

**Notice of written procedure for bonds issued by  
Gemma Properties Holding AB (publ)**

**To the holders of the up to SEK 125,000,000 (or its equivalent in EUR and NOK) Senior Secured Callable Fixed Rate Bonds due 2019 with ISIN: EUR BONDS: SE0010598789, NOK BONDS: NO0010810963 and SEK BONDS: SE0010598771 (the "Bonds") issued by Gemma Properties Holding AB (publ) (the "Issuer") on 30 November 2017.**

*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 "Trustee") to direct registered owners and registered authorised nominees (*förvaltare*) of the Bonds recorded as of 29 August 2019 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 Trustee, acting in its capacity as Trustee 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 Trustee 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. There may thus be risks related to the Proposal set out below which could have a material negative impact on the Bondholders' prospects of recovery under the Bonds and each Bondholder is solely responsible for making its own assessment of the Proposal before participating in the Written Procedure.

**LIMITATION OF LIABILITY OF THE TRUSTEE**

The Proposal is presented to the Bondholders by the Trustee on behalf of the Issuer, without any evaluation, advice or recommendations from the Trustee to the Bondholders whatsoever. The Trustee has not assessed the Proposal (and its effects, should it be adopted) from a legal, commercial, financial or other perspective and the Trustee expressly disclaims any liability whatsoever related to the content of this notice and the Proposal (and its effects, should it be adopted). The Trustee has assumed that documentation and other evidence (if any) delivered to it pursuant the Proposal is accurate, correct and complete and the Trustee 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 Trustee, 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 REQUEST**

Before making a decision, 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 Trustee 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 Trustee. The Trustee must **receive the voting form no later than by 16.00 (CET) on 17 September 2019** 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 17 September 2019.

**To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 29 August 2019 (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):* **29 August 2019**

*Last time and day to vote:* **16.00 CET on 17 September 2019**

## A. Background and Proposal

### 1. Background

In November 2017, the Issuer raised the Bonds in an approximate amount of SEK 125 million. The main purpose of the Bond issue was to finance the construction of the project in Tandådalen (the "**Project Tandådalen**"). The Bond proceeds were also used to refinance previous loans for the purpose of the Project Tandådalen construction, and part of the proceeds were deposited on a blocked account to finance continued construction costs.

In September 2018, after completion of the first phase of Project Tandådalen, around 50 per cent. of the outstanding Bond loan was amortised together with accrued interest. The original final redemption date of the Bonds was 30 November 2018. The Issuer exercised its six months' extension option and the final redemption date was thereby postponed to 30 May 2019.

Through a written procedure completed in June 2019, the Bondholders voted for and approved to extend the Final Redemption Date until 31 August 2019 and that ordinary interest shall accrue on the Bonds until final repayment.

### 2. Current status of the projects

The first phase of Project Tandådalen with a total of 45 homes has been completed and sold. Following completion, amortisation of around 50 per cent. of the outstanding Nominal Amount of the Bonds together with accrued interest was made. The second phase of Project Tandådalen has also been completed and sold.

### 3. The current situation

Project Tandådalen has suffered from increased costs which has decreased the profit margins of the project. This is partly due to the lack of a guarantee from an external lender which was intended to be received, which has resulted in an increase of costs being attributed directly to the project. Costs for projecting and construction have also been higher than what was initially expected, partly due to delays and partly due to variable parts in the construction agreements. The time delays have also resulted in additional interest costs. In conclusion, the margin of the Project Tandådalen has been consumed. Funds from closing of the second phase has not been used for repayment of the Bonds and the security over the real estate mortgage certificates has as a consequence not been released by the Trustee. Once the Issuer recognised that the costs had been increased to an extent that repayment of the Bonds would no longer be feasible using the remaining earnings, the Issuer decided to acquire additional projects. The purpose of the acquisitions was to carry out additional constructions and through earnings from these new projects create repayment capacity for the Bonds.

In addition to the above, Lisa Grahm Borg, one of the two main owners, suffered from a serious car accident in March 2018. Lisa was limited in her ability to work during the remainder of 2018 and as a result her responsibilities with regard to refinancing solutions and financing of future projects were out on hold. Lisa is now working full speed again with no limitations towards the forthcoming projects.

