

# PROSPECTUS

## FRIGAARD PROPERTY GROUP AS

(Organisation number: 996 056 279)

Listing on Oslo Stock Exchange

Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds

2021/2024

ISIN NO 0010922818

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THIS PROSPECTUS SERVES AS A LISTING PROSPECTUS ONLY AS REQUIRED BY NORWEGIAN LAW AND REGULATIONS. THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO BUY, SUBSCRIBE OR SELL ANY OF THE SECURITIES DESCRIBED HEREIN, AND NO SECURITIES ARE BEING OFFERED OR SOLD PURSUANT TO IT.

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26 May 2021

## Important information

This prospectus (the "**Prospectus**") has been prepared by Frigaard Property Group AS (the "**Issuer**") to provide information about the Issuer, its subsidiaries and its business in connection with the listing on the Oslo Stock Exchange of the bonds issued under the name Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds 2021/2024 (the "**Bonds**" and the "**Bond Issue**"). In the Prospectus the term "**Group**" refers to the Issuer and its subsidiaries from time to time.

For the definitions of terms used throughout this Prospectus, see section 12 "Definitions and Glossary of Terms".

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The Issuer has furnished the information in this Prospectus and accepts responsibility for the information contained herein. No other party makes any representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Prospectus is, nor shall be relied upon as, a promise or representation by any party. This Prospectus does not contain any offer to subscribe and/or purchase the Bonds. The Norwegian Financial Supervisory Authority has reviewed and approved this Prospectus on 26 May 2021. The Norwegian Financial Services Authority only approves this Prospectus as meeting the standards of completeness and consistency imposed by Regulation (EU) 2017/1129. The Norwegian Financial Supervisory Authority has not verified or approved the accuracy or completeness of the information provided in this Prospectus. It is the Issuer's responsibility to ensure that the information in this Prospectus is accurate and complete. Furthermore, the Norwegian Financial Supervisory Authority has not made any sort of control or approval of the corporate matters described in or otherwise included in this Prospectus.

All inquiries relating to this Prospectus should be directed to the Issuer. No person has been authorized to give any information about, or make any representation on behalf of, the Issuer in connection with the issue of the Bonds, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Issuer.

The Prospectus is valid for a period of time up to twelve (12) months following its approval by the Norwegian Financial Surveillance Authority. The information contained herein is as of the date of this Prospectus and subject to change, completion or amendment without notice. There may have been changes affecting the Issuer or its subsidiaries subsequent to the date of this Prospectus. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Issuer's affairs since the date hereof or that the information set forth in this Prospectus is correct after its date. However, in accordance with article 23 of the Regulation (EU) 2017/1129, every new factor, material mistake or inaccuracy which may have significance for the assessment of the Bonds and which is discovered between the publication of this Prospectus and the listing of the Bonds, will to the extent required be included in a supplement to this Prospectus.

**The distribution of this Prospectus in certain jurisdictions may be restricted by law. The Issuer requires persons in possession of this Prospectus to inform themselves about and to observe any such restrictions. This Prospectus serves as a listing prospectus as required by applicable laws and regulations. This Prospectus does not constitute an offer to buy, subscribe or sell any of the securities described herein, and no securities are being offered or sold pursuant to it.**

**The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.**

The content of this Prospectus is not legal, business or tax advice. Each reader of this Prospectus should consult its own legal, business or tax advisor as to legal, business or tax advice. If investors are in any doubt about the contents of this Prospectus, they should consult their stockbroker, bank manager, lawyer, accountant or other professional adviser.

**Investing in the Bonds involves certain inherent risks. Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. Particularly, each potential investor should:**

- **have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement;**
- **have access, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;**
- **have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds;**
- **understand thoroughly the terms of the Bonds; and**
- **be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.**

**For an overview of relevant risk factors for the Bonds, please see section 2 "Risk Factors" of this Prospectus.**

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## **1. SUMMARY**

### **1.1 Introduction and warnings**

This summary follows the disclosure requirements under Article 7 of the Regulation (EU) 2017/1129 of 14 June 2017.

This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on a consideration of the prospectus as a whole by the investor.

The investor could lose all or part of the invested capital. Where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

The securities are issued under the name Frigaard Property Group AS 21/24 FRN FLOOR C and they are registered under the and international securities identification number (ISIN) NO 0010922818.

The Issuer is Frigaard Property Group AS, a company existing under the laws of Norway with registration number 996 056 279 and LEI-code 254900PADEO0LU7JL270.

The competent authority approving the prospectus is the Financial Supervisory Authority of Norway, Finanstilsynet (org. nr. 840 747 972), Revierstredet 3, 0151 Oslo, Norway, telephone number +47 22 93 98 00.

This prospectus has been approved by the Financial Supervisory Authority of Norway on 26 May 2021.

### **1.2 Key information on the issuer**

#### **1.2.1 Who is the issuer of the securities?**

The Issuer is Frigaard Property Group AS, a company operating and existing under the laws of Norway with registration number 996 056 279 and LEI-code 254900PADEO0LU7JL270. The Issuer is a Private Limited Company (Nw. "*aksjeselskap*"), which was incorporated on 21 September 2010.

The Issuer is a holding entity. It is without any operational business and is therefore dependent upon cash flow from its subsidiaries Alento AS, Metacon AS and Frigaard Bolig AS.

The Group's principal activities are within property development of turnkey homes and commercial building as a building owner and construction of commercial buildings and projects where the Group is engaged as a contractor.

The major shareholder of the Issuer is FPG Invest AS, who controls the Issuer.

The key managing directors are CEO Simon Nyquist Martinsen, CFO Gry-Heidi Montelius, CEO of Alento AS Kristian Lindland, CEO of Metacon AS, Øyvind Bergersen and CEO of Frigaard Bolig AS Øyvind Harridsleff.

The Issuer's statutory auditor is PricewaterhouseCoopers AS, company registration number 987 009 713 with registered business address Dronning Eufemias gate 71, 0194 Oslo, Norway.

#### **1.2.2 What is the key financial information regarding the issuer?**

## Income statement

(1000 NOK)	Group Audited 2020	Group Audited 2019	Group Unaudited Q1 2021	Group Unaudited Q1 2020
Operating profit	84,595	45,265	13,763	10,317
Net profit	58,277	17,179	4,640	3,530

## Balance sheet

(1000 NOK)	Group 2020	Group 2019	Group Unaudited Q1 2021	Group Unaudited Q1 2020
Net financial debt (long term debt plus short term debt minus cash)	144,059 <i>extracted from audited financial information</i>	216,681 <i>extracted from audited financial information</i>	209,916	241,283

Net financial debt has been.

## Cash flow statement

(1000 NOK)	Group Audited 2020	Group Audited 2019	Group Unaudited Q1 2021	Group Unaudited Q1 2020
Net Cash flows from operating activities	67,152	(44,514)	(42,271)	(19,627)
Net Cash flows from financing activities	(4,794)	(19,053)	36,806	(13,016)
Net Cash flow from investing activities	19,988	29,762	(18,721)	(0,488)

### 1.2.3 What are the key risks that are specific to the issuer?

#### 1.2.3.1 Suppliers and sub-contractors

The Group is dependent on being able to collect payment for services provided or may experience delays or short-fall for its projects if sub-contractors or other suppliers need to be replaced.

The Group is exposed to increased costs on materials and labour, to the extent not secured by similar contracts with suppliers.

A failure to render its services in a timely and adequate manner may result in the Group being liable for damages (including liquidated damages (Nw. "dagmulkt")).

The Group may not be able to replace the suppliers or sub-contractors in a timely manner to continue construction at the forecasted rate. Should these events materialize, they may have a material adverse effect on the Group's financial performance and results of operations.

Furthermore, should certain of the risks described herein materialize, counterparties to any supplying or contracting agreements could, among other things, exercise their rights of renegotiation, termination and/or right to payment of liquidated damages or other amounts. Further, any termination of agreements or change of supplier may cause delay or shortfall of the Group's construction.

#### **1.2.3.2 The Group is exposed to legal and political risk**

The profitability and the activity levels of the Group are affected by changes in regulatory requirements with regards to construction, for instance, technical requirements to new buildings (e.g. Nw. "*universell utforming*" and "*byggforskrifter*"), where the introduction of new requirements may reduce activity levels and/or lead to a deterioration in profitability. Furthermore, activity levels are affected by the Group receiving necessary building permits, regulatory requirements set out in zoning plans and other regulation with respect to limitations on the use of the Group's current or future properties (or the absence thereof), which, to a large degree, depends on various political initiatives and agendas.

#### **1.2.3.3 Unfulfilled projects / housing market risk**

The Group's housing projects demand funding before the housing units are sold. Funding is provided by raising equity and construction loans. The Bond Terms restrict the Group's ability to obtain funding through construction loans, as 50% of the housing units in the project have to be sold before incurring such construction loans. There is a risk that the Group will not be able to sell the required number of units, and thus that the projects will be delayed or not completed. The Group may incur costs in relation to such unfulfilled projects and such costs may have a material adverse effect on the Group's financial performance and results of operations.

#### **1.2.3.4 The Group is subject to HSE requirements**

The Group carries out construction work, which may involve risk of injuries and loss of life. A failure to maintain adequate HSE procedures and requirements may result in the Group becoming liable for equitable- and criminal liability, which may have a material adverse effect on the Group's reputation and financial condition.

#### **1.2.3.5 The Group is dependent on guarantee facilities to participate in tenders and carry out its business**

The Group is regularly required to provide third-party guarantees for the performance under construction contracts. A failure to maintain credit lines (in the form of guarantee facilities) with financial institutions and/or guarantee agencies may restrict the Group's ability to participate in tenders for new projects. Even though the availability of such guarantees for the Group is good at the date of this Presentation, there is no guarantee that it will continue to be so. If the Group in the future is unable to obtain necessary guarantee facilities, this could have a material negative impact on the Group's operations, earnings and financial position.

#### **1.2.3.6 Risk related to insurances**

The Group maintains several types of insurances to safeguard it against various types of liability. Although the Group deems that it has a sufficient insurance coverage, there are certain limitations as to compensation, and hence there is a risk that the Group would not be fully compensated for damages suffered by the Group or which the Group is liable to compensate, which could have a material negative impact on the Group's operations, earnings and financial position.

### **1.3 Key information on the securities**

#### **1.3.1 What are the main features of the securities?**

The securities issued are senior secured floating rate bonds, named " Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds 2021/2024" and registered under the and international securities identification number ("ISIN") NO 0010922818. The Initial Bond Issue is NOK 300,000,000, the nominal amount of each Bond is NOK 100,000. The Bonds were issued on 10 February 2021 at an Issue Price of 100% and the maturity date is 10 February 2024.

The Bond Terms have been entered into between the Issuer and the Bond Trustee. The Bond Terms regulate the Bondholder's rights and obligations in relation to the issue. The Bond Trustee enters into the Bond Terms on behalf of the Bondholders and is granted authority to act on behalf of the Bondholders to the extent provided for in the Bond Terms. When Bonds are purchased, the Bondholder has accepted the Bond Terms and is bound by the terms of the Bond Terms. The Bond Terms include descriptions of rights and any limitations of those rights, such as:

- Voluntary early redemption - Call Option;
- Mandatory repurchase due to a Put Option Event;
- Early redemption option due to a tax event;
- Events of default and acceleration of the Bonds.

The Bonds constitute senior debt obligations of the Issuer. The Bonds rank pari passu between themselves and rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

The obligations of the Issuer under the Bond Terms are secured by:

- (i) a pledge over the shares in Metacon AS (reg. no. 994 925 954), Alento AS (reg. no. 912 553 620), Frigaard Bolig AS (reg. no. 918 501 134) and any other future directly and wholly owned Subsidiary of the Issuer; and
- (ii) a pledge over FPG Invest AS' (reg. no. 917 983 054) existing and future shares in the Issuer.

#### **1.3.2 Where will the securities be traded?**

The Bonds are already listed on Frankfurt Open Market. If approved by Oslo Stock Exchange, the Bonds will be traded on Oslo Stock Exchange as soon as possible after approval of this Prospectus by the Financial Supervisory Authority of Norway.

#### **1.3.3 Is there a guarantee attached to the securities?**

There is no guarantee attached to the securities.

#### **1.3.4 What are the key risks that are specific to the securities?**

##### **1.3.4.1 Restrictive covenants may lead to inability to finance operations, capital needs and to pursue business opportunities**

The Bond Terms restrict the Issuer's ability to (i) make certain payments, (ii) incur additional indebtedness, (iii) grant security over its assets, (iv) merge, de-merge and dispose of assets, (v) grant financial support, and (vi) liquidate certain members of the Group. Even though these limitations are subject to significant carve-outs and limitations, some of the covenants could limit the Issuer's ability to finance future operations and capital needs and its ability to

pursue activities that may be in the Issuer's interest. The members of the Group may be subject to affirmative, negative and other covenants contained in other agreements for financial indebtedness. A breach of any of such covenants, ratios, tests or restrictions could result in an event of default. This could have a material adverse effect on the Group and its ability to carry on its business and operations and, in turn, the Issuer's ability to pay all or part of the interest or principal on the Bonds.

#### **1.3.4.2 Significant cash requirement to meet debt obligations and sustain operations**

The ability of the Group to make principal or interest payments when due in respect of its financial indebtedness, including (without limitation) the Issuer's financial indebtedness in respect of the Bonds and the Group's financial indebtedness under other credit arrangements, will depend on the Group's future performance and its ability to generate cash. In addition to service debt, the Group will also need significant amounts of cash to fund its business and operations.

The Issuer may be required to incur new financial indebtedness in order to be able to repay the Bonds. If the Issuer is unable to refinance all or a portion of its indebtedness or obtain such refinancing on terms acceptable to the Issuer, the Issuer may be forced to reduce or delay its business activities or capital expenditures or sell assets or raise additional debt or equity financing in amounts that could be substantial.

#### **1.3.4.3 Ability to incur additional indebtedness**

The Bond Terms contain restrictions on the incurrence of additional financial indebtedness; however, these restrictions are subject to a number of significant carve-outs and exceptions. Under certain circumstances the amount of financial indebtedness that could be incurred by other members of the Group in compliance with these restrictions could be substantial.

#### **1.3.4.4 The Bondholders may not be able to act if the financial condition of the Issuer materially deteriorates**

The Issuer will be subject to affirmative and negative covenants contained in the Bond Terms, but the Bond Terms only include a maintenance financial covenant regarding minimum liquidity. The leverage ratio and interest cover ratio requirements only apply in specific circumstances such as upon the distribution of dividends, tap issues, the occurrence of certain types of financial indebtedness and in certain other instances (but only to the extent not permitted by other provisions of the Bond Terms). On this background there is a significant risk that the Bondholders will be unable to accelerate the Bonds, or take other actions against the Issuer to preserve their investments, even if the financial condition of the Issuer and the other members of the Group materially deteriorates. The inability for the Bondholders to take action against the Issuer in a timely manner may lead to all or parts of the value of the Group (and its assets) being lost before the Bondholders can take action and as a consequence the investors may lose all or part of their investment.

#### **1.3.4.5 Transaction security and value of the security package**

If the Issuer defaults on the Bonds, the Bondholders will be secured only to the extent of the value of their collateral and the underlying security assets. The Bonds are, inter alia, secured by a first priority pledge over the shares in the Issuer's direct and wholly owned subsidiaries and a first priority pledge over some of the shares in the Issuer. Although the Bonds are secured obligations of the Issuer, there can be no assurance that the value of the security will be sufficient to cover all the outstanding amounts under the Bond Issue together with accrued interest and expenses in case of a default and/or if the Issuer enters into liquidation. Upon an enforcement of the share pledge over certain shares in the Issuer, the Bondholders will not obtain full ownership of the Issuer. This may make it difficult for the Bondholders to sell the shares in the Issuer and the value of this share pledge is limited compared to a pledge over all the shares in a company.

**1.4 Key information on the offer of securities to the public and/or the admission to trading on a regulated market**

**1.4.1 Under which conditions and timetable can I invest in this security?**

Not applicable. The Bonds have not been subject to a public offer, the Bonds are already issued and settled.

**1.4.2 Who is the offeror and/or the person asking for admission to trading?**

Not applicable, as the Issuer is the Offeror.

**1.4.3 Why is this prospectus being produced?**

The Prospectus is produced in connection with listing of the Bonds on Oslo Stock Exchange. The Issuer has used the net proceeds from the Initial Bond Issue – NOK 300,000,000 (net of premium payable in relation to redemption of the Existing Bonds, fees and legal costs of the Manager and the Bond Trustee and any other costs and expenses incurred in connection with the Bond Issue) towards refinancing of the Existing Bonds.

The Issuer is not aware of any interest, including conflicting ones, of any natural or legal persons involved in the Bond Issue.

## **2. RISK FACTORS**

An investment in the Bonds involves inherent risks, and an investment in the Bonds is suitable only for investors who understand the risks associated with this type of investment and who can afford a loss of all or part of their investment. The following risk factors discuss the principal risks that the Group faces. Any of these risk factors could have a significant or material adverse effect on the Group's business, results of operations, financial condition or liquidity. They could also cause significant fluctuations and volatility in the trading price of the Bonds and/or result in the Issuer being unable to fulfil its payment obligations under the Bonds, resulting in the loss of all or part of an investment in the same. Readers should not consider any descriptions of these factors to be a complete set of all potential risks and uncertainties that could affect the Group. The most material risk factor in a category, based on the Issuer's assessment of the probability of the risk's occurrence and the expected magnitude of its adverse impact, is presented first in that category. Subsequent risk factors in the same category are not ranked in order of materiality or probability of occurrence. Prospective investors should make an independent evaluation, with or without help from advisors, of the risks associated with an investment in the Bonds. The statements in these risk factors are made as at the date of this Presentation.

### **2.1 Risk factors relating to the Group's business and industry**

#### **2.1.1 Suppliers and sub-contractors**

The Group carries out construction operations and has a number of suppliers and sub-contractors, which supplies the Group with material and carries out all or parts of the Group's construction operations. In the event that the Group's customers or suppliers and sub-contractors should experience financial difficulties, the Group may be unable to collect payment for services provided or experience delays or short-fall for its projects if sub-contractors or other suppliers need to be replaced. When the Group carries out construction projects for customers, the customers normally provide guarantees. There can however be no assurance that such guarantees will be sufficient to cover potential losses created by customers entering into financial difficulties. Customers or suppliers experiencing financial difficulties may therefore have a material adverse effect on the Group's financial performance and results of operations.

A majority of the Group's operations is carried out on fixed price contracts, which means that the Group is exposed to increased costs on materials and labour, to the extent not secured by similar contracts with suppliers. The profit from contracts depends upon the Group's ability to calculate and estimate costs and timing, both depending on suppliers and sub-contractors. Failure to do so may result in lower profitability and/or losses.

The contracts to which the Group is a party contain, in general, strict provisions with regards to timely delivery and the quality of work rendered. A failure to render its services in a timely and adequate manner may result in the Group being liable for damages (including liquidated damages (Nw. "*dagmulkt*")).

Even though the Group believes that it is not dependent upon its suppliers and sub-contractors, the Group may not be able to replace the suppliers or sub-contractors in a timely manner to continue construction at the forecasted rate. Should these events materialize, they may have a material adverse effect on the Group's financial performance and results of operations.

Furthermore, should certain of the risks described herein materialize, counterparties to any supplying or contracting agreements could, among other things, exercise their rights of renegotiation, termination and/or right to payment of liquidated damages or other amounts. Further, any termination of agreements or change of supplier may cause delay or shortfall of the Group's construction.

#### **2.1.2 The Group is exposed to legal and political risk**

The profitability and the activity levels of the Group are affected by changes in regulatory requirements with regards to construction, for instance, technical requirements to new buildings (e.g. Nw. "*universell utforming*" and "*byggforskrifter*"), where the introduction of new requirements may reduce activity levels and/or lead to a deterioration in profitability. Furthermore, activity levels are affected by the Group receiving necessary building permits, regulatory requirements set out in zoning plans and other regulation with respect to limitations on the use of the Group's current or future properties (or the absence thereof), which, to a large degree, depends on various political initiatives and agendas.

### **2.1.3 Unfulfilled projects / housing market risk**

The Group's housing projects demand funding before the housing units are sold. Funding is provided by raising equity and construction loans. The Bond Terms restrict the Group's ability to obtain funding through construction loans, as 50% of the housing units in the project have to be sold before incurring such construction loans. There is a risk that the Group will not be able to sell the required number of units, and thus that the projects will be delayed or not completed. The Group may incur costs in relation to such unfulfilled projects and such costs may have a material adverse effect on the Group's financial performance and results of operations.

