

**Notice of written procedure for bonds issued by Grundingen Fastighets AB (publ)**

To the holders of the up to SEK 250,000,000 or its equivalent in NOK and USD Senior Secured Callable Fixed Rate Bonds 2017/2021 (the "Bonds") with ISIN: SE0010324194 (SEK Bonds), ISIN: NO0010805112 (NOK Bonds) and ISIN: NO0010805138 (USD Bonds) issued by Grundingen Fastighets AB (publ) (the "Issuer") on 9 October 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 8 March 2022. If you are an authorised nominee under 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 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*).

**NO DUE DILIGENCE CARRIED OUT IN CONNECTION WITH THIS WRITTEN PROCEDURE**

Please note that no due diligence whatsoever (legal, financial, tax, environment or otherwise), other than an interview with the management of the Issuer, has been carried out by the Trustee, the arranger of the Bonds, any of their advisors or any other person for the purposes of the Written Procedure or with respect to the Issuer or its assets. Therefore, the "risk factors" contained in the investor presentations (the "**Investor Presentation**"), which has been circulated to the Bondholders together with this notice of Written Procedure shall not be regarded as exhaustive in any way and there may be unidentified risks related to the Issuer, its assets and the Proposal which are not disclosed in the Investor Presentation.

**LIMITATION OF LIABILITY OF THE TRUSTEE**

The Proposal and the Investor Presentation are 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 the Investor Presentation, the documentation and other evidence (if any) delivered to it pursuant to 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. Other than as mentioned above, 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 PROPOSAL**

Before deciding whether to accept the Proposal, each Bondholder is advised to carefully review the content of the Investor Presentation, including the risk factors set out therein, this document and the proposed resolutions set out in Paragraph 2 (*Amendments of the Terms and Conditions*) of Section A



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*(Background and 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 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 21 March 2022** 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 21 March 2022.

**To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 8 March 2022 (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):* **8 March 2022**

*Last time and day to vote:* **12.00 CET on 21 March 2022**

## A. Background and Proposal

### 1. Background and current situation

The Issuer (together with its subsidiaries, the "**Group**") is a real estate development company founded in 2017. The original property acquisition were partially financed with the proceeds from the Bonds. The Group has since its foundation, continued to develop its property portfolio which now consists of 11 property projects in various stages and locations. The property projects are located in Stockholm, Norrköping, Göteborg, Lysekil and Trosa. The real estate projects are located in communities with strong growth and development potential.

Recent developments in the Group have been *inter alia* that the Issuer, in September 2021, entered into a cooperation agreement with Hökerum Bygg regarding the development of the project portfolio. Hökerum Bygg is a well-established construction and housing development company. Hökerum Bygg was founded in 1968 and has many years of experience and expertise in areas ranging from land acquisition, design, construction and management. Over the past 15 years, Hökerum Bygg has completed approximately 7,000 homes, both in in-house and for external clients. Hökerum Bygg's professional organization supports the continuation that of Grundingen's project development and adds expertise and relevant industry sector skills.

Further, in December 2021, the Issuer completed a rights issue of 50 MSEK. The proceeds from the right issue was used to finance the further development of the property portfolio.

Please refer to the Investor Presentation for an overview of the current portfolio of the Group, status of various zoning and building permits and estimated timeline for sales and/or constructions of the various projects.

#### *Current financial situation*

Given the current status of the Group's projects, the Issuer will unfortunately not be able to redeem the Bonds in full on the Final Redemption Date, being 12 April 2022 after exercise of the extension option.

However, as mentioned in the Investor Presentation, several of the Group's projects are estimated to be completed during 2022-2023. For instance, the Torslanda project is already sold out and expected to be completed in Q1 2023. The Torslanda project alone is estimated to generate a positive cash flow of about 269 MSEK (after construction costs). In addition, the projects Balkongen and Valsjöberget are being divested in 2022 resulting in positive cash flow. The Issuer will in addition initiate a rights Issue of 25 MSEK in the spring of 2022, which is fully guaranteed by the owners of JOOL Group, Bakers AB and Incita, in order to further strengthen the balance sheet of the Issuer.

Based on the above and in order to be able to complete the current projects of the Group in an orderly manner, the Issuer is now asking for the Bondholders approval to (i) extend the Final Redemption Date of the Bonds with twelve months plus an extension option for an additional three-month period, (ii) the possibility to incur a bridge loan facility of up to 25 MSEK, which shall be repaid with the proceeds from the contemplated 25 MSEK rights issue and (iii) the possibility for the Issuer and its subsidiaries to incur indebtedness that shall be applied to finalize specific projects, secured by the assets and/or profits in the same project. As compensation for the Bondholders approval of the requested amendments to the Terms & Conditions, the Issuer is offering an increase of the Interest rate with one percentage unit to 7.00% per annum, as from 13 April 2022 until the extended Final Redemption Date.

