

Oslo, 30 August 2019

**To the bondholders in senior secured bonds with ISIN NO 001 080497.4 (NOK Bonds) and NO 001 080498.2 (SEK Bonds) (the "Bonds") issued by Filago Prosjekt Holding 1 AS (the "Issuer") on 29 September 2017.**

Intertrust (Norway) AS is acting as Trustee on behalf of the Bondholders under the Terms and Conditions.

Capitalised terms not defined herein shall have the same meaning as in the Terms and Conditions.

### **Background**

Pursuant to the terms and conditions dated 29 September 2017 (the "**Terms and Conditions**"), the Issuer has issued the Bonds. Further, the Issuer's parent company Filago AS (the "**Parent**"), has (as listed in the definition of "Filago Loans" in the Terms and Conditions) entered into a NOK 10,000,000 loan agreement (the "**FKG Loan**") with Fort Knight Group PLC (the "**FKG**").

On 23 May 2019, it came to the Trustee's attention that FKG has served a bankruptcy notice (Nw. *konkurssvarsel*) to the Parent. The Trustee was further informed that the basis for the bankruptcy notice was a payment default under the FKG Loan and that the entire FKG Loan was in default. Based on this information, the Trustee were of the opinion that this default constituted an Event of Default in accordance with Clause 17.1 (h)(i) of the Terms and Conditions. This information was communicated to the bondholders in *Notice to bondholders* dated 28 May 2019. The Notice to bondholders is attached hereto as Schedule 1.

Pursuant to the Second Written Procedure, which ended 12.00 (CET) on 1 August 2019, the bondholders approved of the following proposal (the "**Proposal**") from the Issuer:

*"The Issuer is granted a temporary waiver of any current and future Events of Default under the Terms and Conditions until 30 September 2019, however so that the waiver can be withdrawn at any time and for whatever reason by the Trustee giving notice of such withdrawal to the Issuer".*

The outcome of the Second Written Procedure was communicated to the bondholder in the *Notice of outcome* issued 1 August 2019. The Notice of outcome is attached hereto as Schedule 2.

### **Status of the Bonds**

As a result of the bankruptcy notice served by FKG, the Parent was declared bankrupt 29 August 2019. It was also announced that the majority of the shares in the Parent has been sold to a new owner.

As mentioned below, the bondholders have, due to the approved proposal from the Issuer, agreed to grant the Issuer a temporary waiver of any current and future Event of Default under the Terms and Conditions until 30 September 2019. However, the Trustee can withdraw this waiver by giving notice of such withdrawal to the Issuer.

The Trustee will cooperate with the administrator of the bankruptcy (Nw. *Bobestyrer av konkursboet*) in order to ensure the interests of the bondholders.

### **Formation of a Bondholders Committee**

In order to monitor the progress of the matter, the Trustee is strongly encouraging the Bondholder to form a Bondholders' Committee (a "**BHC**") with the task of inter alia

evaluating the different options at hand and steering the process in accordance with the interest of the Bondholders. The BHC will not have any formal decision power, but may after evaluating different options present the Bondholders with its conclusions, which the Bondholders subsequently may approve or reject during bondholders' meetings or written procedures. The formation of the BHC is currently supported by certain Bondholders, and any Bondholder wishing to participate in the BHC is encouraged to contact the Trustee as soon as possible. The Trustee will subsequently gather the interested Bondholders to form the BHC.

**Next steps**

As mentioned above, the Trustee will cooperate with the administrator of the bankruptcy in order to ensure the interests of the bondholders.

**Right to summon a Bondholders Meeting**

Please note that Bondholders representing at least 10 per cent. of the Adjusted Nominal Amount may request that a bondholders' Meeting s convened for the purpose of deciding on a matter relating to the Finance Documents, including instructions to the Trustee to accelerate the Bonds.

