

Notice of written procedure for bonds issued by Smallville AB (publ)

To the holders of the up to SEK 150,000,000 (or its equivalent in NOK or EUR) Senior Secured Fixed Rate Bonds 2019/2022 with ISIN: SEK BONDS SE0012230209, EUR BONDS SE0012230217 and NOK BONDS NO0010843600 (the "Bonds") issued by Smallville AB (publ) (the "Issuer") on 20 February 2019.

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 voting request for procedure in writing will, with respect to SEK and EUR Bonds be sent by regular mail on 24 May 2022 to Bondholders directly registered in the debt register (Sw. skuldbok) kept by Euroclear Sweden AB and with respect to NOK Bonds to direct registered owners and registered authorised nominees of the NOK Bonds and EUR Bonds registered with Verdipapirsentralen ASA (each of Euroclear Sweden AB and Verdipapirsentralen ASA, a "CSD"). This voting request has also been published on the websites of the Issuer and the Agent (as defined below), in accordance with the terms and conditions of the Bonds (the "Terms and Conditions"). If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or an authorised nominee under the Norwegian Securities Register Act of 2002 no.64 (No. Verdipapirregisterloven) or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. For further information, please see below under Section B (Decision procedure).

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 a certain waiver 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 to 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 2 (*Request for approval and consents*) 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 (CET) on 14 June 2022** by mail, via courier or e-mail to the addresses indicated below. Votes received thereafter will be disregarded. Please note that the Written Procedure may expire early if the requisite majority consents of the total Adjusted Nominal Amount have been received before 14 June 2022.

To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 24 May 2022 (the "Record Date"). This means that the person must be registered on a Securities Account with a CSD 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): **24 May 2022**

Last time and day to vote: **12.00 CET on 14 June 2022**

A. Background and Proposal

1. Background and current situation

Background

The Issuer shall according to Clause 11.6 of the Terms and Conditions amortize an amount equivalent to SEK 25,000,000 on 20 May 2022 (“**Mandatory Amortisation**”). Since the amortization was decided, the situation in the world has changed dramatically with quickly raging inflation, rapidly increasing interest rates and foremost the ongoing war in Ukraine, all of this has seriously impacted the market environment. Price increases for building materials amount to ca 20-30% on top of other price increases and logistics are delayed all through the supply chain. Sales are also significantly slower due to potential buyers’ uncertainty regarding which direction the market will take as well as higher interest rates. All of this has slowed the progress regarding inflow of funds, as the Issuer is dependent on completion of construction as well as building permits to receive payment, this has made the Issuer not being able to make the amortization on time.

Due to the aforementioned circumstances a certain waiver regarding the Issuer’s obligations under Clause 11.6 of the Terms and Conditions is proposed.

Proposal

The “Proposal” contains:

A request to the Bondholders to irrevocably waive the Event of Default that the Mandatory Amortisation that was supposed to be made on 20 May 2022 will to an amount of 12.500.000 SEK (50%) be made on 30 June 2022 and to an amount of 12.500.000 SEK (50%) be made on 20 August 2022. Compensation will be paid by that the default interest rate of +5% will apply on the delayed amount.

2. Request for approval and consents

The Issuer hereby kindly asks the Bondholders to:

1. approve and consent to the Proposal set out above;
2. 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; and
3. 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.

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 24 May 2022 (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.

Bonds registered with a nominee

Euroclear Sweden AB

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee 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 (Schedule 2) 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 debt register as bondholder of the Securities Account, or from each intermediary in the chain of bondholders, starting with the intermediary that is registered in the debt register as a Bondholder of 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, another Group Company or an Affiliate do not entitle to any voting rights.

Verdipapirsentralen ASA

Directly registered owners can vote via VPS Investortjenester. (Only applicable for Norwegian holders with VPS account in Norway).

You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote on your behalf as instructed by you. If the Bonds are held in custody - i.e., the owner is not registered directly in the VPS - the custodian must confirm: (i) the ultimate owner of the Bonds, (ii) the aggregate nominal amount of the Bonds; and (iii) the account number in VPS on which the Bonds are registered.

The individual Bondholder may authorise the Agent to vote on its behalf, in which case the authorisation form of Schedule 2 (Power of Attorney/Authorisation) also serves as a proxy. A duly signed authorisation form, authorising the Agent to vote, must then be returned to the Agent in due time before last day for replies (by scanned e-mail, courier or post).

You can obtain a power of attorney or other authorisation (proof of ownership) from the authorised nominee or other intermediary and send in your own voting form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the Securities Account as authorised nominee or direct registered owner.

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. 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.

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 (CET) on 14 June 2022 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 (CET) on 14 June 2022**. Votes received thereafter will be disregarded.

Address for sending replies

By regular mail:

Intertrust (Sweden) AB
Attn: Linus Löfgren, P.O. Box 16285, 103 25 Stockholm

By courier:

Intertrust (Sweden) AB
Attn: Linus Löfgren, Sveavägen 9, 10th floor, 111 57 Stockholm

By e-mail:

trustee@intertrustgroup.com

VOTING FORM

For the Written Procedure initiated on 24 May 2022 of the up to SEK 150,000,000 (or its equivalent in NOK or EUR) Senior Secured Fixed Rate Bonds 2019/2022 with ISIN: SEK BONDS SE0012230209, EUR BONDS SE0012230217 and NOK BONDS NO0010843600 (the "Bonds") issued by Smallville AB (publ) (the "Issuer") on 20 February 2019.

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.

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/AUTHORISATION¹

For the Written Procedure initiated on 24 May 2022 of the up to SEK 150,000,000 (or its equivalent in NOK or EUR) Senior Secured Fixed Rate Bonds 2019/2022 with ISIN: SEK BONDS SE0012230209, EUR BONDS SE0012230217 and NOK BONDS NO0010843600 (the "Bonds") issued by Smallville AB (publ) (the "Issuer") on 20 February 2019.

Authorized Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

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 of⁵: _____

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 through⁶ _____

Date:

Signature

¹ 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.

² Insert the name of the person/entity that should be authorized to vote.

³ Insert the aggregate nominal amount the Authorized Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents

⁶ 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:

Smallville AB (publ), Lars Kristiansson, lars@lilleby.se, +46 8 23 52 00

To the Agent:

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

Stockholm on 24 May 2022

Intertrust (Sweden) AB

as Agent