedule 2

Intertrust (Norway) AS
Munkedamsveien 59B
0270 Oslo

Ved: Peter Drachmann

Sendt pr. e-post: Peter.Drachmann@intertrustgroup.com

Oslo, 30.10.2019

INCREASED OFFER TO THE BONDHOLDERS UNDER NOK BONDS WITH ISIN NO 001 179153.3 AND SEK BONDS WITH ISIN NO 001 079154.4

We refer to the Senior Secured Fixed Rate Bonds with ISIN NO 001 079153.6 (NOK Bonds) and ISIN NO 001 079154.4 (SEK Bonds) pursuant to the amended and restated terms and conditions dated 4 May 2017 with Solnes Invest AS as issuer. All defined terms in this letter are used as defined in the Bond Agreement.

We further refer to our offer letter dated 17 October 2019 and our increased offer letter dated 18 October 2019 (together the "**Offer Letter**") where we gave a committed offer of NOK 29,000,000 for the purchase of all the shares in the Property Company and the creditor rights under all Intercompany Loans provided to the Property Company.

We hereby increase our committed offer to **NOK 30,000,000**. Our offer remains subject to the other terms and conditions set out in the Offer Letter.

The payment will be made in full to the Trustee (on behalf of the Bondholders) on closing and we have no reservations with respect to financing.

Yours sincerely,

on behalf of Colliers International Corporate AS



Erik Dagslett

Schedule 3

Intertrust (Norway) AS
Att: Peter Drachmann

Sent by e-mail to: peter.drachmann@intertrustgroup.com

16 October 2019

Update on indicative offer to bondholders in Solnes Invest AS

Dear Trustee,

1 INTRODUCTION

Reference is made to our letter to Intertrust (Norway) AS (the "**Trustee**") dated 25 September 2019 in which we on behalf of Beliggenhet Holding AS ("**BH**") presented an indicative offer (the "**Indicative Offer**") to the bondholders in the bond issues of Solnes Invest AS (the "**Issuer**") with ISIN NO 001 079153.6 (NOK bonds) and ISIN NO 001 079154.4 (SEK Bonds) (each a "**Bond Issue**" and jointly the "**Bond Issues**").

Reference is also made to the Trustee's letter to the bondholders dated 4 October 2019, in which the Trustee set out the process for a bidding round for the redemption of the Bond Issues (the "**Process Letter**").

The process set out in the Process Letter will make it difficult to realise the values of the properties securing the outstanding bonds (the "**Properties**"). Rather, it is likely to reduce the recovery of the bondholders, and facilitate a transfer of values from the bondholders to the Issuer and its other creditors.

BH is ready to maximise the values of the Properties, and is convinced that it may facilitate a close to full repayment of the principal amounts outstanding under the Bond Issues. However, in order to do so, BH will need to cooperate more closely with the bondholders than contemplated by the Process Letter.

On this background, we set out below BH's view of the current situation, and BH's proposal on how to best move forward in a more coordinated way. **Please note that unless a sufficient share of the bondholders confirm their interest in BH's proposal as set out in section 6 below, BH will withdraw from the process.**

2 CURRENT OUTLOOK FOR BONDHOLDER RECOVERY

The only material asset of the Issuer is the shares in Solnes Eiendom AS. Accordingly, in the current ownership structure, the recovery of the bondholders will depend on the value of such shares.

Solnes Eiendom AS holds no other material assets than the Properties. Accordingly, in the current ownership structure, the value of the shares of Solnes Eiendom AS, and thereby the value of the bonds, will depend on the value of the Properties as developed by Solnes Eiendom AS and also the amount of debt in Solnes Eiendom AS.

BH strongly believes that Solnes Eiendom AS' development plans for the Properties, as well as the current ownership structure will be destructive to bondholder values.

Firstly, Solnes Eiendom AS' plans for the Properties are based on existing zoning regulations, which do not facilitate the realisation of the Properties' full potential. BH is of the clear view that it is possible to obtain certain amendments to the existing zoning regulations that would increase the development potential, and correspondingly, the value of the Properties notably. Such increased value may not be realised by Solnes Eiendom AS, as Solnes Eiendom AS has committed to complete its current plans through binding agreements with third parties.

Secondly, before any value created by Solnes Eiendom AS' development of the Properties is shared with bondholders, the creditors of Solnes Eiendom AS must be covered (the bondholders are not a direct creditor of Solnes Eiendom AS, and will only collect payment through the Issuer). Accordingly, when it comes to sharing any values of the Properties in Solnes Eiendom AS, the bondholders will come last in line.

It follows that the existing development plans and ownership structure are likely to (i) hinder the Properties in realising their full value potential, and (ii) give priority to the stakeholders of Solnes Eiendom AS at the expense of the bondholders. BH cannot understand why the bondholders, who hold first priority mortgages over the Properties, would accept such adverse treatment.

3 THE OFFERS OF THE ISSUER AND COLLIERS

Both the offer of the Issuer (as backed by Lars Fossum) and the offer of Colliers International Corporate AS to the bondholders are based on a redemption of the Bond Issues, and the continuation of the business of the Issuer and Solnes Eiendom AS. Given the structural flaws of these offers, it is not surprising that the recovery that they offer to the bondholders is limited to NOK 25,000,000 and NOK 27,500,000, respectively.