### **2.1.4 The Group is dependent on guarantee facilities to participate in tenders and carry out its business**

The Group is regularly required to provide third-party guarantees for the performance under construction contracts. A failure to maintain credit lines (in the form of guarantee facilities) with financial institutions and/or guarantee agencies may restrict the Group's ability to participate in tenders for new projects. Even though the availability of such guarantees for the Group is good at the date of this Presentation, there is no guarantee that it will continue to be so. If the Group in the future is unable to obtain necessary guarantee facilities, this could have a material negative impact on the Group's operations, earnings and financial position.

### **2.1.5 Risk related to insurances**

The Group maintains several types of insurances to safeguard it against various types of liability. Although the Group deems that it has a sufficient insurance coverage, there are certain limitations as to compensation, and hence there is a risk that the Group would not be fully compensated for damages suffered by the Group or which the Group is liable to compensate, which could have a material negative impact on the Group's operations, earnings and financial position.

### **2.1.6 The Group is subject to HSE requirements**

The Group carries out construction work, which may involve risk of injuries and loss of life. A failure to maintain adequate HSE procedures and requirements may result in the Group becoming liable for equitable- and criminal liability, which may have a material adverse effect on the Group's reputation and financial condition.

## **2.2 Risk factors relating to the Group's financial position**

### **2.2.1 The Group may not be able to obtain sufficient funding**

The current sources of financing available to the Group may not be sufficient to operate the Group's business. The Group has applied certain assumptions in determining its future funding requirements and sources of capital, and such assumptions may turn out to be incorrect. Consequently, further financing may be required. Further, the construction and development of the Group's projects will require additional external financing in the future. There is however a risk that such further financing may not be available or sufficient. Any failure to obtain any further required funding could materially and adversely affect the Group's business, results of operations and financial condition or prospects and the Group's ability to make payments

could be impaired, and further, failure to obtain such financing could result in the delay or indefinite postponement of exploration, development or production on any or all of the Group's projects. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable.

### **2.2.2 Fulfilment of requirements and conditions precedent for financing**

The Group's financing includes terms and conditions to be satisfied in order for the Group to access amounts thereunder and no assurance can be made that such terms and conditions will be capable of being satisfied in the future. If the Group is unable to draw down or access the funds from such financing, it may have a material adverse effect upon the Group's business and the Group may have to seek other debt and equity financing options, which may not be available at that time. In addition, it should be noted that no assurance can be given that the Group will be able to successfully reach final binding agreement(s) in respect of such debt and equity financing options or that such agreement(s) will be finalized in a timely manner. The materialization of this risk could materially and adversely affect the Group's business.

### **2.2.3 Upstream capacity and debt service**

The Issuer is a holding company without any operational revenue. As such the Issuer will depend on its subsidiaries being able to make distributions to the Issuer in order for the Issuer to be able to service payments in respect of the Bonds.

## **2.3 Risk factors relating to the bonds**

Restrictive covenants may lead to inability to finance operations, capital needs and to pursue business opportunities

The Bond Terms restrict the Issuer's ability to (i) make certain payments, (ii) incur additional indebtedness, (iii) grant security over its assets, (iv) merge, de-merge and dispose of assets, (v) grant financial support and (vi) liquidate certain members of the Group. Even though these limitations are subject to significant carve-outs and limitations, some of the covenants could limit the Issuer's ability to finance future operations and capital needs and its ability to pursue activities that may be in the Issuer's interest. The members of the Group may be subject to affirmative, negative and other covenants contained in other agreements for financial indebtedness. A breach of any of such covenants, ratios, tests or restrictions could result in an event of default. This could have a material adverse effect on the Group and its ability to carry on its business and operations and, in turn, the Issuer's ability to pay all or part of the interest or principal on the Bonds.

### **2.3.1 Significant cash requirement to meet debt obligations and sustain operations**

The ability of the Group to make principal or interest payments when due in respect of its financial indebtedness, including (without limitation) the Issuer's financial indebtedness in respect of the Bonds and the Group's financial indebtedness under other credit arrangements, will depend on the Group's future performance and its ability to generate cash. In addition to service debt, the Group will also need significant amounts of cash to fund its business and operations.

The Bonds mature in 2024 and if the Issuer does not have sufficient cash flows from operations and other capital resources to pay its financial indebtedness and to fund its other liquidity needs, the Issuer may be required to incur new financial indebtedness in order to be able to repay the Bonds. If the Issuer is unable to refinance all or a portion of its indebtedness or obtain such refinancing on terms acceptable to the Issuer, the Issuer may be forced to reduce or delay its business activities or capital expenditures or sell assets or raise additional debt or equity financing in amounts that could be substantial. No assurance can be given that the Issuer will be able to accomplish any of these measures in a timely manner or on commercially

reasonable terms, if at all. In addition, the terms of any other or future debt may limit the Group's ability to pursue any of these measures.

### **2.3.2 Ability to incur additional indebtedness**

The Bond Terms contains restrictions on the incurrence of additional financial indebtedness; however, these restrictions are subject to a number of significant carve-outs and exceptions. Under certain circumstances the amount of financial indebtedness that could be incurred by other members of the Group in compliance with these restrictions could be substantial.

### **2.3.3 The Bondholders may not be able to act if the financial condition of the Issuer materially deteriorates**

The Issuer will be subject to affirmative and negative covenants contained in the Bond Terms, but the Bond Terms only include a maintenance financial covenant regarding minimum liquidity. The leverage ratio and interest cover ratio requirements only apply in specific circumstances such as upon the distribution of dividends, tap issues, the occurrence of certain types of financial indebtedness and in certain other instances (but only to the extent not permitted by other provisions of the Bond Terms). On this background there is a significant risk that the Bondholders will be unable to accelerate the Bonds, or take other actions against the Issuer to preserve their investments, even if the financial condition of the Issuer and the other members of the Group materially deteriorates. The inability for the Bondholders to take action against the Issuer in a timely manner may lead to all or parts of the value of the Group (and its assets) being lost before the Bondholders can take action and as a consequence the investors may lose all or part of their investment.

### **2.3.4 Transaction security and value of the security package**

If the Issuer defaults on the Bonds, the Bondholders will be secured only to the extent of the value of their collateral and the underlying security assets. The Bonds are, inter alia, secured by a first priority pledge over the shares in the Issuer's direct and wholly owned subsidiaries and a first priority pledge over some of the shares in the Issuer. Although the Bonds are secured obligations of the Issuer, there can be no assurance that the value of the security will be sufficient to cover all the outstanding amounts under the Bond Issue together with accrued interest and expenses in case of a default and/or if the Issuer enters into liquidation. Upon an enforcement of the share pledge over certain shares in the Issuer, the Bondholders will not obtain full ownership of the Issuer. This may make it difficult for the Bondholders to sell the shares in the Issuer and the value of this share pledge is limited compared to a pledge over all the shares in a company.

### **3. RESPONSIBILITY FOR THE PROSPECTUS**

#### **3.1 Persons responsible for the information**

The person responsible for the information given in the Prospectus is the board of directors of the Issuer.

#### **3.2 Declaration by persons responsible**

The board of directors of the Issuer accepts responsibility for the information contained in the Prospectus. The board of directors of the Issuer confirms that, having taken all reasonable care to ensure that such is the case, the information contained in the Prospectus is, to the best of our knowledge, in accordance with the facts and contains no omissions likely to affect its import.

\_\_\_\_\_ 2021

Frigaard Property Group AS

\_\_\_\_\_  
Helge Stemshaug  
Chairman

\_\_\_\_\_  
Trond Olav Frigaard  
Director

\_\_\_\_\_  
Kristian Lindland  
Director

\_\_\_\_\_  
Mads Langaard  
Director

#### **3.3 Statement of approval**

The Prospectus has been approved by the Financial Supervisory Authority of Norway, as competent authority under Regulation (EU) 2017/1129. The Financial Supervisory Authority of Norway only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129 and the approval shall not be considered as an endorsement of the Issuer. Investors should make their own assessment as to the suitability of investing in the securities.

## 4. THE BONDS

### 4.1 Issuance and use of proceeds

The Issuer used the net proceeds (net of premium payable in relation to redemption of the Existing Bonds, fees and legal costs of the Manager and the Bond Trustee and any other costs and expenses incurred in connection with the Bond Issue) from the Bonds to refinance the Existing Bonds. The expenses incurred in connection with the Bond Issue were (i) premium payable in relation to redemption of Existing Bonds NOK 3,000,000; (ii) Manager NOK 4,500,000; (iii) Legal Advisor NOK 325,000; (iv) the Bond Trustee (annual fee) NOK 187,500. The net proceeds of NOK 291,987,500 were used to refinance the Existing Bonds.

### 4.2 Main terms of the Bonds

The summary below describes the principal terms of the Bonds. Certain of the terms and conditions described below are subject to important limitations and exceptions. The Bond Terms attached as Annex 1 to the Prospectus contain the complete terms and conditions of the Bonds.

ISIN:	NO 0010922818
The reference name of the Bond Issue:	Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds 2021/2024
Issuer:	Frigaard Property Group AS
Securities type:	Senior secured floating rate bonds
Currency of the Bonds:	NOK
Issue size:	Maximum principal amount: NOK 500,000,000 Current outstanding amount: NOK 300,000,000
Nominal value:	The nominal value of each Bond is NOK 100,000
Securities form:	The Bonds are electronically registered in book-entry form with Verdipapirsentralen ASA (the VPS), Fred. Olsens gate 1. Postboks 1174 Sentrum, 0107 Oslo, Norway.
Issue Date:	10 February 2021
Bond Trustee:	Nordic Trustee AS, org.nr. 963 342 624, Kronprinsesse Märthas plass 1, N-0160 OSLO
Interest bearing from and including:	Issue Date
Interest bearing to:	Maturity Date
Maturity Date:	10 February 2024
Redemption procedure:	The Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100% of the nominal value.

Interest Payment Dates:	Payment date quarterly each year starting on 10 May 2021 and ending on the Maturity Date.
Issue Price:	100% of the nominal value.
Interest Rate:	Reference Rate + 7.00% per annum, where the Reference Rate shall mean:  NIBOR three (3) Month; (Norwegian Interbank Offered Rate) being the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) two (2) business days before the first day of the relevant Interest Period. In the event that such rate is not available for the relevant Interest Period, the Reference Rate is the linear interpolation between the two closest relevant interest periods with the same number of decimals, or a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or if the interest rate is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to any relevant replacement reference rate generally accepted in the market; or such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period. If any such rate is below zero, the Reference Rate will be deemed to be zero.  The current and historical level of NIBOR three (3) Month can be found at the following web page: <a href="https://www.referanserenter.no/">https://www.referanserenter.no/</a> . It can be obtained free of charge with a 24 hour delay.  The Interest Rate as of the date of the Prospectus is 7.27 p.a.
Day count fraction:	Interest is computed on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer, the Paying Agent and Oslo Stock Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.
Business Day Convention:	If the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day ( <i>Modified Following</i> ).
Calculation Agent:	The Bond Trustee
Amortization:	The Bond shall be repaid in full at the Maturity Date at 100% of the nominal value.

Business Day:	Any day on which both the VPS settlement system is open, and the NOK settlement system is open.
Taxation:	<p>The Issuer shall not be liable to gross-up any payments in relation to the Finance Documents by virtue of withholding tax, public levy or similar taxes.</p> <p>Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.</p> <p>As of the date of the Prospectus, there is no withholding tax in Norway.</p> <p>The tax legislation of the investor's Member State and of the Issuer's country of incorporation may have an impact on the income received from the securities.</p>
Payment mechanics:	Interest and principal due for payment are credited the bank account nominated by each Bondholder in connection with its securities account in VPS.
Ranking of the Bonds:	The Bonds constitute senior debt obligations of the Issuer. The Bonds rank pari passu between themselves and rank at least pari passu with all other obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).
Security Interests:	<p>The obligations of the Issuer under the Bond Terms are secured by:</p> <ul style="list-style-type: none"> <li>(i) a pledge over the shares in Metacon AS (reg. no. 994 925 954), Alento AS (reg. no. 912 553 620), Frigaard Bolig AS (reg. no. 918 501 134) and any other future directly and wholly owned Subsidiary of the Issuer; and</li> <li>(ii) a pledge over FPG Invest AS' (reg. no. 917 983 054) existing and future shares in the Issuer.</li> </ul>
Change of control:	<b>"Change of Control Event"</b> means a person or group of persons acting in concert gaining Decisive Influence over the Issuer.
Make Whole Amount:	<p><b>"Make Whole Amount"</b> means an amount equal to the sum of:</p> <ul style="list-style-type: none"> <li>(a) the present value on the settlement date for the Call Option (the <b>"Call Option Repayment Date"</b>) of 102.5% of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place in August 2022; and</li> <li>(b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds less any accrued and unpaid</li> </ul>

interest on the redeemed Bonds as at the Call Option Repayment Date, to and including August 2022,

where the present value shall be calculated by using a discount rate of 1.00% and where the interest rate applied for the remaining interest periods until August 2022 shall be the applicable Interest Rate on the Call Option Repayment Date.

Call Option:

The Issuer may redeem Outstanding Bonds (in whole or in part) (the "**Call Option**") on any Business Day from and including:

- (i) the Issue Date to, but not including, the interest payment date falling in August 2022 at a price equal to the Make Whole Amount;
- (ii) the interest payment in August 2022 to, but not including, the interest payment in February 2023 at a price equal to 102.5% of the Nominal Amount for each redeemed Bond;
- (iii) the interest payment in February 2023 to, but not including, the interest payment in August 2023 at a price equal to 101.5% of the Nominal Amount for each redeemed Bond; and
- (iv) Interest payment date in August 2023 to, but not including, the Maturity Date at a price equal to 100.5% of the Nominal Amount for each redeemed Bond.

Any redemption of Bonds pursuant to the above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.

The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least ten (10) Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within three (3) Business Days from the date of the notice. The Bond Trustee is, for the purpose of facilitating a Refinancing, irrevocably authorised to waive any notice period in relation to the exercise of the Call Option provided that the Issuer pays the interest which would have been payable by it in that period.

Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

Put Option:

Upon the occurrence of a Change of Control Event and a Listing Failure Event, each Bondholder will have the right

to require that the Issuer purchases all or some of the Bonds held by the Bondholder at a price equal to 101% of the Nominal Amount (the "**Put Option**").

The Put Option must be exercised within fifteen (15) Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Change of Control Event has occurred.

Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option.

Issuer's ownership of Bonds:	The Issuer and any companies in the Group may purchase and hold Bonds and such Bonds may be retained, sold or cancelled in the Issuer's sole discretion.
Listing and admission to trading:	The Bonds are already listed on Frankfurt Open Market. If approved by Oslo Stock Exchange following an application for listing, the Bonds will be listed on Oslo Stock Exchange on or about 31 May 2021.
Limitation of claims:	All claims under the Bond Terms for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of Norway, being three (3) years for interest and ten (10) years for repayment of principal.
Credit rating:	N/A.
Bondholders' Meeting:	The Bondholders' Meeting represents the supreme authority of the Bondholders community in all matters relating to the Bonds. If a resolution by the Bondholders is required, such resolution shall be passed at a Bondholders' Meeting. Resolutions passed at Bondholders' Meetings are binding upon and prevail for all the Bonds.
Trustee:	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624.
Role of Trustee:	<p>The Bond Terms has been entered into by the Issuer and the Bond Trustee. The Bondholders shall be bound by the terms and conditions of the Bond Terms and any other Finance Document without any further action or formality being required to be taken or satisfied.</p> <p>The Bond Trustee acts as the representative of all the Bondholders, monitoring the Issuer's performance of obligations pursuant to the Bond Terms, supervising the timely and correct payment of principal or interest, arranging Bondholders' Meetings, and taking action on behalf of all the Bondholders as and if required.</p> <p>The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.</p> <p>For further details of the Bond Trustee's role and authority as the Bondholders' representative, see clause 16 of the Bond Terms, which is publicly available at</p>

[www.stamdata.com](http://www.stamdata.com).

Paying Agent: Handelsbanken NUF, Tjuvholmen Allé 11, 0252 Oslo, Norway. The Paying Agent is in charge of keeping the records in the VPS.

Securities Depository: Verdipapirsentralen ASA (the VPS), Fred. Olsens gate 1. Postboks 1174 Sentrum, 0107 Oslo, Norway.

Governing Law: Norwegian law.

## **5. INFORMATION ABOUT THE ISSUER**

### **5.1 Incorporation, registered office and registration number**

The legal and commercial name of the Issuer is Frigaard Property Group AS. The Issuer is a private limited liability company incorporated under the laws of the Norway, with registration number 996 056 279 in the Norwegian Register of Business Enterprises and is regulated by the Norwegian Private Limited Liability act and supplementing Norwegian laws and regulation. The registered office of the Issuer is at Sandesundsveien 2, 1724 Sarpsborg, Norway. The telephone number of the Issuer is +47 69 70 94 00 and the e-mail is post@fpg.no. The website of the Group is [www.fpg.no](http://www.fpg.no). The information on the website does not form part of the prospectus unless that information is incorporated by reference into this prospectus.

The Issuer was incorporated on 21 September 2010. On 28 January 2017 the Issuer changed name from Borgenhaugen Invest AS to Frigaard Property Group AS when the subsidiary Frigaard Bolig AS was established as a project development company.

The Issuer is a holding entity. It is without any operational business and is therefore dependent on cash generation and distribution from subsidiaries in order to meet its payment obligations under the Bond Terms. In particular, the Issuer is dependent on cash flow from Alento AS, Metacon AS and Frigaard Bolig AS. An organizational structure chart of the Group is included in section 5.5.

### **5.2 Articles of Association**

The Issuer's object, as stated in its articles of association section 3, is to do business within steel constructions, building contracting and property development.

### **5.3 History and business overview**

#### **5.3.1 Introduction and history**

Established in 2017, the Issuer has roots dating back to 1997 when Metacon was established as a supplier of structural steel and steel buildings. Through various acquisitions, the Issuer has established a construction and project development company with roots in eastern Norway. The main office is located in Sarpsborg.

In 2015, the Issuer acquired 60% of the shares in Metacon. In 2018, the Issuer acquired the remaining 40% of Metacon, and also acquired 100% of the shares in Alento, creating the Frigaard Property Group of today. Through the various acquisitions, the Issuer is doing business in the three distinct business areas (i) construction, (ii) steel, and (iii) property development. The Issuer combines the industrial aspect with real estate development, where the rationale is to secure a larger part of the value chain and improve profitability. This is sought through the three different business concepts:

- Alento AS – A general contractor within residential and commercial real estate
- Metacon AS – A general contractor within residential and commercial real estate, and supplier of structural steel and steel buildings
- Frigaard Bolig AS – A residential and commercial property developer

The Issuer aims to be a leading housing developer by combining the industrial and financial, initially in the south eastern of Norway in Viken county, but also in Vestfold and Telemark.

The business model is based on developing attractive properties in an optimal way in which the Issuer build modern and functional homes with good planning and a pleasing aesthetic expression.

#### **The Issuer's value drivers:**

- The housing price level and annex densification in Oslo coupled with significant planned and completed upgrades to the InterCity-line and E6 / E18 makes south eastern of Norway in Viken county, but also Vestfold and Telemark increasingly attractive as residence with commute proximity to Oslo.
- The Issuer knows south eastern Norway with profound local knowledge and anchoring in the community.
- Significantly less competition in south eastern of Norway in Viken county, but also Vestfold and Telemark than other areas adjoining Oslo.
- The Issuer is comprised of an established team with broad expertise and experience in the implementation of profitable construction projects.

### **5.3.2 Alento**

Alento AS is a local player in eastern Norway and does not have any contracts outside of the region (focus on south west Viken and Telemark). Alento is a pure general contractor and is involved in the construction of private commercial- and residential buildings.

Status 4 largest ongoing projects per Q4 2020:

#### **Bama Tranby**

Principal:	Kværnertomta AS
Type of building:	Combined production and office building at Tranby in the Municipality of Lier, Norway
Size:	Approx. 32,000 m <sup>2</sup> , NOK 601,000,000 excl. VAT
Progression:	Progression according to plan
Handover:	Q1 2022

#### **Neselva Hageby – (building phase 2)**

Principal:	Neselva Hageby 2 AS
Type of building:	Apartment building with underground parking, 36 units
Size:	Approx. 6,250 m <sup>2</sup> , NOK 221,000,000 excl. VAT
Progression:	Progression according to plan
Handover:	Q2 2022

#### **Elvebredden Park**

Principal:	Elvebredden Park AS
Type of building:	Apartment building; 65 apartments
Size:	Approx. 11,000 m <sup>2</sup> residential, NOK 180,000,000 excl. VAT
Progression:	Progression according plan
Handover:	Q1 2021

#### **Nordre Jarlsberg Brygge - Bygg Q**

Principal:	Schage Eiendom AS
Type of building:	Apartment building with underground parking, 54 apartments

Size:	Approx. 5,500 m2 commercial and residential, NOK 75,000,000 excl. VAT
Progression:	Progression according to plan
Handover:	Q1 2021

### **5.3.3 Metacon**

Metacon has historically been a nationwide provider of steel and contracting services, but after having been acquired by FPG in 2015, Metacon has not only been repositioned towards general contracting of commercial and residential real estate but has narrowed its focus to Eastern Norway.

