Supporting material in connection with Written Procedure

Oskar Real Copenhagen ApS – a subsidiary of OSKAR GROUP
July 2023

OSKAR GROUP

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(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, the Proposal, the Bonds, the Terms and Conditions (as amended by the Proposal) and the impact other bonds will have on its overall investment portfolio;

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(d) understand thoroughly the Proposal and the Terms and Conditions (as amended by the Proposal); and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the relevant risks.

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MANAGEMENT COMMENTARY

OSKAR GROUP

The overall outlook for Oskar Group

Oskar Group has grown substantially since the beginning of 2019 and has acquired several properties, representing a development of approx. 200,000 sqm, across ten projects of primarily commercial space. Another project of approx. 25,000 sqm is in the advanced acquisition stage, pending final documentation. Almost 25 % of the area under development is pre-sold. All projects are well-located properties or land plots in the city of Copenhagen or within the Greater Copenhagen region.

Two city center properties have been presold to a top-tier Danish pension fund on a turnkey basis, which can be regarded as a sign of quality in our developments.

Oskar Real Copenhagen ApS

We had a clear plan going into 2023 with the completion and divestments of several projects, and we have completed and delivered our project at Blegdamsvej. Two of our city properties (Købmagergade & Østergade) will also be sold in 2023. Still, the pace has been slower than expected due to delays in different permit applications and longer handling times by the municipality. We have simplified some of our projects to keep up to speed and timeline of the developments.

Due to the above, we regret to ask Bondholder of an adjustment of the terms and allow for interest of the bond issue to be paid from the blocked account, currently only used for development and new acquisitions. We appreciate the confidence shown in us and our business. We continue to develop our portfolio to be better positioned to sell our developments, refinance, and/or bring in a capital partner. Our portfolio value at completion is still estimated to be almost DKK 3 billion with an estimated profit of approx. DKK 483m, but the current situation has constrained our liquidity which is why we need to ask for this amendment. We are 100 percent committed to fulfilling our obligations to bondholders,

Henrik Wessmann Jensen
Executive Chairman and Owner of Oskar Group

REAL DANMARK
EJENDOMME A/S

OSKAR GROUP

PORTFOLIO UPDATE

The final handing over of Blegdamsvej 124

We are happy to announce that we have delivered the property on Blegdamsvej 124. We are very proud of this project as it has been developed to be some of the most exclusive and well-equipped office premises in Østerbro, Copenhagen. The project was sold based on a yield of 4% to a Danish pension fund with final delivery 28. February 2023.

Although the process has been longer than we initially expected, it has been worth the effort when we look at the result and talk with the tenants occupying the property. It is clear that the tenants are very satisfied with the quality of our work and the overall expression of the leases we have provided them with. This has led to a good relationships with the companies in the property, including Salling Group that we have continued our cooperation with on Nørre Voldgade, where they have signed a lease agreement as well.

The delivery provided liquidity to the Group and allocated bond proceeds of DKK 60m which are going to be invested in the project Østergade 15/Lille Kongensgade 16.

Photo from Blegdamsvej and Liewoods office at the property.

Swatch has moved in on Østergade

The Østergade 15/Lille Kongensgade 16 project is already progressing, a mixed property with office and retail premises and a nightclub. The latest news is that the Swiss watch brand, Swatch, has moved into their new premises on Østergade 15. This is a well-located retail lease on the exclusive section of one of Europe's longest pedestrian streets, Strøget, where Swatch has opened its first store in Danmark.

The addition of Swatch to the Østergade retail market further establishes the pedestrian street's status as the most sought-after location for luxury watches and jewelry in Denmark.

The contract has increased the property's value, and we are currently working with potential buyers to sell the property before completion. At the same time, ongoing work is progressing with new and existing tenants to maximize future sales value.

PORTFOLIO UPDATE (CONT.)

Extension of Zleep Hotels and further negotiations regarding Zleep Hotels HQ

As the final projecting details regarding the hotel construction on Roskildevej 547 have been completed, we have now sent the application for a building permit to the municipality. We expect the application to be processed during the next 6 months so we can already start the preliminary construction work now.

In addition to the hotel lease agreement signed with Zleep Hotels, which has been extended from 136 to 152 rooms, we have a dialogue with the Danish hotel chain about renting the office premises as well. Zleep Hotels are considering to establish their Danish headquarter in connection with the hotel on Roskildevej 547. We have prepared a draft lease agreement comprising the office premises which we expect to be signed before summer.

Ongoing negotiations with world leading biotechnology company regarding Columbusvej

In Mid-April, we hosted a group of representatives from the biotechnology company in our Copenhagen office. Their global head of real estate led the US-based team. They visited Oskar Group to negotiate the terms, including details regarding the design and technical specifications of the possible lease of Columbusvej 1-3. The outcome of the three-day visit has been positive, as the company has confirmed the HoT prepared for signing. According to the company's timeline, the lease agreement is expected to be signed by the end of July. A signed lease agreement with this company will be a significant milestone for further planning and construction projecting toward potential buyers. A project of this size will appeal to a much broader ranch of investors with a signed lease agreement with a well-known and established tenant like this, which is expected to positively impact the sales negotiations moving forward.

About the current sales negotiations, we already have a signed LOI, including construction funds with an American investors and several other capital and PE funds have contacted us regarding the acquisition of the project.

In addition to the potential tenant for the office and laboratory premises, we are in close dialogue with three different supermarkets regarding the retail lease on the ground floor. We expect a signed lease agreement with one of those later this year.

EXECUTIVE SUMMARY

OSKAR GROUP

A Copenhagen-based property developer founded in 1955

Oskar Real Copenhagen ApS (f.k.a. Real Danmark Copenhagen ApS) (the **"Company"** or the "**Issuer**") is a subsidiary of Oskar Group (the **"Group"** or the **"Parent Company"**) that was founded in 1955 by Oskar Jensen and has a long history of developing properties in Denmark. Oskar Group is today one of the most experienced property developers in greater Copenhagen and has completed a number of successful development projects over the last 25 years.

A majority of the properties in the portfolio are existing buildings generating cash flow, but some are intended to be demolished for the new development. All projects are projected to be completed, refinanced, or divested within 24 months from the initial issue date and generate a profit before tax of approx. DKK 843m after interest and repayment of the bond.

Due to delays in the sales of the project portfolio, the Company is in need of liquidity to pay interest of the bond going forward. In order to pay interest, the Company asks for an amendment of terms in order to used funds from Blocked Account, where sales proceeds are deposited, in order to pay interest of the Bond. Currently, funds from Blocked Account are only allowed to be used for development of the portfolio and new acquisitions.

Expected divestment plan:

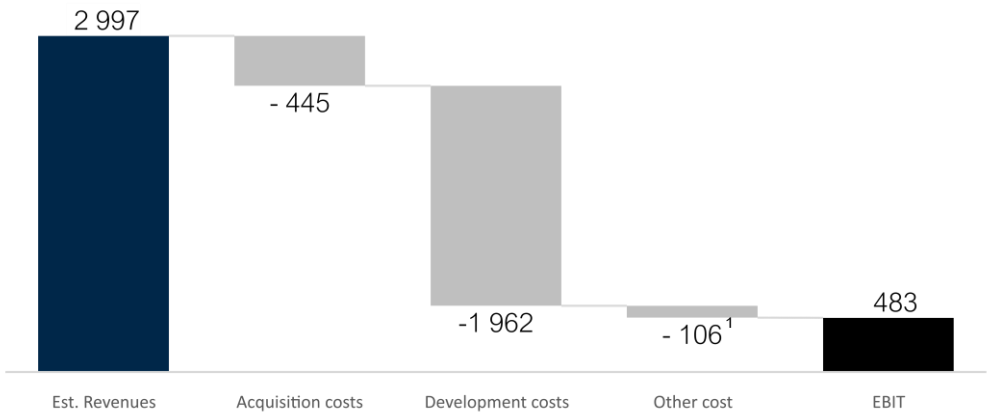
- Købmagergade – Is expected to be divested before September 2023.
- Østergade and Roskildevej – Are expected to be divest in October 2023.
- Columbusvej – Forward funding and development agreement is expected to be materialized before the year-end 2023.

