

## Notice of written procedure for bonds issued by Malmö Katrinelund 27 AB (publ)

To the holders of the up to SEK 155,000,000 (or its equivalent in NOK and USD) Senior Secured Callable Fixed Rate Bonds 2017/2020 with ISIN SE0010101782, NO0010808090 and SE0010442269 (the "Bonds") issued by Malmö Katrinelund 27 AB (publ) (the "Issuer") on 15 December 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 has been sent by Intertrust (Sweden) AB (the "Trustee") to direct registered owners and registered authorised nominees (förvaltare) of the Bonds recorded as of 25 November 2020 on a Securities Account with Verdipapirscentralen ASA and in the debt ledger produced by Euroclear Sweden. If you are an authorised nominee under the Norwegian Securities Register Act of 2002 no.64 (NW. Verdipapirregisterloven) or the Swedish Financial Instruments Accounts Act 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 Trustee, acting in its capacity as Trustee 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 for inter alia a prolongation of the maturity of the Bonds as well certain consequential 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*).

### **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 Trustee 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, why this notice for the Written Procedure does not contain any risk factors or other disclosures with respect to the Issuer or its assets that have been produced as a result of any such due diligence. There may thus be risks related to the Proposal set out below which could have a material negative impact on the Bondholders' prospects of recovery under the Bonds and each Bondholder is solely responsible for making its own assessment of the Proposal before participating in the Written Procedure.

Please note that the Proposal entails, amongst others and not limited to, the following risks:

- The process of constructing the student apartments on the Student Apartment Property and the renovation of the Commercial Property (each as described below) has not yet been commenced and there could be delays and change of market conditions which could lead to an un-satisfactory outcome with respect to the subsequent sale of the student apartments and the Commercial Property.
- The Bondholders will, due to the Acquisition (as defined below), bear a risk towards the CapRate Group (as defined below) and its capability of consummating the constructions and renovations as described herein and subsequently fulfilling its obligations towards the Bondholders (to refinance the Bonds).
- Property developments are subject to a number of permits and regulatory requirements that could delay the contemplated construction projects.

- There is a considerable risk of the Issuer or SEM-System Fritidshus AB becoming insolvent following the transactions contemplated herein which would result in a bankruptcy. In a bankruptcy scenario, the bankruptcy administrator of the bankrupt companies will review and assess all recent transactions made by the insolvent company and seek recovery should it deem any transaction being made in contradiction of relevant bankruptcy laws or on non-market terms. Should the administrator deem that the transfer of the Properties for any reason being vulnerable for claw-back (Sw. *återvinning*), the administrator could initiate such proceedings, which if lost could result in a material negative effect on the transaction contemplated herein and on the Bondholders' recovery.
- The Issuer's ability to successfully refinance the Bonds is dependent on the conditions of the debt capital markets and its financial condition at such time. The Issuer's inability to refinance the Bonds on favourable terms, or at all, will prevent the Issuer from repaying the Bonds at maturity.

#### **LIMITATION OF LIABILITY OF THE TRUSTEE**

The Proposal is presented to the Bondholders by the Trustee on behalf of the Issuer, without any evaluation, advice or recommendations from the Trustee to the Bondholders whatsoever. The Trustee has not assessed the Proposal (and its effects, should it be adopted) from a legal, commercial, financial or other perspective and the Trustee expressly disclaims any liability whatsoever related to the content of this notice and the Proposal (and its effects, should it be adopted). The Trustee has assumed that documentation and other evidence delivered to it pursuant the Proposal is accurate, correct and complete and the Trustee 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 Trustee, 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 REQUEST**

Before making a decision, each Bondholder is advised to carefully review the content of this document, the Proposal set out in Paragraph 3 of Section A (*Background and Proposal*) below and the proposed resolutions set out in Paragraph 5 of Section A (*Background and Proposal*) below and the limitation of liability of the Trustee 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 financial adviser for this purpose. The Trustee 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 Trustee. The Trustee must **receive the voting form no later than by 12.00 (CET) on 11 December 2020** 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 **11 December 2020**.

**To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 26 November 2020 (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):* **26 November 2020**

*Last time and day to vote:* **12.00 CET on 11 December 2020**

## A. Background and Proposal

### 1. Background

The previous owners of the Issuer have transferred (i) the property Malmö Katrinelund 29 (the "**Commercial Property**") and (ii) the 3D property Malmö Katrinelund 30 (the "**Student Apartment Property**", together with the Commercial Property, the "**Properties**") in breach of the Terms and Conditions and the Properties are currently owned by SEM-System Fritidshus AB ("**SEM**"), albeit subject to the mortgage held by the Bondholders.

The Commercial Property houses a shopping mall, and on the Student Apartment Property, which at the date of the initiation of this Written Procedure does not house any buildings, building rights for approximately 650 student apartments have been granted.

CapRate Malmö 1 AB ("**CapRate**") has thereafter, on 11 November 2020, entered into a share purchase agreement with Melimark AB regarding CapRate's acquisition of all shares in Bullerforsen Holding AB ("**Bullerforsen**" and the "**Acquisition**", respectively). Before the Acquisition, Bullerforsen had acquired all shares in SEM and in Koggbro AB and thereby indirectly acquired the Properties as well as the shares in the Issuer and Slottskajen Fastigheter AB ("**Slottskajen AB**").

The group of companies consisting of CapRate, Bullerforsen, Koggbro AB, the Issuer and Slottskajen AB is, together with any additional fully-owned subsidiary of any of CapRate, Bullerforsen, Koggbro AB, the Issuer, or Slottskajen AB from time to time, referred to as the "**CapRate Group**". A group charter, also including the ultimate owners of CapRate, is attached hereto.

The Bonds are secured directly by a mortgage of SEK 155,000,000 within SEK 155,000,000 over the Commercial Property and the Student Apartment Property (the "**Bond Security**").

### 2. Financial difficulties in the group and the sales process during the standstill period

The Koggbro group, which the Issuer was a part of before the Acquisition, has during the last years undergone severe financial difficulties and have defaulted on several of their debt obligations, including under the Bonds and the bonds issued by Koggbro AB. Due to the financial turmoil and lack of liquidity in the Koggbro group, the Issuer has not been able to procure that the contemplated constructions and renovations on the Properties have been carried out according to the plan presented to the Bondholders in connection with the issuance of the Bonds. As a result, the construction work and initiation of the sales process have been substantially delayed.

In 2019, the Issuer appointed the real estate broker, Angermann, to find a buyer for the Properties. Angermann has in accordance with its mandate prepared sales material and has gathered bids from approximately 10 bidders on the open market. The aim of the sales process has been to reach the best possible outcome from the Issuer's creditors' perspective, namely the structurally prioritized holders of the Bonds and the bonds issued by Koggbro AB. Following a number of negotiations, CapRate carried out the Acquisition and is now the owner of the Properties (as described above).

The CapRate Group is now able to present a project plan for the construction of additional storeys on the Student Apartment Property and the renovation works on the existing building on the Commercial Property, and an indicative time schedule for such project.

