

NOTICE TO NOTEHOLDERS

To the Noteholders of:

EUR BOND - ISIN: SE0011451871

SEK BOND - ISIN: SE0011451608

ICON Real Estate Fund III - Suurpelto Ky EUR 4,500,000 (or its equivalent in SEK)
Senior Secured Fixed Rate Bonds 2018/2021 (the "Notes")

This notice in writing will be sent by regular mail on 23 September 2019 to noteholders directly registered in the Book-Entry Securities System kept by Euroclear Sweden AB. This voting request has also been published on the website of the Agent (as defined below), in accordance with the terms and conditions of the Notes (the "**Terms and Conditions**"). If you are an authorised nominee or if you otherwise are holding Notes on behalf of someone else on a securities account, please forward this notice to the holder you represent as soon as possible.

Intertrust (Finland) Oy (the "**Agent**") acts for and on behalf of the Noteholders in accordance with the Terms and Conditions.

All capitalised terms used herein and not otherwise defined in this notice to noteholders (the "**Notice**") shall have the meanings assigned thereto in the Terms and Conditions.

In its capacity as Agent, and as requested by ICON Real Estate Fund III - Suurpelto Ky (the "**Issuer**"), the Agent hereby notifies the holders of the Notes of certain matters and events relating to the Issuer and the Notes, as they have been brought to the Agent's attention by the Issuer. The matters and events hereby being notified to the holders of the Notes are included in the notice of the Issuer attached hereto as Schedule 1.

Pursuant to the Terms and Conditions, certain matters and events indicated in the Issuer's notice (Schedule 1) require the consent of the requisite majority of the holders of the Notes. Such requirements are included *e.g.* in Section 13.5 (*Disposal of Assets*) of the Terms and Conditions, as well as in the related Section 9.1(d) (*Transaction Security*). Accordingly, a disposal of assets in the aggregate in excess of EUR 4,000,000 is prohibited. The Agent will soon, in accordance with the Terms and Conditions, either instigate a Written Procedure in accordance with Clause 18 (*Written Procedure*) or convene a Bondholders' Meeting in accordance with Clause 17 (*Bondholders' Meeting*) of the Terms and Conditions, in order for the holders of the Notes to resolve on all matters that require a decisions procedure according to the Terms and Conditions.

All information in Schedule 1 and in this Notice regarding the Issuer and any market conditions is provided by the Issuer, and the Agent expressly disclaims any liability whatsoever related to such information.

For further questions to the Agent, please contact the Agent at finland@intertrustgroup.com, with a copy to alli.seppanen@intertrustgroup.com or mobile +358 45 249 6103

Helsinki 23 September 2019

Intertrust (Finland) Oy

As Agent

SCHEDULES:

Schedule 1

Notice by the Issuer - 23 September 2019



KÄSINKOSKETELTAVAA TUOTTOA



ICON Kiinteistörahastot
www.iconfund.fi | 010 321 2424 | info@iconfund.fi

The general meeting held on 15 July 2019 chose a new board for ICON Corporation Oy. Kristian Wester was appointed chairman of the board and Anders Wikström was appointed a regular member of the board. Kristian Wester has 15 years of experience as a developer in numerous multistorey building projects and other real estate industry functions. Anders Wikström has over 10 years of experience from multiple positions in the investment and real estate industries.

The board has reviewed the status of the company together with advisers. Some of the company's real estate projects have been delayed in the spring of 2019. Among other things, these delays have resulted from differences of opinion between the previous board and the shareholders, resulting in potentially misdirected energy and focus. Due to the delays, the company has explored different strategies for the further development of our real estate assets.

The number one priority for the board is to secure the protection of investors interest. It is our opinion that some assets should be sold off to ensure the protection of investors and to balance the finances of the company. We have begun investigating the liquidation of certain real estate projects. Through our legal adviser, the company has carried out an external review of its legal capacity to sell assets of the fund. The review has found that the board is competent and that the company has the legal capacity to sell assets of the fund.

The board of ICON Corporation Oy has received an recapitalisation offer 5.9.2019 of EUR 2,000,000 to the company. The company behind the offer already own over 100,000m² office space and has over 200 rental apartments in Finland. The turnover for the company was about EUR 150 million year 2018. The board has started negotiations between the shareholders of ICON Corporation Oy about the recapitalisation offer. Providing that the shareholders approves the offer, this will improve the protection of the investors, because parent company gets more capital.

