

## **North Investment Group AB (publ) receives approval from bondholders in the written procedure for its outstanding SEK 285,000,000 bonds.**

30 April 2024 – North Investment Group AB (publ) (the “Company”) announces that the written procedure initiated through a notice on 4 April 2024 (the “Written Procedure”) regarding certain amendments to the terms and conditions for the Company’s SEK 285,000,000 Senior Secured Floating Rate Bonds with ISIN SE0015938493 (the “Bonds”) has today been successfully completed.

The Written Procedure was initiated in order to receive the bondholders' consent to implement, *inter alia*, an extension of the tenor of the Bonds, a new call structure, additional security as well as certain other amendments as set out in the notice of the Written Procedure (the “Amendments”).

Quorum was reached and a requisite majority of the voting bondholders voted in favour of the Company’s request under the Written Procedure. The terms and conditions of the Bonds have been amended and restated effective from today 30 April 2024, to reflect the approval of the request (the “Amended and Restated Terms and Conditions”). The Amended and Restated Terms and Conditions will be available on the Company’s website ([www.sono-group.com](http://www.sono-group.com)) and on Stamdata ([www.stamdata.com](http://www.stamdata.com)).

Information regarding payment of the amendment fee set out in the notice of the Written Procedure will be given in a separate company announcement.

Please see the notice of the Written Procedure attached hereto and available on Stamdata for a description of the Amendments.

Arctic Securities AS and Pareto Securities AS acted as financial advisors and Advokatfirmaet Simonsen Vogt Wiig AS acted as legal advisor in relation to the Written Procedure.

For further questions to the Company please contact: Tore Knut Skedsmo (CFO) Mob: +47 952 25 306, E-mail: [tore.skedsmo@sono.no](mailto:tore.skedsmo@sono.no).

Denna kallelse till obligationsinnehavarna är endast utformad på engelska.

Stockholm, 4 April 2024

To the bondholders in:

ISIN: SE0015938493 – North Investment Group AB (publ) SEK 285,000,000 Senior Secured Floating Rate Bonds

## NOTICE OF WRITTEN PROCEDURE

This voting request for procedure in writing has been sent on 4 April 2024 to holders directly registered as of 3 April 2024 in the debt register (Sw. *skuldbok*) kept by the CSD. If you are an authorised nominee under the Swedish Central Securities Depositories and Financial Instruments Accounts Act (Sw. *lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) or if you otherwise are holding bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. For further information, please see below under Section 5.3 (*Voting rights and authorisation*).

### Key information:

Record Date for being eligible to vote:	9 April 2024
Deadline for voting:	12:00 CEST on 30 April 2024
Quorum requirement:	At least 50%
Majority	At least sixty-six and two thirds (66 2/3) %

Nordic Trustee & Agency AB (publ) acts as agent and security agent (the “**Agent**”) for the SEK 285,000,000 Senior Secured Floating Rate Bonds issued (the “**Bond Issue**” or the “**Bonds**”) by North Investment Group AB (publ) (the “**Issuer**”) pursuant to the terms and conditions of the Bonds dated 29 April 2021 (the “**Bond Terms**”). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Bondholders can vote for or against the Issuer's request.

All capitalised terms used herein and not otherwise defined in this notice (the “**Notice**”) have the meanings assigned to them in the Bond Terms.

Bondholders participate by completing and sending the Voting Form set out in Schedule 1 to the Agent, and, if applicable, the relevant evidence of ownership, authorisation or other sufficient evidence of entitlement to vote, to the Agent. Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form, and if applicable, any Power of Attorney, no later than 12:00 CEST on 30 April 2024 either by mail, courier or email to the Agent using the contact details set out in Clause 5.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Bondholder on 9 April 2024 (the "**Record Date**"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Bonds.

**Disclaimer:** *No third-party due diligence investigations (neither legal, commercial nor technical) or other third-party verifications have been carried out with respect to the Group relating to this Notice. The Request is presented to the Bondholders, without any evaluation, advice or recommendations from the Agent whatsoever. The Agent has not reviewed or assessed this Notice or the Request (and its effects, should it be adopted) from a legal or commercial perspective of the Bondholders and the Agent expressly disclaims any liability whatsoever related to the content of this Notice and the Request (and its effects, should it be adopted). The Agent may assume that documentation and other evidence delivered to it pursuant the Request is accurate, correct, and complete unless it has actual knowledge that this is not the case, and the Agent does not have to verify the contents of any such documentation. The Bondholders are recommended to seek legal advice in order to independently evaluate whether the Request (and its effects) is acceptable or not.*

## **1. Background**

The Issuer is a leading Scandinavian supplier of quality furniture and wardrobe solutions for schools, offices, and industries. The Group was affected by a weaker than normal Swedish market environment during 2023 and experienced reduced activity for most of the year. Therefore, revenue numbers are down compared to previous years. The general business of the Group continues to be impacted by challenging market conditions.