### 3. Proposal

#### 3.1 Summary of CapRate's offer

The main assets of the CapRate Group comprise the Commercial Property and the Student Apartment Property. The Student Apartment Property currently only comprise building rights and some additional planning and subsequently construction remains to be carried out before any value can be created. The CapRate Group has an intention to construct additional storeys on the Student Apartment Property and to carry out certain renovation works on the Commercial Property. After the completion of such



construction and renovation works, the CapRate Group intends to transfer the Properties to a purchaser outside the CapRate Group. Alternatively, the CapRate Group will transfer the Properties to a pension fund or other long-term investor prior to completion of the Project, which long-term investor then will procure that the project is completed, likely in collaboration with the CapRate Group (forward funding).

In summary, CapRate is asking the Bondholders to, inter alia, approve of a prolongation of the Final Maturity Date in order to be able to procure a new lender that will refinance the Bonds in full. In order to be able to finance the Student Apartment Property and the Commercial Property separately, the Bondholders are asked to release the existing mortgage over the Student Apartment Property, i.e. so that the mortgage only shall cover the Commercial Property going forward. The amount of the mortgage certificates covering the Commercial Property shall however be increased to SEK 180,000,000 within SEK 180,000,000. Given that the Acquisition has already been carried out and that the Issuer needs to carry out the projects as intended, all undertakings of the Issuer pursuant to the Terms & Conditions that would hinder the Issuer's plans shall be deleted.

As consideration for the Bondholders' approval of the Proposal, the Issuer is offering to pay all accrued interest on the Bonds (approx. SEK 23,000,000) and also pay 12 months interest on the Bonds in advance (approx. SEK 9,000,000) promptly after having received a positive vote from the Bondholders, with closing and payments estimated to 15 December 2020 (the "**Closing Date**"). In addition, the Issuer is offering to repay the Bonds with a premium of 3.00 per cent on the prolonged Final Maturity Date. The interest payments and payments of transaction costs and other expenses will be paid through a capital injection of approx. SEK 50,000,000 by CapRate prior to the Closing Date. It shall be noted that the Issuer intends to refinance the Bonds in full prior to the prolonged Final Maturity Date, although it cannot be guaranteed.

Please see the attached presentation, setting out details on CapRate as well as the plans for the Properties going forward. Please note that the information in the Proposal are non-binding and any numbers presented therein are rough estimates of the management and shall not be relied upon and cannot be guaranteed.

### **3.7 Amendments to the Terms and Conditions**

In order to be able to carry out the transaction contemplated by the Proposal, the following amendments to the Terms and Conditions are being proposed:

- (i) to adjust the Change of Control provision so that it reflects the current ownership by CapRate;
- (ii) to release the Security over the Rent Account and Interest Retention Account in connection with the Closing Date, provided that the accrued interest and the advance payment of Interest have been paid pursuant to items (v) and (vi) below;
- (iii) to prolong the Final Maturity Date until 15 December 2021, with a discretionary right for the Issuer to extend the maturity for an additional period of up to six (6) months, provided that the interest for the extended period is paid in advance by the Issuer in connection with the request for extension;
- (iv) to adjust the interest provisions so that accrued but unpaid interest shall be paid on the Closing Date, with a right for the Issuer to postpone the Closing Date to not later than 15 January 2021, provided however that no default interest shall accrue from the original Final Maturity Date to the extended Closing Date should the Issuer choose to postpone the Closing Date;
- (v) to add an obligation for the Issuer to pay an amount equivalent to the Interest on the Bonds that would accrue up to 15 December 2021 on the Closing Date;
- (vi) to adjust the repayment provisions so that the Bonds shall be redeemed at a price per Bond equal to 103 per cent of the Nominal Amount together with accrued but unpaid Interest at the Final Maturity Date;

- (vii) to release the Student Apartment Property from the mortgage that is currently covering both the Commercial Property and the Student Apartment Property, provided that the amount of the mortgage is increased to SEK 180,000,000 within SEK 180,000,000 and thereafter covers the Commercial Property only; and
- (viii) to make the amendments to the Terms and Conditions necessary, e.g. deleting any undertakings that would hinder CapRate to carry out the project on the Properties as intended and as presented in the attached presentation as well as adjustment and deletions of provisions, including special undertakings in the Terms and Conditions which following such transaction are irrelevant.

#### **4. Consequences of not accepting the Proposal**

As mentioned above, the Issuer is currently under severe financial pressure and has defaulted on several of its debt obligations, including under the Bonds. Due to the financial turmoil and lack of liquidity in the Issuer as well as in SEM (who owns the Properties), which financial turmoil and lack of liquidity is attributable to the time prior to the Acquisition (by the CapRate Group), the construction and renovation works on the Properties and initiation of the sales process have been substantially delayed.

The financial positions of the Issuer is currently such that the board of directors of the Issuer would likely be under an obligation to file for bankruptcy of the Issuer should the Bondholders reject the Proposal. In a bankruptcy scenario, the future operations of the bankruptcy estate will be handed over to a bankruptcy administrator who would liquidate the assets of the estate to pay off the liabilities. Currently, the liabilities of the Issuer materially exceed its assets. Further, all costs and expenses of the bankruptcy administrator will need to be covered by the assets of the bankruptcy estate. A bankruptcy scenario will thus result in a severe capital impairment for the Bondholders.

#### **5. Request for approval and consents**

The Issuer hereby kindly asks the Bondholders to:

1. approve and consent to the Proposal set out above;
2. waive any Events of Defaults continuing under the Terms and Conditions on the date of this Written Procedure;
3. approve and consent to the amendments to the Terms and Conditions, reflecting the Proposal and as described in Section 3.7 (*Amendments to the Terms and Conditions*) above;
4. authorize the Trustee to, on behalf of the Bondholders, execute and enter any documents that may be necessary to enter into in connection with the Proposal including any consequential and minor amendments (not mentioned above) to the Terms and Conditions to facilitate the Proposal and not being materially detrimental to the interest of the Bondholders and to effectuate the release of the Security mentioned above as well as receive payments on behalf of the Bondholders pursuant to the Proposal;
5. to authorize the Trustee to compensate any advisor engaged by the Trustee in connection with the Written Procedure and the sale of the Properties from any sale proceeds; and
6. to acknowledge the limitation of liability set out in above under the heading "LIMITATION OF LIABILITY OF THE TRUSTEE" and waive any rights or claims against the Trustee by reason of the tasks performed in connection with the consummation of the Proposal or under any potential enforcement process of the Additional Security or security over the Condominium Apartments.

The requests set out in paragraph 1-6 above are jointly referred to as the "**Request**".

The execution of the Request is subject to the bondholders in Koggbro AB have given their approval of to the corresponding request made by the Trustee on the date hereof.

## B. Decision procedure

The Trustee will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Request 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 Trustee, 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 Trustee and published by way of press release by either the Trustee or the Issuer.

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

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

### ***Voting rights with SEK and EUR denominated Bonds (Euroclear)***

Anyone who wishes to participate in the Written Procedure must on 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 Senior 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.