The Proposal

1. Approve that the credit on the Blocked Account may be used by the Issuer to pay Interest under the Bonds for the remaining Interest Periods and

2. Approve that a voluntary partial redemption possibility is added to the Terms and Conditions, allowing the Issuer to make (one or several) partial redemptions of the Bonds without any additional redemption fees, by notifying the Bondholders ten Business Days before any redemption being made.

Estimated portfolio budget (DKKm)



1.) Other including financial expenses includes bond interest for 12 months.

BACKGROUND

OSKAR GROUP

Current situation

Blegdamsvej - the project has been delivered with delays to a large Danish pension fund. The full allocated bond amount of DKK 60m as not yet been received the company is awaiting the last payment of DKK 15m in August. The property has not yet received all permits, so the pension fund is holding back on the last DKK 15. If received, the funds could be used towards the bond's interest payment if the WP is approved.

Købmagergade – original plan for the project could not be carried out since the municipality did not approve the development. This has caused delays, and the company has now abandoned the project and will simplify the development.

Roskildevej – The Company had received building permit for the project but when the project was stended from 136 rooms to 152 for the hotel, the Company had to file adjustments to the building permit wich has delayed the construction start.

Columbusvej 1-5 - The Company is working with a large life science company which is a lengthy process, the company has signed an LOI and is in advanced discussions with the potential tenant for approx. 7 000 – 9 000 sqm of laboratory. However, since this has not yet been finalised, the project has not yet received zoning plan approval.

Gladsaxe Møllevej – the project is progressing more or less according to plan. The project has had a long zoning plan process which is expected to be finalised and approved Q4 2024.

Østergade – the project is in the end phase and the company is now working on two new lease agreements and intend to sell the property when those have been finalized.

The above reasons have constrained the company's liquidity and upcoming interest payments and is why the Company is asking for an amendment of terms in order to pay bond interest.

Way forward

Oskar Real Copenhagen ApS intents to action a rapid divestment plan. The below is subject to change and sales revenues can increase if developments of projects are progressing according to plan, tenants are signed etc.

Købmagergade - The property is intended to be sold before September 2023 and generate sales revenues of approx. DKK 120m

Østergade - The property is intended to be sold during the fall 2023 and generate sales revenues of approx. DKK 232m.

Roskildevej - The property is intended to be sold once building permit has been approved and is estimated to generate approx. DKK 40m in sales revenue.

Columbusvej - Oskar Group is working on a forward funding structure for the project and expect this will be in place in the end of 2023.

Gladsaxe Mollevej – The property is intended to be divested in late 2023 or early 2023 to an estimated sales price of approx. DKK 140m.

If the above plan is executed the Company's liquidity is expected to improve. For every sale a fixed allocated bond amount needs to be deposited on a blocked account, currently only allowed to make payments for the development of the portfolio and new acquisitions.

If the DKK 15m is not received from the Danish pension fund in time, funds for the next interest payment are intended to be made from sales of one or more project, to make the next interest payment due on the 3rd of September 2023.

TRANSACTION

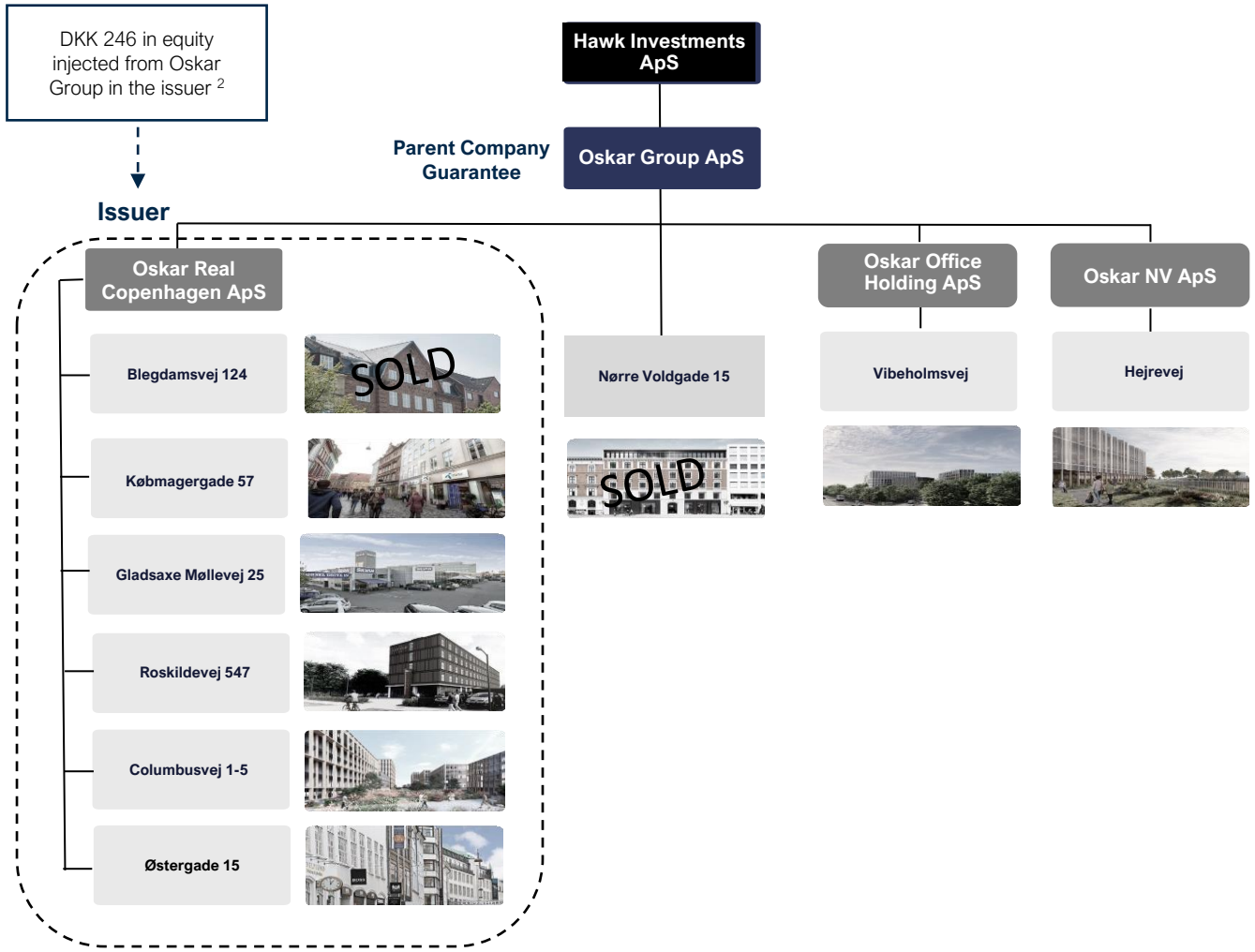
OSKAR GROUP

Transaction in brief

- The Issuer intends to acquire Target Properties in one or several steps in below order from a group company within Oskar Group;

1. Blegdamsvej 124 - *acquired*
2. Købmagergade 57 - *acquired*
3. Roskildevej 547 - *acquired*
4. Columbusvej 1-5 – *acquired* [1]
5. Gladsaxe Møllevej 25 - *acquired*
6. Østergade – *to be acquired*

- Target Properties are intended to be acquired in one or several steps but always preconditioned that an equity injection is made to meet the incurrence test and Loan-to-value of maximum 85 %.
- The Issuer is permitted to use senior financing and construction financing through bank or fund financing.
- Target Properties are acquired from companies within Oskar Group since they expect future strategic cooperation with a Danish pension fund.
- Proceeds from the bond issue will be held at Blocked Account if properties are divested.
- All properties included in the security structure are projected to be completed, divested, or refinanced within 24 months.