Metacon conducts both subcontracting and general contracting of commercial-, residential- and public buildings. Most of Metacon's contracts involve private commercial buildings, but also public buildings such as schools and sports halls. Metacon's residential development projects are mainly those conducted on behalf of Frigaard Bolig AS.

The Issuer is a supplier of steel building through Metacon, producing structural steel in the workshop in Rakkestad. The engineering department assists in the engineering of concrete structures and steel structures, and develop architectural drawings of facades, plan and section drawings. There are several assembly teams that assemble steel structures, tiles, facades, windows, doors and prefabricated concrete structures on the construction site. In cooperation with its sub-contractors, Metacon also provide roofing, ventilation, gates, facades of sandwich elements, glass facades, entrances, windows and doors.

Status 4 largest ongoing projects per Q4 2020:

#### **Ryggeveien 33 AS (Tribunen) building, phase 1**

Principal:	Ryggeveien 33 AS
Type of building:	3 apartment buildings with underground parking, 69 apartments
Size:	Approx. 4,713 m2, NOK 154,000,000 excl. VAT
Progression:	Progression according to plan
Handover:	Q4 2021

#### **Glassverket 2 (GV2)**

Principal:	Glassverket Bolig AS
Type of building:	Combining apartment buildings, and commercial areas at first level with underground parking, 49 apartments
Size:	Approx. 4,050 m2; NOK 115,000,000 excl. VAT
Progression:	Progression according to plan
Handover:	Q4 2021

#### **Svarhagsveien 9 - Verpet**

Principal:	IK Gruppen/Inka Entreprenør AS
Type of building:	2 commercial buildings. The buildings contain workshops or warehouse and offices.
Size:	Approx. 11,000 m2; NOK 127,000,000 excl. VAT

Progression: Progression according to plan

Handover: 01.02.2021

### **Motek/Ahlsell**

Principal: A Bygg Entreprenør AS

Type of building: Office and warehouse for Motek and Ahlsell

Size: Steel structures and prefabricated concrete approx. 29,000 m2, NOK 470,000,000 excl. VAT

Progression: Progression according to plan

Handover: Q2 2021

### **5.3.4 Frigaard Bolig**

The Issuer engages in acquiring and developing land and properties through Frigaard Bolig AS. The Issuer has strong knowledge and anchoring in the local community, which provides the Group with a large incoming deal-flow of potential projects. The main focus is on residential development. Construction begins when the project is more than 50% sold, and investments are monetized when the property is handed to the end user. The Issuer aims to do one commercial development project each year, which is exited as soon as the projects reach their commercial state and the economic value can be realised.

Status internal projects per Q4 2020:

#### **Tribunen, Moss municipality**

3 phases of a total of 174 apartments with underground parking. For building phase 1, 49 of 69 is sold. Phase 1 will be ready for handover in Q4 2021, while phase 2 (T2) and 3 (T3) are expected finalised and ready for handover in Q4 2022 (T2) and Q3 2023 (T3). The development project is built with a combination of brick and masonry with details of wood. The wood details in a Norwegian supreme Finish "Malm Furu" makes the fasad look strong and everlasting.

#### **Aspelundtunet, Askim municipality**

21 of 22 units sold at year end 2020. The project was finalised in Q2 2020. The project is situated 700 meters from the railway station in Askim and comprise 22 units of chained row houses. Great emphasis is placed on modern architectural design in the choice of materials both inside and out.

For more information go to: [www.aspelundtunet.no](http://www.aspelundtunet.no).

#### **Fagerliveien, Fredrikstad municipality**

Fagerlia also consist of 3 building phases, where phase 1 has scheduled sale start in Q1 2021. The project is situated in Fredrikstad, comprising approximately 61 apartments and 8 townhouses. Close to the city center, but at the same time secluded in an established and attractive neighborhood. Both apartments and townhouse are located on sloping plot with good sun conditions and west facing. Varied design and architecture, with a high standard and large patios.

For more information go to: [www.fpg.no](http://www.fpg.no).

#### **Høgliveien, Eidsberg municipality**

The project has an expected sales start in Q2 2021. A unique location in Mysen with short distance to popular outdoor areas. The project will comprise several buildings with approximately 30 apartments and 9 plots of land.

For more information go to: [www.fpg.no](http://www.fpg.no).

Several new projects are in the start-up phase for both sale and building in 2021, the planning of these, dependent upon market situation, regulatory processes and construction progress, is illustrated in the table below.

Projects	Scheduled sale start	Scheduled start of building	Ready for hand over	No. of units	BRAs*
Tribunen fase 1, Moss	Q2 2019	Q2 2020	Q4 2021	69	4 713
Tribunen fase 2, Moss	Q2 2021	Q3 2021	Q4 2022	55	4 228
Tribunen fase 3, Moss	Q4 2021	Q2 2022	Q3 2023	50	3 626
Fagerlia fase 1, Fredrikstad	Q1 2021	Q3 2021	Q4 2022	31	2 945
Fagerlia fase 2, Fredrikstad	Q3 2021	Q1 2022	Q1 2023	30	2 665
Fagerlia fase 3, Fredrikstad	Q3 2021	Q1 2022	Q1 2023	8	1 350
Høgliveien, Mysen	Q2 2021	Q4 2021	Q2 2023	30	3 156
Høgliveien land, Mysen	Q2 2021	Q3 2021	Q4 2021	9	7 424
Ringveien 39, Hokksund	Under consideration			30	3 000
Solbyen, Sarpsborg	Under consideration			33	2 233

\*BRAs is the usable area in a home.

The construction of Tribunen started in Q1 2020. For Tribunen and Fagerlia, Metacon is the turn-key contractor.

### 5.3.5 HMS

Health, environment and security are important focus areas for the Issuer. The Issuer is constantly working to limit the number of personal injuries and have implemented strict routines and procedures to ensure this. HMS is on the agenda on every board meeting and as of Q4 2020 the Issuer has had zero injuries, which is the same as Q4 2019.

### 5.3.6 Outlook for the Group

The macro environment for housing and building development in the Issuer's markets outside of Oslo gives an optimistic outlook. The Issuer believes that the market is differentiated, with strong demand for attractive locations and high-quality projects with good architecture. All of the Issuer's construction projects are progressing according to plan.

There is a close dialogue with developers and the industry in general and there is a good overview of upcoming projects. Both Alento AS and Metacon AS perceive the supply of tender requests as good, but with some increased competition through the autumn of 2020. There are more bidders per projects and also new providers from surrounding districts. The Group has nevertheless secured a historically high backlog at the end of the year and has many tenders in the pipeline for the next construction phase on existing orders.

The Issuer is currently working with several potential acquisition targets and will continuously seek to find targets that match the Issuer's current expansion strategy in terms of business model, culture and geography.

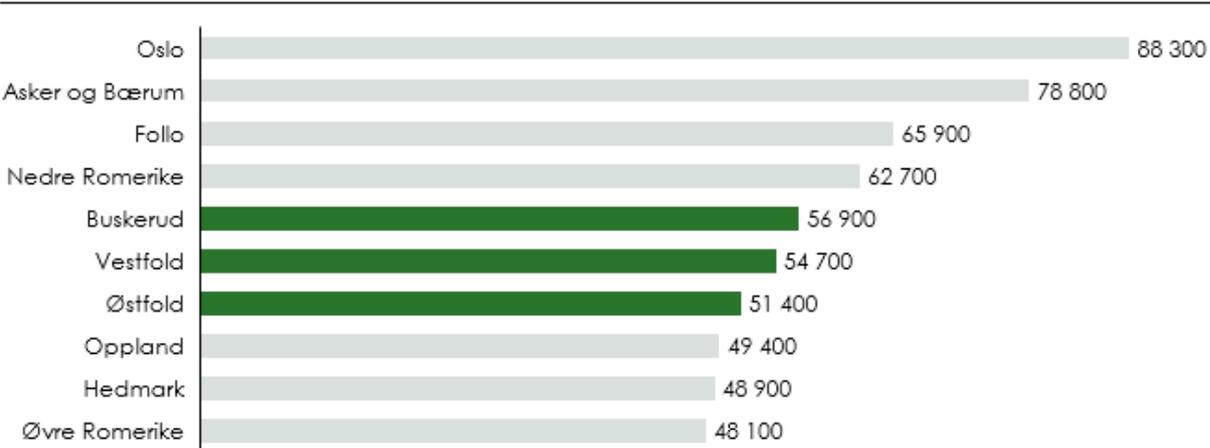
## 5.4 Principal Markets

The construction and development market in eastern Norway is competitive, with competition from the large construction companies and property developers with nationwide operations, and from local players.

The size of the construction market is estimated at NOK 496 billion in 2019. Construction production increased by 2.5% in 2019, but there is a significant fall in activity in 2020. Although the corona pandemic and infection control measures in small degree has affected the production capacity of building and construction, but a lower demand could put a damper on the market in 2020 and next year. The turnaround in the Norwegian economy means that a decline of 8% in the construction market in 2020 is expected. New construction accounts for most of the decline. The production of construction work will still be about 2% lower in 2021 than in 2020. It is the production of new buildings which will lead to a decline in the construction market next year.

Overall, there is an expected decline in activity in the construction market of around 4% in 2020. In comparison, the decline in the construction market was almost 2% during the financial crisis in 2009 and 2010. If the construction forecasts go in, the total production in the building and construction industry could increase again already next year with just over 2% and onwards with as much as 6% in 2022, but there is considerable uncertainty<sup>1</sup>.

Housing prices are expected to increase significantly due to affordable housing and shorter travel time to Oslo. According to Eiendom Norge<sup>2</sup>, the average prices per square meter in the focus areas of the Issuer are significantly lower than in Oslo:



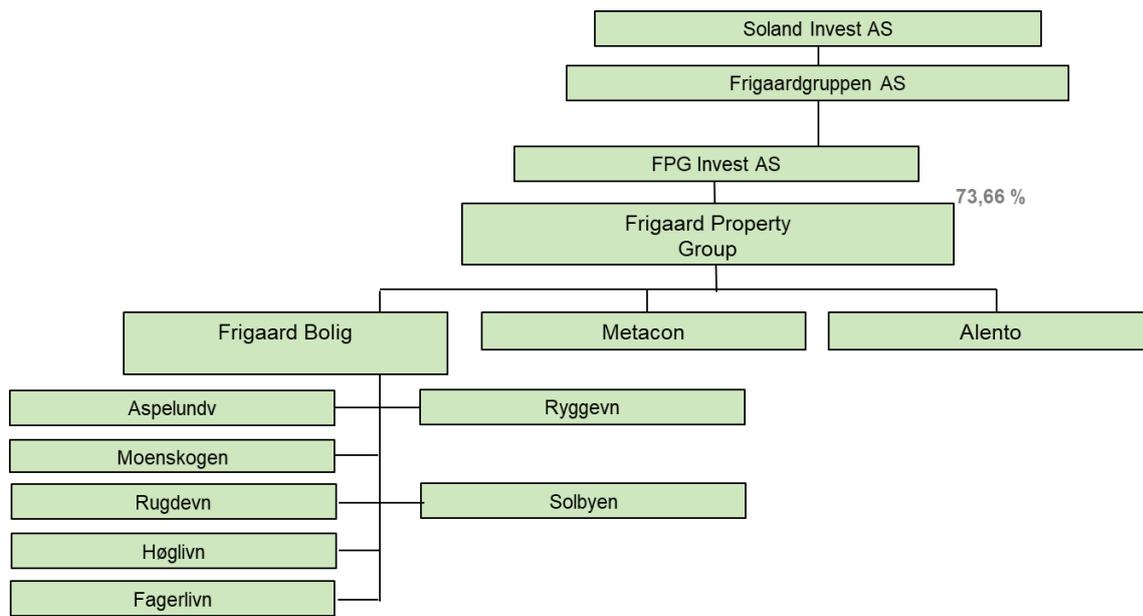
Coupled with the lower average prices per square meter, the travel time to Oslo will decrease after the InterCity project is completed (table shows train time before and after new InterCity)<sup>3</sup>:

	Before InterCity	After InterCity	Saving
Oslo – Moss	50 minutes	30 minutes	20 minutes
Oslo – Fredrikstad	1 hour & 10 minutes	45 minutes	25 minutes
Oslo – Sarpsborg	1 hour & 30 minutes	55 minutes	35 minutes
Oslo - Halden	1 hour & 50 minutes	1 hour & 5 minutes	45 minutes
Oslo – Tønsberg	1 hour & 20 minutes	1 hour	20 minutes
Oslo – Larvik	1 hour & 50 minutes	1 hour & 20 minutes	30 minutes
Oslo – Porsgrunn	2 hours & 45 minutes	1 hour & 30 minutes	75 minutes

### 5.5 Organizational structure

The following figure sets forth all Group subsidiaries as of the date of the Prospectus:

<sup>1</sup> Prognosesenteret on behalf of Byggenæringsens Landsforening – Market report May 2020  
<sup>2</sup> From "Eiendom Norges boligprisstatistikk – Regionsrapport 1. kvartal 2018" for Vestfold and Telemark, and Oslo and Viken by Eiendom Norge, based on numbers from Finn.no  
<sup>3</sup> BaneNOR (<https://www.banenor.no/Prosjekter/prosjekter/intercity/innhold/2018/intercity-kutter-reisetiden-mellom-byene/>, assessed on 2 April 2019)



## 6. BOARD OF DIRECTORS, MANAGEMENT AND BOARD COMMITTEES

### 6.1 The Issuer's board of directors

The table below sets out the names and details of the members of the board of directors of the Issuer:

<b>Name</b>	<b>Position</b>	<b>Business address</b>
Helge Stemshaug	Chairman	Sandesundsveien 2 1724 Sarpsborg
Trond Frigaard	Board member	Sandesundsveien 2 1724 Sarpsborg
Mads Langaard	Board member	Sandesundsveien 2 1724 Sarpsborg
Kristian Lindland	Board member	Sandesundsveien 2 1724 Sarpsborg

#### **Helge Stemshaug – chairman**

Helge Stemshaug is Partner in BAHR, a leading Norwegian law firm. He has previous experience as Head of Section in Centre for EU Law and Director of Legal Affairs in the Norwegian Competition Authority before starting in BAHR in 1999. He has extensive experience from various board positions, including his previous positions as the chairman of the board of BAHR. He is also former Head of Department at the Center of European Law at UiO. Helge holds a Master of Law from University of Southampton and a Cand. Jur. from the University of Oslo.

#### **Trond Frigaard – board member**

Trond Frigaard is the sole owner and CEO of Frigaardgruppen AS. He started his career at Sarpsborg Metall AS in 1995 as a salesman, eventually becoming CEO in 2003. He is the entrepreneur behind SSG, Altistore and Frigaard Capital. He has a Bachelor of Business Administration from BI Norwegian Business School.

#### **Mads Langaard – board member**

Mads Langaard is the CFO of Frigaard Gruppen AS, the main shareholder of the Issuer. He has previously worked for John Fredriksen's Seatankers where he was a part of the Investment Team and worked with new investments, IR and communications. Mads has eight years of background from finance and five years from financial journalism and communications. Mads holds a bachelor's degree from BI Norwegian Business School and an MBA from Norwegian School of Economics, NHH.

#### **Kristian Lindland – board member**

Kristian Lindland has been the CEO of Alento AS since its establishment in 2013. From 2007 to 2013 he was the CEO and developed Bermingrud Entreprenør from a small local entrepreneur to a significant regional player. Before that, he held various management positions at Skanska Norge AS. He has a Master of Engineering in Building Construction Technology from the Norwegian University of Science and Technology.

### 6.2 Management

<b>Name</b>	<b>Position</b>	<b>Business address</b>
Øyvind Bergersen	CEO of Metacon AS	Metacon AS Bredmyra 4 1739 Borgenhaugen
Kristian Lindland	CEO of Alento AS	Alento AS Sankt Hallvarvsvei 3 3414 Lierstranda
Øyvind Harridsleff	CEO of Frigaard Bolig AS	Frigaard Bolig AS Sandesundsveien 2 1724 Sarpsborg
Gry-Heidi Montelius	CFO of Frigaard Property Group	Frigaard Property Group AS Sandesundsveien 2 1724 Sarpsborg
Simon Nyquist Martinsen	CEO of Frigaard Property Group AS	Frigaard Property Group AS Sandesundsveien 2 1724 Sarpsborg

#### **Simon Nyquist Martinsen – CEO of Issuer**

Simon is the CEO of the Issuer since October 2020. He has long experience as CFO from among others AKVA Groups ASA, Constructor Group AS and Norway Seafood ASA. He was furthermore the Senior Vice President for Business Development at Aker ASA for many years. He is a state authorized accountant, and he holds a master's degree in accounting and auditing from NHH.

#### **Gry-Heidi Montelius – CFO of Issuer**

Gry-Heidi joined the Issuer as CFO in October 2020. She comes from the position as Group Chief Accountant in Frigaard Gruppen AS. Before joining the Frigaard Group, she worked as the Chief Accountant in Fresenius Kabi Norge AS and as Senior Group Accountant at Cermaq ASA. She is a state authorized accountant, and she holds a master's degree in accounting and auditing from NHH.

#### **Øyvind Harridsleff – CEO of Frigaard Bolig AS**

Øyvind started as CEO in Frigaard Bolig AS in 2020. He held leading positions in construction, consulting and property development, 2013 – 2020 at Solid Entreprenør and 2007 – 2013 at Muiltconsult. He holds a master degree in civil engineering from the Norwegian University of Science and Technology.

#### **Kristian Lindland – CEO of Alento AS**

Kristian Lindland has been the CEO of Alento AS since its establishment in 2013. From 2007 to 2013 he was the CEO and developed Bermingrud Entreprenør from a small local entrepreneur to a significant regional player. Before that, he held various management positions at Skanska Norge AS. He has a Master of Engineering in Building Construction Technology from the Norwegian University of Science and Technology.

#### **Øyvind Bergersen – CEO of Metacon AS**

Øyvind is the CEO of Metacon AS since 2017. He has developed Metacon from a steel producer to a turnkey contractor. Before joining the Group, he was Project Director at Posten Eiendom. From 1997 – 2011, he was a project manager in several construction companies. He holds a

Bachelor of Engineering in building construction technology from the Østfold University College.

### **6.3 Conflicts of interest**

There are no conflicts of interest between any duties to the Issuer of the persons involved with management, administrative or supervisory duties of the Group and their private interests and/or other duties.

## **7. MAJOR SHAREHOLDERS**

As of the date of the Prospectus, the share capital of the Issuer is NOK 446,816 divided into 233,408 ordinary shares with a nominal value of NOK 2.

Holders of ordinary shares of the Issuer have voting rights and are entitled dividends.

As of the date of the Prospectus the Issuer has four shareholders. The Issuer is controlled by FPG Invest AS, who controls 85.69% of the Issuer. The board member Trond Frigaard is the sole owner of FPG Invest AS.

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer. No specific measures are in place to ensure that such control is not abused.

## 8. FINANCIAL INFORMATION

### 8.1 Introduction

The following selected financial information has been extracted from (i) the Group's audited financial statements (together the "**Annual Financial Statements**") as of, and for the year ended, 31 December 2020 with comparable figures as of the year ended 31 December 2019 (the "**2020 Financial Statement**"), and the Group's audited financial statement as of, and for the year ended, 31 December 2019 (the "**2019 Financial Statement**") and (ii) the Group's unaudited interim quarter reports (together the "**Interim Quarter Reports**") for Q1 2021 ("**Q1 2021 Interim Report**") and for Q1 2020 ("**Q1 2020 Interim Report**"). The Annual Financial Statements and the Interim Quarter Reports have been prepared in accordance with IFRS.

The selected financial information included herein should be read in connection with, and is qualified in its entirety by reference to the Annual Financial Statements and the Interim Quarter Reports. Information on the cross-references can be found in section 11 of this Prospectus.