### ***Voting rights with NOK denominated Bonds (VPS)***

Anyone who wishes to participate in the Written Procedure must on the Record Date:

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

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 (*sw. förvaltare*) or another intermediary, you may have four different options to influence the voting for the Bonds.

1. Directly registered owners can vote via VPS Investortjenester. (Only applicable for Norwegian holders with VPS account in Norway)
2. You can ask the authorized nominee or other intermediary that holds the Bonds on your behalf to vote on your behalf as instructed by you. If the Bonds are held in custody - i.e. the owner is not registered directly in the VPS - the custodian must confirm: (i) the ultimate owner of the Bonds, (ii) the aggregate nominal amount of the Bonds; and (iii) the account number in VPS on which the Bonds are registered.
3. The individual Bondholder may authorize the Trustee to vote on its behalf, in which case the Bondholder's Form (PART 2. Voting slip) also serves as a proxy. A duly signed Bondholder's Form, authorizing the Bond Trustee to vote, must then be returned to the Trustee in due time before last day for replies (by scanned e-mail, courier or post).
4. You can obtain a power of attorney or other authorization (proof of ownership) from the authorized nominee or other intermediary and send in your own voting form based on the authorization. A duly signed Voting Form (Schedule 1), authorizing the Trustee to vote, must then be returned to the Trustee in due time before last day for replies (by scanned e-mail, courier or post). 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).

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 Trustee 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 16(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 Request.

If a quorum does not exist, the Trustee 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 12.00 (CET) on 11 December 2020 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

### **Majority**

Pursuant to Clause 16(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 Request in order for it to be approved.

***Final date to vote in the Written Procedure***

The Trustee must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CET) on 11 December 2020**. Votes received thereafter will be disregarded.

***Address for sending replies***

*By regular mail:*

Intertrust (Sweden) AB

Attn: Kristofer Nivenius, P.O. Box 16285, 103 25 Stockholm

*By courier:*

Intertrust (Sweden) AB

Attn: Kristofer Nivenius, Sveavägen 9, 10th floor 111 57 Stockholm

*By e-mail:*

trustee@intertrustgroup.com

## VOTING FORM

To the holders of the up to SEK 155,000,000 (or its equivalent in NOK and USD) Senior Secured Callable Fixed Rate Bonds 2017/2020 with ISIN SE0010101782, NO0010808090 and SE0010442269 (the "Bonds") issued by Malmö Katrinelund 27 AB (publ) (the "Issuer") on 15 December 2017.

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

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### Reply

Name of person/entity voting: \_\_\_\_\_

Nominal Amount and currency 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 Request.

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 16(j) of the Terms and Conditions with respect to the Request:

**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/AUTHORISATION<sup>1</sup>**

**To the holders of the up to SEK 155,000,000 (or its equivalent in NOK and USD) Senior Secured Callable Fixed Rate Bonds 2017/2020 with ISIN SE0010101782, NO0010808090 and SE0010442269 (the "Bonds") issued by Malmö Katrinelund 27 AB (publ) (the "Issuer") on 15 December 2017.**

Authorized Person<sup>2</sup>: \_\_\_\_\_

Nominal Amount<sup>3</sup>: \_\_\_\_\_

Grantor of authority<sup>4</sup>: \_\_\_\_\_

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 of<sup>5</sup>: \_\_\_\_\_

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 through<sup>6</sup> \_\_\_\_\_

Date:

Signature

\_\_\_\_\_

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<sup>1</sup> 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.

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

<sup>3</sup> Insert the aggregate nominal amount the Authorized Person should be able to vote for.

<sup>4</sup> Insert the name of entity/person confirming the authority.

<sup>5</sup> The total Nominal Amount the undersigned represents

<sup>6</sup> 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 Issuer: Malmö Katrinelund 27 AB, Peter Schunk  
peter.schunk@caprate.de, +49 1721643787

To the Trustee: Intertrust (Sweden) AB, Kristofer Nivenius,  
trustee@intertrustgroup.com, +46 – 70 688 1910

**Stockholm on 26 November 2020**

**Intertrust (Sweden) AB**

**as Trustee**



# Katrinelund Malmö Sky Village

Presentation to the Bondholders  
November 2020





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# 1. Intro, Summary of the Proposal to Bondholders

## Summary of the proposal

- In November 2020, CapRate bought the “Katrinelund structure”, which consists of Bullerforsen Holding AB that owns SEM-System Fritidshus AB, and two sister companies Katrinelund 29 AB and Katrinelund 30 AB.
- CapRate will inject new equity into the project - initially MSEK 50.
- In connection with the new equity contribution, CapRate will enter into a profit share agreement with the bonds issued by Koggbro AB for the project. The profit is split 50/50 between the bondholders and CapRate.
- The construction is scheduled to start around summer 2021, and a total project period is approx. 2 years.

## The senior secured bonds issued by Malmö Katrinelund 27 AB (“Katrinelund Bonds”)

- In December 2020, CapRate will pay the accrued interest for the Katrinelund Bonds, circa MSEK 23, and pay 12 months of interest in advance of circa MSEK 9, in total MSEK32.
- The bonds will be prolonged 12 month, with an option for another 6 months.
- CapRate will repay the bond with a premium of 3%.
- CapRate expects to repay the nominal amount earlier, in connection to their financing of the project.

## The senior and junior bonds issued by Koggbro AB (jointly, the “Koggbro Bonds”)

### Senior secured bonds (“Senior Bonds”)

- The Senior Bonds receive 90% of the bondholders share in the profit split.

### Second lien bonds (“Junior Bonds”)

- The Junior Bonds receive 10% of the bondholders share in the profit split.



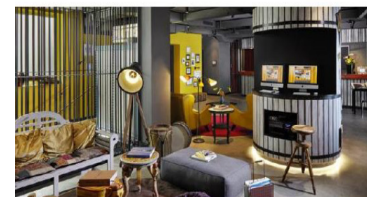
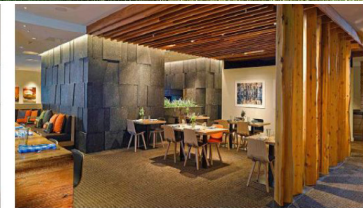
## 2. CapRate

### Company profile

- CapRate is a German property developer with a strong international track record of developing residential buildings, hotels, office and commercial buildings.
- CapRate stands for extensive expertise in the planning and development of real estate in the area's office and commercial buildings, hotels, co-working, residential / co-living and business parks.
- The CapRate team has handled and realized project developments in excess of € 1.0 bn. Currently the team is developing projects with a gross floor area of > 600,000 m².
- CapRate has expanded its business activities to actively operated real estate, with a focus on F&B, Hospitality and Hotel management segments.
- CapRate has an affinity towards special projects with a demanding implementation profile, distressed situations or early stage approaches in the value chain.
- CapRate has clustered its projects in successful regions in order to take maximize existing market advantages and efficiently complete the development with own local teams.
- The purchase price funding is < generated from own funds, with mezzanine or bonds and typically refinanced as part of the development.
- [www.caprate.de](http://www.caprate.de)

### Vision for the project

- The vision is to develop Malmö's finest student campus with up to circa 800 apartments and common areas such as restaurants and sport facilities. The ambition is to complete the project within two years from construction start.
- CapRate has engaged with one of the Europe's leading architects, with extensive knowledge of the concept and experience in designing student apartments, to lead the project: [www.larsgitz.dk](http://www.larsgitz.dk)
- CapRate will also refurbish and upgrade the existing retail and shopping area.



