

**Notice of written procedure for bonds issued by NCP Nordic AB (publ)**

To the holders of the up to SEK 500,000,000 (or its equivalent in NOK and EUR) Senior Secured Fixed Rate Bonds 2018/2023 with ISIN: EUR BONDS: SE0011166594, NOK BONDS: NO0010821788 and SEK BONDS SE0011166586 (the "Bonds") issued by NCP Nordic AB (publ) (the "Issuer") on 3 May 2018.

*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 "Agent") to direct registered owners and registered authorised nominees (*förvaltare*) of the Bonds recorded as of 4 June 2021 in the debt ledger produced by Euroclear Sweden. 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 Agent, acting in its capacity as Agent 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) has been carried out by the Agent 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.

**LIMITATION OF LIABILITY OF THE AGENT**

The Proposal is presented to the Bondholders by the Agent on behalf of the Issuer, without any evaluation, advice or recommendations from the Agent to the Bondholders whatsoever. The Agent has not assessed the Proposal (and its effects, should it be adopted) from a legal, commercial, financial or other perspective and the Agent expressly disclaims any liability whatsoever related to the content of this notice and the Proposal (and its effects, should it be adopted). The Agent has assumed that documentation and other evidence (if any) delivered to it pursuant the Proposal is accurate, correct and complete and the Agent 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 Agent, 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 making a decision whether to accept the Proposal, each Bondholder is advised to carefully review the content of this document and the proposed resolution set out in Paragraph 5 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 Agent 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 Agent. The Agent must **receive the voting form no later than by 12.00 (CEST) on 23 June 2021** 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 23 June 2021.

**To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 4 June 2021 (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):* **4 June 2021**

*Last time and day to vote:* **12.00 CEST on 23 June 2021**

## A. Background and Proposal

### 1. Background and current situation

The Issuer has managed its business and financial position during the corona crisis but is however still affected by the current pandemic. Although substantial progress has been made during the last twelve months, the Issuer is negatively affected because of delays in various processes.

The new zoning plan for Stockholm Sillö 5 in Farsta that the Issuer is working on together with the municipality of Stockholm has been slightly delayed. However, it is important to emphasize that there is a very good working process with the municipality and a new time schedule has been agreed upon that the parties expect to meet. In addition, the Issuer completed 121 apartments in April 2021. The restoration of Söderås has continued and is now in the final stages of completion.

The Issuer has been working hard with the construction at Sillö and the restoration of Söderås. Although both cases have been successful in, there have been delays and additional costs mainly due to subcontractors and suppliers having been affected by the pandemic.

Although Swedish housing prices have increased over the last 12 months, the commercial property market has not followed. Small and medium size businesses have been hesitant to make bigger structural decisions which has affected the market for commercial rental properties.

The Issuer's projection is, however, that there is a built up need for commercial premises which will have a positive effect on the market for commercial properties once the pandemic is over.

In addition, the Issuer would like to point out that the value of Sillö as a whole has increased substantially, mainly because a large portion of the property is under conversion to residential use.

The pandemic has also had a negative effect on the planned sale of the property Lidingö Söderåsen 1. A substantial number of potential buyers are located outside of Sweden and have been prevented from traveling to visit the property.

However, since real estate prices have increased over the last 12 months, the Issuer is optimistic that a sale of Lidingö Söderåsen 1 now will lead to a higher price than originally expected.

Although the values in the project portfolio are strong, the consequences of the Proposal not being approved could be severe.

Since revenues mainly come in the back end within real estate development, companies are quite sensitive to delays. Should the sales process be less controlled, where the inherent values of the properties would not be reflected, it could of course have a negative impact on the price levels and in the end on the likelihood of full recovery for the Bondholders.

We all hope that the current pandemic and its effects will be over in a not too distant future. Exactly when the situation will be normalized is of course hard to say.

It is important to note that the Issuer's analysis is still that the inherent profitability of the Sillö project is evident and can successfully be realized under normal circumstances. There has been a lack of housing in the Stockholm region for several decades and there is no reason to believe that the demand should decrease regardless of the current pandemic.

In conclusion, the asset values have increased during the past year but the current pandemic has slowed down essential business processes which has had an impact on the cash flow. The Issuer is therefore asking for the Bondholders approval of the Proposal in order to preserve the value of the projects, for which the Bondholders will be duly compensated.