### 8.2 Historical annual financial information

#### 8.2.1 Selected financial information

	2020 Financial Statement (IFRS - Audited)	2019 Financial Statement (IFRS - Audited)	Q1 2021 Interim Report (unaudited)	Q1 2020 Interim Report (unaudited)
Income statement	Page 9	Page 8	Page 10	Page 10
Statement of Financial Position	Page 10,11	Page 9,10	Page 11,12	Page 11,12
Statement of Cash flows	Page 13	Page 12	Page 14	Page 14
Notes	Page 34-55	Page 34-52	Page 15-18	Page 15-18
Accounting principles	Page 15-33	Page 14-33	Page 15	Page 15
Auditors report	Page 66-71	Page 64 - 69	N/A	N/A

#### 8.2.2 Audit opinion on Annual Financial Statements for the Issuer

The Annual Financial Statements have been audited by PricewaterhouseCoopers AS, company registration number 987 009 713 with registered business address Dronning Eufemias gate 71, 0194 Oslo, Norway.

The Interim Quarter Reports are unaudited.

### 8.3 Investments

In January 2019, Frigaard Property Group bought a 14 302 sqm plot by Melløs Stadion in Moss for a consideration of NOK 97,900,000 to build 174 apartments in a new housing project over three phases.

The plot is fully regulated and ready for construction, and the first round of sales were launched in Q2 2019. The plot purchase is consistent with the Issuer's strategy to develop housing projects in central locations in Eastern Norway. The Issuer currently holds a plot bank that extends over the next several years and the company is continuously looking for attractive new plots in Eastern Norway suitable for housing development projects.

Other than this, the Issuer and the Group has not made any material investments since the date of its last audited financial statements (31 December 2020), nor has it committed to make any future material investments.

#### **8.4 Legal and arbitration proceedings**

The Issuer is not and has not been involved with any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during a period covering at least the previous twelve (12) months which may have, or have had in the recent past, significant effects on the Issuer's and/or the Group's financial position or profitability.

#### **8.5 Significant change in the Issuer's financial or trading position**

There has been no significant change in the financial or trading position of the Issuer since the Q1 2021 Interim Report or any trends, uncertainties, demands, commitments or events.

#### **8.6 The Issuer's borrowing and funding structure and expected financing**

Since the last financial year, the Issuer has issued the Bonds and refinanced the Existing Bonds with the proceeds of the Bonds. Other than that, there have been no material changes in the Issuer's borrowing and funding structure since the last financial year.

The Group will in addition to the Bonds, continue to use construction loans to finance the Group's residential projects. The Group will also continue to have its existing loans, that was incurred to finance acquisition of plots, estimated to be approximately NOK 25 million at year end 2021.

## **9. TREND INFORMATION**

### **9.1 Material factors affecting the Issuer's prospects**

There have been neither material adverse changes in the prospects of the Issuer since the date of the last published audited Annual Financial Statement, nor any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of this Prospectus.

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year.

### **9.2 Material contracts**

The Issuer has not entered into any material contracts outside the ordinary course of its business.

## **10. ADDITIONAL INFORMATION**

### **10.1 Third party information**

Part of the information given in the Prospectus has been sourced from third parties. Where information in this Prospectus has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **10.2 Documents available**

Copies of the articles of association and certificate of registration of the Issuer are available electronically at [www.fpg.no](http://www.fpg.no) for the life of the Prospectus.

### **10.3 Statutory auditors**

The Issuer's auditor is PricewaterhouseCoopers AS, company registration number 987 009 713 with registered business address Dronning Eufemias gate 71, 0194 Oslo, Norway.

PWC AS is a member of the Norwegian Institute of Public Accountants (nw. "*den norske revisorforening*").

### **10.4 Advisor**

SANDS Advokatfirma DA, with business address Cort Adelers gate 33, 0254 Oslo, has acted as legal advisor to the Issuer.

## **11. CROSS REFERENCE LIST**

Information regarding financial information in Section 8 of this Prospectus is incorporated by reference to the following electronically available pdf-documents:

- Information concerning the Group's 2019 figures is incorporated by reference to the 2019 Financial Statement, available here: <https://www.fpg.no/investor-relations/rapporter>
- Information concerning the Group's 2020 figures is incorporated by reference to the 2020 Financial Statement, available here: <https://www.fpg.no/investor-relations/rapporter>
- Information concerning the Group's Q1 2020 figures is incorporated by reference to the Q1 2021 Interim Report, available here: <https://www.fpg.no/investor-relations/rapporter>
- Information concerning the Group's Q1 2021 figures is incorporated by reference to the Q1 2021 Interim Report, available here: <https://www.fpg.no/investor-relations/rapporter>

## 12. DEFINITIONS AND GLOSSARY OF TERMS

2019 Financial Statement:	The Company's audited financial statement as of, and for the year ended, 31 December 2019, prepared in accordance with IFRS.
2020 Financial Statement:	The Company's audited financial statement as of, and for the year ended, 31 December 2020, prepared in accordance with IFRS.
Annual Financial Statements:	2019 Financial Statement and 2020 Financial Statement collectively.
Bonds:	The bonds issued by the Issuer under the name Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds 2021/2024.
Bond Terms:	The Bond Terms between the Issuer and Nordic Trustee on behalf of the Bondholders entered into on 5 February 2021.
Existing Bonds:	The Bonds with the name Frigaard Property Group AS 18/21 FRN C, which have been fully redeemed and which were delisted from Oslo Stock Exchange on 15 February 2021.
Finance Documents:	The Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a finance document.
Group:	The Issuer and its Subsidiaries from time to time.
Initial Bond Issue:	The issue of Bonds on 10 February 2021 raising gross proceeds of NOK 300,000,000.
Interim Quarter Reports:	The Q 1 2021 Interim Report and the Q 1 2020 Interim Report collectively.
ISIN:	International Securities Identification Number
Issuer:	Frigaard Property Group AS, a Norwegian private limited liability company with registration number 996 056 279.
Prospectus:	This Prospectus, dated 26 May 2021.
Q1 2021 Interim Report:	The Group's unaudited interim quarter report for Q1 2021.
Q1 2020 Interim Report:	The Group's unaudited interim quarter report for Q1 2020.

**Frigaard Property Group AS**

Sandesundsveien 2, 1724 Sarpsborg

phone: +47 995 52 495

e-mail: [post@fpg.no](mailto:post@fpg.no)

Internet: [www.fpg.no](http://www.fpg.no)

**ANNEX 1 – BOND TERMS**

**BOND TERMS**

**FOR**

**Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds  
2021/2024**

**ISIN NO0010922818**

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ATTACHMENT 1 COMPLIANCE CERTIFICATE

ATTACHMENT 2 RELEASE NOTICE – ESCROW ACCOUNT

<b>BOND TERMS between</b>	
<b>ISSUER:</b>	Frigaard Property Group AS, a company existing under the laws of Norway with registration number 996 056 279 and LEI-code 254900PADEO0LU7JL270; and
<b>BOND TRUSTEE:</b>	Nordic Trustee AS, a company existing under the laws of Norway with registration number 963 342 624 and LEI-code 549300XAKTM2BMKIPT85.
<b>DATED:</b>	5 February 2021
These Bond Terms shall remain in effect for so long as any Bonds remain outstanding.	

## **1. INTERPRETATION**

### **1.1 Definitions**

The following terms will have the following meanings:

“**Accounting Standard**” means GAAP.

“**Additional Bonds**” means the debt instruments issued under a Tap Issue, including any Temporary Bonds.

“**Adjusted EBITDA**” means, in respect of the Relevant Period, the consolidated operating profit of the Group:

- (a) before deducting any amount of tax on profits, gains or income paid or payable by the Issuer or any Group Company;
- (b) before taking into account any financial items (other than derivative instruments which are accounted for on a hedge account basis);
- (c) excluding any items (positive or negative) of a one off, non-recurring, extraordinary, unusual or exceptional nature;
- (d) after adding back or deducting, as the case may be, the amount of any loss or gain against book value arising on a disposal of any asset (other than in the ordinary course of trading) and any loss or gain arising from an upward or downward revaluation of any asset;
- (e) before deducting the amount of any profit (or adding back the amount of any loss) of any member of the Group which is attributable to minority interests;
- (f) after adding back any losses to the extent covered by any insurance (covering loss of profits, business interruption or delay in start-up); and

- (g) after adding back any amount attributable to the amortisation, depreciation or impairment of assets of the Group.

“**Affiliate**” means, in relation to any person:

- (a) any person which is a Subsidiary of that person;
- (b) any person who has Decisive Influence over that person (directly or indirectly); and
- (c) any person which is a Subsidiary of an entity who has Decisive Influence over that person (directly or indirectly).

“**Annual Financial Statements**” means the audited consolidated annual financial statements of the Group for any financial year, prepared in accordance with the Accounting Standard, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“**Attachment**” means any schedule, appendix or other attachment to these Bond Terms.

“**Bond Terms**” means these terms and conditions, including all Attachments which shall form an integrated part of these Bond Terms, in each case as amended and/or supplemented from time to time.

“**Bond Trustee**” means the company designated as such in the preamble to these Bond Terms, or any successor, acting for and on behalf of the Bondholders in accordance with these Bond Terms.

“**Bond Trustee Fee Agreement**” means the agreement entered into between the Issuer and the Bond Trustee relating among other things to the fees to be paid by the Issuer to the Bond Trustee for the services provided by the Bond Trustee relating to the Bonds.

“**Bondholder**” means a person who is registered in the CSD as directly registered owner or nominee holder of a Bond, subject however to Clause 3.3 (*Bondholders’ rights*).

“**Bondholders’ Meeting**” means a meeting of Bondholders as set out in Clause 15 (*Bondholders’ Decisions*).

“**Bonds**” means (i) the debt instruments issued by the Issuer pursuant to these Bond Terms, including any Additional Bonds, and (ii) any overdue and unpaid principal which has been issued under a separate ISIN in accordance with the regulations of the CSD from time to time.

“**Business Day**” means a day on which both the relevant CSD settlement system is open, and the relevant currency of the Bonds settlement system is open.

“**Business Day Convention**” means that if the last day of any Interest Period originally falls on a day that is not a Business Day, the Interest Period will be extended to include the first following Business Day unless that day falls in the next calendar month, in which case the Interest Period will be shortened to the first preceding Business Day (*Modified Following*).

“**Call Option**” has the meaning given to it in Clause 10.2 (*Voluntary early redemption – Call Option*).

“**Call Option Repayment Date**” means the settlement date for the Call Option determined by the Issuer pursuant to Clause 10.2 (*Voluntary early redemption – Call Option*), Clause 10.3(d) or a date agreed upon between the Bond Trustee and the Issuer in connection with such redemption of Bonds.

“**Change of Control Event**” means a person or group of persons acting in concert gaining Decisive Influence over the Issuer.

“**Compliance Certificate**” means a statement substantially in the form as set out in Attachment 1 hereto.

“**CSD**” means the central securities depository in which the Bonds are registered, being Verdipapirsentralen ASA (VPS).

“**Decisive Influence**” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):

- (a) a majority of the voting rights in that other person; or
- (b) a right to elect or remove a majority of the members of the board of directors of that other person.

“**Default Notice**” means a written notice to the Issuer as described in Clause 14.2 (*Acceleration of the Bonds*).

“**Default Repayment Date**” means the settlement date set out by the Bond Trustee in a Default Notice requesting early redemption of the Bonds.

“**Distribution**” means any (i) payment of dividend on shares, (ii) repurchase of own shares, (iii) redemption of share capital or other restricted equity with repayment to shareholders, (iv) repayment of any Shareholder Loan or (v) any other similar distribution or transfers of value, in each case to the direct and/or indirect shareholders of the Issuer.

“**Escrow Account**” means an account in the name of the Issuer, blocked and pledged on first priority as security for the Issuer’s obligations under the Finance Documents.

“**Escrow Account Pledge**” means the pledge over the Escrow Account, where the bank operating the account has waived any set-off rights.

“**Event of Default**” means any of the events or circumstances specified in Clause 14.1 (*Events of Default*).

“**Exchange**” means:

- (a) Oslo Børs (the Oslo Stock Exchange); or

- (b) any regulated market as such term is understood in accordance with the Markets in Financial Instruments Directive 2014/65/EU (MiFID II) and Regulation (EU) No. 600/2014 on markets in financial instruments (MiFIR).

**“Existing Bonds”** means the secured debt instruments issued by the Issuer with ISIN NO0010826092.

**“Finance Documents”** means these Bond Terms, the Bond Trustee Fee Agreement, any Transaction Security Document and any other document designated by the Issuer and the Bond Trustee as a Finance Document.

**“Financial Indebtedness”** means any indebtedness for or in respect of:

- (a) moneys borrowed (and debit balances at banks or other financial institutions);
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument, including the Bonds;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Standard, be treated as a finance or capital lease (meaning that the lease is capitalized as an asset and booked as a corresponding liability in the balance sheet);
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis provided that the requirements for de-recognition under the Accounting Standard are met);
- (f) any derivative transaction entered into and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution in respect of an underlying liability of a person which is not a Group Company which liability would fall within one of the other paragraphs of this definition;
- (h) any amount raised by the issue of redeemable shares which are redeemable (other than at the option of the Issuer) before the Maturity Date or are otherwise classified as borrowings under the Accounting Standard;
- (i) any amount of any liability under an advance or deferred purchase agreement, if (a) the primary reason behind entering into the agreement is to raise finance or (b) the agreement is in respect of the supply of assets or services and payment is due more than 120 calendar days after the date of supply;

- (j) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing or otherwise being classified as a borrowing under the Accounting Standard; and
- (k) without double counting, the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs a) to j) above.

“**Financial Reports**” means the Annual Financial Statements and the Interim Accounts.

“**First Call Date**” means the Interest Payment Date falling in August 2022.

“**GAAP**” means generally accepted accounting practices and principles in the country in which the Issuer is incorporated including, if applicable, IFRS.

“**Group**” means the Issuer and its Subsidiaries from time to time.

“**Group Company**” means any person which is a member of the Group.

“**IFRS**” means the International Financial Reporting Standards and guidelines and interpretations issued by the International Accounting Standards Board (or any predecessor and successor thereof) in force from time to time and to the extent applicable to the relevant financial statement.

“**Incurrence Test**” has the meaning ascribed to such term in Clause 13.17 (*Incurrence Test*).

“**Initial Bond Issue**” means the amount to be issued on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Initial Nominal Amount**” means the Nominal Amount of each Bond on the Issue Date as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Insolvent**” means that a person:

- (a) is unable or admits inability to pay its debts as they fall due;
- (b) suspends making payments on any of its debts generally; or
- (c) is otherwise considered insolvent or bankrupt within the meaning of the relevant bankruptcy legislation of the jurisdiction which can be regarded as its centre of main interest as such term is understood pursuant to Regulation (EU) 2015/848 on insolvency proceedings (as amended from time to time).

“**Interest Cover Ratio**” means the ratio of Adjusted EBITDA to the Group's net interest expenses calculated for the Relevant Period.

“**Interest Payment Date**” means the last day of each Interest Period, the first Interest Payment Date being 10 May 2021 and the last Interest Payment Date being the Maturity Date.

“**Interest Period**” means, subject to adjustment in accordance with the Business Day Convention, the period between 10 February, 10 May, 10 August and 10 November each year, provided however that an Interest Period shall not extend beyond the Maturity Date.

“**Interest Quotation Day**” means, in relation to any period for which Interest Rate is to be determined, 2 Quotation Business Days before the first day of the relevant Interest Period.

“**Interest Rate**” means the percentage rate per annum which is the aggregate of the Reference Rate for the relevant Interest Period plus the Margin.

“**Interim Accounts**” means the unaudited consolidated quarterly financial statements of the Group for the quarterly period ending on 31 March, 30 June, 30 September and 31 December in each year, prepared in accordance with the Accounting Standard.

“**ISIN**” means International Securities Identification Number.

“**Issue Date**” means 10 February 2021.

“**Issuer**” means the company designated as such in the preamble to these Bond Terms.

“**Issuer’s Bonds**” means any Bonds which are owned by the Issuer or any Affiliate of the Issuer.

“**Leverage Ratio**” means the ratio of Total Net Debt to Adjusted EBITDA.

“**Liquidity**” means the consolidated cash and bank deposits of the Group (including any amount standing to the credit on any pledged, but unblocked account).

“**Listing Failure Event**” means:

- (a) that the Issuer has not submitted an application to list the Bonds (save for any Temporary Bonds) on Frankfurt Open Market within 60 days following the Issue Date,
- (b) that the Bonds (save for any Temporary Bonds) have not been admitted to listing on Oslo Stock Exchange within 6 months following the Issue Date,
- (c) in the case of a successful admission to listing on Oslo Stock Exchange, that a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Oslo Stock Exchange, or
- (d) that the Temporary Bonds have not been admitted to listing on the Exchange where the other Bonds are listed within 3 months following the issue date for such Temporary Bonds.

“**Make Whole Amount**” means an amount equal to the sum of:

- (a) the present value on the Call Option Repayment Date of 102.5% of the Nominal Amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and

- (b) the present value on the Call Option Repayment Date of the remaining interest payments of the redeemed Bonds less any accrued and unpaid interest on the redeemed Bonds as at the Call Option Repayment Date, to and including the First Call Date,

where the present value shall be calculated by using a discount rate of 1.00% and where the interest rate applied for the remaining interest periods until the First Call date shall be the applicable Interest Rate on the Call Option Repayment Date.

“**Manager**” means Arctic Securities AS.

“**Mandatory Buy Back Offer**” shall have the meaning ascribed to such term in Clause 10.4 (*Mandatory repurchase due to a Qualified Event*).

“**Margin**” means 7.00 per cent.

“**Material Adverse Effect**” means a material adverse effect on:

- (a) the ability of the Issuer to perform and comply with its obligations under any of the Finance Documents; or
- (b) the validity or enforceability of any of the Finance Documents.

“**Maturity Date**” means 10 February 2024, adjusted according to the Business Day Convention.

“**Maximum Issue Amount**” means the maximum amount that may be issued under these Bond Terms as set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Nominal Amount**” means the nominal value of each Bond at any time. The Nominal Amount may be amended pursuant to paragraph (j) of Clause 16.2.

“**Outstanding Bonds**” means any Bonds not redeemed or otherwise discharged.

“**Overdue Amount**” means any amount required to be paid by the Issuer under any of the Finance Documents but not made available to the Bondholders on the relevant Payment Date or otherwise not paid on its applicable due date.

“**Partial Payment**” means a payment that is insufficient to discharge all amounts then due and payable under the Finance Documents.

“**Paying Agent**” means the legal entity appointed by the Issuer to act as its paying agent with respect to the Bonds in the CSD.

“**Payment Date**” means any Interest Payment Date or any Repayment Date.

“**Permitted Disposals**” means:

- (a) any disposal made by a Group Company in its ordinary course of trading;
- (b) any disposal made by a Group Company to another Group Company;

- (c) any disposal of obsolete or redundant vehicles, plant and equipment for cash or any normal trade-in of old vehicles, plant and equipment for new corresponding assets with set-off of the current market value for such old assets against the price for the new assets; or
- (d) any other disposal made by a Group Company provided that such disposal is a Qualified Event.

**“Permitted Distribution”** means:

- (a) a one-time dividend payment in the calendar year 2021 from the Issuer to its shareholders in a maximum amount of NOK 30 million;
- (b) any Distribution in the form of a group contribution (Nw. konsernbidrag) made by a member of the Group to the direct or indirect shareholders of the Issuer provided that any such group contribution is made without the transfer of any cash or other assets and provided further that any claim arising in connection therewith is promptly converted into equity in the Issuer;
- (c) any Distribution up to the lower of:
  - (i) NOK 15 million per calendar year; and
  - (ii) subject to the Incurrence Test being met, the sum of 25% of the consolidated net profit of the Group in the preceding financial year.

The Issuer may not make any Distribution pursuant to this item (c) until the annual financial statements of the Group for 2021 have been approved by the general meeting. Distributions may not be carried forward; and

- (d) any Distribution made as a buyback of shares in the Issuer, limited up to NOK 40 million for the tenor of the Bonds.