### 3. CapRate Team



**Peter Schunk**

Chairman of the board

Peter Schunk has been active for more than 40 years in the development market as managing director and partner in various holding and project companies initiated by him throughout Germany and Europe.



**Alpay Ece**

CFO

Alpay has more than 20 years experience in banking and investment financing. He is a chairman and a director of several investment funds and financial services companies.



**Thomas Demmel**

Member of the board

Thomas Demmel has years of real estate transaction and project development experience. He was a lawyer and partner for international law firms and has a variety of own investments in various areas, such as Renewables and Health.



**Martin Freitag**

Managing Director

Martin Freitag is involved in project development for more than 10 years. As a former lawyer he specializes in Real Estate Finance Investments, Project Development and Real Estate Transactions.

## 4. CapRate investment, Katrinelund Bonds

**For the Katrinelund Bonds, The transaction consists of:**

- The Katrinelund Bonds of SEK 155,000,000 will be prolonged for 12 months with an extension option for additional 6 months. An annual interest rate of 6% shall be paid in advance.
- In December 2020, the new owner, CapRate, will initially inject MSEK 50 of new equity into the Katrinelund structure.
- In December 2020, CapRate will also pay the accrued interest for the Katrinelund bond, circa MSEK 23, and pay 12 months of interest in advance of circa MSEK 9, in total circa MSEK 32.
- CapRate will repay the bond with a premium of 3%, circa MSEK 4.6.
- CapRate expects to repay the nominal amount earlier in connection to their financing of the project.



## 5. Profit split, Koggbron Bonds

**For the Koggbron Bonds, the transaction consists of:**

- The new owner, CapRate, will initially inject MSEK 50 of new equity into the Katrinelund structure to be able to start the development.
- In connection with the new equity contribution, CapRate have the intention to enter into a profit share agreement with the Koggbron Bonds regarding the profit from the Project.
- The profit is split 50/50 between the Koggbron Bonds and CapRate.
- The profit to be shared contains all the profit from the future sale of the commercial property, the residential property and the potential building right on the parking lot.
- Before the profit split, CapRate receives 25% IRR on their invested equity.
- The aim is to secure bank financing of circa 70% for the project at market terms.
- The bondholders share of the profit split will be distributed 90% to the Senior Bondholders and 10% to the Junior Bondholders.

### Investment and profit<sup>1</sup>

Overview of project cost	SEK
Land and development costs	224,000,000
Construction cost and Investment in the property	585,000,000
External interest (bank financing)	25,090,000
<b>Sum</b>	<b>846,670,000</b>

Sale of Katrinelund 29 & 30	SEK
Exit price after deduction of the IRR	1,367,794,000
<b>Sum</b>	<b>1,367,794,000</b>

Example of gross profit to be split after payment of preferred return	SEK
Total profit	521,124,000
<b>Profit to bondholders from profit split (50%)</b>	<b>260,562,000</b>

<sup>1</sup> The figure is only an estimate by CapRate, non binding.

### Profit split and distribution

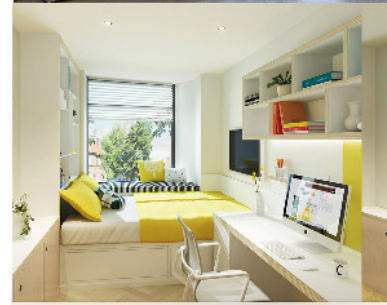
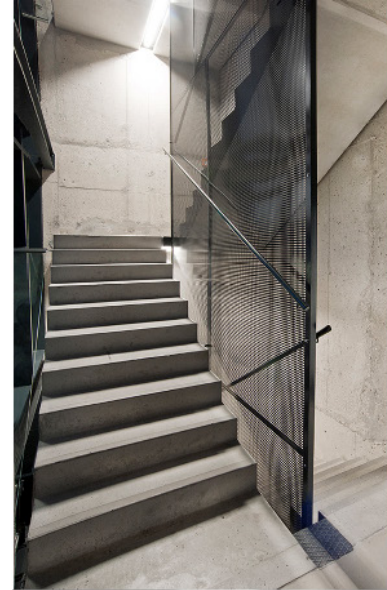
Profit split, Katrinelund 29 + Katrinelund 30	CapRate	Bondholders
All profit exceeding CapRates IRR	50%	50%

Profit distribution between the Koggbron Bonds	Senior Bond	Junior Bond
The 50% profit is distributed between the bondholders as:	90%	10%

## 6. Assumptions for the project

### Outcome assumptions

- On the next slide different outcome scenarios are presented based on the budget and assumptions for the project.
- The calculations are to illustrate possible outcomes, as a basis for bondholders' evaluation of the bid.
- The true property value depends on the various variables, such as market yields when selling, outcome of the project, cost for the project and time period until completion.
- Following assumptions have been made by CapRate:
  - The project takes approximately 2 years to complete and will be sold thereafter.
  - CapRate receives 25% annual IRR on their invested equity.
  - Approximately 70% LTV (loan-to-value) are used as an assumption in the calculations.
  - CapRate have calculated, an approximate development and refurbishment cost of SEK 846,670,000, including acquisition of the properties and external financing cost.
  - The net operating income is assumed to be:
    - MSEK 41.3 NOI for the student apartments.
    - MSEK 19.5 NOI for the commercial property.
  - The development of potential building rights for residential (up to circa 10 000 sq.m. gross floor area) on the parking lot have not been included in the calculation. If CapRate develops and sells the potential building rights, it will be an addition to the presented profit on the following page.





# 7. Potential outcome scenarios

## Senior Bonds

- The Senior Bonds receive 90% of the bondholders’ share in the profit split (90% of 50% of the total profit).
- For the Senior Bonds to receive a full return of their nominal amount, the profit from the profit split needs to amount to MSEK 361.
- For the Bondholder's profit to amount to MSEK 361 the total profit when selling the properties needs reach MSEK 722.
- Potential outcomes showing the Bondholders recovery rate are presented in the table below.
- There is no cap or minimum amount that will be paid out to the bondholders. It could be less or more than a nominal amount of the loan.