The Issuer is of the opinion that an extension of the Final Redemption Date of the Bonds will be beneficial for the Bondholders. The alternative would potentially result in the liquidation of projects on suboptimal terms. Such sales process could likely be a very lengthy process entailing significant costs and risks for the Bondholders. A sale of unfinished property projects could at this point likely reduce the value of the project portfolio to the disadvantage of Bondholders.

## 2. Amendments to the Terms and Conditions

In order to achieve the above-mentioned objectives, the Issuer hereby requests that the Bondholders approve to amend the Terms and Conditions in accordance with the below:

- (a) Extend the Final Redemption Date of the Bonds (currently 12 April 2022) by an initial twelve months until 12 April 2023 (the "**Extended Final Redemption Date**").
- (b) Introduce an extension option, giving the Issuer the right to further extend the Extended Final Redemption by an additional three months until 12 July 2023 in its discretion;
- (c) The Interest Rate on the Bonds shall be increased to 7.00 per cent. *per annum* as from the original 13 April 2022 until Final Redemption Date (as extended);
- (d) A new definition of "Permitted Bridge Loan" shall be added to the Permitted Debt catalogue in the Terms and Conditions, allowing the Issuer to incur a bridge loan of up to 25 MSEK, which may be repaid with proceeds from the contemplated rights issue of 25 MSEK; and
- (e) A new item shall be added to the Permitted Debt catalogue, allowing the Issuer and its subsidiaries to incur indebtedness that shall be applied to finalize specific projects, secured by the assets and/or profits in the same project.

The amendments proposed in (a) and (e) above are hereinafter referred to as the "**Proposal**".

## 3. Request for approval and consents

The Issuer hereby kindly asks the Bondholders to:

- (a) approve and consent to the Proposal set out above;
- (b) approve and consent to the amendments to the Terms and Conditions, in order to implement the Proposal and as described in Section 2 (Amendments to the Terms and Conditions) above;
- (c) authorize the Trustee 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
- (d) to acknowledge the limitation of liability set out in above under the heading "LIMITATION OF LIABILITY OF THE TRUSTEE".

### 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 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 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 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.



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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 8 March 2022 (the "**Record Date**"):

- (a) be registered on the Securities Account as a direct registered owner (direktregistrerad ägare); or
- (b) 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 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 Proposal.

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 (CEST) on 21 March 2022** in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

### ***Majority***

Pursuant to Clause 16(g)(vii) 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 Trustee must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CEST) on 21 March 2022**. Votes received thereafter will be disregarded.

***Address for sending replies***

*By regular mail:*

Intertrust (Sweden) AB

Attn: Linus Löfgren, P.O. Box 16285, 103 25 Stockholm

*By courier:*

Intertrust (Sweden) AB

Attn: Linus Löfgren, Sveavägen 9, 10th floor, 111 57 Stockholm

*By e-mail:*

trustee@intertrustgroup.com



VOTING FORM

For the Written Procedure initiated on 8 March 2022 with respect to the up to SEK 250,000,000 or its equivalent in NOK and USD Senior Secured Callable Fixed Rate Bonds 2017/2021 (the "Bonds") with ISIN: SE0010324194 (SEK Bonds), ISIN: NO0010805112 (NOK Bonds) and ISIN: NO0010805138 (USD Bonds) issued by Grundingen FastighetsAB (publ) (the "Issuer") on 9 October 2017.

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

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**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

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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>**

**For the Written Procedure initiated on 8 March 2022 with respect to the up to SEK 250,000,000 or its equivalent in NOK and USD Senior Secured Callable Fixed Rate Bonds 2017/2021 (the "Bonds") with ISIN: SE0010324194 (SEK Bonds), ISIN: NO0010805112 (NOK Bonds) and ISIN: NO0010805138 (USD Bonds) issued by Grundingen Fastighets AB (publ) (the "Issuer") on 9 October 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:*

Grundingen Fastighets AB (publ), Karl Twetman, kt@grundingenfastighets.se, +46 70 766 0022

*To the Trustee:*

Intertrust (Sweden) AB, Linus Löfgren, trustee@intertrustgroup.com, +46 72 991 57 01

**Stockholm on 8 March 2022**

**Intertrust (Sweden) AB**

**as Trustee**