Intertrust (Norway) AS as Trustee

**If you have any questions or want to join the BHC please contact:**

Trustee: Peter Drachmann, Intertrust (Norway) AS  
+47 400 22 444  
peter.drachmann@intertrustgroup.com

**Schedule 1**

From: Intertrust (Norway) AS, org.nr 995 460 238 as trustee and security agent under the Bonds (as defined below) (the "**Trustee**")

To: The authorized nominees and holders of the senior secured fixed rate bonds issued by Filago Prosjekt Holding 1 AS (the "**Issuer**") with a total nominal amount of NOK 75,000,000 with ISIN NO 001 080497.4 and SEK bonds with a total nominal amount of SEK 68,000,000 with ISIN NO 001 080498.2 (the "**Bonds**")

Subject: Information from the Trustee

Date: 28 May 2019

## Background

Pursuant to the terms and conditions dated 29 September 2017 (the "**Terms and Conditions**"), the Issuer has issued the Bonds. Further, the Issuer's parent company, Filago AS (the "**Parent**"), has (as listed in the definition of "Filago Loans" in the Terms and Conditions) entered into a NOK 10,000,000 loan agreement (the "**FKG Loan**") with Fort Knight Group PLC (the "**FKG**").

Capitalised terms not defined herein shall have the same meaning as in the Terms and Conditions.

## Status of the Bonds

On 23 May 2019 (the "**Relevant Date**"), it came to the Trustee's attention that FKG has served a bankruptcy notice (Nw. *konkursvarsel*) to the Parent. The Trustee has further been informed that the basis for the bankruptcy notice is a payment default under the FKG Loan and that the entire FKG Loan is in default. Based on this information, we are of the opinion that this default constitutes an Event of Default in accordance with Clause 17.1 (h)(i) of the Terms and Conditions.

The Parent is currently negotiating with FKG in order to propose an alternative settlement of the FKG Loan.

We have not received any information which indicates that the Event of Default has been remedied or waived, as FKG has not yet been willing to accept an alternative settlement proposal which they have been presented with. Accordingly, the Event of Default is continuing in accordance with Clause 17.2 of the Terms and Conditions.

Pursuant to Clause 17.4 of the Terms and Conditions, the Trustee is obliged to take certain steps following an Event of Default which is continuing. These steps include (i) to notify the Bondholders of the Event of Default within 5 Business Days following the Relevant Date and (ii) to decide if the Bonds shall be accelerated within 20 Business Days following the Relevant Date. If the Trustee decides not to accelerate the Bonds, the Trustee shall promptly seek instructions from the Bondholders in accordance with Clause 20 of the Terms and Conditions.

INTERTRUST (NORWAY) AS as Trustee

## If you have any questions please contact:

Trustee: Peter Drachmann, Intertrust (Norway) AS  
+47 400 22 444  
peter.drachmann@intertrustgroup.com

**Schedule 2**

**Oslo, 1 August 2019**

**To the bondholders in senior secured bonds with ISIN NO 001 080497.4 (NOK Bonds) and NO 001 080498.2 (SEK Bonds) (the "Bonds") issued by Filago Prosjekt Holding 1 AS (the "Issuer") on 29 September 2017**

**Notice of outcome in the written procedure**

In the second written procedure for which notice was given on 11 July 2019 and last date to vote was 1 August 2019, the Issuer hereby announce the successful completion of the second written procedure in relation to the Bonds regarding certain waivers to the terms and conditions (the "**Request**").

Pursuant to Clause 20.11 of the Terms and Conditions, the quorum requirements in Clause 20.10 shall not apply to a second written procedure, which means that the votes received in the second written procedure will be decisive regardless of how many votes that have been received.

The Request was accepted by 98.10 per cent of the eligible votes.

*For further information, please contact:*

Peter Drachmann

Intertrust (Norway) AS

Mail: [peter.drachmann@intertrustgroup.com](mailto:peter.drachmann@intertrustgroup.com)

Phone: +47 400 22 444