Fund assets

ICON Real Estate Fund III - Suurpelto Ky holds the following assets:

- Asunto Oy Espoon ICON East Plaza, 50,1 per cent. This project has a valid building permit for 2,776 floor square metres (k-m²) of accommodation for sale with some 705 k-m² of business premises on the ground floor. The fund's share of this asset will likely be reduced, as permitted building volume has been transferred at the project's design stage from the asset to Asunto Oy Espoon ICON West Plaza. We are currently investigating how the ownership shares of ICON Real Estate Fund III Ky and ICON Suurpelto Bond Oy can be updated to match this transfer of permitted building volume from the housing company in question. We will make use of an external legal adviser in this matter to ensure the fair and impartial treatment of all investors.
- Asunto Oy Espoon ICON South Plaza, 50,1 per cent. This project has a valid building permit for 3,400 square metres of housing (h-m²) for sale, divided into 79 residences. Furthermore, the ground floor of the building has approximately 430 h-m² of business premises.
- Asunto Oy Espoon ICON North Plaza, 50,1 per cent. The design development of this project has been completed. Some 3,400 h-m² have been planned for sale in the building, divided into 78 residences. The ground floor of the building also includes approximately 430 h-m² of business premises. The building permit planning is due to be completed during the next stage to make the site eligible to apply for a building permit.
- Asunto Oy Espoon ICON West Plaza, 60 per cent. The design development of the tower has been completed. Some 9,660 h-m² have been planned for sale in the tower building, divided into 149 residences. The ground floor of the building also includes approximately 480 h-m² of business premises. The building permit planning is due to be completed during the next stage to make the site eligible to apply for a building permit.
- Kiinteistö Oy ICON Park Plaza, 100 per cent. The project and the site have a valid building permit for roughly 220 parking spaces.

- The companies in question own plot 49-21-32-1 in the Suurpelto area in Espoo, Finland, that they will divide between themselves based on a shared ownership agreement. A valid town plan exists for the plot.

The financial situation of the fund

ICON Real Estate Fund III - Suurpelto Ky ("Fund") holds EUR 6,581,000 in equity and has a capital market loan of EUR 4,535,000

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(through Jool Markets), for this loan the Bond holders have the As.Oy shares, owned by the Fund, as collateral. Furthermore, the fund's accounts payable amount to EUR 600,000 (on 20 August 2019, including a EUR 500,000 development charge payable to the city of Espoo, who hold its mortgage deeds, number 81402, 81403 and 81404), and the companies owned by the fund have approximately EUR 600,000 in accounts payable. These include the following: Asunto Oy Espoon ICON East Plaza, roughly EUR 60,000; Asunto Oy Espoon ICON North Plaza, roughly EUR 100,000;

Asunto Oy Espoon ICON South Plaza, roughly EUR 130,000; and Asunto Oy Espoon ICON West Plaza, roughly EUR 310,000. The majority of accounts payable concern the stabilisation of soil on the plot. Pile driving may begin once geotextiles are in place and the requisite ground filling is completed. Payment arrangements have been made with all significant creditors and we are capable of paying our invoices with the sale of fund assets. The property's mortgage deed, number 330368 valued at EUR 3.5m, has been handed over to EKE Rakennus (main contractor) to secure their outstanding payments, about EUR 488,000 in total (on 22 August 2019). The other mortgages listed in the encumbrance dated 14 August 2019 are not subject to easements and they are held by the company. The board is not aware of any shares of Asunto Oy Espoon ICON East Plaza, Asunto Oy Espoon ICON North Plaza, Asunto Oy Espoon ICON South Plaza or Asunto Oy Espoon ICON West Plaza being lodged or mortgaged as security for any receivables or loans, excluding this loan raised from the Jool Markets marketplace. The fund will not incur significant expenses in future.

Preliminary marketing

Preliminary marketing for Asunto Oy Espoon ICON South Plaza started in the spring of 2019 in collaboration with Huoneistokeskus, a distinguished firm of Finnish estate agents. For more information, please see www.iconplaza.fi (in Finnish). One residence has been reserved so far.

Asset sale

Due to the project being delayed and the preliminary marketing not meeting expectations, the board has decided to sell the ICON Plaza asset. Advium, a well-respected estate agent and part of the eQ Group, was chosen in August as the external agent for the asset's sale. Advium is responsible for over 80 transactions with a combined value of some EUR 9 billion. Since 2005, Euromoney has chosen Advium as the best real estate investment bank in Finland for a total of 12 times. The sales material for the asset will be realised in August and marketing will begin at the start of September. Offers will be requested in October with the aim of concluding the sale before the end of 2019. Once this asset has been sold, the capital invested by the fund in the project will be returned, along with any profit, which will first be distributed to our creditors and after that to the investors, according to the terms of bonds and the rules of the fund. Based on statistics, the expected sale price of the asset is between EUR 11.3m and 21.25m. Newsec has estimated the price to be between EUR 16.25m and 18.75m. Our agency agreement with Advium awards them a success fee if the price reaches at least EUR 18m, and Advium is confident that they will achieve this. The board can reject all offers.

Due to the complexities of the ownership and funding of ICON Plaza (fund investors, Jool Markets bond investors, "ICON bond investors" and accounts payable), it is in the best interest of all parties that ICON, together with Advium, continue the sale process as planned. We believe that this solution will give us the best return for the asset as quickly as possible.

Communication

ICON is committed to communicating company affairs and the progress of asset sales monthly.

Contact information: email backoffice@iconfund.fi or call +358 10 321 2424 (9 a.m. to 3 p.m. on weekdays).

Best regards,
Kristian Wester
Chairman of the board

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