The main reason for the somewhat weakened performance is the Swedish school market, which is significantly down. The Swedish government has reduced subsidy to Swedish municipalities as a result of high inflationary pressure and recession in the Swedish economy. Consequently, the financial capacity in the municipalities to support new purchases within the school system has been reduced, creating major cutback in the public-school budget. However, the segment is expected to improve towards the second half of 2024 and going into 2025.

Wardrobe sale in Sweden was also significantly down in 2023 due to reduced building activity, fewer large projects, and reduced financial capacity in the public sector. In addition, the Issuer's cash flow is impacted by increased finance costs due to underlying interest rates, with net financial expenses increasing from SEK 42.9m to SEK 55.7m from 2022 to 2023.

However, the reduction in income is compensated by an increased gross margin from the increased share of revenue coming from the growing third-party logistics services segment. Net lease revenue increased from SEK 19.7m in 2022 to SEK 52.4m in 2023.

On this background, the Issuer has implemented several initiatives to improve performance, including new purchasing strategies, organisational changes and introduction of new product developments going into 2024. However, the effects from the initiatives are expected to materialize during the later part of 2024 and into 2025. There is expected to be limited or no surplus cash generation after debt service in 2024.

As the Issuer will not have sufficient funds to repay the Bonds in full on 5 May 2024, and the current financial metrics of the Issuer is not considered to be sufficient to attract new lenders, the Issuer

proposes to extend the Final Maturity Date until 31 December 2025. The intention is to provide more time to improve the financial profile of the Issuer to support a future refinancing of the Bonds. To incentivise an early repayment of the Bonds, the Issuer also proposes to implement a new call structure starting at 102.5% of the Nominal Amount and ending on 104.5% of the Nominal Amount. The Issuer also proposes to include several other new structural elements that are intended to provide the Bondholders with further downside protection and improve the Bondholders' general position. Please see the paragraphs below.

The requested amendments to the terms of the Bonds are as follows (the "**Amendments**"):

- The Final Maturity Date to be extended from 5 May 2024 to 31 December 2025
- New call structure to be included which enhances yield for Bondholders and incentivises early pre-payments. The new call price will be changed to the following:
  - 102.5% of the Nominal Amount from and including the Effective Date (as defined below), to and including 31 December 2024;
  - 103.5% of the Nominal Amount from and including 1 January 2025, to and including 30 June 2025; and
  - 104.5% of the Nominal Amount from and including 1 July 2025 to and including the Final Maturity Date (31 December 2025).

The Bonds Terms will also be changed to permit the Issuer to prepay parts of the Bonds. Bonds repaid at the Final Maturity Date on 31 December 2025 shall be repaid at 104.5% of the Nominal Amount.

- Introduction of a cash sweep mechanism as follows:

The Bond Terms will be changed to include a new sub-clause in clause 9 stipulating that if at any Reference Date the sum of (i) Cash and Cash Equivalents of the Group and (ii) the available commitment under the Super Senior RCF readily available to be drawn as cash, is more than SEK 75,000,000, any cash amount exceeding such threshold shall be used to repay Bonds at the prevailing call option price. The Issuer shall include the above calculations in a Compliance Certificate to be delivered in accordance with clause 11.1 (f) (i) of the Bond Terms, and the repayment shall be made within ten (10) Business Days following delivery of such Compliance Certificate to the Agent.

- Introduction of additional Transaction Security by amending the defined term "**Transaction Security**" to include the following as new items (l) and (m) of the definition:
  - "a Swedish law pledge over 88.6% of the shares in the Issuer granted by Frigaard Industries AS. If Frigaard Industries AS increases its ownership share, such shares shall also be included in the pledge;
  - a Norwegian law governed pledge over all the shares in Frigaard Industries AS granted by Frigaard AS;"
- Introduction of a new financial maintenance covenant where the Issuer is required to comply with a ratio between EBITDA and Net Interest Bearing Debt as follows:
  - from and including the Effective Date, to and including 31 December 2024: 6.75x;
  - from and including 1 January 2025, to and including 30 June 2025: 6.25x; and

- from and including 1 July 2025, to and including the Final Maturity Date: 5.50x.

For the calculation of this maintenance covenant, there shall be an annualization of the EBITDA effect from leasing agreements during the first 12 months of any such new permitted lease agreement, provided that such new leasing agreement has a duration of more than 12 months.