**“Permitted Financial Indebtedness”** means any Financial Indebtedness:

- (a) under the Existing Bonds until they are discharged;
- (b) under the Finance Documents;
- (c) under a Revolving Credit Facility, provided that the amount outstanding under any such facility shall never exceed an amount equal to 10% of the Group's revenue in the preceding financial year (as evidenced by the Group's Annual Financial Statements);
- (d) existing within the Group at the Issue Date that was incurred to finance acquisition of plots;
- (e) under any Vendor Loans limited up to a maximum aggregate amount of NOK 100 million at any time;
- (f) constituting Permitted Financial Support;

- (g) in the form of Permitted Hedging Obligations, Shareholder Loans and Subordinated Loans;
- (h) any additional Financial Indebtedness incurred by the Issuer for the acquisition of real property or land plots, provided that the Incurrence Test is satisfied;
- (i) incurred as construction loans entered into in the ordinary course of business to finance the construction of the Group's residential projects, provided that, in each case, the Group has sold at least 50% of the properties in the relevant construction project to third parties prior to incurring such construction loan;
- (j) in the form of any pension or tax liabilities incurred in the ordinary course of business and not as a result of any default or omission;
- (k) arising as a result of a contemplated refinancing of the Bonds in full (a “**Refinancing**”) provided that such debt is held in escrow until full repayment of the Bonds; and
- (l) not falling within the preceding paragraphs where the aggregate amount outstanding does not exceed NOK 30 million (or its equivalent in other currencies) in aggregate for the Group at any time.

“**Permitted Financial Support**” means:

- (a) any loan or credit granted by the Issuer or a Group Company to the Issuer or another Group Company respectively;
- (b) any guarantee granted by the Issuer or a Group Company for obligations of the Issuer or another Group Company respectively;
- (c) any loan, credit, guarantee or indemnity granted by a Group Company to any of its trading partners in the ordinary course of its trading activities;
- (d) any loan, credit, guarantee or indemnity granted by a Group Company in relation to Financial Indebtedness incurred under item (i) of “Permitted Financial Indebtedness”;
- (e) any indemnity given in the ordinary course of the documentation of a disposal transaction which is a Permitted Disposal; and
- (f) any loan, credit, guarantee or indemnity not falling within the preceding paragraphs where the aggregate liability and/or amount outstanding (whether actual or contingent) does not exceed NOK 30 million (or its equivalent in other currencies) in aggregate for the Group at any time.

“**Permitted Hedging Obligation**” means any obligation of a Group Company under a non-speculative derivative transaction entered into with one or more hedge counterparties in connection with the protection against or benefit from fluctuations in any rate or price where such exposure arise in the ordinary course of business or in respect of payments to be made under the Bond Terms.

“**Permitted Security**” means:

- (a) any Security granted under the Existing Bonds until the Existing Bonds are discharged;
- (b) any Security granted under the Finance Documents (including, for the avoidance of doubt, any Security granted to facilitate the disbursement of proceeds in connection with a Tap Issue);
- (c) created under or in connection with any Permitted Hedging Obligation;
- (d) any Security granted by a Group Company over its operating assets (Nw. “driftstilbehørspant”), machinery and plant (Nw. “anleggsmaskiner”) and accounts receivables to secure the Group’s obligations under a Revolving Credit Facility (or any replacement thereof);
- (e) any Security granted for Financial Indebtedness incurred under item (d) of “Permitted Financial Indebtedness”;
- (f) any Security granted for Financial Indebtedness incurred under item (i) of “Permitted Financial Indebtedness”;
- (g) arising by operation of law or in the ordinary course of trading and not as a result of any default or omission;
- (h) any Security created in the form of a pledge over an escrow account to which the proceeds incurred in relation to a Refinancing are intended to be received;
- (i) any Security created for the benefit of the financing providers in relation to a Refinancing, however, provided always that any perfection requirements in relation thereto are satisfied after repayment of the Bonds in full; and
- (j) Security arising in the ordinary course of banking arrangements for the purposes of netting debt and credit balances of between members of the Group.

“**Put Option**” has the meaning ascribed to such term in Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“**Put Option Event**” means a Change of Control Event and a Listing Failure Event.

“**Put Option Repayment Date**” means the settlement date for the Put Option pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*).

“**Qualified Event**” means a disposal that

- (a) does not have a Material Adverse Effect; and
- (b) where the net cash proceeds received amount to more than NOK 30,000,000, 100% of the net cash proceeds received in connection therewith is Reinvested and/or used to finance a Mandatory Buy Back Offer.

“**Qualified Event Notice**” has the meaning ascribed to such term in Clause 10.4 (*Mandatory repurchase due to a Qualified Event*).

“**Quotation Business Day**” means a day on which Norges Bank’s settlement system is open.

“**Reference Rate**” means NIBOR; (Norwegian Interbank Offered Rate) being;

- (a) the interest rate fixed for a period comparable to the relevant Interest Period published by Global Rate Set Systems (GRSS) at approximately 12.00 (Oslo time) on the Interest Quotation Day; or
- (b) if no screen rate is available for the relevant Interest Period:
  - (i) the linear interpolation between the two closest relevant interest periods, and with the same number of decimals, quoted under paragraph (a) above; or
  - (ii) a rate for deposits in the currency of the Bonds for the relevant Interest Period as supplied to the Bond Trustee at its request quoted by a sufficient number of commercial banks reasonably selected by the Bond Trustee; or
- (c) if the interest rate under paragraph (a) is no longer available, the interest rate will be set by the Bond Trustee in consultation with the Issuer to:
  - (i) any relevant replacement reference rate generally accepted in the market; or
  - (ii) such interest rate that best reflects the interest rate for deposits in the currency of the Bonds offered for the relevant Interest Period.

In each case, if any such rate is below zero, the Reference Rate will be deemed to be zero.

“**Reinvested**” has the meaning ascribed to it in Clause 10.4 (*Mandatory repurchase due to a Qualified Event*).

“**Relevant Jurisdiction**” means the country in which the Bonds are issued, being Norway.

“**Relevant Period**” means each period of 12 months ending on the last day of each financial quarter.

“**Relevant Record Date**” means the date on which a Bondholder’s ownership of Bonds shall be recorded in the CSD as follows:

- (a) in relation to payments pursuant to these Bond Terms, the date designated as the Relevant Record Date in accordance with the rules of the CSD from time to time; or
- (b) for the purpose of casting a vote with regard to Clause 15 (*Bondholders’ Decisions*), the date falling on the immediate preceding Business Day to the date of that Bondholders’ decision being made, or another date as accepted by the Bond Trustee.

“**Repayment Date**” means any Call Option Repayment Date, the Default Repayment Date, any Put Option Repayment Date, the Tax Event Repayment Date, the Mandatory Redemption Repayment Date or the Maturity Date.

“**Revolving Credit Facility**” means a revolving credit facility entered into with one or more Group Companies as borrowers and one or more financial institutions as lenders, or any refinancing thereof.

“**Secured Obligations**” means all present and future obligations and liabilities of the Issuer under the Finance Documents.

“**Secured Parties**” means the Security Agent and the Bond Trustee on behalf of itself and the Bondholders.

“**Securities Trading Act**” means the Securities Trading Act of 2007 no.75 of the Relevant Jurisdiction.

“**Security**” means a mortgage, charge, pledge, lien, security assignment or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Security Agent**” means the Bond Trustee or any successor Security Agent, acting for and on behalf of the Secured Parties in accordance with any Security Agent Agreement or any other Finance Document.

“**Security Agent Agreement**” means any agreement other than these Bond Terms whereby the Security Agent is appointed to act as such in the interest of the Bond Trustee (on behalf of itself and the Bondholders).

“**Shareholder Loan**” means any loan granted to the Issuer by any of its, direct or indirect, shareholders, such loans to comply with the requirements for Subordinated Loans.

“**Subordinated Loan**” means any unsecured loan or credit provided to the Issuer which

- (a) is fully subordinated to the Bonds;
- (b) matures at least six months after the Maturity Date;
- (c) does not have any payment of principal or cash interest; and
- (d) has no acceleration rights or rights to declare an event of default for the lender.

“**Subsidiary**” means subsidiaries (No. *datterselskap*) within the meaning of section 1-3 of the Norwegian Private Limited Liability Companies Act of 13 June 1997 No. 44 (No. *aksjeloven*) or otherwise a person over which another person has Decisive Influence.

“**Summons**” means the call for a Bondholders’ Meeting or a Written Resolution as the case may be.

“**Tap Issue**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Tap Issue Addendum**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Temporary Bonds**” has the meaning ascribed to such term in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*).

“**Total Net Debt**” means, at any time, the aggregate principal amount of all obligations of the Group for or in respect of Financial Indebtedness at any time but:

- (a) excluding any such obligation to any other member of the Group;
- (b) excluding any such obligation in respect of any Shareholder Loans and Subordinated Loans;
- (c) excluding any Financial Indebtedness incurred to finance the construction of the Group's residential projects;
- (d) excluding the amount of any Vendor Loans; and
- (e) deducting the amount of cash and cash equivalent investments held by any Group Company, to the extent freely available.

“**Transaction Security**” means the Security created or expressed to be created in favour of the Security Agent (on behalf of the Secured Parties) pursuant to the Transaction Security Documents.

“**Transaction Security Documents**” means all of the documents which shall be executed or delivered pursuant to Clause 2.5 (*Transaction Security*).

“**Vendor Loans**” means non interest-bearing loans or credit granted to a Group Company by a seller in connection with such Group Company’s acquisition of real property or land plots.

“**Voting Bonds**” means the Outstanding Bonds less the Issuer’s Bonds.

“**Written Resolution**” means a written (or electronic) solution for a decision making among the Bondholders, as set out in Clause 15.5 (*Written Resolutions*).

## 1.2 Construction

In these Bond Terms, unless the context otherwise requires:

- (a) headings are for ease of reference only;
- (b) words denoting the singular number will include the plural and vice versa;
- (c) references to Clauses are references to the Clauses of these Bond Terms;
- (d) references to a time are references to Central European time unless otherwise stated;
- (e) references to a provision of “**law**” is a reference to that provision as amended or re-enacted, and to any regulations made by the appropriate authority pursuant to such law;
- (f) references to a “**regulation**” includes any regulation, rule, official directive, request or guideline by any official body;

- (g) references to a “**person**” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government, or any agency or political subdivision thereof or any other entity, whether or not having a separate legal personality;
- (h) references to Bonds being “**redeemed**” means that such Bonds are cancelled and discharged in the CSD in a corresponding amount, and that any amounts so redeemed may not be subsequently re-issued under these Bond Terms;
- (i) references to Bonds being “**purchased**” or “**repurchased**” by the Issuer means that such Bonds may be dealt with by the Issuer as set out in Clause 11.1 (*Issuer’s purchase of Bonds*),
- (j) references to persons “**acting in concert**” shall be interpreted pursuant to the relevant provisions of the Securities Trading Act; and
- (k) an Event of Default is “**continuing**” if it has not been remedied or waived.

## 2. THE BONDS

### 2.1 Amount, denomination and ISIN of the Bonds

- (a) The Issuer has resolved to issue a series of Bonds up to the Maximum Issue Amount of NOK 500,000,000. The Bonds may be issued on different issue dates and the Initial Bond Issue will be in the amount of NOK 300,000,000. The Issuer may, provided that the conditions set out in Clause 6.3 (*Tap Issues*) are met, at one or more occasions issue Additional Bonds (each a “**Tap Issue**”) until the Nominal Amount of all Additional Bonds equals in aggregate the Maximum Issue Amount less the Initial Bond Issue. Each Tap Issue will be subject to identical terms as the Bonds issued pursuant to the Initial Bond Issue in all respects as set out in these Bond Terms, except that Additional Bonds may be issued at a different price than for the Initial Bond Issue and which may be below or above the Nominal Amount. The Bond Trustee shall prepare an addendum to these Bond Terms evidencing the terms of each Tap Issue (a “**Tap Issue Addendum**”).

If the Bonds are listed on an Exchange and there is a requirement for a new prospectus in order for the Additional Bonds to be listed together with the Bonds, the Additional Bonds may be issued under a separate ISIN (such Bonds referred to as the “**Temporary Bonds**”). Upon the approval of the prospectus, the Issuer shall (i) notify the Bond Trustee, the Exchange and the Paying Agent and (ii) ensure that the Temporary Bonds are converted into the ISIN for the Bonds.

- (b) The Bonds are denominated in Norwegian Kroner (NOK), being the legal currency of Norway.
- (c) The Initial Nominal Amount of each Bond is NOK 100,000.
- (d) The ISIN of the Bonds is set out on the front page. These Bond Terms apply with identical terms and conditions to (i) all Bonds issued under this ISIN, (ii) any Temporary Bonds and (iii) any Overdue Amounts issued under one or more separate ISIN in accordance with the regulations of the CSD from time to time.

- (e) Holders of Overdue Amounts related to interest claims will not have any other rights under these Bond Terms than their claim for payment of such interest claim which claim shall be subject to paragraph (b) of Clause 15.1.

## **2.2 Tenor of the Bonds**

The tenor of the Bonds is from and including the Issue Date to but excluding the Maturity Date.

## **2.3 Use of proceeds**

- (a) The Issuer will use the net proceeds from the Initial Bond Issue (net of premium payable in relation to redemption of the Existing Bonds, fees and legal costs of the Manager and the Bond Trustee and any other costs and expenses incurred in connection with the Bond Issue):
  - (i) to refinance the Existing Bonds; and
  - (ii) for general corporate purposes of the Group.
- (b) The Issuer will use the net proceeds from the issuance of any Additional Bonds for general corporate purposes of the Group or as otherwise agreed with the subscribers in of such Additional Bonds.

## **2.4 Status of the Bonds**

Subject to the limitations set out in the next paragraph, the Bonds will constitute direct, general, unconditional, unsubordinated and secured obligations of the Issuer and will rank pari passu between themselves and will rank at least pari passu with all other senior obligations of the Issuer (save for such claims which are preferred by bankruptcy, insolvency, liquidation or other similar laws of general application).

For the purposes of facilitating the refinancing of the Existing Bonds, the Bonds will be fully subordinated to amounts owing under or in connection with the Existing Bonds, and the Transaction Security will not be enforceable until the Existing Bonds have been repaid in full.

## **2.5 Transaction Security**

- (a) As Security for the due and punctual fulfilment of the Secured Obligations, the Issuer shall procure that the following Transaction Security is granted in favour of the Security Agent with first priority within the times agreed in Clause 6 (*Conditions for disbursement*):
  - (i) the Escrow Account Pledge;
  - (ii) a pledge over all the shares in Metacon AS (reg. no. 994 925 954), Alento AS (reg. no. 912 553 620), Frigaard Bolig AS (reg. no. 918 501 134) and any other future directly and wholly owned subsidiary of the Issuer; and
  - (iii) a pledge over FPG Invest AS' existing and future shares in the Issuer.
- (b) The Transaction Security shall be entered into on such terms and conditions as the Bond Trustee in its discretion deems appropriate in order to create the intended benefit for the Secured Parties under the relevant document.

- (c) The Security Agent shall be irrevocably authorised to release any Transaction Security over assets divested through a Permitted Disposal.

### **3. THE BONDHOLDERS**

#### **3.1 Bond Terms binding on all Bondholders**

- (a) By virtue of being registered as a Bondholder (directly or indirectly) with the CSD, the Bondholders are bound by these Bond Terms and any other Finance Document, without any further action required to be taken or formalities to be complied with by the Bond Trustee, the Bondholders, the Issuer or any other party.
- (b) The Bond Trustee is always acting with binding effect on behalf of all the Bondholders.

#### **3.2 Limitation of rights of action**

- (a) No Bondholder is entitled to take any enforcement action, instigate any insolvency procedures, or take other legal action against the Issuer or any other party in relation to any of the liabilities of the Issuer or any other party under or in connection with the Finance Documents, other than through the Bond Trustee and in accordance with these Bond Terms, provided, however, that the Bondholders shall not be restricted from exercising any of their individual rights derived from these Bond Terms, including the right to exercise the Put Option.
- (b) Each Bondholder shall immediately upon request by the Bond Trustee provide the Bond Trustee with any such documents, including a written power of attorney (in form and substance satisfactory to the Bond Trustee), as the Bond Trustee deems necessary for the purpose of exercising its rights and/or carrying out its duties under the Finance Documents. The Bond Trustee is under no obligation to represent a Bondholder which does not comply with such request.

#### **3.3 Bondholders' rights**

- (a) If a beneficial owner of a Bond not being registered as a Bondholder wishes to exercise any rights under the Finance Documents, it must obtain proof of ownership of the Bonds, acceptable to the Bond Trustee.
- (b) A Bondholder (whether registered as such or proven to the Bond Trustee's satisfaction to be the beneficial owner of the Bond as set out in paragraph (a) above) may issue one or more powers of attorney to third parties to represent it in relation to some or all of the Bonds held or beneficially owned by such Bondholder. The Bond Trustee shall only have to examine the face of a power of attorney or similar evidence of authorisation that has been provided to it pursuant to this Clause 3.3 (*Bondholders' rights*) and may assume that it is in full force and effect, unless otherwise is apparent from its face or the Bond Trustee has actual knowledge to the contrary.

### **4. ADMISSION TO LISTING**

The Issuer shall make an application for:

- (a) the Bonds to be listed on Frankfurt Open Market on or about the Issue Date;
- (b) the Bonds to be listed on Oslo Børs within six months of the Issue Date; and

- (c) any Temporary Bonds to be listed on Oslo Børs within three months of the issue date for such Temporary Bonds.

## **5. REGISTRATION OF THE BONDS**

### **5.1 Registration in the CSD**

The Bonds shall be registered in dematerialised form in the CSD according to the relevant securities registration legislation and the requirements of the CSD.

### **5.2 Obligation to ensure correct registration**

The Issuer will at all times ensure that the registration of the Bonds in the CSD is correct and shall immediately upon any amendment or variation of these Bond Terms give notice to the CSD of any such amendment or variation.

### **5.3 Country of issuance**

The Bonds have not been issued under any other country's legislation than that of the Relevant Jurisdiction. Save for the registration of the Bonds in the CSD, the Issuer is under no obligation to register, or cause the registration of, the Bonds in any other registry or under any other legislation than that of the Relevant Jurisdiction.

## **6. CONDITIONS FOR DISBURSEMENT**

### **6.1 Conditions precedent for disbursement to the Issuer**

- (a) Payment of the net proceeds from the issuance of the Bonds to the Escrow Account (net of fees and legal costs of the Manager and the Bond Trustee) shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee) prior to the Issue Date each of the following documents, in form and substance satisfactory to the Bond Trustee:
  - (i) these Bond Terms duly executed by all parties hereto;
  - (ii) copies of all necessary corporate resolutions of the Issuer to issue the Bonds and execute the Finance Documents to which it is a party;
  - (iii) a copy of a power of attorney (unless included in the corporate resolutions) from the Issuer to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the Issuer;
  - (iv) copies of the Issuer's articles of association and of a full extract from the relevant company register in respect of the Issuer evidencing that the Issuer is validly existing;
  - (v) the Escrow Account Pledge duly executed by all parties thereto and perfected in accordance with applicable law (including all applicable notices, acknowledgements and consents);
  - (vi) copies of the Issuer's latest Financial Reports (if any);

- (vii) confirmation that the applicable prospectus requirements (ref the EU prospectus regulation ((EU) 2017/1129)) concerning the issuance of the Bonds have been fulfilled;
  - (viii) confirmation that the Bonds are registered in the CSD (by obtaining an ISIN for the Bonds);
  - (ix) copies of any written documentation used in marketing the Bonds or made public by the Issuer or any Manager in connection with the issuance of the Bonds;
  - (x) the Bond Trustee Fee Agreement duly executed by the parties thereto; and
  - (xi) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Issuer and the legality, validity and enforceability of these Bond Terms and the Finance Documents).
- (b) The net proceeds from the issuance of the Bonds (on the Escrow Account) will not be disbursed to the Issuer unless the Bond Trustee has received or is satisfied that it will receive in due time (as determined by the Bond Trustee) prior to such disbursement to the Issuer each of the following documents, in form and substance satisfactory to the Bond Trustee:
- (i) a duly executed release notice from the Issuer, as set out in Attachment 2;
  - (ii) satisfactory documentation evidencing that the amount to be released shall be applied in accordance with the agreed use of the Initial Bond Issue pursuant to Clause 2.3 (*Use of proceeds*);
  - (iii) confirmation that no Event of Default has occurred and is continuing;
  - (iv) unless delivered under paragraph (a) above as pre-settlement conditions precedent:
    - (A) copies of all necessary corporate resolutions of each provider of Transaction Security required to provide the Transaction Security and execute the Finance Documents to which it is a party;
    - (B) a copy of a power of attorney (unless included in the relevant corporate resolutions) from each provider of Transaction Security to relevant individuals for their execution of the Finance Documents to which it is a party, or extracts from the relevant register or similar documentation evidencing such individuals' authorisation to execute such Finance Documents on behalf of the relevant provider of Transaction Security;
    - (C) copies of the articles of association and of a full extract from the relevant company register in respect of each provider of Transaction Security evidencing that the provider of Transaction Security is validly existing;
  - (v) copies of any agreements for Shareholder Loans and Subordinated Loans;

- (vi) the Transaction Security (except for the Escrow Account Pledge) duly (or will be duly) executed by all parties thereto and evidence of the establishment and perfection of the Transaction Security;
  - (vii) evidence that the existing Security securing the Existing Bonds is or will be released as part of the closing procedure for release of funds from the Escrow Account and settlement of the Existing Bonds; and
  - (viii) legal opinions or other statements as may be required by the Bond Trustee (including in respect of corporate matters relating to the Obligors and the legality, validity and enforceability of the Finance Documents (unless delivered under paragraph (a) above as pre-settlement conditions precedent).
- (c) The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.1 (*Conditions precedent for disbursement to the Issuer*), waive the requirements for documentation or decide that delivery of certain documents shall be made subject to an agreed closing procedure between the Bond Trustee and the Issuer.

