

**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 16 April 2020 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 (CET) on 7 May 2020** 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 7 May 2020.

**To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 17 April 2020 (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):* **17 April 2020**

*Last time and day to vote:* **12.00 CET on 7 May 2020**

## A. Background and Proposal

### 1. Background and current situation

The Group's business and financial position has in various ways been negatively affected by the sudden and unpredictable pandemic caused by the Corona virus (Covid-19).

Firstly, the pandemic will, for instance, delay the municipality of Stockholm's appointment of a planning architect for the property owned by Farsta Sillö 5 AB and the municipality has informed that the Issuer's request for an amended zoning plan for the property will be delayed significantly due to a delay in the municipality's processes of reviewing such requests caused by Covid-19. These delays will have a negative effect on the project at Farsta Sillö as the time schedule has to be pushed forward, also affecting the sales process of completed apartments at the property.

Secondly, the pandemic caused by Covid-19 has had a negative effect on the construction projects Farsta Sillö as well as the property owned by VSQ Property AB. Suppliers to the projects are unable to deliver essential material and components and, in many cases also, unable to give any delivery dates as their activities have basically ceased and their supply chains been interrupted. Certain suppliers have simply closed down due to lack of personnel. This has resulted in severe interruptions and makes a rational development of the projects impossible for the time being since the construction processes cannot continue where necessary parts are unavailable. Rational production is no longer possible as vital components and parts are missing. It is, however, important to underline that these delays are temporary. The Issuer has, until the breakout of the Corona virus, followed the original timeline both as regards construction projects and sales processes. There is nothing that indicates that the activities will not revert to normal once the current pandemic is over. The challenge is that it is today very difficult to make any predictions as to how long the current exceptional circumstances will last.

Thirdly, the pandemic caused by Covid-19 has a negative effect on the rental income of the Group. Certain of the tenants at Farsta Sillö have gone bankrupt during the recent weeks, due to the effects of the pandemic and lack of customers. In addition, the Group understands that there are others that are experiencing financial difficulties due to a sudden decrease of their revenue. For instance, one tenant has – without any prior notification – informed the Group that they will from May 2020 pay rent as a percentage of their revenue (which has not been accepted by the Group). The Group's insurance company has also informed that non-payment of rent by the tenants cannot be claimed under the insurance policy. The material decrease of rental income affects the Group's cash flow and liquidity in a material negative way.

Fourthly, the pandemic caused by Covid-19 has a negative effect on the planned sale of the property Lidingö Söderåsen 1 and on the Group's existing financing arrangement with a senior lender. A large part of the potential buyers of VSQ Property are located outside of Sweden and are prevented from travelling to Sweden to site visit the property. The senior lender of the existing financial arrangement has chosen to prolong the existing financing with six months (from December 2019 to June 2020) . Current outstanding amount under the financing is approximately SEK 253,000,000. The Group is currently negotiating with the senior lender with the aim to extend the financing for a further period and be granted grace period for amortizations.

Overall the current situation has also had a negative effect on the domestic Swedish market for property transactions. It has become evident that several professionals in the market have decided not to be active at this time but have rather taken a “wait and see” stance. Despite this, the Issuer is confident that the sales process of VSQ Property will be successful once the market is back at normal conditions. The property owned by VSQ Property has a valuation of SEK 270 million. The plan has always been, and continues to be, to retain the sales proceeds within the bond structure and to use it for additional investments in the Farsta project.

In order to mitigate the effects of the Covid-19 pandemic, the Group has reviewed its insurance policy in order to assess whether any loss of income can be claimed from the insurance company, but unfortunately it seems as no such cover is included in the current insurance policy. Further, in order to increase the rental income in the short term the Group has decided to offer commercial areas, which have been vacated as part of the planned apartment construction, at favorable rates and terms and to initiate a structured marketing campaign through both brokers, web sites and other channels.

Should the Proposal not be approved, the consequences could be severe and lead to a liquidity squeeze. The Group would not be able to pay any interest with the subsequent risk of a default. Any default and subsequent collateral enforcement would likely result in an uncontrolled "fire sale" process where the inherent values of the properties would not be reflected and thereby negatively impact the likelihood of full recovery for the Bondholders.

The Issuer is therefore asking for the Bondholders approval of the Proposal in order to preserve the value of the projects.

The entire world hope that the current pandemic and its effects will be over in the not too distant future. Exactly when the situation will be normalized is, of course, impossible to say. The Issuer hopes and believes that at least by the summer of 2021 the situation should have stabilized. Consequently, the Issuer is requesting a waiver for five quarterly payments of interest. The Bondholders' approval of the Proposal, will also be compensated on the Final Redemption Date by payment of an additional amount of principal, as set out below.

It is important to note that the Issuer's analysis is still that the inherent profitability of the project in Farsta 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.

## **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) Clause 10 (*Interest*) is amended so that the amount of Interest payable on the forthcoming five Interest Payment Dates, i.e. 3 May 2020, 3 August 2020, November 2020, 3 February 2021 and 3 May 2021, will not be paid on those dates but instead be payable (without capitalization) on the Final Redemption Date. Starting from (and subject to the calculation principles set forth under Clause 10 (*Interest*)) the Interest Payment Date falling on 3 May 2021, accrued Interest will be paid in cash on the forthcoming Interest Payment Dates in accordance with the Terms and Conditions, i.e., the first payment of Interest will be made on 3 August 2021.
- (ii) Clause 2 (d) (*Status of the Bonds*) is amended to remove the minimum amount in respect of any Subsequent Bond Issue, which is currently set to SEK 30,000,000. This is requested in order to give flexibility to the Issuer to issue smaller amounts of Subsequent Bonds to cover immediate general corporate purposes needs if necessary.
- (iii) The definition of "Transaction Costs" is clarified so that it includes transaction costs in connection with a Written Procedure, including the amount payable by the Issuer to JOOL Corporate Finance in connection with this Written Procedure.
- (iv) As compensation for the Bondholders' approval of the Proposal, Clause 11 (a) (*Redemption at Maturity*) is amended so that the Bonds shall be redeemed at the Final Redemption Date at an amount equal to 101.9375 per cent. of the outstanding Total Nominal Amount at the Final Redemption Date, plus accrued but unpaid Interest.

### 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 17 April 2020 (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 (CET) on 7 May 2020 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 7 May 2020**. Votes received thereafter will be disregarded.

### **Address for sending replies**

*By regular mail:*

Intertrust (Sweden) AB

Attn: Beatrice Gustafsson, P.O. Box 16285, 103 25 Stockholm

*By courier:*

Intertrust (Sweden) AB

Attn: Beatrice Gustafsson, Sveavägen 9, 10th floor, 111 57 Stockholm

*By e-mail:*

[trustee@intertrustgroup.com](mailto:trustee@intertrustgroup.com)

VOTING FORM

For the Written Procedure initiated on 17 April 2020 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.

---

**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 17 April 2020 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

\_\_\_\_\_

---

<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, [johan@nffnordic.com](mailto:johan@nffnordic.com), +46 8 514 00 880

*To the Agent:*

Intertrust (Sweden) AB, Beatrice Gustafsson, [trustee@intertrustgroup.com](mailto:trustee@intertrustgroup.com), +46 70 141 10 82

**Stockholm on 17 April 2020**

**Intertrust (Sweden) AB**

**as Agent**