1.) Columbusvej 1-3 is currently in the bond structure and no. 5 is intended to be included after this tap issue. 2.) Estimated equity , consists of preference shares, issued in Oskar Group A/S, capital injection, and debt conversion

PROJECT PORTFOLIO

OSKAR GROUP

01

Blegdamsvej 124

Blegdamsvej 124 is an existing office building in Østerbro, Copenhagen. The property consists of three buildings and over 6 000m^2.

Lease agreements has been signed for 100 % of the property and it is pre-sold to a Danish pension fund with expected delivery in Q1 2023.

SOLD

02

Købmagergade 57

Købmagergade 57 is an existing building located in a prime location on Copenhagen's second most popular shopping street after Strøget.

Købmagergade 57 is generating rental income from Telia and eight residential apartments.

03

Roskildevej 547

The project is located in Glostrup with a short commute into the city center of Copenhagen and Copenhagen airport. The location is beneficial for a budget hotel and Oskar Group has signed a 20-year lease agreement with Zleep Hotel.

04

Columbusvej 1-5

The project consists of several existing properties in Søborg, Copenhagen. The properties were off-market acquisitions, and the plan is to demolish existing buildings in order to develop the properties with life science laboratories, offices, and supermarket.

PROJECT PORTFOLIO

05

Gladsaxe Møllevej

Gladsaxe Møllevej is an existing property occupied by Silvan and generates an NOI of DKK 4,8m per year. The property is located on a neighboring property to Columbusvej and the plan also includes development of life science laboratories and office buildings.

06

Østergade 15

The property is located on the prime high street with large flow of people, close to a large number of stores with reputable brands such as; Burberry, Bang & Olufsen, Hugo Boss and Mulberry.

The project consist of five mixed-used properties where the objective is to optimize the property and reach critical mass.

Project Overview
DKK (000)

Project	Exit value	Acquisition costs	Development costs	OPEX	Sales cost	Other	EBIT
Købmagergade 57	161 176	95 539	33 869	-8 425	2 673	18 592	18 927
Roskildevej 547	223 215	20 147	146 000	1 189	4 221	12 941	38 717
Columbusvej 1-5	1 491 651	89 277	1 110 949	-556	2 892	30 262	258 827
Gladsaxe Møllevej 25	860 336	65 495	654 720	-19 155	10 864	13 042	135 370
Østergade 15	260 975	174 853	16 957	-9 670	4 826	42 785	31 224
SUM	**2 997 353**	**445 311**	**1 962 495**	**-36 617**	**25 476**	**117 623**	**483 065**

1.) Other includes finance costs other than bond interest.

VALUATIONS

OSKAR GROUP

Property	m²	NOI (DKKm)	Yield	Sales price (DKKm)
1. Blegdamsvej - **SOLD**	6,409	*Confidential*	*Confidential*	311 900
2. Købmagergade 57	1,797	5 480	3,40 %	161 176
3. Roskildevej 547	10,833	10 603	4,75 %	223 215
4. Columbusvej 1-5	43,831	70 853	4,75 %	1 491 651
5. Gladsaxe Møllevej 25	29,902	40 866	4,75 %	860 336
6. Østergade 15	2,556	9 395	3,60 %	260 975
Total	**95,328**	**137 197**	**4,25 %**	**3 309 253**

Property (DKK 000)	Current value	Expected future value	Est. EBIT
1. Blegdamsvej - **SOLD**	-	-	-
2. Købmagergade 57	129 700	161 176	18 927
3. Roskildevej 547	40 800	223 215	38 717
4. Columbusvej 1-5	172 500	1 491 651	258 827
5. Gladsaxe Møllevej 25	141 000	860 336	135 370
6. Østergade 15	232,200	260 975	31 224
Total	**716 200**	**2 997 353**	**483 065**

Property (DKK 000)	Allocated bond amount[1]	Equity injection[2]	Senior financing
1. Blegdamsvej 124 -SOLD	60 000		
2. Købmagergade 57	65 000	13 932	85 000
3. Roskildevej 547	65 000	48 745	-
4. Columbusvej 1-5	80 000	65 000	78 150
5. Gladsaxe Møllevej 25	60 000	35 800	41 850
6. Østergade 15	70 000	15 000	149 099
SUM	**400 000**	**245 712**	**564 099**

Property	'As is' valuation	Valuer	Valuation date
1. Blegdamsvej 124	Sold	-	-
2. Købmagergade 57	3.40 % yield	Colliers	Jan. 2023
3. Roskildevej 547	4.75 % yield	Colliers	Jan. 2023
4. Columbusvej 1-5	4.75 % yield	Engel & Völkers	Apr. 2023
5. Gladsaxe Møllevej 25	4.75 % yield	Engel & Völkers	Apr. 2023
6. Østergade 15	3.60 % yield	Colliers	Jan. 2023

Colliers INTERNATIONAL

ENGEL&VÖLKERS®

Columbusvej 1-5

Gladsaxe Møllevej 25

Roskildevej 547

Købmagergade 57

Østergade 15

OSKAR GROUP

Total m²

+95,000

PROJECT PORTFOLIO

OSKAR GROUP

Købmagergade 57

According to the original project, the plan was to expand the existing property's retail store on the ground floor by 200 m2 by extending the courtyard. The municipality would not allow this, so the project has been changed.

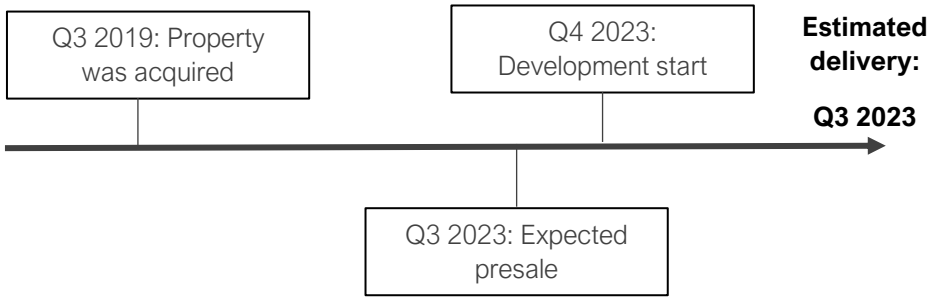
Now the empty attic is being converted into two new luxurious penthouse apartments. Building permit applications are currently being prepared and will be submitted shortly. The back building will be converted into new charming retail stores. Furthermore, Cushman & Wakefield has been hired to pursue a tenant for the vacant retail space.

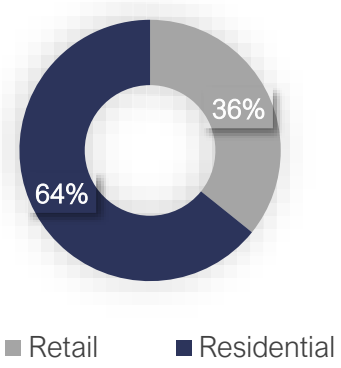
Despite the turmoil in the project, the property still generates a stable cash flow from the existing residential tenants and the other retail space leased by Telia.