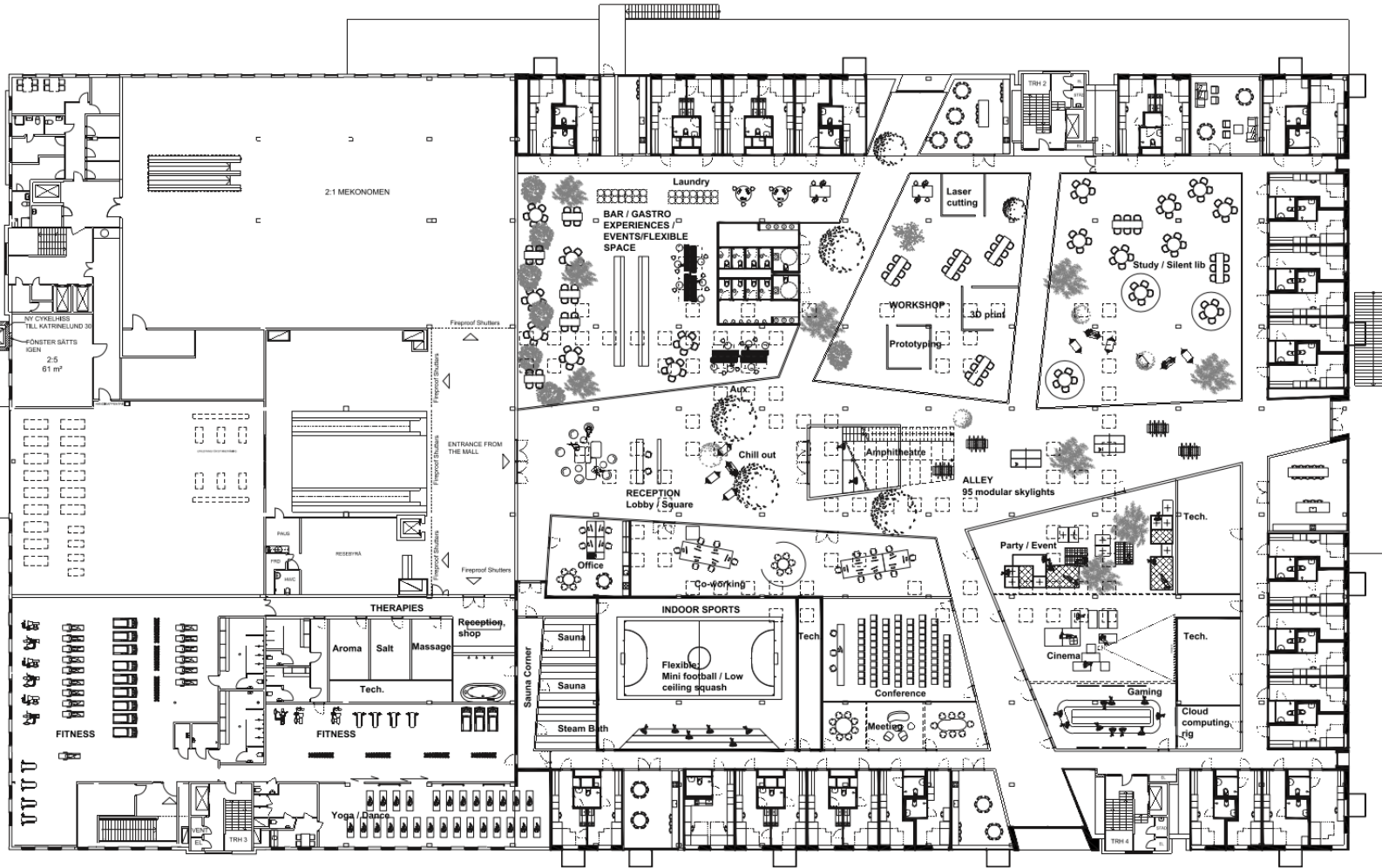
## Junior Bonds

- The Junior Bonds receive 10% of the Bondholders share in the profit split (10% of 50% of the total profit)
- For the Junior Bonds to receive a full return of their nominal amount, the profit from the profit split needs to amount to MSEK 500.
- For the Bondholder's profit to amount to MSEK 500 the total profit when selling the properties needs reach MSEK 1,000.
- Potential outcomes showing the bondholders recovery rate are presented in the table below.
- There is no cap or minimum amount that will be paid out to the bondholders. It could be less or more than the nominal amount of the loan.

Potential recovery rate, bondholders

Yield commercial	Yield student apartments	Bondholders profit from profit split	Recovery rate senior	Recovery rate junior
%	%	MSEK	%	%
3.75%	2.75%	538	149%	108%
4.00%	3.00%	459	127%	92%
4.25%	3.25%	391	108%	78%
4.50%	3.50%	333	92%	67%
4.75%	3.75%	283	78%	57%
5.00%	4.00%	238	66%	48%
5.25%	4.25%	198	55%	40%
5.50%	4.50%	163	45%	33%
5.75%	4.75%	131	36%	26%

## 8. Drawings Katrinelund Project Sky Village



PLAN 2

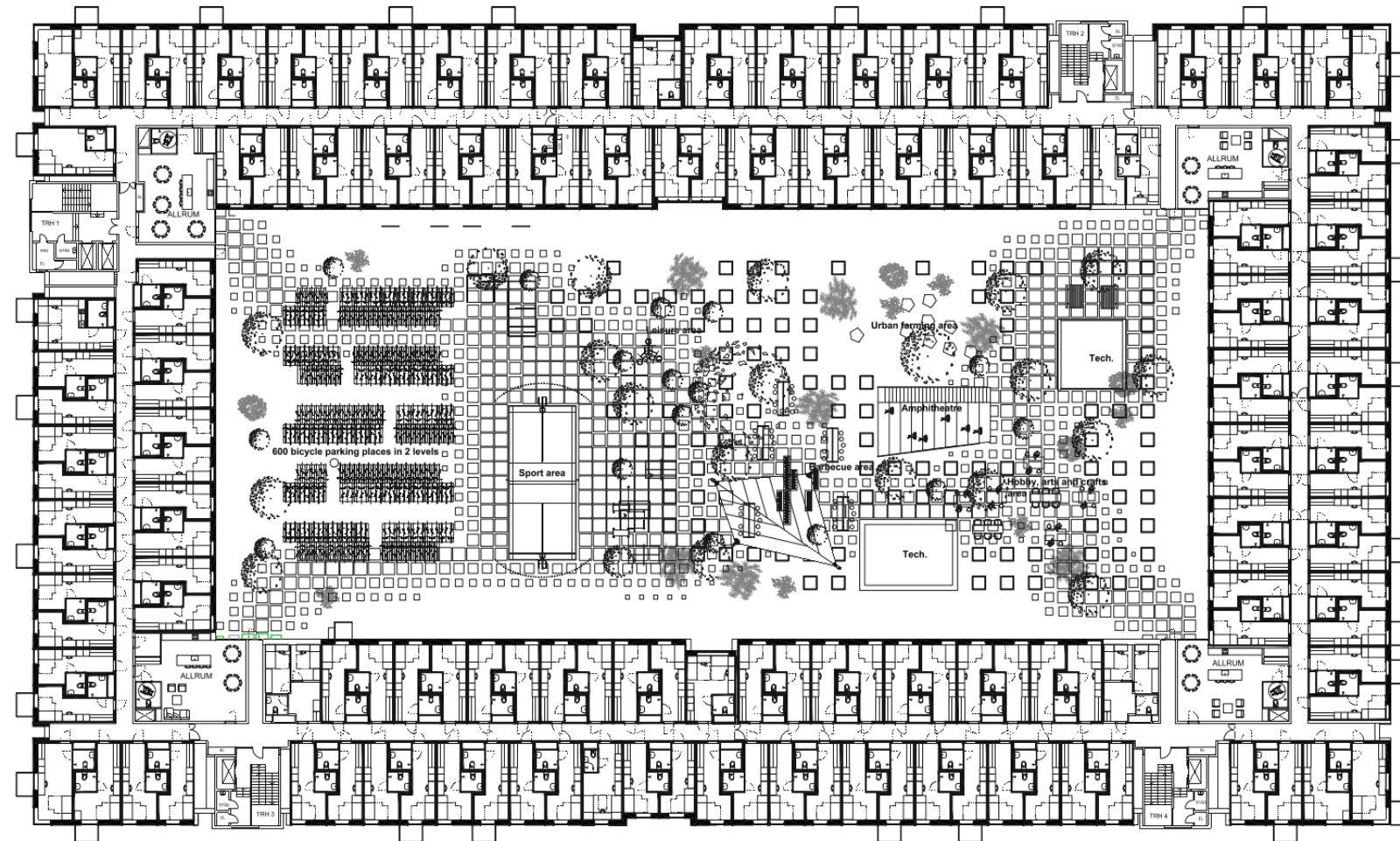
Gross area: 5250 m<sup>2</sup>  
 24 one bed, one room apartments - normal niveau  
 1 two beds, one room apartments - normal niveau  
 6 two beds, two room apartments - normal niveau