## **6.2 Disbursement of the proceeds**

Disbursement of the proceeds from the issuance of the Bonds is conditional on the Bond Trustee's confirmation to the Paying Agent that the conditions in Clause 6.1 (*Conditions precedent for disbursement to the Issuer*) have been either satisfied in the Bond Trustee's discretion or waived by the Bond Trustee pursuant to paragraph (c) of Clause 6.1 above.

## **6.3 Tap Issues**

Disbursement of the net proceeds from any Additional Bonds shall be conditional on the Bond Trustee having received in due time (as determined by the Bond Trustee):

- (a) a Tap Issue Addendum is duly executed by all parties thereto;
- (b) any condition precedent document specified in the Tap Issue Addendum;
- (c) evidence that the Incurrence Test will be complied with immediately after the issuance of the Additional Bonds;
- (d) evidence that the amount to be released shall be applied in accordance with the agreed use of Additional Bonds pursuant to Clause 2.3 (*Use of proceeds*);
- (e) confirmation that no Event of Default has occurred and is continuing; and
- (f) necessary corporate resolutions of the Issuer in relation to the Tap Issue.

The Bond Trustee, acting in its sole discretion, may, regarding this Clause 6.3 (*Tap Issues*), waive or postpone the requirements for documentation.

## **7. REPRESENTATIONS AND WARRANTIES**

The Issuer makes the representations and warranties set out in this Clause 7 (*Representations and warranties*), in respect of itself to the Bond Trustee (on behalf of the Bondholders) at the following times and with reference to the facts and circumstances then existing:

- (a) at the date of these Bond Terms;
- (b) at the Issue Date; and
- (c) on each date of disbursement of proceeds from the Escrow Account; and
- (d) at the date of issuance of any Additional Bonds.

#### **7.1 Status**

It is a limited liability company, duly incorporated and validly existing and registered under the laws of its jurisdiction of incorporation, and has the power to own its assets and carry on its business as it is being conducted.

#### **7.2 Power and authority**

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated by those Finance Documents.

#### **7.3 Valid, binding and enforceable obligations**

These Bond Terms and each other Finance Document to which it is a party constitutes (or will constitute, when executed by the respective parties thereto) its legal, valid and binding obligations, enforceable in accordance with their respective terms, and (save as provided for therein) no further registration, filing, payment of tax or fees or other formalities are necessary or desirable to render the said documents enforceable against it.

#### **7.4 Non-conflict with other obligations**

The entry into and performance by it of these Bond Terms and any other Finance Document to which it is a party and the transactions contemplated thereby do not and will not conflict with (i) any law or regulation or judicial or official order; (ii) its constitutional documents; or (iii) any agreement or instrument which is binding upon it or any of its assets.

#### **7.5 No Event of Default**

- (a) No Event of Default exists or is likely to result from the making of any drawdown under these Bond Terms or the entry into, the performance of, or any transaction contemplated by, any Finance Document.
- (b) No other event or circumstance has occurred which constitutes (or with the expiry of any grace period, the giving of notice, the making of any determination or any combination of any of the foregoing, would constitute) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which has or is likely to have a Material Adverse Effect.

#### **7.6 Authorizations and consents**

All authorisations, consents, approvals, resolutions, licenses, exemptions, filings, notarizations or registrations required:

- (a) to enable it to enter into, exercise its rights and comply with its obligations under these Bond Terms or any other Finance Document to which it is a party; and
- (b) to carry on its business as presently conducted and as contemplated by these Bond Terms,

have been obtained or effected and are in full force and effect.

#### **7.7 Litigation**

No litigation, arbitration or administrative proceedings or investigations of or before any court, arbitral body or agency which, if adversely determined, is likely to have a Material Adverse Effect have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.

#### **7.8 Financial Reports**

Its most recent Financial Reports fairly and accurately represent the assets and liabilities and financial condition as at their respective dates, and have been prepared in accordance with the Accounting Standard, consistently applied.

#### **7.9 No Material Adverse Effect**

Since the date of the most recent Financial Reports, there has been no change in its business, assets or financial condition that is likely to have a Material Adverse Effect.

#### **7.10 No misleading information**

Any factual information provided by it to the Bondholders or the Bond Trustee for the purposes of the issuance of the Bonds was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.

#### **7.11 No withholdings**

The Issuer is not required to make any deduction or withholding from any payment which it may become obliged to make to the Bond Trustee or the Bondholders under these Bond Terms.

#### **7.12 Pari passu ranking**

Its payment obligations under these Bond Terms or any other Finance Document to which it is a party ranks as set out in Clause 2.4 (*Status of the Bonds*).

#### **7.13 Security**

No Security exists over any of the present assets of any Group Company in conflict with these Bond Terms.

### **8. PAYMENTS IN RESPECT OF THE BONDS**

#### **8.1 Covenant to pay**

- (a) The Issuer will unconditionally make available to or to the order of the Bond Trustee and/or the Paying Agent all amounts due on each Payment Date pursuant to the terms of these Bond Terms at such times and to such accounts as specified by the Bond Trustee and/or the Paying Agent in advance of each Payment Date or when other payments are due and payable pursuant to these Bond Terms.

- (b) All payments to the Bondholders in relation to the Bonds shall be made to each Bondholder registered as such in the CSD at the Relevant Record Date, by, if no specific order is made by the Bond Trustee, crediting the relevant amount to the bank account nominated by such Bondholder in connection with its securities account in the CSD.
- (c) Payment constituting good discharge of the Issuer's payment obligations to the Bondholders under these Bond Terms will be deemed to have been made to each Bondholder once the amount has been credited to the bank holding the bank account nominated by the Bondholder in connection with its securities account in the CSD. If the paying bank and the receiving bank are the same, payment shall be deemed to have been made once the amount has been credited to the bank account nominated by the Bondholder in question.
- (d) If a Payment Date or a date for other payments to the Bondholders pursuant to the Finance Documents falls on a day on which either of the relevant CSD settlement system or the relevant currency settlement system for the Bonds are not open, the payment shall be made on the first following possible day on which both of the said systems are open, unless any provision to the contrary has been set out for such payment in the relevant Finance Document.

## **8.2 Default interest**

- (a) Default interest will accrue on any Overdue Amount from and including the Payment Date on which it was first due to and excluding the date on which the payment is made at the Interest Rate plus 3 percentage points per annum.
- (b) Default interest accrued on any Overdue Amount pursuant to this Clause 8.2 (*Default interest*) will be added to the Overdue Amount on each Interest Payment Date until the Overdue Amount and default interest accrued thereon have been repaid in full.

## **8.3 Partial Payments**

- (a) If the Paying Agent or the Bond Trustee receives a Partial Payment, such Partial Payment shall, in respect of the Issuer's debt under the Finance Documents be considered made for discharge of the debt of the Issuer in the following order of priority:
  - (i) firstly, towards any outstanding fees, liabilities and expenses of the Bond Trustee and any Security Agent;
  - (ii) secondly, towards accrued interest due but unpaid; and
  - (iii) thirdly, towards any other outstanding amounts due but unpaid under the Finance Documents.
- (b) Notwithstanding paragraph (a) above, any Partial Payment which is distributed to the Bondholders, shall, after the above mentioned deduction of outstanding fees, liabilities and expenses, be applied (i) firstly towards any principal amount due but unpaid and (ii) secondly, towards accrued interest due but unpaid, in the following situations:
  - (i) the Bond Trustee has served a Default Notice in accordance with Clause 14.2 (*Acceleration of the Bonds*), or

- (ii) as a result of a resolution according to Clause 15 (*Bondholders' decisions*).

#### **8.4 Taxation**

- (a) The Issuer shall not be liable to gross-up any payments in relation to the Finance Documents by virtue of withholding tax, public levy or similar taxes.
- (b) Any public fees levied on the trade of Bonds in the secondary market shall be paid by the Bondholders, unless otherwise provided by law or regulation, and the Issuer shall not be responsible for reimbursing any such fees.

#### **8.5 Currency**

- (a) All amounts payable under the Finance Documents shall be payable in the denomination of the Bonds set out in Clause 2.1 (*Amount, denomination and ISIN of the Bonds*). If, however, the denomination differs from the currency of the bank account connected to the Bondholder's account in the CSD, any cash settlement may be exchanged and credited to this bank account.
- (b) Any specific payment instructions, including foreign exchange bank account details, to be connected to the Bondholder's account in the CSD must be provided by the relevant Bondholder to the Paying Agent (either directly or through its account manager in the CSD) within 5 Business Days prior to a Payment Date. Depending on any currency exchange settlement agreements between each Bondholder's bank and the Paying Agent, and opening hours of the receiving bank, cash settlement may be delayed, and payment shall be deemed to have been made once the cash settlement has taken place, provided, however, that no default interest or other penalty shall accrue for the account of the Issuer for such delay.

#### **8.6 Set-off and counterclaims**

The Issuer may not apply or perform any counterclaims or set-off against any payment obligations pursuant to these Bond Terms or any other Finance Document.

### **9. INTEREST**

#### **9.1 Calculation of interest**

- (a) Each Outstanding Bond will accrue interest at the Interest Rate on the Nominal Amount for each Interest Period, commencing on and including the first date of the Interest Period, and ending on but excluding the last date of the Interest Period.
- (b) Any Additional Bond will accrue interest at the Interest Rate on the Nominal Amount commencing on the first date of the Interest Period in which the Additional Bonds are issued and thereafter in accordance with Clause 9.1 (a) above.
- (c) Interest shall be calculated on the basis of the actual number of days in the Interest Period in respect of which payment is being made divided by 360 (actual/360-days basis). The Interest Rate will be reset at each Interest Quotation Day by the Bond Trustee, who will notify the Issuer and the Paying Agent and, if the Bonds are listed, the Exchange, of the new Interest Rate and the actual number of calendar days for the next Interest Period.

## **9.2 Payment of interest**

Interest shall fall due on each Interest Payment Date for the corresponding preceding Interest Period and, with respect to accrued interest on the principal amount then due and payable, on each Repayment Date.

## **10. REDEMPTION AND REPURCHASE OF BONDS**

### **10.1 Redemption of Bonds**

The Outstanding Bonds will mature in full on the Maturity Date and shall be redeemed by the Issuer on the Maturity Date at a price equal to 100 per cent. of the Nominal Amount.

### **10.2 Voluntary early redemption - Call Option**

- (a) The Issuer may redeem Outstanding Bonds (in whole or in part) (the “**Call Option**”) on any Business Day from and including:
  - (i) the Issue Date to, but not including, the First Call Date at a price equal to the Make Whole Amount;
  - (ii) the First Call Date to, but not including, the Interest Payment Date in February 2023 at a price equal to 102.5 per cent. of the Nominal Amount for each redeemed Bond;
  - (iii) Interest Payment Date in February 2023 to, but not including, the Interest Payment Date in August 2023 at a price equal to 101.5 per cent. of the Nominal Amount for each redeemed Bond; and
  - (iv) the Interest Payment Date in August 2023 to, but not including, the Maturity Date at a price equal to 100.5 per cent. of the Nominal Amount for each redeemed Bond.
- (b) Any redemption of Bonds pursuant to Clause 10.2 (a) above shall be determined based upon the redemption prices applicable on the Call Option Repayment Date.
- (c) The Call Option may be exercised by the Issuer by written notice to the Bond Trustee and the Bondholders at least 10 Business Days prior to the proposed Call Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date. Unless the Make Whole Amount is set out in the written notice where the Issuer exercises the Call Option, the Issuer shall calculate the Make Whole Amount and provide such calculation by written notice to the Bond Trustee as soon as possible and at the latest within 3 Business Days from the date of the notice. The Bond Trustee is, for the purpose of facilitating a Refinancing, irrevocably authorised to waive any notice period in relation to the exercise of the Call Option provided that the Issuer pays the interest which would have been payable by it in that period.
- (d) Any Call Option exercised in part will be used for pro rata payment to the Bondholders in accordance with the applicable regulations of the CSD.

### 10.3 Mandatory repurchase due to a Put Option Event

- (a) Upon the occurrence of a Put Option Event, each Bondholder will have the right (the “**Put Option**”) to require that the Issuer purchases all but not some only of the Bonds held by that Bondholder at a price equal to 101 per cent. of the Nominal Amount.
- (b) The Put Option must be exercised within 15 Business Days after the Issuer has given notice to the Bond Trustee and the Bondholders that a Put Option Event has occurred pursuant to Clause 12.3 (*Put Option Event*). Once notified, the Bondholders’ right to exercise the Put Option is irrevocable.
- (c) Each Bondholder may exercise its Put Option by written notice to its account manager for the CSD, who will notify the Paying Agent of the exercise of the Put Option. The Put Option Repayment Date will be the 5<sup>th</sup> Business Day after the end of 15 Business Days exercise period referred to in paragraph (b) above. However, the settlement of the Put Option will be based on each Bondholders holding of Bonds at the Put Option Repayment Date.
- (d) If Bonds representing more than 90 per cent. of the Outstanding Bonds have been repurchased pursuant to this Clause 10.3 (*Mandatory repurchase due to a Put Option Event*), the Issuer is entitled to repurchase all the remaining Outstanding Bonds at the price stated in paragraph (a) above by notifying the remaining Bondholders of its intention to do so no later than 10 Business Days after the Put Option Repayment Date. Such notice sent by the Issuer is irrevocable and shall specify the Call Option Repayment Date.

### 10.4 Mandatory repurchase due to a Qualified Event

Upon the occurrence of a Qualified Event, the following shall apply:

- (a) the Issuer shall promptly notify the Bond Trustee upon the occurrence of a Qualified Event and give reasonable details thereof (a “**Qualified Event Notice**”);
- (b) the Issuer may, in the Qualified Event Notice, notify the Bond Trustee that all or parts of the net cash proceeds received in connection with the Qualified Event are intended to be re-invested by a Group Company in real estate, operating assets and/or ownership interest in another person no later than 180 days after receipt of the relevant net proceeds (“**Reinvested**”);
- (c) if:
  - (A) the Qualified Event Notice does not specify that all or parts of the net cash proceeds are to be Reinvested; or
  - (B) the net cash proceeds (or the relevant parts thereof) have not been Reinvested (or legally committed to be Reinvested) within 180 days;

each Bondholder will have a right to sell, and the Issuer will be obligated to buy back, Bonds during a period of 30 days following the Qualified Event Notice or expiry of the 180 day-period (as the case may be) at 100% of the Nominal Amount, plus accrued interest up to and including the settlement date for such offer (“**Mandatory Buy Back**”)

**Offer**”). Each such Mandatory Buy Back Offer shall be limited to the lower of (i) the net proceeds received by the relevant Group Company in connection with the Qualified Event, (ii) the part of the relevant net proceeds not designated to be Reinvested and (iii) the part of the relevant net proceeds not Reinvested (or legally committed to be Reinvested) within the 180 day-period. The mandatory buy back amount shall be distributed pro rata in accordance with the procedures of the CSD between the Bondholders that have decided to sell Bonds in the Mandatory Buy Back Offer.

## **11. PURCHASE AND TRANSFER OF BONDS**

### **11.1 Issuer’s purchase of Bonds**

The Issuer may purchase and hold Bonds and such Bonds may be retained, or sold, but not discharged in the Issuer’s sole discretion,(including with respect to Bonds purchased pursuant to Clause 10.3 (*Mandatory repurchase due to a Put Option Event*)).

### **11.2 Restrictions**

- (a) Certain purchase or selling restrictions may apply to Bondholders under applicable local laws and regulations from time to time. Neither the Issuer nor the Bond Trustee shall be responsible for ensuring compliance with such laws and regulations and each Bondholder is responsible for ensuring compliance with the relevant laws and regulations at its own cost and expense.
- (b) A Bondholder who has purchased Bonds in breach of applicable restrictions may, notwithstanding such breach, benefit from the rights attached to the Bonds pursuant to these Bond Terms (including, but not limited to, voting rights), provided that the Issuer shall not incur any additional liability by complying with its obligations to such Bondholder.

## **12. INFORMATION UNDERTAKINGS**

### **12.1 Financial Reports**

- (a) The Issuer shall prepare Annual Financial Statements in the English language and make them available on its website (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than 120 days after the end of the financial year.
- (b) The Issuer shall prepare Interim Accounts in the English language and make them available on its website (alternatively by arranging for publication on Stamdata) as soon as they become available, and not later than 60 days after the end of the relevant interim period.

### **12.2 Requirements as to Financial Reports**

- (a) The Issuer shall supply to the Bond Trustee, in connection with the publication of its Financial Reports pursuant to Clause 12.1 (*Financial Reports*), a Compliance Certificate with a copy of the Financial Reports attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the Financial Reports are fairly representing its financial condition as at the date of those financial statements.

- (b) The Issuer shall procure that the Financial Reports delivered pursuant to Clause 12.1 (*Financial Reports*) are prepared using the Accounting Standard consistently applied.

### **12.3 Put Option Event**

The Issuer shall promptly inform the Bond Trustee in writing after becoming aware that a Put Option Event has occurred.

### **12.4 Information: Miscellaneous**

The Issuer shall:

- (a) promptly inform the Bond Trustee in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;
- (b) at the request of the Bond Trustee, report the balance of the Issuer's Bonds (to the best of its knowledge, having made due and appropriate enquiries);
- (c) send the Bond Trustee copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;
- (d) if the Bonds are listed on an Exchange, send a copy to the Bond Trustee of its notices to the Exchange;
- (e) if the Issuer and/or the Bonds are rated, inform the Bond Trustee of its and/or the rating of the Bonds, and any changes to such rating;
- (f) inform the Bond Trustee of changes in the registration of the Bonds in the CSD;
- (g) within a reasonable time, provide such information about the Issuer's and the Group's business, assets and financial condition as the Bond Trustee may reasonably request; and
- (h) the Issuer shall provide the Bond Trustee a compliance certificate in connection with any transaction or series of transactions requiring compliance with the Incurrence Test (in which case the compliance certificate shall also contain calculations and figures in respect of the Incurrence Test).

## **13. GENERAL AND FINANCIAL UNDERTAKINGS**

The Issuer undertakes to (and shall, where applicable, procure that the other Group Companies will) comply with the undertakings set forth in this Clause 13 (*General and financial Undertakings*).

### **13.1 Distributions**

The Issuer shall not declare or make any Distributions except for Permitted Distributions.

### **13.2 Mergers and de-mergers**

The Issuer shall not, and shall ensure that no other Group Company shall, undertake or carry out:

- (a) any merger or other business combination or corporate reorganisation involving the consolidation of assets and obligations of the Issuer or any other Group Company with any other person other than with a Group Company; or
- (b) any demerger or other corporate reorganisation having the same or equivalent effect as a demerger involving the Issuer and any Group Company;

if such merger, demerger, combination or reorganisation would have a Material Adverse Effect.

### **13.3 Acquisitions**

The Issuer shall not, and shall ensure that no Group Company will, acquire any company, shares, business or undertaking, if such transaction would have a Material Adverse Effect.

### **13.4 Disposals**

The Issuer shall not, and shall procure that no Group Company will, sell or otherwise dispose of any of its assets or operations, except for Permitted Disposals.

### **13.5 Authorisations**

The Issuer shall, and shall procure that each other Group Company will, in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out from time to time.

### **13.6 Financial Indebtedness**

The Issuer shall not, and shall ensure that no other Group Company will, incur or permitted to subsist any Financial Indebtedness, other than any Permitted Financial Indebtedness.

### **13.7 Negative pledge**

The Issuer shall not create or allow to subsist any Security over any of its present or future assets, except for Permitted Security.

### **13.8 Financial support**

The Issuer shall not, and shall ensure that no Group Company will, (i) be the creditor in respect of any Financial Indebtedness or (ii) incur or allow to remain outstanding any guarantee in respect of any obligation of any other person, except for Permitted Financial Support.