The project is expected to result in the value creation of the property through the re-letting of the existing vacant retail spaces and the development of the empty attic into two new luxurious penthouse apartments.

Project Information	
Acquisition costs	95 539
Development costs	33 869
OPEX	-8 425
Sales cost & Other	21 265
Est. EBIT	**18 927**

Project timeline:





PROJECT PORTFOLIO (CONT.)

OSKAR GROUP

Roskildevej 547

The property, Roskildevej 547, was acquired in 2020 and is a new development project containing a hotel, fast-food restaurant, office, and parking garage. Oskar Group is in advanced negotiations with an electric vehicle charging company and a fast-food restaurant to secure solid tenants before the construction of the property.

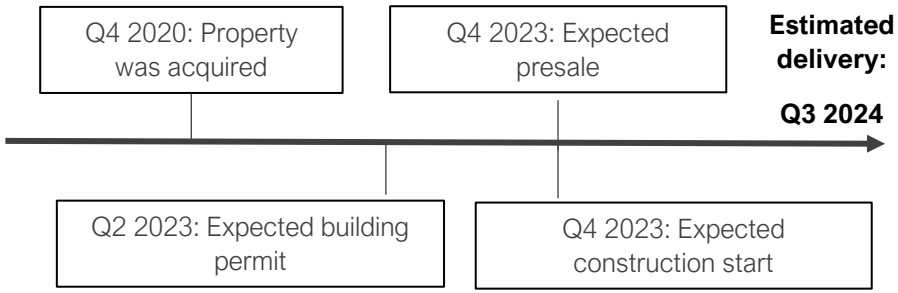
Situated at the intersection of exit 24, Motorring 3/E47, and the heavily trafficked road leading to and from Copenhagen, the property offers easy accessibility, both by train and car. Access to Copenhagen within approx. 20 min. And the Copenhagen Airport within approx. 15 min. by car.

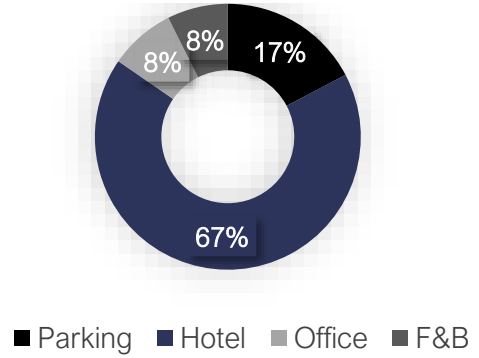
The Group has signed a 20-year lease agreement with hotel operator Zleep Hotels, which has recently been extended from 136 rooms to 152. Furthermore, Zleep Hotels are close to signing a separate contract for office space. As the hotel will offer meeting and conference facilities, there are significant synergies for Zleep Hotels to move their new headquarter into the same building. This further allows the hotel to be used 24 hours a day.

The project has been subject to delays due to COVID-19. However, a building permit by the extended hotel building was submitted on 14 April 2023, with Oskar Byg A/S being signed as a turn-key contract. The construction of the new-build 4 676 m² hotel includes 152 hotel rooms, office facilities, fast-food restaurants, and parking; the project is estimated to be completed by 2024.

Project Information	
Acquisition costs	20 147
Development costs	146 000
OPEX	1 189
Sales cost & Other	17 162
Est. EBIT	**38 717**

Project timeline:





PROJECT PORTFOLIO (CONT.)

OSKAR GROUP

Columbusvej 1-5

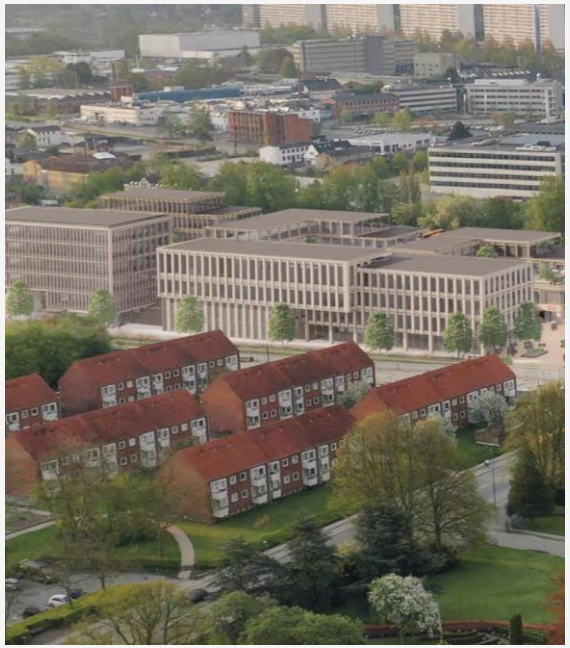
The project is situated at an intersection of Columbusvej and Gladsaxe Møllevej and consists of multiple existing properties in Søborg bought as an off-market acquisition.

The plan is to demolish most existing buildings to develop properties containing Life Science laboratories, supermarkets, office buildings, and parking, up to a total area of 43,831 m2.

Currently, the bond allocation solely comprises Columbusvej 1-3, as a separate group company within Oskar Group owns Colombusvej 5. Columbus 5 is expected to be incorporated in Oskar Real Copenhagen when the remaining bonds are fully invested in TAP IV.

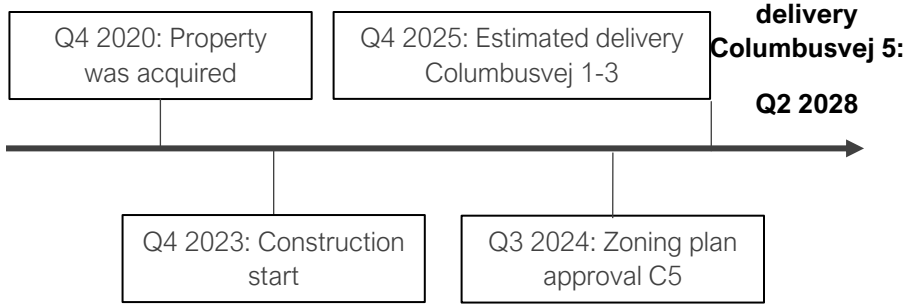
Advanced negotiations with a world-leading biopharmaceutical company regarding letting of approx. 7 000 m² of mixed office and laboratory space in Phase 1 – lease agreement expected to be signed ultimo June.

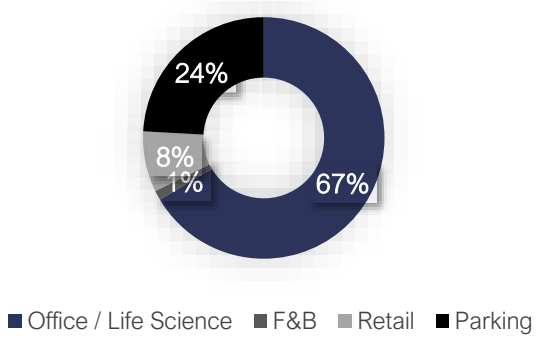
Further, LOI with detailed commercial terms was signed on 31 December 2022 with a leading US-based Life Science investment fund structured on a forward funding model and a pre-agreed mixed yield for laboratories and offices.



Project Information	
Acquisition costs	89 277
Development costs	1 110 949
OPEX	-556
Sales cost & Other	33 154
Est. EBIT	**258 827**

Project timeline:





PROJECT PORTFOLIO (CONT.)