31 student apartments  
 38 beds

Scale 1:400



## 8. Drawings Katrinelund Project Sky Village



PLAN 3

Gross area: 5123 m<sup>2</sup>  
 156 one bed, one room apartments - normal niveau  
 4 two beds, one room apartments - normal niveau  
 2 two beds, two room apartments - normal niveau

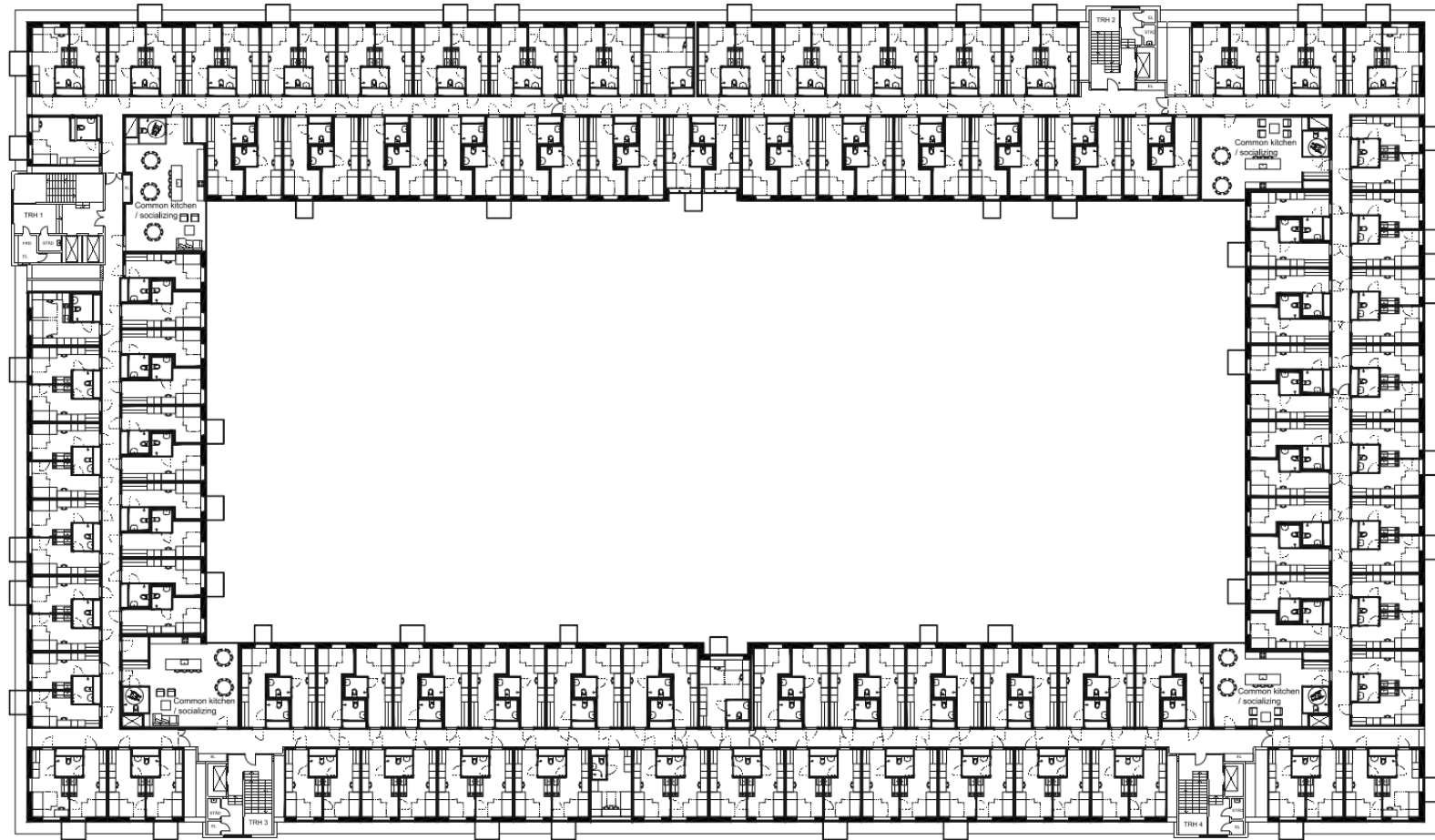
162 student apartments  
 168 beds

Scale 1:400





## 8. Drawings Katrinelund Project Sky Village



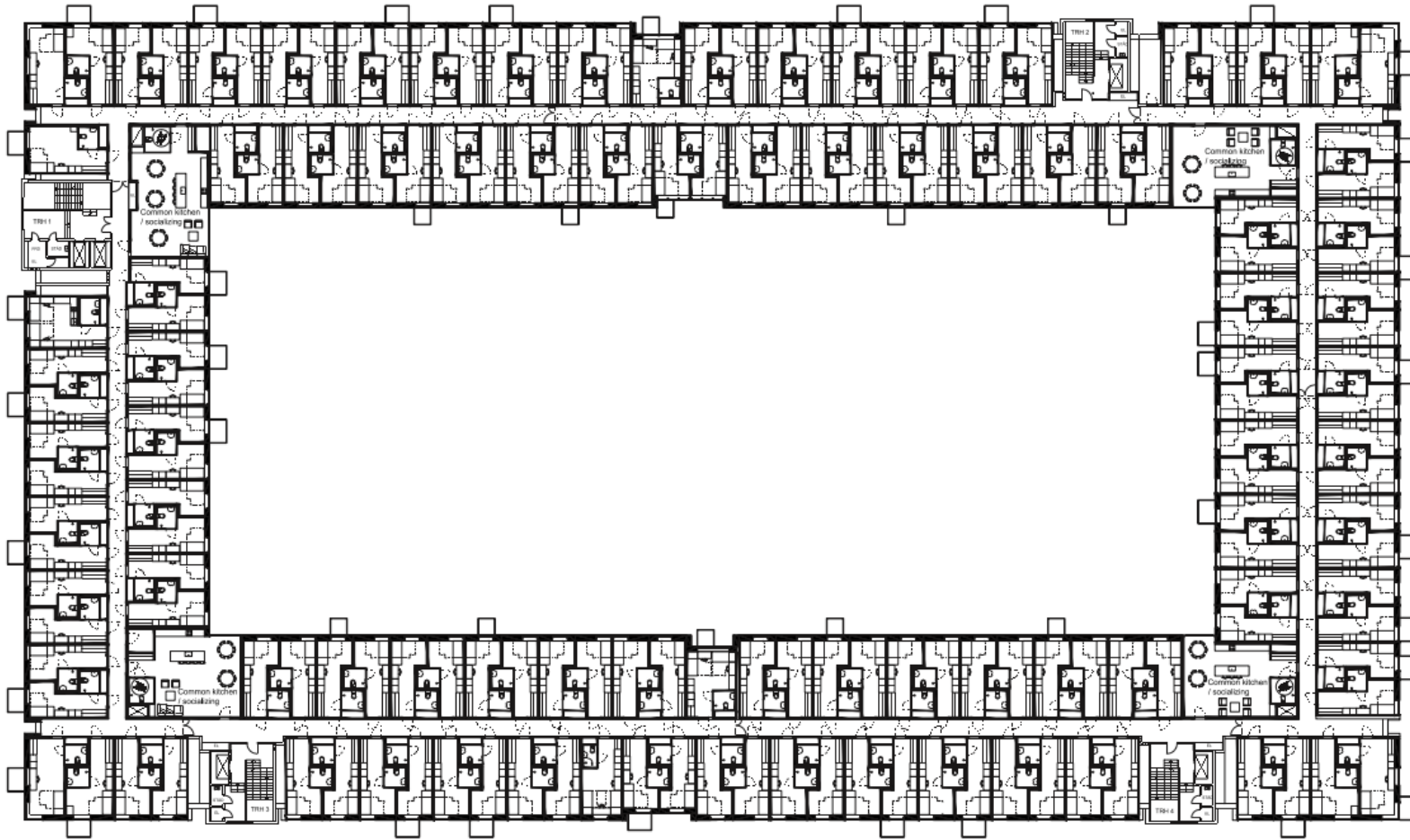
PLAN 4

Gross area: 4793 m<sup>2</sup>  
