

Oslo, 7 October 2019

To the bondholders in senior secured bonds with ISIN NO 001 0865504 (NOK Bonds) and NO 001 0865470 (SEK Bonds) (the "Bonds") issued by Filago Prosjekt Holding 1 AS (the "Issuer") on 29 September 2017.

Intertrust (Norway) AS (the "**Trustee**") 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

On 29 August, Filago AS (the "**Parent**") was declared bankrupt as a result of a bankruptcy notice served by Fort Knight Group PLC. It was also announced that the majority of the shares in the Parent has been sold to a new owner. This was communicated to the bondholders through *Notice to bondholders* issued 30 August 2019.

Status of priority of the security

Pursuant to the terms and conditions, the Trustee shall hold security for the bonds in the form of property pledge in the three building plots, consisting of several properties, at Hurdal, Gran and Tjøme, owned by the Issuer. For the properties at Gran and Tjøme, the Trustee should hold a first priority pledge, and for the properties at Hurdal, the Trustee should hold a third priority pledge.

The building plot on Tjøme consists of three properties. On 26 September 2019 it came to the Trustee's attention that the Issuer has not fulfilled their obligations under the terms and conditions in order to secure that Intertrust will have first priority pledge in one of the three properties (the "**Relevant Property**") at Tjøme. Promptly upon knowledge of this, and after discussion with our legal advisers, the Trustee took the necessary steps in order to have the first priority pledge in the Relevant Property on Tjøme registered. The pledge was registered on 27 September 2019.

1 October 2019, commencement of bankruptcy proceedings, was opened in the Issuer. The Trustee has received information from the administrator of the bankrupt that they will claim the registration of first priority pledge in the Relevant Property annulled.

The current status of the security for the bonds is therefore that the Trustee holds first priority pledge in the properties at Gran and in two of the three properties at Tjøme, and third priority pledge in the properties at Hurdal.

Next step

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

Intertrust (Norway) AS as Trustee

For further information

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