OSKAR GROUP

Gladsaxe Mollevej

The property was acquired in an off-market acquisition in mid-2021 and consisted of an existing building occupied by Silvan – a Danish hardware store. Silvan is a stable tenant with an annual turnover of approx. DKK 1,4bn per year. The property has an NOI of DKK 4,8m per year with Silvan, and current planning allows for a building of 150 % of the existing property.

The plan for Gladsaxe Møllevej 25 aligns with the Life Science project on Columbusvej 1-5 – together creating a new inspiring Life Science area contributing to the process and transformation of Gladsaxe Business Park. Several large companies have headquarters, incl. companies like Novo Nordisk, NNIT, and Alfa Laval.

After several positive meetings with the municipality, a new district plan is expected to be equivalent to Columbusvej, with a building density of 185%, excl: technical areas and parking. With an expected completed local plan end of 2024, the property can be sold with a profit or further developed.

Silvan's ownership group has visited Denmark and approved a location in Bagsværd. In continuation, a meeting was held with NREP just before Easter regarding a potential collaboration on purchasing the property, including the one Silvan can lease. The development of a new location for Silvan will go hand in hand with the development of Gladsaxe Møllevej.

Project Information	
Acquisition costs	65 495
Development costs	654 720
OPEX	-19 155
Sales cost & Other	23 906
Est. EBIT	**135 370**

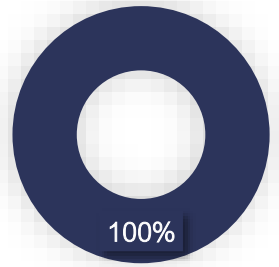
Project timeline:

Q2 2021: Property was acquired

Estimated delivery:

N/A

Q4 2024: Zoning plan approval



■ Office

PROJECT PORTFOLIO (CONT.)

OSKAR GROUP

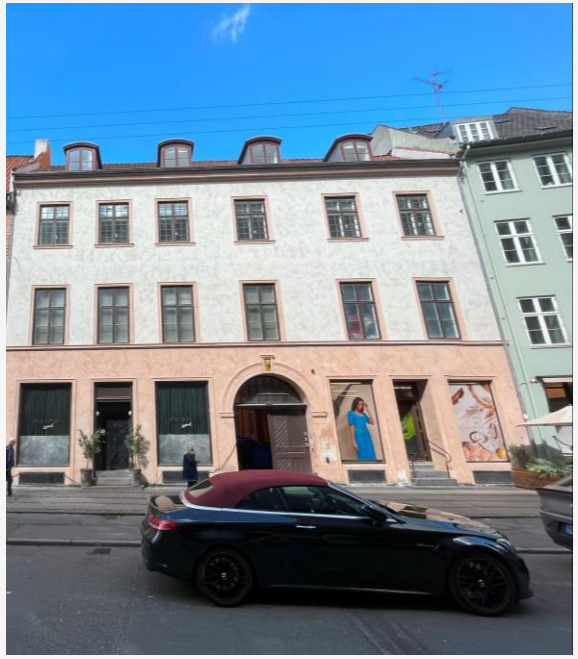
Østergade 15 / Lille Kongensgade 16

The property is centrally located at the prime high street stretching over two blocks facing Østergade (Strøget) and Lille Kongensgade. Oskar Real Copenhagen ApS does not yet own the property. However, it will be incorporated when the remaining bonds are fully invested in TAP IV.

The project consists of five commercial condos, and the objective is to optimize the property, reach critical mass, re-let vacant spaces, and increase annual rental income.

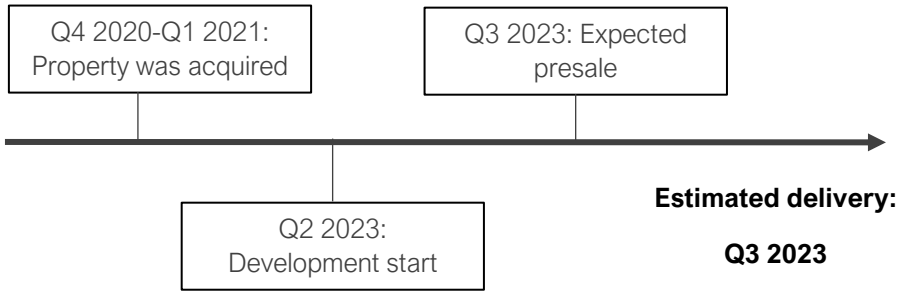
A lease agreement with Swatch was signed for the vacant shop in Østergade 15 in December 2022, with a lease starting in March 2023. In addition to the Swatch lease, we have engaged Cushman&Wakefield to handle the leasing of both retail premises facing Lille Kongensgade. The office space on the 2nd floor has become available and is now being offered for short-term lease contracts.

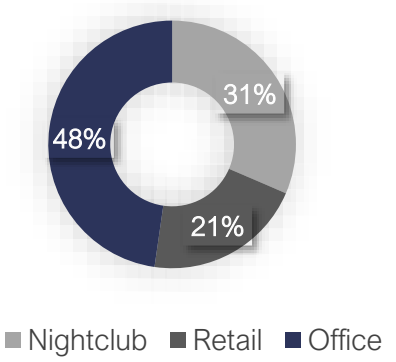
The development of the offices is pending clarification of the lease on the 3rd floor, as the tenants have objected to our termination. Therefore, the matter has been taken to court to establish the basis for a negotiated solution. Furthermore, negotiations with the nightclub are delayed due to issues within the ownership group. We are now exploring alternative solutions, including relocation of the lounge.



Project Information	
Acquisition costs	174 853
Development costs	16 957
OPEX	-9 670
Sales cost & Other	47 611
Est. EBIT	**31 224**

Project timeline:





GOING FORWARD

OSKAR GROUP

The below is an intended divestment plan of the portfolio. This plan is subject to change in order, time and date, and expected sales revenue.

1. Divestment of Købmagergade: The property is intended to be sold before September 2023 and generate sales revenues of approx. DKK 120m

2. Divestment of Østergade: The property is intended to be sold during the fall 2023 and generate sales revenues of approx. DKK 232m.

3. Divestment of Roskildevej: The property is intended to be sold once building permit has been approved and is estimated to generate approx. DKK 40m in sales revenue.

4. Forward funding of Columbusvej: Oskar Group is working on a forward funding structure for the project and expect this will be in place in the end of 2023.

5. Divestment of Gladsaxe Mollevej – The property is intended to be divested in late 2023 or early 2024 to an estimated sales price of approx. DKK 140m.

Debt repayment and refinancing

- If properties are divested according to plan, senior financing of approx. DKK 468m.

- The remaining proceeds are available for bond repayment, amortization and interest payments of the bond issue.

THE PROPOSAL

OSKAR GROUP

Amendments to the Terms and Conditions

In order to achieve the objectives, the Bondholders are kindly asked to:

1. Approve that the credit on the Blocked Account may be used by the Issuer to pay Interest under the Bonds for the remaining Interest Periods and

2. Approve that a voluntary partial redemption possibility is added to the Terms and Conditions, allowing the Issuer to make (one or several) partial redemptions of the Bonds without any additional redemption fees, by notifying the Bondholders ten Business Days before any redemption being made.

