

## Notice of second written procedure for bonds issued by Hancap AB (publ)

To holders of the senior secured fixed rate bonds issued by Hancap AB (publ) (the "Issuer"), with ISIN: NO 0010769276 (SEK), NO 0010769284 (NOK) and NO 0010769292 (USD), originally dated 10 October 2016 as amended and restated on 18 July 2017, 14 December 2017 and 30 April 2019 (the "Bonds").

*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 will be sent by Intertrust (Sweden) AB (the "Trustee") on 28 February 2023 to direct registered owners and registered authorised nominees of the Bonds. This voting request has also been published on the websites of the Issuer and the Trustee, in accordance with the Terms and Conditions. If you are an authorised nominee under the Norwegian Securities Register Act of 2002 no.64 (NW. Verdipapirregisterloven) 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 1 February 2023, a notice of written procedure was sent to the Bondholders, regarding a final settlement of the Bonds. The voting period expired on 27 February 2023. The number of votes obtained proved to be insufficient in order to form a quorum. However, pursuant to the Terms and Conditions, the Issuer retains a right in these cases to call for a second written procedure where the quorum requirement does not apply.

On behalf of and as requested by the Issuer, the Trustee, acting in its capacity as Trustee for the Bondholders under the Terms and Conditions, hereby initiates a second written procedure (the "**Written Procedure**"), whereby the Bondholders can approve or reject a proposal from the Issuer regarding a final settlement of the Bonds in the form of a partial payment and conversion to capital contribution of the remaining outstanding amounts under the Bonds to the Issuer. 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, 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, no risk factors relevant for the Proposal (if any) have been presented in the investor presentation (the "**Investor Presentation**"), which has been circulated to the Bondholders together with this notice of Written Procedure and there may be unidentified risks related to the Issuer 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 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, this document and the proposed resolutions set out in Section 2 (*Proposal to the Bondholders*) of Section A (*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.

#### **ALL BONDHOLDERS ARE STRONGLY ENCOURAGED TO CONSULT THEIR OWN TAX ADVISOR**

Neither the Trustee nor the Issuer or any of their advisors have assessed the Proposal (and its effects, should it be adopted) from a tax perspective, including but not limited to the effects of the proposed final payment and shareholder/capital contribution (Sw. *aktieägar- eller kapitaltillskott*) of the remaining debt or the possibilities to utilise any tax loss carry-forwards (Sw. *förlustavdrag*) as a result of the losses made. The Bondholders are therefore recommended to seek their own professional tax advice in order to independently evaluate the tax effects of the Proposal.

#### **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 16 March 2023** 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 **16 March 2023**.

**To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 28 February 2023 (the "Record Date")**. This means that the person must be registered on a Securities Account or authorised nominee 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 February 2023**

*Last time and day to vote:* **12.00 CET on 16 March 2023**

## A. Background and Proposal

### 1. Background and current situation

At the time of the issuance of the Bonds, the Hancap Group consisted of Swedish businesses with a niche within construction-related products and services. The direct and indirect subsidiaries of the Issuer consisted of Wasafönster AB, Dalkarlarna i Ornäs AB, Uterumsmästarna i Sverige AB, Santex Glas AB, Seml AB, Mistral Gruppen AB, Hancap Facade AB, Hancap AS, Hancap Personaloptioner AB, Westcoast Windows AB, Westcoast Windows Systems Ltd, Santex System AB, Mistral Energi AB, Scandinavian Licence AB and Skandinaviska Glassystem AB.

The Hancap Group has since a number of years encountered severe financial difficulties and has gone through a number of restructurings of its debts, including under the Bonds. Further, the Hancap Group's financial problems in 2020-2021 have resulted in the following events:

- On 21 July 2020, the subsidiaries Dalkarlarna i Ornäs AB and Santex Glas AB were declared bankrupt.
- On 27 July 2020, the subsidiary Uterumsmästarna AB was declared bankrupt.
- On 2 September 2020, the subsidiary Mistral Gruppen AB was declared bankrupt.
- On 28 September 2020, the subsidiary Seml AB was declared bankrupt.
- 13 October 2020, the subsidiary Skandinaviska Glassystem AB was declared bankrupt.
- On 28 October 2020, the subsidiary Santex System AB was declared bankrupt.
- On 2 November 2020, the subsidiary Hancap Facade AB and its subsidiary Skandinavien License AB were declared bankrupt.
- Liquidation of the company's Norwegian dormant company Hancap AS commenced in February 2021 and was completed in September 2021.
- On 12 February 2021, the subsidiary Mistral Energi AB was declared bankrupt.