### 4. The plan ahead

The Issuer has learned from the projects that have been completed. The Issuer is proud of the end product that has been delivered, but has also taken a number of measures to ensure that future projects will have a better financial outcome. For instance, the timetable for access to the houses shall be determined at a later stage in order to better match the construction contract and avoid delayed access to the houses for the buyers. The Issuer will also only sign turnkey contracts with a fixed price

and without an index to avoid cost increases. Cost control will be better with a closer follow up on the projecting and function responsibility of the total contractor. The Issuer shall also strengthen its own organization with regard to construction managers and finance / administration. Quotes from new contractors with a fixed price on future projects shows that the previous projects would have kept their margin should they have had a fixed price, i.e. the initial calculations were reasonable but the element of variable cost ended up being more expensive. Going forward, the new contracts will eliminate that risk.

The Issuer has for some time worked towards obtaining external loan financing to be able to refinance the Bonds in connection with the final redemption date. The Issuer is also involved in advanced discussions with potential partners who through capital injections would be able to repay the Bonds. These refinancing options have not yet been finalised and the Issuer is therefore in parallel investigating other possible refinancing alternatives.

To that extent, the Issuer has mandated JOOL Markets to work out a new overarching transaction structure for the group, with the aim to handle the Bonds and remaining assets of the Group. If and when such new transaction structure has been set, the proposal will be presented to the Bondholders for their approval.

In order to have sufficient time to finalize the discussions with the external investors and/or the new transaction structure by JOOL Markets, the Issuer is asking for an extension of the Final Redemption Date to 30 November 2019.

The Issuer regrets the situation that has arisen but is determined to fulfill its obligations to the Bondholders in the best way possible. The Issuer sees a future where it can continue to develop housing, mainly in the Swedish mountains where the concept and the end product have been well received by the customers so far. This is made possible by experience from previous projects and strengthened organization and structure for future business.

## **5. Request for approval and consents**

The Issuer hereby kindly asks the Bondholders to approve that the Final Redemption Date is extended until 30 November 2019 and that ordinary interest shall accrue on the Bonds until final repayment (the "Request").

### **B. Decision procedure**

The Trustee will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Request 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 Trustee, 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 Trustee and published by way of press release by either the Trustee or the Issuer.

Minutes from the Written Procedure shall at the request of a Bondholder be sent to it by the Issuer or the Trustee, as applicable.

IF THE REQUEST IS APPROVED BY THE WRITTEN PROCEDURE IT WILL BE BINDING ON ALL BONDHOLDERS WHETHER THEY PARTICIPATED IN THE WRITTEN PROCEDURE OR VOTED AGAINST THE REQUEST OR NOT, IN ACCORDANCE WITH THE TERMS AND CONDITIONS.

### ***Voting rights***

Anyone who wishes to participate in the Written Procedure must on 29 August 2019 (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 Trustee 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 16(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 Request.

If a quorum does not exist, the Trustee 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 16.00 (CET) on 17 September 2019 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

***Majority***

Pursuant to Clause 16(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 Request in order for it to be approved.

***Final date to vote in the Written Procedure***

The Trustee must have received the votes by mail, courier or e-mail to the address indicated below no later than by **16.00 (CET) on 17 September 2019**. 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

**VOTING FORM**

For the Written Procedure initiated on 29 August 2019 for the up to SEK 125,000,000 (or its equivalent in EUR and NOK) Senior Secured Callable Fixed Rate Bonds due 2019 with ISIN: EUR BONDS: SE0010598789, NOK BONDS: NO0010810963 and SEK BONDS: SE0010598771 (the "Bonds") issued by Gemma Properties Holding AB (publ) (the "Issuer") on 30 November 2017.

The Issuer requests the Bondholders to approve the Request set out in the notice for the Written Procedure. The Trustee is hereby empowered to enter into all necessary documentation required to implement the Request, in the event the Request 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 Request.

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 16(j) of the Terms and Conditions with respect to the Request:

**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 29 August 2019 for the up to SEK 125,000,000 (or its equivalent in EUR and NOK) Senior Secured Callable Fixed Rate Bonds due 2019 with ISIN: EUR BONDS: SE0010598789, NOK BONDS: NO0010810963 and SEK BONDS: SE0010598771 (the "Bonds") issued by Gemma Properties Holding AB (publ) (the "Issuer") on 30 November 2017.**

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 a 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:*

Gemma Properties Holding AB (publ), Lisa Grahm Borg, lisa@gemmaproperties.se

*To the Trustee:*

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

**Stockholm on 29 August 2019**

**Intertrust (Sweden) AB**

**as Trustee**