QUORUM AND MAJORITY

OSKAR GROUP

- Quorum is obtained in the written procedure if bondholders representing at least 50% of the adjusted nominal amount participate in the voting and replies to the Proposal
- Approval of the Proposals require acceptance from at least 66,67% of the registered votes
- If a quorum is not reached in the written procedure, a second written procedure will be launched for the bond. No quorum requirements apply to a second written procedure

Bond Issue volume

SEK: 174 400 000

EUR: 37 850 000

Timeline and delivery of votes

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than by 12.00 (CET) on 8 Augusti 2023. Votes received thereafter will be disregarded

Votes shall be sent to the Trustee, Intertrust (Sweden) AB:

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

FURTHER INFORMATION

OSKAR GROUP

For further information, please contact any of the respective parties listed below

- **For the Trustee: Intertrust (Sweden) AS**
  - Linus Löfgren, trustee@intertrustgroup.com +46 8 402 72 00

- **For the Issuer's financial advisor: Vinga Corporate Finance AB**
  - Ola Nilsson, ola@vingacorp.se +46 70 681 78 16
  - Johan Bergström, jb@vingacorp.se +46 72 080 30 03

- **For the Issuer: Oskar Real Copenhagen ApS**
  - Henrik Wessmann Jensen, Executive Chairman, hw@oskargroup.dk +45 40 55 00 80

RISK FACTORS

OSKAR GROUP

These risk factors have been prepared in connection with the bond financing (the "**Bond Financing**"), and the below described contemplated amendment to the existing terms and conditions regulating the bonds issued thereunder (the "**Bonds**") by Oskar Real Copenhagen ApS (f.k.a. Real Danmark Copenhagen ApS) (with Danish company reg. no. 42848301) (the "**Issuer**").

The amendment, if consented and agreed to, involves that the investors under the Bond Financing (the "**Investors**") will grant the Issuer permission to use the proceeds from the blocked account regulated by the terms and conditions of the Bonds to pay interest on the Bonds (the "**Amendment**").

The proceeds of the Bonds have been applied for the purchase, construction and development of the following properties :

- The real property with title no. 79, Klædebo Kvarter, København located at Købmagergade 57, 1150 København K, Denmark (the "**Købmagergade Property**");
- The real property with title no. 20v, Brøndbyøster By, Brøndbyøster, located at Roskildevej 547, 2605 Brøndby, Denmark (the "**Roskildevej Property**");
- The owner flat no. 4, owner flat no. 5, owner flat no. 6 and owner flat no. 9, title no. 14, Øster Kvarter København, located at Lille Kongensgade 16, st. tv., st. th. and 3., 1074 København K, Denmark and the owner flat no. 8, title no. 15, Øster Kvarter, København located at Østergade 17, 3. th., 1100 København K, Denmark (the "**Østergade Property**"); and
- The real property with title no. 14r, Gladsaxe located at Gladsaxe Møllevej 25, 2860 Søborg, Denmark (the "**Gladsaxe Møllevej Property**") and the real property with title no. 12ax, Gladsaxe and title no. 12cd Gladsaxe, located at Columbusvej 1 and Columbusvej 3, 2860 Søborg, Denmark and no. 12ce, Gladsaxe, located at Columbusvej 5, 2860 Søborg, Denmark (the "**Columbusvej Property**" and together with the Købmagergade Property, the Blegdamsvej Property, the Roskildevej Property, the Østergade Property and the Gladsaxe Møllevej Property, the "**Properties**" and individually a "**Property**").

The Investors are represented by Intertrust (Sweden) AB (the "**Agent**"). The investment in the Bond Financing involves inherent risks.

The financial performance of Oskar Group ApS (Danish company reg. no. 30617401) in its capacity as guarantor of the Bonds (the "**Guarantor**"), as well as the financial performance of the Issuer and its subsidiaries from time to time (the "**Group**" and each a "**Group Company**"), are important factors to consider when making a decision about whether to consent and agree to the Amendment. A number of risk factors and uncertainties may adversely affect the Issuer and the Group. If any of these risks or uncertainties materialize, the business, the operating results and the financial position of the Issuer and/or the Group could be materially and adversely affected, which ultimately could affect the Issuer's ability to make payments of interest and repayments of principal under the Bond Financing. In this section, a number of risk factors are illustrated, both general risks pertaining to the Issuer's and/or the Group's business operations and also certain material risks relating to the Bond Financing. There could also be other risks not discussed herein, not currently known or not currently considered to be material that may also affect the Issuer's and/or the Group's future operations, performance and financial position, and consequently the Issuer's ability to meet its obligations under the Bond Financing. Furthermore, the risk factors are not ranked in order of importance. The Investors should consider carefully the information contained in this section and make an independent evaluation before accepting the contemplated Amendment.

Note: The previously included property with title no. 95a, Udenbys Klædebo Kvarter, København located at Blegdamsvej 124, 2100 København Ø, Denmark a.k.a. the Blegdamsvej Property has been disbursed to a Danish pension fund.

RISK FACTORS (CONT.)

OSKAR GROUP

RISKS RELATING TO THE GROUP

Limited legal review

The legal review was originally conducted in January/February 2022 in connection with the original bond financing by the Issuer, which was updated pursuant to a due diligence questionnaire answered by members of the management of the Group on 8 June 2022, including exhibits 1 – 7 thereto, which was further updated pursuant to a due diligence questionnaire answered by members of the management of the Group on 26 July 2022, including exhibits 1 – 7 thereto, and which was updated again pursuant to a due diligence questionnaire answered by members of the management of the Group on 24 January 2023, including exhibits 1 – 8 thereto. The legal review has been limited to documentation concerning certain aspects of the Group and in particular the Properties since these assets are forming part of the direct and indirect security package for the Bonds and have been considered to be the main assets that will potentially generate the returns and liquidity required to service the indebtedness under the Bond Financing. The legal review has been high-level and has only concerned material provided by the Group, some of which has only been available in a preliminary form. Furthermore, the legal review has been subject to time constraints. Consequently, there could be material risks in the Group falling outside of the scope of the legal review and which have not been identified when conducting the legal review. If any such risks would materialize, it could have a material adverse effect on the Issuer's operations, results and financial position, which may impact the Issuer's ability to repay the Bond Financing.

No legal review has been conducted of any property other than the Properties listed above, including but not limited to that we have not conducted any legal review of the property with title no. 12ce, Gladsaxe, that is located at Columbusvej 5, 2860 Søborg, Denmark ("**Columbusvej 5**"), which was acquired after the time of the original legal review.

Credit risk

Investors under the Bond Financing carry a credit risk towards the Issuer. The Investors' ability to receive payment under the Bond Financing is dependent on the Issuer's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Issuer's operations and its financial position. The Group's financial position is affected by several factors of which some have been mentioned below.

The Group has incurred, and will continue to incur, significant debt. There are several risks relating to a high leverage that could have a significant impact on the Issuer's ability to perform its obligations under the Bonds. In this respect, we note that as of July 2023, the Group has interest bearing debts in the aggregate amount of DKK 1,062,932,000. These risks include, but are not limited to, inter alia, increased interest costs resulting in an inability to meet the payment obligations, lack of hedging arrangements, refinancing risks, cross-defaults under other debt arrangements, etc.

An increased credit risk may cause the market to charge the Bond Financing a higher risk premium, which would affect the value of the Bonds negatively. Another aspect of the credit risk is that a deteriorating financial position of the Group may reduce the Group's possibility to receive debt financing at the time of the maturity of the Bonds.

RISK FACTORS (CONT.)