### **13.9 Continuation of business**

The Issuer shall procure that no material change is made to the general nature of the business carried on by the Group at the Issue Date.

### **13.10 Holding company**

The Issuer shall not trade, carry on any business or own any material assets, except for:

- (a) the provision of administrative services to other members of the Group of a type customarily provided by a holding company;
- (b) ownership of shares in any company;
- (c) cash and cash equivalent investments; and
- (d) any intra-Group loan or claim constituting Permitted Financial Support.

#### **13.11 Insurances**

The Issuer shall, and shall ensure that each Group Company will, maintain insurances with financially sound and reputable insurance companies, funds or underwriters, on and in relation to its business and assets against those risks and to the extent as is usual for companies carrying on the same or substantially similar business as the Group.

#### **13.12 Arm's length transactions**

The Issuer shall not, and shall ensure that no Group Company will, enter into any transaction with any person except on arm's length terms.

#### **13.13 Corporate status**

The Issuer shall not change its type of organisation, its jurisdiction of incorporation or its residency for tax purposes, except for a conversion of the Issuer from a private limited liability company (Nw. "aksjeselskap") to a public limited liability company (Nw. "allmennaksjeselskap").

#### **13.14 Compliance with laws**

The Issuer shall, and shall procure that each other Group Company will, comply in all material respects with all laws and regulations to which it may be subject from time to time.

#### **13.15 Subsidiary distribution**

The Issuer shall not permit any of its Subsidiaries to create or permit to exist any contractual obligation (or encumbrance) restricting the right of any Subsidiary to pay dividends or make other distributions to its shareholders, other than permitting to subsist such contractual obligation which is not reasonably likely to prevent the Issuer from complying with its payment obligations under the Bond Terms.

#### **13.16 Financial covenants**

The Issuer shall at all times maintain Liquidity of no less than NOK 30 million on a consolidated basis for the Group. Compliance with the Liquidity requirement shall be measured and reported by the Issuer in a Compliance Certificate to be delivered to the Bond Trustee in connection with each Financial Report on the respective reporting dates.

#### **13.17 Incurrence test**

- (a) The Incurrence Test is met if the Leverage Ratio is not greater than 3.00:1.00 and the Interest Cover Ratio is equal to or above 3.00:1.00.

- (b) The calculation of the Leverage Ratio shall be made as per a testing date determined by the Issuer, falling no earlier than one month prior to the event(s) relevant for the application of the Incurrence Test.
- (c) The Total Net Debt shall be measured on the relevant testing date so determined, but take into account, on a pro forma basis, any transaction in respect of which the Incurrence Test is made so that:
  - (i) the full commitment of any new Financial Indebtedness shall be included, but any cash balance resulting from the incurrence of such Financial Indebtedness shall be disregarded; and
  - (ii) the amount of any Permitted Distribution shall increase Total Net Debt.
- (d) The figures for the Adjusted EBITDA for the Relevant Period ending on the last day of the financial quarter immediately prior to the testing date (unless the testing date is the last day of a financial quarter) shall be used for the Incurrence Test, but adjusted so that:
  - (i) entities or operations acquired or disposed by the Group during the Relevant Period, or after the end of the Relevant Period but before the relevant testing date, shall be included or excluded (as applicable), pro forma, for the entire Relevant Period;
  - (ii) any entity or operation to be acquired with the proceeds from the relevant new Financial Indebtedness shall be included, pro forma, for the entire Relevant Period; and
  - (iii) the Adjusted EBITDA shall include the effect of reasonable synergies and cost savings achievable for the Group within 12 months as a result of the relevant acquisition, as reasonably projected by the Issuer and certified by the Group's Chief Financial Officer, provided that any adjustment in accordance with the aforementioned does not exceed 10% of the consolidated Adjusted EBITDA of the Group (after the relevant acquisition).
- (e) For the purpose of calculating pro forma Interest Cover Ratio on the relevant testing date the Adjusted EBITDA and net interest expenses of the Group shall be determined based on the Relevant Period ending on the most recent financial quarter prior to the relevant testing date; but so that the net interest expenses of the Group for such Relevant Period shall in case of the incurrence of additional Financial Indebtedness:
  - (i) be increased on a pro forma basis by an amount equal to the net interest expenses attributable to the additional Financial Indebtedness incurred by the Group, assuming that the new Financial Indebtedness had been incurred on the first day of that Relevant Period; and
  - (ii) be reduced on a pro forma basis by an amount equal to the net interest expenses directly attributable to any Financial Indebtedness of the Group that will be repaid, repurchased or defeased with the additional Financial Indebtedness.

## **14. EVENTS OF DEFAULT AND ACCELERATION OF THE BONDS**

### **14.1 Events of Default**

Each of the events or circumstances set out in this Clause 14.1 shall constitute an Event of Default:

*(a) Non-payment*

The Issuer fails to pay any amount payable by it under the Finance Documents when such amount is due for payment, unless:

- (i) its failure to pay is caused by administrative or technical error in payment systems or the CSD and payment is made within 5 Business Days following the original due date; or
- (ii) in the discretion of the Bond Trustee, the Issuer has substantiated that it is likely that such payment will be made in full within 5 Business Days following the original due date.

*(b) Breach of other obligations*

The Issuer does not comply with any provision of the Finance Documents other than set out under paragraph (a) (*Non-payment*) above, unless such failure is capable of being remedied and is remedied within 20 Business Days after the earlier of the Issuer's actual knowledge thereof, or notice thereof is given to the Issuer by the Bond Trustee.

*(c) Misrepresentation*

Any representation, warranty or statement (including statements in Compliance Certificates) made by any Group Company under or in connection with any Finance Documents is or proves to have been incorrect, inaccurate or misleading in any material respect when made.

*(d) Cross acceleration*

If for any Group Company:

- (i) any Financial Indebtedness is not paid when due nor within any applicable grace period; or
- (ii) any Financial Indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); or
- (iii) any commitment for any Financial Indebtedness is cancelled or suspended by a creditor as a result of an event of default (however described),

provided however that (a) the aggregate amount of such Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (i) to (iii) above exceeds a total of NOK 5,000,000 (or the equivalent thereof in any other currency) and

(b) a breach of paragraphs (i) to (iii) above shall not be considered as an Event of Default under the Bond Terms if it is obvious that such event will not have an adverse effect on the Issuer's ability to fulfil its obligations under the Bond Terms.

(e) *Insolvency and insolvency proceedings*

Any Group Company:

- (i) is Insolvent; or
- (ii) is object of any corporate action or any legal proceedings is taken in relation to:
  - (A) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) other than a solvent liquidation or reorganization; or
  - (B) a composition, compromise, assignment or arrangement with any creditor which may materially impair the Issuer's ability to perform its payment obligations under these Bond Terms; or
  - (C) the appointment of a liquidator (other than in respect of a solvent liquidation), receiver, administrative receiver, administrator, compulsory manager or other similar officer of any of its assets; or
  - (D) enforcement of any Security over any of its or their assets having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross acceleration*) above; or
  - (E) for (A) - (D) above, any analogous procedure or step is taken in any jurisdiction in respect of any such company,

however this shall not apply to any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 20 Business Days of commencement.

(f) *Creditor's process*

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of any Group Company having an aggregate value exceeding the threshold amount set out in paragraph (d) (*Cross acceleration*) above and is not discharged within 20 Business Days.

(g) *Unlawfulness*

It is or becomes unlawful for the Issuer to perform or comply with any of its obligations under the Finance Documents to the extent this may materially impair:

- (i) the ability of the Issuer to perform its obligations under these Bond Terms; or
- (ii) the ability of the Bond Trustee or any Security Agent to exercise any material right or power vested to it under the Finance Documents.

## **14.2 Acceleration of the Bonds**

If an Event of Default has occurred and is continuing, the Bond Trustee may, in its discretion in order to protect the interests of the Bondholders, or upon instruction received from the Bondholders pursuant to Clause 14.3 (*Bondholders' instructions*) below, by serving a Default Notice:

- (a) declare that the Outstanding Bonds, together with accrued interest and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable; and/or
- (b) exercise (or direct the Security Agent to exercise) any or all of its rights, remedies, powers or discretions under the Finance Documents or take such further measures as are necessary to recover the amounts outstanding under the Finance Documents.

## **14.3 Bondholders' instructions**

The Bond Trustee shall serve a Default Notice pursuant to Clause 14.2 (*Acceleration of the Bonds*) if:

- (a) the Bond Trustee receives a demand in writing from Bondholders representing a simple majority of the Voting Bonds, that an Event of Default shall be declared, and a Bondholders' Meeting has not made a resolution to the contrary; or
- (b) the Bondholders' Meeting, by a simple majority decision, has approved the declaration of an Event of Default.

## **14.4 Calculation of claim**

The claim derived from the Outstanding Bonds due for payment as a result of the serving of a Default Notice will be at the call prices set out in Clause 10.2 (*Voluntary early redemption – Call Option*), as applicable at the following dates (and regardless of the Default Repayment Date);

- (a) for any Event of Default arising out of a breach of Clause 14.1 (*Events of Default*) paragraph (a) (*Non-payment*), the claim will be calculated at the call price applicable at the date when such Event of Default occurred; and
- (b) for any other Event of Default, the claim will be calculated at the call price applicable at the date when the Default Notice was served by the Bond Trustee.

However, if the situations described in (a) or (b) above takes place prior to the First Call Date, the calculation shall be based on the call price applicable on the First Call Date.

## **15. BONDHOLDERS' DECISIONS**

### **15.1 Authority of the Bondholders' Meeting**

- (a) A Bondholders' Meeting may, on behalf of the Bondholders, resolve to alter any of these Bond Terms, including, but not limited to, any reduction of principal or interest and any conversion of the Bonds into other capital classes.

- (b) The Bondholders' Meeting cannot resolve that any overdue payment of any instalment shall be reduced unless there is a pro rata reduction of the principal that has not fallen due, but may resolve that accrued interest (whether overdue or not) shall be reduced without a corresponding reduction of principal.
- (c) The Bondholders' Meeting may not adopt resolutions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders.
- (d) Subject to the power of the Bond Trustee to take certain action as set out in Clause 16.1 (*Power to represent the Bondholders*), if a resolution by, or an approval of, the Bondholders is required, such resolution may be passed at a Bondholders' Meeting. Resolutions passed at any Bondholders' Meeting will be binding upon all Bondholders.
- (e) At least 50 per cent. of the Voting Bonds must be represented at a Bondholders' Meeting for a quorum to be present.
- (f) Resolutions will be passed by simple majority of the Voting Bonds represented at the Bondholders' Meeting, unless otherwise set out in paragraph (g) below.
- (g) Save for any amendments or waivers which can be made without resolution pursuant to Clause 17.1 (*Procedure for amendments and waivers*) paragraph (a), section (i) and (ii), a majority of at least 2/3 of the Voting Bonds represented at the Bondholders' Meeting is required for approval of any waiver or amendment of these Bond Terms.

## **15.2 Procedure for arranging a Bondholders' Meeting**

- (a) A Bondholders' Meeting shall be convened by the Bond Trustee upon the request in writing of:
  - (i) the Issuer;
  - (ii) Bondholders representing at least 1/10 of the Voting Bonds;
  - (iii) the Exchange, if the Bonds are listed and the Exchange is entitled to do so pursuant to the general rules and regulations of the Exchange; or
  - (iv) the Bond Trustee.

The request shall clearly state the matters to be discussed and resolved.

- (b) If the Bond Trustee has not convened a Bondholders' Meeting within 10 Business Days after having received a valid request for calling a Bondholders' Meeting pursuant to paragraph (a) above, then the requesting party may call the Bondholders' Meeting itself.
- (c) Summons to a Bondholders' Meeting must be sent no later than 10 Business Days prior to the proposed date of the Bondholders' Meeting. The Summons shall be sent to all Bondholders registered in the CSD at the time the Summons is sent from the CSD. If the Bonds are listed, the Issuer shall ensure that the Summons is published in accordance with the applicable regulations of the Exchange. The Summons shall also be published

on the website of the Bond Trustee (alternatively by press release or other relevant information platform).

- (d) Any Summons for a Bondholders' Meeting must clearly state the agenda for the Bondholders' Meeting and the matters to be resolved. The Bond Trustee may include additional agenda items to those requested by the person calling for the Bondholders' Meeting in the Summons. If the Summons contains proposed amendments to these Bond Terms, a description of the proposed amendments must be set out in the Summons.
- (e) Items which have not been included in the Summons may not be put to a vote at the Bondholders' Meeting.
- (f) By written notice to the Issuer, the Bond Trustee may prohibit the Issuer from acquiring or dispose of Bonds during the period from the date of the Summons until the date of the Bondholders' Meeting, unless the acquisition of Bonds is made by the Issuer pursuant to Clause 10 (*Redemption and Repurchase of Bonds*).
- (g) A Bondholders' Meeting may be held on premises selected by the Bond Trustee, or if paragraph (b) above applies, by the person convening the Bondholders' Meeting (however to be held in the capital of the Relevant Jurisdiction). The Bondholders' Meeting will be opened and, unless otherwise decided by the Bondholders' Meeting, chaired by the Bond Trustee. If the Bond Trustee is not present, the Bondholders' Meeting will be opened by a Bondholder and be chaired by a representative elected by the Bondholders' Meeting (the Bond Trustee or such other representative, the "**Chairperson**").
- (h) Each Bondholder, the Bond Trustee and, if the Bonds are listed, representatives of the Exchange, or any person or persons acting under a power of attorney for a Bondholder, shall have the right to attend the Bondholders' Meeting (each a "**Representative**"). The Chairperson may grant access to the meeting to other persons not being Representatives, unless the Bondholders' Meeting decides otherwise. In addition, each Representative has the right to be accompanied by an advisor. In case of dispute or doubt with regard to whether a person is a Representative or entitled to vote, the Chairperson will decide who may attend the Bondholders' Meeting and exercise voting rights.
- (i) Representatives of the Issuer have the right to attend the Bondholders' Meeting. The Bondholders Meeting may resolve to exclude the Issuer's representatives and/or any person holding only Issuer's Bonds (or any representative of such person) from participating in the meeting at certain times, however, the Issuer's representative and any such other person shall have the right to be present during the voting.
- (j) Minutes of the Bondholders' Meeting must be recorded by, or by someone acting at the instruction of, the Chairperson. The minutes must state the number of Voting Bonds represented at the Bondholders' Meeting, the resolutions passed at the meeting, and the results of the vote on the matters to be decided at the Bondholders' Meeting. The minutes shall be signed by the Chairperson and at least one other person. The minutes will be deposited with the Bond Trustee who shall make available a copy to the Bondholders and the Issuer upon request.

- (k) The Bond Trustee will ensure that the Issuer, the Bondholders and the Exchange are notified of resolutions passed at the Bondholders' Meeting and that the resolutions are published on the website of the Bond Trustee (or other relevant electronically platform or press release).
- (l) The Issuer shall bear the costs and expenses incurred in connection with convening a Bondholders' Meeting regardless of who has convened the Bondholders' Meeting, including any reasonable costs and fees incurred by the Bond Trustee.

### **15.3 Voting rules**

- (a) Each Bondholder (or person acting for a Bondholder under a power of attorney) may cast one vote for each Voting Bond owned on the Relevant Record Date, ref. Clause 3.3 (*Bondholders' rights*). The Chairperson may, in its sole discretion, decide on accepted evidence of ownership of Voting Bonds.
- (b) Issuer's Bonds shall not carry any voting rights. The Chairperson shall determine any question concerning whether any Bonds will be considered Issuer's Bonds.
- (c) For the purposes of this Clause 15 (*Bondholders' decisions*), a Bondholder that has a Bond registered in the name of a nominee will, in accordance with Clause 3.3 (*Bondholders' rights*), be deemed to be the owner of the Bond rather than the nominee. No vote may be cast by any nominee if the Bondholder has presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*) stating that it is the owner of the Bonds voted for. If the Bondholder has voted directly for any of its nominee registered Bonds, the Bondholder's votes shall take precedence over votes submitted by the nominee for the same Bonds.
- (d) Any of the Issuer, the Bond Trustee and any Bondholder has the right to demand a vote by ballot. In case of parity of votes, the Chairperson will have the deciding vote.

### **15.4 Repeated Bondholders' Meeting**

- (a) Even if the necessary quorum set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) is not achieved, the Bondholders' Meeting shall be held and voting completed for the purpose of recording the voting results in the minutes of the Bondholders' Meeting. The Bond Trustee or the person who convened the initial Bondholders' Meeting may, within 10 Business Days of that Bondholders' Meeting, convene a repeated meeting with the same agenda as the first meeting.
- (b) The provisions and procedures regarding Bondholders' Meetings as set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and Clause 15.3 (*Voting rules*) shall apply *mutatis mutandis* to a repeated Bondholders' Meeting, with the exception that the quorum requirements set out in paragraph (e) of Clause 15.1 (*Authority of the Bondholders' Meeting*) shall not apply to a repeated Bondholders' Meeting. A Summons for a repeated Bondholders' Meeting shall also contain the voting results obtained in the initial Bondholders' Meeting.
- (c) A repeated Bondholders' Meeting may only be convened once for each original Bondholders' Meeting. A repeated Bondholders' Meeting may be convened pursuant to

the procedures of a Written Resolution in accordance with Clause 15.5 (*Written Resolutions*), even if the initial meeting was held pursuant to the procedures of a Bondholders' Meeting in accordance with Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*) and vice versa.

## 15.5 Written Resolutions

- (a) Subject to these Bond Terms, anything which may be resolved by the Bondholders in a Bondholders' Meeting pursuant to Clause 15.1 (*Authority of the Bondholders' Meeting*) may also be resolved by way of a Written Resolution. A Written Resolution passed with the relevant majority is as valid as if it had been passed by the Bondholders in a Bondholders' Meeting, and any reference in any Finance Document to a Bondholders' Meeting shall be construed accordingly.
- (b) The person requesting a Bondholders' Meeting may instead request that the relevant matters are to be resolved by Written Resolution only, unless the Bond Trustee decides otherwise.
- (c) The Summons for the Written Resolution shall be sent to the Bondholders registered in the CSD at the time the Summons is sent from the CSD and published at the Bond Trustee's web site, or other relevant electronic platform or via press release.
- (d) The provisions set out in Clause 15.1 (*Authority of the Bondholders' Meeting*), 15.2 (*Procedure for arranging a Bondholders' Meeting*), Clause 15.3 (*Voting Rules*) and Clause 15.4 (*Repeated Bondholders' Meeting*) shall apply *mutatis mutandis* to a Written Resolution, except that:
  - (i) the provisions set out in paragraphs (g), (h) and (i) of Clause 15.2 (*Procedure for arranging Bondholders Meetings*); or
  - (ii) provisions which are otherwise in conflict with the requirements of this Clause 15.5 (*Written Resolution*),shall not apply to a Written Resolution.
- (e) The Summons for a Written Resolution shall include:
  - (i) instructions as to how to vote to each separate item in the Summons (including instructions as to how voting can be done electronically if relevant); and
  - (ii) the time limit within which the Bond Trustee must have received all votes necessary in order for the Written Resolution to be passed with the requisite majority (the "**Voting Period**"), which shall be at least 10 Business Days but not more than 15 Business Days from the date of the Summons.
- (f) Only Bondholders of Voting Bonds registered with the CSD on the Relevant Record Date, or the beneficial owner thereof having presented relevant evidence to the Bond Trustee pursuant to Clause 3.3 (*Bondholders' rights*), will be counted in the Written Resolution.

- (g) A Written Resolution is passed when the requisite majority set out in paragraph (e) or paragraph (f) of Clause 15.1 (*Authority of Bondholders' Meeting*) has been obtained, based on a quorum of the total number of Voting Bonds, even if the Voting Period has not yet expired. A Written Resolution will also be resolved if the sufficient numbers of negative votes are received prior to the expiry of the Voting Period.
- (h) The effective date of a Written Resolution passed prior to the expiry of the Voting Period is the date when the resolution is approved by the last Bondholder that results in the necessary voting majority being obtained.
- (i) If no resolution is passed prior to the expiry of the Voting Period, the number of votes shall be calculated at the close of business on the last day of the Voting Period, and a decision will be made based on the quorum and majority requirements set out in paragraphs (e) to (g) of Clause 15.1 (*Authority of Bondholders' Meeting*).

## **16. THE BOND TRUSTEE**

### **16.1 Power to represent the Bondholders**

- (a) The Bond Trustee has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of these Bond Terms, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others.
- (b) The Issuer shall promptly upon request provide the Bond Trustee with any such documents, information and other assistance (in form and substance satisfactory to the Bond Trustee), that the Bond Trustee deems necessary for the purpose of exercising its and the Bondholders' rights and/or carrying out its duties under the Finance Documents.