Overall, the large losses in the subsidiaries in 2019 and 2020 forced the Issuer to write down the value of its subsidiary shares and reserve the value of the claims on the subsidiaries in bankruptcy, with all of these items being written down to zero in the Issuer's accounts for the companies in bankruptcy in 2020/2021. After the impairment of the value of shares in subsidiaries and claims on bankrupt subsidiaries, the Issuer prepared a mandatory balance sheet for liquidation purposes (Sw. *kontrollbalansräkning*) on 31 October 2020 with a subsequent general meeting held on 22 December 2020.

On 20 August 2021, the second general meeting was held where the balance sheet for liquidation purposes (Sw. *kontrollbalansräkning*) as of 30 June 2020 was presented. The Issuer has not yet been put into liquidation to enable the completion of the necessary measures to restore the share capital to an acceptable level.

On 7 October 2021, due to the inability to service its debt, a voting procedure was completed in respect of the Issuer's super senior bond, pursuant to which the Trustee on behalf of the bondholders thereunder completed a pledge enforcement over the shares in the subsidiary Wasafönster AB, including its subsidiaries Westcoast Windows AB and Westcoast Windows System Ltd. The mentioned companies are therefore no longer part of the Hancap Group. The only remaining company in the Hancap Group is therefore the parent company Hancap AB (publ), i.e. the Issuer and there are currently no other assets in the Hancap Group.

As a partial measure to restore the share capital, it was decided at the annual general meeting of the Issuer on 8 December 2021 to reduce the share capital by changing the quotient value per share from SEK 1.00 to SEK 0.01 without cancellation of shares. Registration was completed on 18 January 2022.

*Summary of the current financial situation and way forward*

As mentioned above, a result of the bankruptcy of the Issuer's subsidiaries in 2020/2021 and the pledge enforcement over shares in Wasafönster AB and the liquidation of Hancap AS, the Issuer has as of 7 October 2021 no longer any subsidiaries and is the sole company in the Hancap Group. Neither is the Issuer carrying out any business activities nor does it have any employees. Please see the Investor Presentation where the balance sheet of the Issuer as per 31 December 2022 has been presented.

Thus, the only way for the Issuer to avoid bankruptcy and enable the restoration of its share capital is a comprehensive debt restructuring, of which the Bond is the single largest debt. From the Issuer and its major shareholder's perspective, there could be tax loss carry-forwards that could potentially be utilised with potential future new business in certain circumstances. Of prudence reasons, the tax loss carry-forwards are not recognised in the balance sheet of the Issuer that is presented in the Investor Presentation.

It is the Issuer's assessment that a debt restructuring (including the approval of the Proposal below) is essential for the survival of the Issuer and failing that, a bankruptcy cannot be avoided.

The current outstanding amounts under the Bond as per 31 December 2022 is set out in the table below.

Please note that, in April 2019, through a written procedure, approx. 2/3 of the then outstanding amount under the Bonds was converted into preference D shares in the Issuer.

The NOK-SEK and USD-SEK FX Rate applied below is the official rate as per 31 December 2022.

ISIN	CURRENCY	AMOUNT RELEVANT CURRENCY	IN	CONVERSION TO SEK	AMOUNT IN SEK
NO 0010769276	SEK	139,371,993		1	139,371,993
NO 0010769284	NOK	41,966,567		1.057179	44,366,173
NO 0010769292	USD	276,758		10.4371	2,888,555
Total outstanding debt in SEK, including accrued PIK interest as per 31 December 2022					186,626,721
Accrued but unpaid cash interest under the Bonds as per 31 December 2022					28,097,402
Total outstanding debt under the Bonds, including accrued interest as per 31 December 2022					214,724,123

Please note that the Final Payment (as defined below) that will be made in accordance with the Proposal (as defined below) will only be made to the Bondholders holding Bonds with ISIN: NO 0010769276 (SEK), NO 0010769284 (NOK) and NO 0010769292 (USD). Consequently, the Final Payment will only be applied to partially redeem the principal Nominal Amounts of the Bonds and no payments will be made towards the separate ISINs provided by Verdipapirsentralen ASA in respect of accrued and unpaid interest under the Bonds, which ISINs/liabilities thereunder will be fully cancelled pursuant to the Proposal.