OSKAR GROUP

Project risk

We note that property development projects in early stages are always subject to significant risks, and the expected value depends upon the successful implementation of the project. The Property development projects, inter alia, entail risks relating to the granting of required permissions and building permits, the completion of the construction and the divestment of the Properties. There is a risk that the projects are further delayed for various reasons (including but not limited to a more severe contamination of the Properties than expected or in case of disagreement with a contractor or a contractor's bankruptcy) or that the cost of the project may exceed the estimated budget, which may have a negative effect on the Group's operations, financial position, earnings and results. Each project may be aborted, become more expensive and thereby yield less profit than what is estimated by the Group, which may have a material adverse effect on the Issuer's operations, financial position, earnings and results, which in turn may impact the Issuer's ability to meet its obligations under the Bond Financing. As no legal review has been completed for Columbusvej 5, we note that confirmation in respect of any potentially specific project risks regarding Columbusvej 5 is pending.

The originally contemplated construction on, and developments of, the Købmagergade Property, i.e. the plan of expanding the Købmagergade Property's retail store on the ground floor by 347 m2, has been abandoned, as the Copenhagen Municipality would not permit the project in its original form. Therefore, the project has now been changed. The current plan is for the attic to be converted into two new penthouse apartments. The building permit applications for this project are currently being prepared and will be submitted shortly. In addition, the plan is for the back of the building to be converted into new retail stores. The Købmagergade Property continues to be fully let except for one retail unit, and that the existing cashflow supports the current liabilities in the Group Company owning the Købmagergade Property.

The contemplated construction on, and development of, the Roskildevej Property was slowed down due to the then COVID-19 situation and its impact on the hotel market in Denmark, however a design and build contract with reputable parties was concluded in the first quarter of 2021. Also, a commercial lease contract with a reputable international hotel group was concluded in 2021, and further thereto the hotel group has now signed up to an additional 20-years lease extending the existing lease from the original 136 rooms to 152 rooms, increasing the annual rent from DKK 6.8 million to DKK 8.5 million. Furthermore, the hotel group is currently looking into signing a separate lease contract for office space for the purpose of moving its headquarter into the Roskildevej Property at an annual rent of DKK 0.9 million. In addition, Oskar is in advanced negotiations with an electric vehicle charging company and a fast-food restaurant to secure further tenants prior to initiating the construction of the Roskildevej Property. The Group has applied for a building permit, but no building permit is yet in place. Also, a new turn-key contract is being negotiated with Oskar Byg. However, the necessary financing for construction of the Property is not yet in place.

In respect of the Østergade Property, the development plan has been changed turning the project into a less expensive and less complex project, and that this revised plan can be implemented without further building permits. Financing of the project has been granted by Sparekassen Sjælland Fyn and the project development was initiated at the beginning of January 2023. Cushman & Wakefield have been engaged to handle the leasing of both retail premises facing Lille Kongensgade. The office space on the 2nd floor has become available and is now being offered for short-term lease contracts. The development of the offices is pending clarification of the lease on the 3rd floor, as the tenants have objected to the Group's termination of the lease. The matter has been taken to court to establish the basis for a negotiated solution. Furthermore, negotiations with the nightclub are delayed due to issues within the nightclub's owners. Alternative solutions are explored, including the relocation of the nightclub.

In respect of the Gladsaxe Møllevej Property, this Property continues to be almost fully let on a long term lease. Discussions are ongoing with Silvan in respect of moving their store to another property, but it will probably last around 2 - 3 years before Silvan, who is operating a do-it-yourself builders merchant market on a longer-term lease contract, can leave the Gladsaxe Møllevej Property. The development plan requires a new zoning plan and no permits have yet been applied for.

As regards the Columbusvej Property, the new municipality plan is in place, and the new zoning plan that is under creation is expected to become effective at the beginning of 2024. However, phase 1 of the 12 – 14,000 m2 development consisting of offices and laboratories may be initiated within the current zoning plan, but no building permits are in place. Certain new short term leases have been entered with the aim to be able to empty this Property around mid-2023, and advanced negotiations are ongoing with a world-leading biopharmaceutical company regarding letting of approximately 7,000 m2 of mixed office and laboratory space in phase 1.

RISK FACTORS (CONT.)

OSKAR GROUP

Construction financing risk

Bank and other financing for the acquisition of, and construction of projects on, certain Properties has been obtained, but for some Properties it has not yet been obtained. Provided that sufficient financing has not and will not be obtained on the Properties, the development and construction of the Properties may not be completed. As a result, the Properties will difficultly be sold (in full or in part) and there is a risk that the Bond Financing cannot be repaid timely.

Property risk

Returns from the Properties, including the contemplated disposals of the Properties, will largely depend on the rental income of the commercial part of the Properties, the costs and expenses incurred in the asset management, refinement and property management, as well as on changes in the market value of each Property. Rental income and the market value of property are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, inflation and changes in interest rates. Both property value and rental income may also be affected by mandatory rent fixation, competition from other property owners, or the perceptions of prospective tenants of the attractiveness, convenience and safety of the property. Should the Group experience a decrease in its rental incomes or the market value of the Properties, this may have a negative effect on the Group's operations, financial position, earnings and results and on the achievable sales prices for the Properties.

Technical risks

Property investments and property management always entail a technical risk related to the operations of the property, including, but not limited to, construction issues, hidden defects, damage (including through fire or other natural disasters) and pollution. These types of technical problems could result in significant unforeseen costs relating to any of the Properties. If the Properties encounter any technical issues in the future, this could substantially increase the costs relating to the Properties, which could have a negative effect on the Group's operations, financial position, earnings and results.

Insurance risks

It is not established whether there is adequate insurance coverage for the Group or for the Properties. Even if the Group secures adequate insurance coverage, there is no guarantee that the Group will be able to maintain its insurance coverage on acceptable terms. If the Group is unable to maintain its insurance cover on terms acceptable to it, or if future business requirements exceed or fall outside of the Group's insurance cover, or if the Group's provisions for uninsured costs are insufficient to cover the final costs, it may adversely impact the Group's operations, financial position, earnings and results.

Macroeconomic risks

The real property industry is materially affected by macroeconomic factors such as business cycles, regional economic development, employment, production of new residences and premises, changes to infrastructure, population growth, population structure, inflation, interest rate levels, etc. Market disruptions, especially on the Nordic real property market, or negative business cycles on the global market, may affect the demand for the Issuer's offering of commercial real estate and a buyers' ability to enter into agreements with the Issuer, which may have a material adverse effect on the Issuer's operations, financial position, earning and results, which may in turn impact the Issuer's ability to repay the Bond Financing.

RISK FACTORS (CONT.)

OSKAR GROUP

Environmental risks

Each Property is located in an urban city zone. All properties in Denmark located in urban city zones are classified as at least slightly polluted. However, there are no registrations with the relevant regions that any actual pollution exists on the Properties except for the Roskildevej Property, the Gladsaxe Møllevej Property and the Columbusvej Property (including Columbusvej 5), which have been registered as polluted on a V2 level based on the fact that a number of different activities (printing works, iron- and metal industries, engineering industry and fabrication of fridge-freezers) have taken place on these Properties, and which may imply an increase in the costs when developing these Properties. A permission from the local municipality may be required before changing the use of the whole or part of the Properties, e.g. from commercial to residential use or from office to retail use, or before performing any demolition work or digging work on the Properties. This permission may be conditional upon the Group's examination of the relevant Property for pollution and risks connected to the pollution, as well as the Group's cleaning up of any pollution. When digging on a polluted property, all polluted soil must be destroyed and cannot be reused on the Properties. These conditions can potentially entail substantial costs for the property owner.