4 BH'S INDICATIVE OFFER; MAXIMISING BONDHOLDER VALUES

4.1 Key elements of the Indicative Offer

At present, BH's Indicative Offer is the sole alternative for bondholder recovery that addresses the issues of the current development plans and ownership structure related to the Properties. As such, it is the only existing alternative which facilitates a maximisation of the Properties' values to the benefit of the bondholders. We remind you that the key elements of the Indicative Offer are as follows:

- A company to be established in the BH group (such company hereinafter "**Beliggenhet**") will acquire the Properties from Solnes Eiendom AS free of financial encumbrances, or effectively from the bondholders who hold mortgages over the Properties.
- In consideration of the Properties, the bondholders will receive new bonds issued by Beliggenhet (the "**New Bonds**").
- The amounts payable under the New Bonds will depend on the values deriving from the Properties as follows:
 - If Beliggenhet develops and starts the building of a real estate project at the Properties, the bondholders shall have the right to a pay out of a minimum of NOK 40,000,000. Such amount will be adequately secured by mortgages over other real property in the Auctus group, and fall due for payment at such time as to be agreed (but in any event at the time that the project is sold).
 - In any event, the bondholders shall receive 50% of any profits made by Beliggenhet from the acquisition, development and sale of the Properties, limited to a total pay out to the bondholders of NOK 65,000,000.
 - The New Bonds will from the outset be secured by a first priority mortgage over the Properties. Such mortgage will be released at the time Beliggenhet starts the building of a real estate project at the Properties (it being understood that the bondholders at such time will have a claim against Beliggenhet in the amount of NOK 40,000,000, which will be adequately secured by other real estate as set out above).
 - If Beliggenhet has not started the building of a real estate project within three years from the date Beliggenhet acquired the Properties, Beliggenhet may, and shall upon request from the Trustee, sell the Properties and transfer the net proceeds from such sale in repayment of the New Bonds.
- Beliggenhet will be capitalised by equity in so far as necessary to cover projected development costs as they occur in accordance with relevant project milestones and decision gates.

- In order to complete the transaction as further described above, the transaction must be supported by 2/3 of the bondholders in each Bond Issue. Also, a transaction will be conditional upon there being less than 150 bondholders in total.

4.2 Further details on BH's plans for the Properties

BH has already spent notable time and resources to prepare new plans for the development of the Properties that facilitate the realisation of the Properties' full value potential. An outline of these plans is attached hereto in [Appendix 1](#). We note in particular that as per current plans:

- Beliggenhet will develop Solnes Brygge as a wonderful second home destination.
- Beliggenhet has engaged internationally recognised design architects to assist in the development of the Properties.
- Beliggenhet will seek to change the existing zoning plans to increase building areas and improve views.
- The project is expected to yield a net profit of approximately NOK 210,000,000, securing the bondholders a pay out of a total of NOK 65,000,000.
- The project is expected to be completed by March 2023 (note that bondholders will have received a guarantee for most of their payments long before such time).

As with any building project, no guarantees can be made with respect to the completion or profitability of the project. However, BH considers that estimated project profits represent a moderate base case, making the estimations of bondholder recoveries relatively robust.

4.3 Further details on BH

As described in the Indicative Offer, BH is a part of the Auctus group, a notable real estate development group with consolidated equity of more than NOK 359,000,000.

BH and its subsidiaries specialise in the development of housing projects in Oslo and surrounding areas, and have a long track record of successful project development in the area. A brief presentation of the BH group is attached in [Appendix 2](#) hereto.

5 NEED FOR BONDHOLDER ACTION AND COORDINATION

In order to acquire the Properties as contemplated by the Indicative Offer, Beliggenhet envisages the following stepwise process in collaboration with the bondholders:

1. The bondholders instruct the Trustee to enforce the mortgages over the Properties. Such enforcement will require a simple majority resolution by the bondholders pursuant to clause 19.9 of the bond agreement, and will either result in a voluntary sale or a forced sale of the Properties.

2. Beliggenhet offers to acquire the Properties with the New Bonds as payment.
3. The Trustee approves such payment as settlement of the bonds. Such approval will require the consent of the voting bondholders representing at list two thirds of the outstanding amount under Bond Issues, cf. clause 19.8 (f) and (h) of the bond agreement. Given the mortgages over the Properties, the bondholders will control the sales process.
4. Beliggenhet acquires the Properties and issues the New Bonds to the bondholders.

In order to carry out these steps, some coordination will be required between the bondholders, the Trustee and Beliggenhet, also ahead of the necessary formal bondholder meetings or written procedures.

6 REQUEST FOR CONFIRMATION OF INTEREST

BH's continued engagement in the process and planning of the development of the Properties will require considerable resources on the part of BH. Moreover, as set out above, implementing the Indicative Offer will require some coordination between BH and key bondholders, preferably in the form of a simple collaboration agreement.

So far, BH has not received any indication of interest in the Indicative Offer, neither from the bondholders nor the Trustee. On the contrary, BH's proposal to hold a bondholder meeting to allow BH to present its plans for the bondholders has been rejected.

BH is convinced that its Indicative Offer provides the best outlook for bondholder recovery, and is eager to progress a transaction as contemplated thereby. However, BH is not willing to continue its engagement in the process unless a sufficient share of the bondholders confirm their interest in BH's Indicative Offer. On this background, BH kindly request that bondholders who are interested in the Indicative Offer confirm such interest by close of business Friday 18 October 2019 by e-mail or phone to the following:

Name:	Gina Flølo Dyrstad Wikborg Rein Advokatfirma AS
E-mail:	gdy@wr.no
Telephone:	(+47) 22 82 76 62 / (+47) 977 93 604

Please note that unless a sufficient share of the bondholders confirm such by close of business on Friday 18 October 2019, BH will withdraw from the process.

We kindly request that this letter be distributed to all bondholders.

Sincerely yours,
WIKBORG REIN ADVOKATFIRMA AS

Kaare Christian Tapper

Kaare Christian tapper