 72 one bed, one room apartments - normal niveau  
 3 two beds, one room apartments - normal niveau  
 44 two beds, two room apartments - normal niveau  
 119 student apartments  
 166 beds



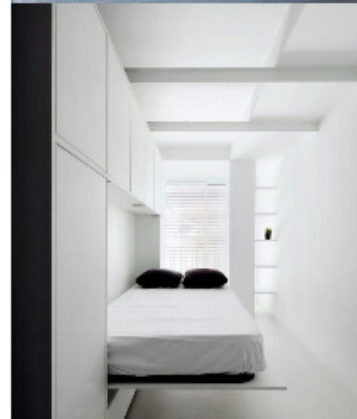
Scale 1:400

## 8. Drawings Katrinelund Project Sky Village



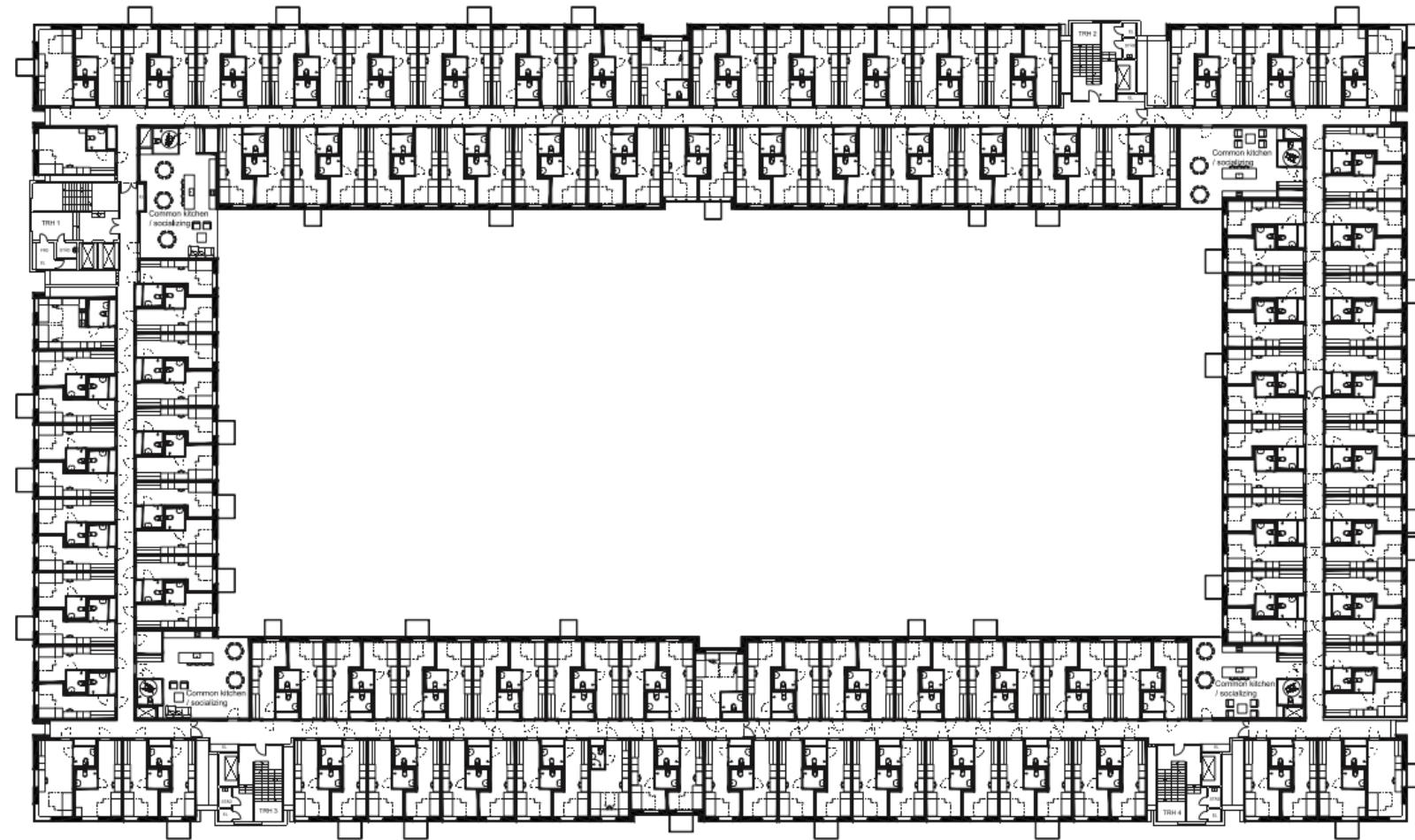
PLAN 5

Gross area: 5123 m<sup>2</sup>  
 160 one bed, one room apartments - normal niveau  
 4 two beds, one room apartments - normal niveau  
 164 student apartments  
 168 beds