## 2. Proposal to the Bondholders

In order to achieve the above-mentioned objectives, avoid a bankruptcy in the Issuer and come to a final closure of the Bonds, the Issuer is proposing the following to the Bondholders (the "**Proposal**"):

- (a) The Issuer will make a final payment of under the Bonds of SEK 10,000,000 (the "**Final Payment**"), which will be distributed *pro rata* among all Bondholders that hold Bonds on the relevant redemption date, being the date, which will occur no later than 31 March 2023 (the "**Redemption Date**") and which will be notified to the Bondholders no later than 10 Business Days before the Redemption Date.
- (b) The Final Payment is equivalent to approximately 4.6 % of the total outstanding Nominal Amount of the Bonds including accrued PIK interest and accrued but unpaid cash interest on 31 December 2022.
- (c) As consideration for receiving the Final Payment, the Bondholders are asked to accept a final settlement of all remaining obligations under the Bonds, including all accrued PIK, cash and default interest under the Bonds, which will be deemed to be made as an unconditional contribution (Sw. *ovillkorat aktieägartillskott*) for those Bondholders that are also holding preference shares in the Issuer and an unconditional capital contribution (Sw. *ovillkorat kapitaltillskott*) for those Bondholders that are not holding any preference shares in the Issuer. Following the receipt of the Final Payment, the Bonds will be deregistered and cancelled in full.
- (d) The Bondholders agree that the Final Payment will only be made to the Bondholders holding Bonds with ISIN: NO 0010769276 (SEK), NO 0010769284 (NOK) and NO 0010769292 (USD) and that no payments will be made towards the separate ISINs provided by Verdipapirsentralen ASA in respect of accrued and unpaid interest under the Bonds, which ISINs/liabilities thereunder will be fully cancelled pursuant to (c) above.
- (e) To secure the Final Payment, Mr. Per Helander will enter into a personal guarantee for the full payment of the Final Payment no later than 31 March 2023.

## 3. Request for approval and consents

The Issuer hereby kindly asks the Bondholders to:

1. approve and consent to the Proposal set out above as a full and final settlement of the Bonds, subject to the receipt of the Final Payment no later than 31 March 2023;
2. 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, de-registration measures, escrow solutions and execution of the guarantee undertaking with Mr. Per Helander; and
3. 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 Trustee.

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 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.

CONSEQUENTLY, SHOULD A REQUISITE MAJORITY OF THE BONDHOLDERS VOTE POSITIVELY FOR THE PROPOSAL, THE NOMINAL AMOUNTS OF ALL OUTSTANDING BONDS WILL, SUBJECT TO RECEIPT OF THE FINAL PAYMENT, BE DEEMED CONTRIBUTED BY THE BONDHOLDERS TO THE ISSUER AS A UNCONDITIONAL CAPITAL/ SHAREHOLDER CONTRIBUTION AND WRITTEN-DOWN TO ZERO AND CANCELLED AND THE ISSUER WILL THEREAFTER HAVE NO DEBT OBLIGATIONS AGAINST THE BONDHOLDERS.

### ***Voting rights***

Anyone who wishes to participate in the Written Procedure must on 28 February 2023 (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 (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 authorised 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 authorise the Trustee to vote on its behalf, in which case the authorisation form in Schedule 2 (Power of Attorney) also serves as a proxy. A duly

signed authorisation form, authorising 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).

4. You can obtain a power of attorney or other authorisation (proof of ownership) 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 either 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***

No quorum requirement applies to this second Written Procedure in accordance with the Terms and Conditions.

#### ***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 16 March 2023**. Votes received thereafter will be disregarded.

#### ***Address for sending replies***

*By regular mail:*

Intertrust (Sweden) AB

Attn: Tamia Ribadeneira, P.O. Box 16285, 103 25 Stockholm

*By courier:* Intertrust (Sweden) AB, Attn: Tamia Ribadeneira, Sveavägen 9, 10th floor, 111 57 Stockholm

*By e-mail:* trustee@intertrustgroup.com

## VOTING FORM

For the second Written Procedure initiated on 28 February 2023 with respect to the senior secured fixed rate bonds issued by Hancap AB (publ) (the "Issuer"), with ISIN: NO0010769276 (SEK), NO0010169284 (NOK) and NO0010169292 (USD), originally dated 10 October 2016 as amended and restated on 18 July 2017, 14 December 2017 and 30 April 2019 (the "Bonds").

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.

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>**

**For the second Written Procedure initiated on 28 February 2023 with respect to the senior secured fixed rate bonds issued by Hancap AB (publ) (the "Issuer"), with ISIN: NO0010769276 (SEK), NO0010169284 (NOK) and NO0010169292 (USD), originally dated 10 October 2016 as amended and restated on 18 July 2017, 14 December 2017 and 30 April 2019 (the "Bonds").**

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. Please insert the name of the firm the undersigned holds the Notes through.

For further questions please see below.

*To the Issuer:*

Roger Blomquist roger@seawing.se 073-1488906

*To the Trustee:*

Intertrust (Sweden) AB, Tamia Ribadeneira, [trustee@intertrustgroup.com](mailto:trustee@intertrustgroup.com)

**Stockholm on 28 February 2023**

**Intertrust (Sweden) AB**

**as Trustee**