Disputes

The legal due diligence reports in respect of the Properties do not refer to any ongoing disputes other than the arbitration case filed by a former supplier in respect of Real Danmark Ejendomme III ApS. Furthermore, in respect of the Roskildevej Property negotiations are ongoing between the Group and the originally contracted turn-key contractor regarding the dispute relating to certain price increases that the contractor is attempting to implement pursuant to the turn key contract. The dispute is expected to conclude during H2 2023 and result in a net cost for the Group of DKK 3 – 4 million. As no legal review has been completed for Columbusvej 5, we note that confirmation in respect of any potentially ongoing disputes regarding this Property is pending. Claims or legal action may however in the future be taken against the Group which may have significant unfavourable effects on the Group's financial position, operations, earnings and results and market position and may impact the Issuer's ability to repay the Bond Financing.

Risk regarding majority owners with decisive influence

The Issuer is wholly-owned by the Guarantor, which means that the Guarantor will exercise a controlling influence over the Issuer and the decisions which require approval of the Issuer's shareholders. The Guarantor's interests may differ from or conflict with those of the Investors. There is a risk that such conflicts of interest will have a negative impact on the Issuer's business, results, financial position and future prospects.

Insolvency of subsidiaries

In the event of insolvency, liquidation or a similar event relating to one of the Issuer's subsidiaries, all creditors of such subsidiary would be entitled to payment in full out of the assets of such subsidiary before the Issuer, in its capacity as a shareholder, would be entitled to any payments. The Issuer and its assets may not be protected from any actions by the creditors of a subsidiary, whether under bankruptcy law, by contract or otherwise. The Issuer may, directly or indirectly via a subsidiary owning a Property, incur additional indebtedness and provide security for such indebtedness, inter alia, over such Property for the purposes of construction financing, and the construction financier providing the construction financing will obtain a more senior secured position compared to the Investors and will in that case benefit from the value of such security before the Investors. In particular, directly or indirectly via a subsidiary owning a Property, the Issuer may take up financing from a reputable commercial bank, fund or financing provider, which will be secured by a pledge of a mortgage deed over such Property and consequently have a more favourable security ranking than the Bonds.

RISK FACTORS (CONT.)

OSKAR GROUP

Tax related Risks

The Group conducts its business in accordance with its own interpretation of applicable tax regulations and applicable requirements and decisions. There is a risk that the Group's or its advisers' interpretation and the Group's application of laws and provisions and judicial practice has not been, or will in the future not be, correct or that such laws, provisions and practice will be changed, potentially with retroactive effect. If such an event should occur, the Group's tax liabilities can increase, which would have a negative effect on the Group's results and financial position, which may in turn impact the Issuer's ability to repay the Bond Financing. Revisions to tax regulations could for example comprise denied interest deductions, additional taxes on the direct or indirect sale of a Property and/or tax losses carried forward being forfeited, which could affect the Group's results and financial position in the future. We note that the legal due diligence report in respect of the Roskildevej Property refers to that debt to the municipality that is overdue since 30 November 2021 in the amount of DKK 227,157.65 has been registered covering unpaid property taxes and interests thereon. This amount has subsequently been paid and is no longer outstanding. As no legal review has been completed for Columbusvej 5, we note that confirmation in respect of any potentially outstanding tax debt regarding this property is pending.

RISKS RELATING TO THE BONDS

Risks relating to the transaction security and diminishing value of the security package

Although the Issuer's obligations towards the Investors under the Bonds will be secured, there is a material risk that the proceeds of any enforcement sale of the security assets would be insufficient to satisfy all amounts then owed to the Investors. In particular, any indicated value of the shares that are subject to security in favour of the Investors is only an approximate value as per the date of the Bonds and that value could be significantly less upon an enforcement, including and in particular if a Group Company which shares are subject to security in favour of the Investors has granted any upstream loans, the value of such upstream loans is likely to be nil upon enforcement in an insolvency scenario / default scenario, and this will adversely affect the value of those shares accordingly.

Each Investor should consider the risk that the security granted in respect of the Bonds might be ineffective in respect of any of the Issuer's obligations under the Bonds in the event that the Issuer is declared bankrupt, enters into reconstruction proceedings or is liquidated.

Risks relating to the Valuation of the Properties

Any valuation of the finalized projects on the Properties is only an indicated future value of the completed buildings on the Properties less construction costs and risks connected thereto. In order to achieve the indicated project value, all necessary building permits must have been granted, the construction must have been finalized in line with the cost budget on which the project value has been based and otherwise no other obstacles or deviations have been encountered during the construction. The project value is therefore not a market value per the date of the date of the issuance of the Bonds, and the indicated value cannot be achieved upon the realization of the Properties unless the construction on the Properties has been finalized.

Refinancing Risk

The Issuer will be required to refinance or repay the Bonds within a short period after issue of the Bonds. The Issuer's ability to successfully refinance its debts is dependent on the conditions of the loan markets, the debt capital markets and its financial condition at such time, in particular in times of increasing interest levels. Even if the loan markets or debt capital markets improve, the Issuer's access to financing sources may not be available on favourable terms, or at all. The Issuer's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Issuer's business, financial condition and results of operations and in turn on the Investors' recovery under the Bonds.

RISK FACTORS (CONT.)

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Risks relating to the clearing and settlement in Euroclear's book-entry system

The Bonds will be affiliated to Euroclear Sweden AB's ("Euroclear") account-based system, and no physical notes will be issued. Clearing and settlement relating to the Bonds is carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to actual or anticipated variations in the Issuer's operating results and those of its competitors, adverse business developments, negative publicity, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced price and volume fluctuations, which, if repeated in the future, could adversely affect the market price of the Bonds without regard to the Group's operating results, financial condition or prospects.

Liquidity Risks

The Issuer does not intend to apply for listing of the Bonds on any exchange. This may result in that it is difficult or impossible to sell the Bonds (at all or at reasonable terms). Lack of liquidity may have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative compared to the market price of the Bonds.

Risks related to early redemption

Under the terms and conditions for the Bonds, the Investors have a right to request redemption of the Bonds in case of a change of control event. If the Bonds are requested to be redeemed before the final redemption date, the Investors have the right to receive an early redemption amount. There is however a risk that, at the time of redemption, the Issuer will lack sufficient funds to complete such redemption.

Bondholders' meetings

In accordance with the terms and conditions for the Bonds, the Agent will represent all bondholders in all matters relating to the Bonds, and the bondholders are prevented from taking actions on their own against the Issuer. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer and may therefore lack effective remedies unless and until a requisite majority of the bondholders agrees to take such action. However, the possibility that a bondholder, in certain situations, could bring its own action against the Issuer (in breach of the terms and conditions for the Bonds) cannot be ruled out, which could negatively impact an acceleration of the Bonds or other action against the Issuer. To enable the Agent to represent bondholders in court, the bondholders may have to submit a written power of attorney for legal proceedings. The failure of all bondholders to submit such a power of attorney could negatively affect the legal proceedings. Under the terms and conditions for the Bonds, the Agent will in some cases have the right to make decisions and take measures that bind all bondholders. Consequently, the actions of the Agent in such matters could impact a bondholder's rights under the terms and conditions for the Bonds in a manner that would be undesirable for some of the bondholders.

The terms and conditions for the Bonds include certain provisions regarding bondholders' meetings. Such meetings may be held in order to resolve on matters relating to the bondholders' interests. The terms and conditions for the Bonds allow for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

RISK FACTORS (CONT.)

OSKAR GROUP

Change of law

The terms and conditions of the Bonds are governed by Swedish law. The Bonds are registered pursuant to Swedish securities laws. No assurance can be given as to the impact of any possible judicial decision or change to Swedish law or administrative practice after the date of issue of the Bonds.

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