Scale 1:400

## 8. Drawings Katrinelund Project Sky Village

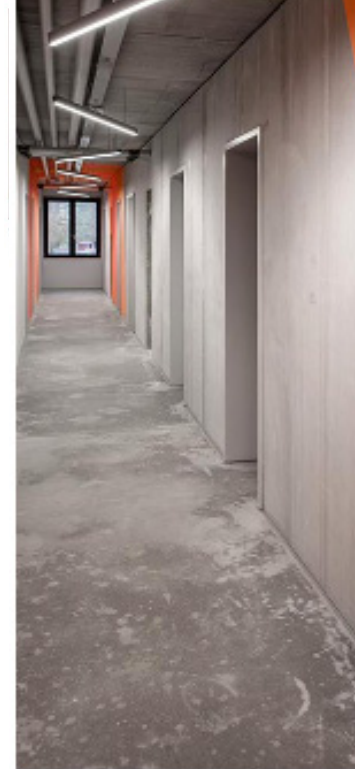


PLAN 6

Gross area: 5123 m<sup>2</sup>  
160 one bed, one room apartments - normal niveau  
4 two beds, one room apartments - normal niveau

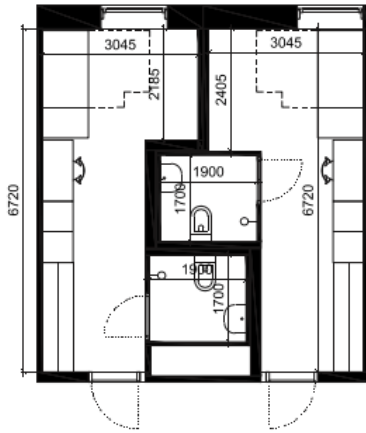
164 student apartments  
168 beds

Scale 1:400

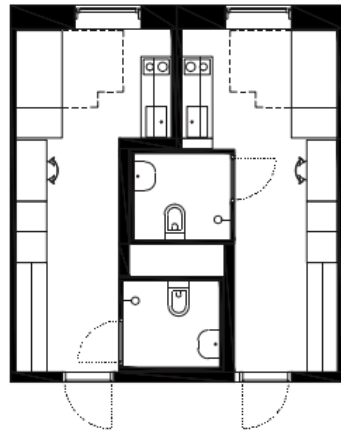




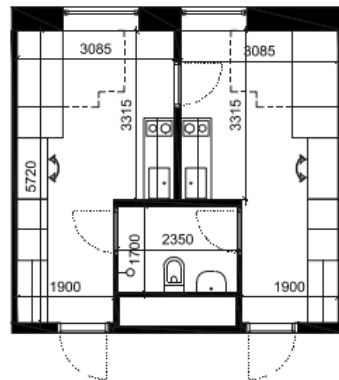
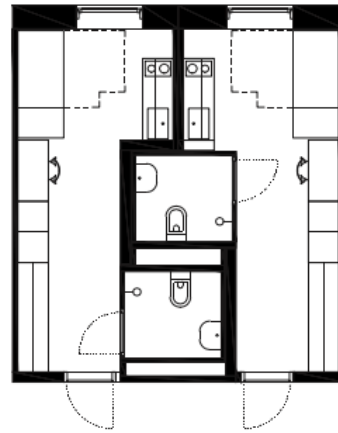
## 8. Drawings Katrinelund Project Sky Village



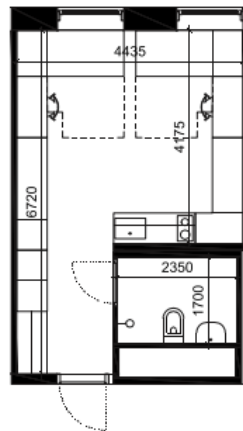
Typical one bed one room  
apartment  
Net area = 19 m<sup>2</sup>



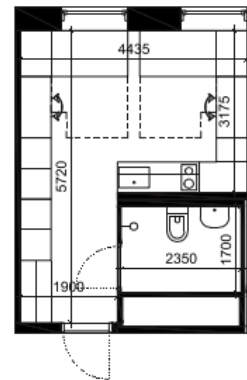
Variations regarding position of the installations shafts



Typical two beds two rooms  
apartment (Plan 4)  
Net area = 33,5 m<sup>2</sup>



Typical two beds one room  
apartment  
Net area = 27,5 m<sup>2</sup>



Typical two beds one room  
apartment (Plan 4)  
Net area = 23 m<sup>2</sup>



## 9. Appendix



## 9.1 Track record: CapRate – Current projects



### Liesenbruecken

**Location:** Berlin-Mitte

**Type:** Development

**Utilization:** Co-Living / Event Areas / Public park connection

**Planned construction:** ca. 17,000 m<sup>2</sup> GFA

**TIC:** ca. € 45.00 m

**Completion:** ca. Q4/2022



### Breslauer Strasse

**Location:** Neuss

**Type:** Development

**Utilization:** Commercial, Hotel / Boarding / Office

**Planned construction:** ca. 55,000 m<sup>2</sup> GFA

**TIC:** ca. € 90.00 m

**Completion:** ca. Q4/2022

## 9.2 Track record: CapRate – Finalized projects



### Hafenspitze

**Location:** MedienHafen Duesseldorf  
**Type:** Development  
**Utilization:** Hyatt Regency Hotel / Office  
**Rental space:** ca. 35,000 m<sup>2</sup>  
**TIC:** ca. € 180.00 m



### Feldmuehle

**Location:** Niederkassel, Duesseldorf  
**Type:** Development / Refurbishment  
**Utilization:** Office, Grohe / Freshfields LLP  
**Rental space:** ca. 20,000 m<sup>2</sup>  
**TIC:** ca. € 100.00 m

## 9.3 Track record: Lars Gitz Architects – Finalized projects



### Basecamp Lyngby

**Location:** Lyngby, Denmark

**Appointment:** 2017

**Completion:** 2020

**Area:** 41 000 m<sup>2</sup>

**Client:** BaseCamp Real Estate

**Engineer:** ÅF Consult



### Basecamp Århus

**Location:** Malmö, Sweden

**Appointment:** 2019

**Completion:** 2022

**Area:** 24 200 m<sup>2</sup>

**Client:** BaseCamp Real Estate

**Engineer:** Ramboll



## Beneficial Owners of CapRate Value AG