### **16.2 The duties and authority of the Bond Trustee**

- (a) The Bond Trustee shall represent the Bondholders in accordance with the Finance Documents, including, inter alia, by following up on the delivery of any Compliance Certificates and such other documents which the Issuer is obliged to disclose or deliver to the Bond Trustee pursuant to the Finance Documents and, when relevant, in relation to accelerating and enforcing the Bonds on behalf of the Bondholders.
- (b) The Bond Trustee is not obligated to assess or monitor the financial condition of the Issuer unless to the extent expressly set out in these Bond Terms, or to take any steps to ascertain whether any Event of Default has occurred. Until it has actual knowledge to the contrary, the Bond Trustee is entitled to assume that no Event of Default has occurred. The Bond Trustee is not responsible for the valid execution or enforceability of the Finance Documents, or for any discrepancy between the indicative terms and conditions described in any marketing material presented to the Bondholders prior to issuance of the Bonds and the provisions of these Bond Terms.
- (c) The Bond Trustee is entitled to take such steps that it, in its sole discretion, considers necessary or advisable to protect the rights of the Bondholders in all matters pursuant to the terms of the Finance Documents. The Bond Trustee may submit any instructions received by it from the Bondholders to a Bondholders' Meeting before the Bond Trustee takes any action pursuant to the instruction.

- (d) The Bond Trustee is entitled to engage external experts when carrying out its duties under the Finance Documents.
- (e) The Bond Trustee shall hold all amounts recovered on behalf of the Bondholders on separated accounts.
- (f) The Bond Trustee will ensure that resolutions passed at the Bondholders' Meeting are properly implemented, provided, however, that the Bond Trustee may refuse to implement resolutions that may be in conflict with these Bond Terms, any other Finance Document, or any applicable law.
- (g) Notwithstanding any other provision of the Finance Documents to the contrary, the Bond Trustee is not obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation.
- (h) If the cost, loss or liability which the Bond Trustee may incur (including reasonable fees payable to the Bond Trustee itself) in:
  - (i) complying with instructions of the Bondholders; or
  - (ii) taking any action at its own initiative,

will not, in the reasonable opinion of the Bond Trustee, be covered by the Issuer or the relevant Bondholders pursuant to paragraphs (e) and (g) of Clause 16.4 (*Expenses, liability and indemnity*), the Bond Trustee may refrain from acting in accordance with such instructions, or refrain from taking such action, until it has received such funding or indemnities (or adequate security has been provided therefore) as it may reasonably require.

- (i) The Bond Trustee shall give a notice to the Bondholders before it ceases to perform its obligations under the Finance Documents by reason of the non-payment by the Issuer of any fee or indemnity due to the Bond Trustee under the Finance Documents.
- (j) The Bond Trustee may instruct the CSD to split the Bonds to a lower nominal value in order to facilitate partial redemptions, write-downs or restructurings of the Bonds or in other situations where such split is deemed necessary.

### **16.3 Equality and conflicts of interest**

- (a) The Bond Trustee shall not make decisions which will give certain Bondholders an unreasonable advantage at the expense of other Bondholders. The Bond Trustee shall, when acting pursuant to the Finance Documents, act with regard only to the interests of the Bondholders and shall not be required to have regard to the interests or to act upon or comply with any direction or request of any other person, other than as explicitly stated in the Finance Documents.
- (b) The Bond Trustee may act as agent, trustee, representative and/or security agent for several bond issues relating to the Issuer notwithstanding potential conflicts of interest. The Bond Trustee is entitled to delegate its duties to other professional parties.

#### **16.4 Expenses, liability and indemnity**

- (a) The Bond Trustee will not be liable to the Bondholders for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss. Irrespective of the foregoing, the Bond Trustee shall have no liability to the Bondholders for damage caused by the Bond Trustee acting in accordance with instructions given by the Bondholders in accordance with these Bond Terms.
- (b) The Bond Trustee will not be liable to the Issuer for damage or loss caused by any action taken or omitted by it under or in connection with any Finance Document, unless caused by its gross negligence or wilful misconduct. The Bond Trustee shall not be responsible for any indirect or consequential loss.
- (c) Any liability for the Bond Trustee for damage or loss is limited to the amount of the Outstanding Bonds. The Bond Trustee is not liable for the content of information provided to the Bondholders by or on behalf of the Issuer or any other person.
- (d) The Bond Trustee shall not be considered to have acted negligently in:
  - (i) acting in accordance with advice from or opinions of reputable external experts;  
or
  - (ii) taking, delaying or omitting any action if acting with reasonable care and provided the Bond Trustee considers that such action is in the interests of the Bondholders.
- (e) The Issuer is liable for, and will indemnify the Bond Trustee fully in respect of, all losses, expenses and liabilities incurred by the Bond Trustee as a result of negligence by the Issuer (including its directors, management, officers, employees and agents) in connection with the performance of the Bond Trustee's obligations under the Finance Documents, including losses incurred by the Bond Trustee as a result of the Bond Trustee's actions based on misrepresentations made by the Issuer in connection with the issuance of the Bonds, the entering into or performance under the Finance Documents, and for as long as any amounts are outstanding under or pursuant to the Finance Documents.
- (f) The Issuer shall cover all costs and expenses incurred by the Bond Trustee in connection with it fulfilling its obligations under the Finance Documents. The Bond Trustee is entitled to fees for its work and to be indemnified for costs, losses and liabilities on the terms set out in the Finance Documents. The Bond Trustee's obligations under the Finance Documents are conditioned upon the due payment of such fees and indemnifications. The fees of the Bond Trustee will be further set out in the Bond Trustee Fee Agreement.
- (g) The Issuer shall on demand by the Bond Trustee pay all costs incurred for external experts engaged after the occurrence of an Event of Default, or for the purpose of investigating or considering (i) an event or circumstance which the Bond Trustee reasonably believes is or may lead to an Event of Default or (ii) a matter relating to the Issuer or any of the Finance Documents which the Bond Trustee reasonably believes

may constitute or lead to a breach of any of the Finance Documents or otherwise be detrimental to the interests of the Bondholders under the Finance Documents.

- (h) Fees, costs and expenses payable to the Bond Trustee which are not reimbursed in any other way due to an Event of Default, the Issuer being Insolvent or similar circumstances pertaining to the Issuer, may be covered by making an equal reduction in the proceeds to the Bondholders hereunder of any costs and expenses incurred by the Bond Trustee or the Security Agent in connection therewith. The Bond Trustee may withhold funds from any escrow account (or similar arrangement) or from other funds received from the Issuer or any other person, irrespective of such funds being subject to Transaction Security, and to set-off and cover any such costs and expenses from those funds.
- (i) As a condition to effecting any instruction from the Bondholders (including, but not limited to, instructions set out in Clause 14.3 (*Bondholders' instructions*) or Clause 15.2 (*Procedure for arranging a Bondholders' Meeting*)), the Bond Trustee may require satisfactory Security, guarantees and/or indemnities for any possible liability and anticipated costs and expenses from those Bondholders who have given that instruction and/or who voted in favour of the decision to instruct the Bond Trustee.

#### **16.5 Replacement of the Bond Trustee**

- (a) The Bond Trustee may be replaced by a majority of 2/3 of Voting Bonds in accordance with the procedures set out in Clause 15 (*Bondholders' Decisions*), and the Bondholders may resolve to replace the Bond Trustee without the Issuer's approval.
- (b) The Bond Trustee may resign by giving notice to the Issuer and the Bondholders, in which case a successor Bond Trustee shall be elected pursuant to this Clause 16.5 (*Replacement of the Bond Trustee*), initiated by the retiring Bond Trustee.
- (c) If the Bond Trustee is Insolvent, or otherwise is permanently unable to fulfil its obligations under these Bond Terms, the Bond Trustee shall be deemed to have resigned and a successor Bond Trustee shall be appointed in accordance with this Clause 16.5 (*Replacement of the Bond Trustee*). The Issuer may appoint a temporary Bond Trustee until a new Bond Trustee is elected in accordance with paragraph (a) above.
- (d) The change of Bond Trustee shall only take effect upon execution of all necessary actions to effectively substitute the retiring Bond Trustee, and the retiring Bond Trustee undertakes to co-operate in all reasonable manners without delay to such effect. The retiring Bond Trustee shall be discharged from any further obligation in respect of the Finance Documents from the change takes effect, but shall remain liable under the Finance Documents in respect of any action which it took or failed to take whilst acting as Bond Trustee. The retiring Bond Trustee remains entitled to any benefits and any unpaid fees or expenses under the Finance Documents before the change has taken place.
- (e) Upon change of Bond Trustee, the Issuer shall co-operate in all reasonable manners without delay to replace the retiring Bond Trustee with the successor Bond Trustee and release the retiring Bond Trustee from any future obligations under the Finance Documents and any other documents.

## **16.6 Security Agent**

- (a) The Bond Trustee is appointed to act as Security Agent for the Bonds, unless any other person is appointed. The main functions of the Security Agent may include holding Transaction Security on behalf of the Secured Parties and monitoring compliance by the Issuer and other relevant parties of their respective obligations under the Transaction Security Documents with respect to the Transaction Security on the basis of information made available to it pursuant to the Finance Documents.
- (b) The Bond Trustee shall, when acting as Security Agent for the Bonds, at all times maintain and keep all certificates and other documents received by it, that are bearers of right relating to the Transaction Security in safe custody on behalf of the Bondholders. The Bond Trustee shall not be responsible for or required to insure against any loss incurred in connection with such safe custody.
- (c) Before the appointment of a Security Agent other than the Bond Trustee, the Issuer shall be given the opportunity to state its views on the proposed Security Agent, but the final decision as to appointment shall lie exclusively with the Bond Trustee.
- (d) The functions, rights and obligations of the Security Agent may be determined by a Security Agent Agreement to be entered into between the Bond Trustee and the Security Agent, which the Bond Trustee shall have the right to require the Issuer and any other party to a Finance Document to sign as a party, or, at the discretion of the Bond Trustee, to acknowledge. The Bond Trustee shall at all times retain the right to instruct the Security Agent in all matters, whether or not a separate Security Agent Agreement has been entered into.
- (e) The provisions set out in Clause 16.4 (*Expenses, liability and indemnity*) shall apply *mutatis mutandis* to any expenses and liabilities of the Security Agent in connection with the Finance Documents.

## **17. AMENDMENTS AND WAIVERS**

### **17.1 Procedure for amendments and waivers**

- (a) The Issuer and the Bond Trustee (acting on behalf of the Bondholders) may agree to amend the Finance Documents or waive a past default or anticipated failure to comply with any provision in a Finance Document, provided that:
  - (i) such amendment or waiver is not detrimental to the rights and benefits of the Bondholders in any material respect, or is made solely for the purpose of rectifying obvious errors and mistakes;
  - (ii) such amendment or waiver is required by applicable law, a court ruling or a decision by a relevant authority; or
  - (iii) such amendment or waiver has been duly approved by the Bondholders in accordance with Clause 15 (*Bondholders' Decisions*).
- (b) Any changes to these Bond Terms necessary or appropriate in connection with the appointment of a Security Agent other than the Bond Trustee shall be documented in an

amendment to these Bond Terms, signed by the Bond Trustee (in its discretion). If so desired by the Bond Trustee, any or all of the Transaction Security Documents shall be amended, assigned or re-issued, so that the Security Agent is the holder of the relevant Security (on behalf of the Bondholders). The costs incurred in connection with such amendment, assignment or re-issue shall be for the account of the Issuer.

## **17.2 Authority with respect to documentation**

If the Bondholders have resolved the substance of an amendment to any Finance Document, without resolving on the specific or final form of such amendment, the Bond Trustee shall be considered authorised to draft, approve and/or finalise (as applicable) any required documentation or any outstanding matters in such documentation without any further approvals or involvement from the Bondholders being required.

## **17.3 Notification of amendments or waivers**

- (a) The Bond Trustee shall as soon as possible notify the Bondholders of any amendments or waivers made in accordance with this Clause 17 (*Amendments and waivers*), setting out the date from which the amendment or waiver will be effective, unless such notice according to the Bond Trustee's sole discretion is unnecessary. The Issuer shall ensure that any amendment to these Bond Terms is duly registered with the CSD.
- (b) Prior to agreeing to an amendment or granting a waiver in accordance with Clause 17.1(a)(i) (*Procedure for amendments and waivers*), the Bond Trustee may inform the Bondholders of such waiver or amendment at a relevant information platform.

## **18. MISCELLANEOUS**

### **18.1 Limitation of claims**

All claims under the Finance Documents for payment, including interest and principal, will be subject to the legislation regarding time-bar provisions of the Relevant Jurisdiction.

### **18.2 Access to information**

- (a) These Bond Terms will be made available to the public and copies may be obtained from the Bond Trustee or the Issuer. The Bond Trustee will not have any obligation to distribute any other information to the Bondholders or any other person, and the Bondholders have no right to obtain information from the Bond Trustee, other than as explicitly stated in these Bond Terms or pursuant to statutory provisions of law.
- (b) In order to carry out its functions and obligations under these Bond Terms, the Bond Trustee will have access to the relevant information regarding ownership of the Bonds, as recorded and regulated with the CSD.
- (c) The information referred to in paragraph (b) above may only be used for the purposes of carrying out their duties and exercising their rights in accordance with the Finance Documents and shall not disclose such information to any Bondholder or third party unless necessary for such purposes.

### **18.3 Notices, contact information**

Written notices to the Bondholders made by the Bond Trustee will be sent to the Bondholders via the CSD with a copy to the Issuer and the Exchange (if the Bonds are listed). Any such notice or communication will be deemed to be given or made via the CSD, when sent from the CSD.

- (a) The Issuer's written notifications to the Bondholders will be sent to the Bondholders via the Bond Trustee or through the CSD with a copy to the Bond Trustee and the Exchange (if the Bonds are listed).
- (b) Notwithstanding paragraph (a) above and provided that such written notification does not require the Bondholders to take any action under the Finance Documents, the Issuer's written notifications to the Bondholders may be published by the Bond Trustee on a relevant information platform only.
- (c) Unless otherwise specifically provided, all notices or other communications under or in connection with these Bond Terms between the Bond Trustee and the Issuer will be given or made in writing, by letter, e-mail or fax. Any such notice or communication will be deemed to be given or made as follows:
  - (i) if by letter, when delivered at the address of the relevant party;
  - (ii) if by e-mail, when received;
  - (iii) if by fax, when received; and
  - (iv) if by publication on a relevant information platform, when published.
- (d) The Issuer and the Bond Trustee shall each ensure that the other party is kept informed of changes in postal address, e-mail address, telephone and fax numbers and contact persons.
- (e) When determining deadlines set out in these Bond Terms, the following will apply (unless otherwise stated):
  - (i) if the deadline is set out in days, the first day of the relevant period will not be included and the last day of the relevant period will be included;
  - (ii) if the deadline is set out in weeks, months or years, the deadline will end on the day in the last week or the last month which, according to its name or number, corresponds to the first day the deadline is in force. If such day is not a part of an actual month, the deadline will be the last day of such month; and
  - (iii) if a deadline ends on a day which is not a Business Day, the deadline is postponed to the next Business Day.

### **18.4 Defeasance**

- (a) Subject to paragraph (b) below and provided that:

- (i) an amount sufficient for the payment of principal and interest on the Outstanding Bonds to the relevant Repayment Date (including, to the extent applicable, any premium payable upon exercise of a Call Option), and always subject to paragraph (c) below (the “**Defeasance Amount**”) is credited by the Issuer to an account in a financial institution acceptable to the Bond Trustee (the “**Defeasance Account**”);
- (ii) the Defeasance Account is irrevocably pledged and blocked in favour of the Bond Trustee on such terms as the Bond Trustee shall request (the “**Defeasance Pledge**”); and
- (iii) the Bond Trustee has received such legal opinions and statements reasonably required by it, including (but not necessarily limited to) with respect to the validity and enforceability of the Defeasance Pledge,

then;

- (A) the Issuer will be relieved from its obligations under paragraph (a) of Clause 12.2 (*Requirements as to Financial Reports*), Clause 12.3 (*Put Option Event*), Clause 12.4 (*Information: Miscellaneous*) and Clause 13 (*General and financial undertakings*); and
  - (B) any Transaction Security shall be released and the Defeasance Pledge shall be considered replacement of the Transaction Security.
- (b) The Bond Trustee shall be authorised to apply any amount credited to the Defeasance Account towards any amount payable by the Issuer under any Finance Document on the due date for the relevant payment until all obligations of the Issuer and all amounts outstanding under the Finance Documents are repaid and discharged in full.
  - (c) The Bond Trustee may, if the Defeasance Amount cannot be finally and conclusively determined, decide the amount to be deposited to the Defeasance Account in its discretion, applying such buffer amount as it deems necessary.

A defeasance established according to this Clause 18.4 may not be reversed.

## **19. GOVERNING LAW AND JURISDICTION**

### **19.1 Governing law**

These Bond Terms are governed by the laws of the Relevant Jurisdiction, without regard to its conflict of law provisions.

### **19.2 Main jurisdiction**

The Bond Trustee and the Issuer agree for the benefit of the Bond Trustee and the Bondholders that the City Court of the capital of the Relevant Jurisdiction shall have jurisdiction with respect to any dispute arising out of or in connection with these Bond Terms. The Issuer agrees for the benefit of the Bond Trustee and the Bondholders that any legal action or proceedings arising out of or in connection with these Bond Terms against the Issuer or any of its assets may be brought in such court.

**19.3 Alternative jurisdiction**

Clause 19 (*Governing law and jurisdiction*) is for the exclusive benefit of the Bond Trustee and the Bondholders and the Bond Trustee have the right:

- (a) to commence proceedings against the Issuer or any of its assets in any court in any jurisdiction; and
- (b) to commence such proceedings, including enforcement proceedings, in any competent jurisdiction concurrently.

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These Bond Terms have been executed in two originals, of which the Issuer and the Bond Trustee shall retain one each.

**SIGNATURES:**

<p><b>The Issuer:</b></p> <p></p> <p>.....</p> <p>By: SIMON W. MARTINJEW Position: CEO</p>	<p><b>As Bond Trustee and Security Agent:</b></p> <p></p> <p>.....</p> <p>By: <b>Lars Erik Lærum</b> Position: Authorised signatory</p>
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**ATTACHMENT 1  
COMPLIANCE CERTIFICATE**

[date]

**Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds 2021/2024; ISIN NO0010922818**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer. Pursuant to Clause 12.2 (a) of the Bond Terms a Compliance Certificate shall be issued in connection with each delivery of Financial Reports to the Bond Trustee.

This letter constitutes the Compliance Certificate for the period [●].

Capitalised terms used herein will have the same meaning as in the Bond Terms.

With reference to Clause 12.2 (*Requirements as to Financial Reports*) we hereby certify that all information delivered under cover of this Compliance Certificate is true and accurate. Copies of our latest consolidated [Annual Financial Statements] / [Interim Accounts] are enclosed.

The Financial covenants set out in Clause 13.16 (*Financial covenants*) are met, please see the calculations and figures in respect of the ratios attached hereto.

We confirm that, to the best of our knowledge, no Event of Default has occurred or is likely to occur.

Yours faithfully,

Frigaard Property Group AS

\_\_\_\_\_

*Name of authorised person*

*Enclosure: Annual Financial Statements / Interim Accounts; [and any other written documentation]*

**ATTACHMENT 2**  
**RELEASE NOTICE – ESCROW ACCOUNT**

[date]

Dear Sirs,

**Frigaard Property Group AS FRN senior secured NOK 500,000,000 bonds 2021/2024; ISIN NO0010922818**

We refer to the Bond Terms for the above captioned Bonds made between Nordic Trustee AS as Bond Trustee on behalf of the Bondholders and the undersigned as Issuer.

Capitalised terms used herein will have the same meaning as in the Bond Terms.

We hereby give you notice that we on [date] wish to draw an amount of [currency and amount] from the Escrow Account applied pursuant to the purpose set out in the Bond Terms, and request you to instruct the bank to release the above mentioned amount.

We hereby represent and warrant that (i) no Event of Default has occurred and is continuing or is likely to occur as a result of the release from the Escrow Account, and (ii) we repeat the representations and warranties set out in the Bond Terms as being still true and accurate in all material respects at the date hereof.

Yours faithfully,

Frigaard Property Group AS

\_\_\_\_\_

Name of authorized person

Enclosure: [copy of any written documentation evidencing the use of funds]