## 2. Amendments to the Terms and Conditions

Due to the financial difficulties caused by Covid-19 described above, the Issuer hereby requests for approval of the Proposal with the effect of amending the Terms and Conditions in the following ways:

- (i) The definition "Change of Control Event" is amended to cater for the possibility to invite a partner into the structure, however, provided that the Guarantor always maintains at least 51%, direct or indirect, ownership and control over the Issuer.
- (ii) The definition "Interest Rate" is amended so that after 3 May 2021, the Interest Rate will be 10.50 per cent *per annum* until the final redemption of the Bonds in full.
- (iii) The definition "Permitted Debt" is amended so that the Issuer may incur debt to refinance any Existing Facilities incurred by the Property Company (including if such is refinanced by the Issuer or any related party through intra-group loans on-lent from any credit facilities incurred by such parties).
- (iv) The definition "Permitted Security" is amended to include any security for Permitted Debt incurred by the Issuer for the purpose of refinancing any Existing Facilities.
- (v) Clause 10 (*Interest*) is amended so that the interest payable from and including the Interest Payment Date 3 August 2021 and thereafter will not be paid on those dates but instead accrue daily (without capitalization and compounding) and be payable on the earlier of the Final Redemption Date or the redemption of the Bonds in full.
- (vi) Clause 13.1 (*Incurrence test*) is amended so that the Interest Coverage Ratio is removed from the Incurrence Test. Subsequently the definitions "EBITDA", "Finance Charges" "Interest Coverage Ratio", "Net Finance Charges" as well as Clause 13.2 (*Testing*), Clause 13.3(a) and (b), and Clause 13.4(b) will also be deleted.
- (vii) A new Clause 11.6 (*Mandatory partial redemption*) shall be included to cater for a mandatory prepayment the Bonds with fifty (50) per cent. of the net proceeds from the sale of either VSQ Property AB, reg. no. 556913-3050 or the real property Lidingö Söderåsen 1. For the purpose of the new Clause 11.6 "net proceeds" shall be defined as all proceeds from the sale of VSQ Property AB, reg. no. 556913-3050 or the real property Lidingö Söderåsen 1 less all costs related to the sale.
- (viii) A new Clause 11.7 (*Voluntary partial redemption*) shall be included to cater for voluntary partial prepayment of Bonds.
- (ix) A new paragraph (c) is added to Clause 14.5 (*Disposal of Assets*) that cater for internal transfers of Properties, in part or in whole, to Group Companies to prepare for external sales provided that it is transferred to a Group Company and that the shares in such Group Company have been pledged as security to the Bondholders prior to the transfer.
- (x) A new Clause 14.15 (*Issuer share security*) shall be included to cater for the potential of a new partner to be invited to the structure in accordance with the proposed amendment to the definition "Change of Control Event" in item (i) above by allowing for shares in the Issuer to be sold provided that (i) such sale will not result in a Change of Control Event and (ii) the new shareholder enters into a share pledge agreement and pledges its shares on the same terms as the current share pledge agreement.
- (xi) The definition "Arranger" is amended so that Arranger means SIP Nordic Fondkommission AB.

### 3. Request for approval and consents

The Issuer hereby kindly asks the Bondholders to:

1. approve and consent to the Proposal set out above;
2. 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;
3. authorize the Agent 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;
4. provided that the Issuer has not withdrawn the Proposal, irrevocably waive any Event of Default resulting from any non-compliance under the Terms and Conditions for the period between the end of the voting period under the first Written Procedure and the end of the voting period under the second Written Procedure (up to and including the date of execution of the amended and restated Terms and Conditions); and
5. to acknowledge the limitation of liability set out in above under the heading "LIMITATION OF LIABILITY OF THE AGENT".

#### B. Decision procedure

The Agent 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 Agent, 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 Agent and published by way of press release by the Agent.

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

#### ***Voting rights***

Anyone who wishes to participate in the Written Procedure must on 4 June 2021 (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 (*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 Agent 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 17(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 Agent 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 23 June 2021 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

#### ***Majority***

Pursuant to Clause 17(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 Proposal in order for it to be approved.

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

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CEST) on 23 June 2021**. 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

For the Written Procedure initiated on 4 June 2021 of the up to SEK 500,000,000 (or its equivalent in NOK and EUR) Senior Secured Fixed Rate Bonds 2018/2023 with ISIN: SE0011166594, NO0010821788 and SE0011166586 (the "Bonds") issued by NCP Nordic AB (publ).

The Issuer requests the Bondholders to approve the Proposal set out in the notice for the Written Procedure. The Agent 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

\_\_\_\_\_  
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 4 June 2021 of the up to SEK 500,000,000 (or its equivalent in NOK and EUR) Senior Secured Fixed Rate Bonds 2018/2023 with ISIN: SE0011166594, NO0010821788 and SE0011166586 (the "Bonds") issued by NCP Nordic AB (publ).**

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:*

NCP Nordic AB (publ), Johan Lundberg, info@nffnordic.com, +46 8 514 00 880

*To the Agent:*

Intertrust (Sweden) AB, Kristofer Nivenius, trustee@intertrustgroup.com, +46 70 688 1910

**Stockholm on 4 June 2021**

**Intertrust (Sweden) AB**

**as Agent**