- Introduction of the defined term “Net Interest Bearing Debt” as follows:
  - **“Net Interest Bearing Debt”** means the sum of the Group’s interest bearing Financial Indebtedness on a consolidated basis excluding
    - (a) intercompany loans provided by any Group Company to any other Group Company;
    - (b) Any loans at the Issuer level that are fully subordinated to the Bonds; and
    - (c) Bonds owned by any Group Company,

*less the freely available cash and cash equivalents of the Group in accordance with the Accounting Principles.”*
- Amendment of item (b) under the defined term “Permitted Debt” as follows:
  - item (b) to be amended from “incurred under the Super Senior RCF in an amount not exceeding SEK 57,000,000” to “incurred under the Super Senior RCF in an amount not exceeding SEK 50,000,000”.
- Introduction of a new sub-clause 8 (e) as follows:
  - “Notwithstanding clause paragraph (d) above, default interest shall accrue on any amount overdue any time after the Final Maturity Date to (and including) the date of actual payment at a fixed interest rate of fifteen (15) per cent. per annum.”
- Introduction of a new undertaking in clause 13 as follows:

“The Issuer shall procure that no Group Company enters into any new third-party logistics leasing agreements (a “**3PL Agreement**”) unless the relevant Group Company has entered into a profitable back-to-back agreement with a third-party customer prior to or simultaneously with the entering into of such 3PL Agreement.”
- An undertaking by each of FPG Invest AS, Frigaard Industries AS and Frigaard AS confirming that if FPG Invest AS receives any Distributions in cash from its subsidiary Frigaard Property Group AS (“FPG”) exceeding NOK 40,000,000, the cash amount exceeding such threshold shall be contributed as cash equity to the Issuer limited to a maximum amount of NOK 30,000,000. The undertaking shall remain effective until the first to occur of (i) NOK 30,000,000 having been contributed to the Issuer as cash equity following Distributions from FPG, and (ii) the Bonds having been repaid in full. FPG Invest AS, Frigaard Industries AS and Frigaard AS will commit to make such cash equity contributions to the Issuer by executing a shareholder undertaking agreement to be acknowledged and agreed by the Agent.

“Distributions” means:

- i. any cash dividend payments made on in respect of its shares;
- ii. a repurchase or redemption of own shares;

- iii. a redemption or reduction of share capital or other restricted or unrestricted equity with repayment to its shareholders;
  - iv. a repayment of any shareholder loans or payment of interest thereon; or
  - v. the making of any other similar distribution or transfers of value to its shareholders,
- o Introduction of a new undertaking in clause 13 of the Bond Terms stipulating that the Issuer shall procure that the shareholder undertaking provided by FPG Invest AS, Frigaard Industries AS and Frigaard AS is complied with for as long as it is in effect during the term of the Bonds.

Provided that the Request (as defined below) is approved by the requisite majority of Bondholders, the Issuer will pay an amendment fee to the Bondholders of 0.5% of the Nominal Amount of each Bond (the “**Amendment Fee**”). The Issuer shall announce the date of payment of the Amendment Fee, which in any case shall be no later than the date falling 15 Business Days after the date of which the Request (as defined below) was approved by the requisite majority of the Bondholders, and the record date for payment of the Amendment Fee shall be 5 Business Days prior to such payment date.

The Issuer further requests that the Bondholders authorise the Agent to take certain actions on their behalf as set out in clause 2 below in order to, *inter alia*, implement the requests described in clause 1 above and clause 2 below.

## 2. Request

In view of the above, the Issuer hereby kindly requests the Bondholders to (the requests set out in (a) to (b) below, are jointly referred to as the “**Request**”):

- (a) approve the Amendments; and
- (b) authorise the Agent, or whoever the Agent appoint in its place (on behalf of the Bondholders) to implement the Request and do all things and take all such steps as may be deemed necessary or desirable (in the absolute discretion of the Agent) to implement the Request and/or achieve its purpose, including but not limited to the execution and entry into of any documents that may be necessary to enter into in connection with the Request.

## 3. Conditions precedent and Effective Date

**3.1** Provided the requisite majority of Bondholders vote in favour of the Request, the Amendments will become effective on the date on which the conditions precedent set out in 3.2 below are satisfied (the “**Effective Date**”).

**3.2** The occurrence of the Effective Date is subject to the receipt by the Agent of, *inter alia*, the following conditions precedent:

- (a) an amendment and restatement agreement to the Bond Terms (the “**Amendment and Restatement Agreement**”) duly executed by the parties thereto;
- (b) a security confirmation (to be defined in, and attached to, the Amendment and Restatement Agreement) duly executed by the parties thereto;
- (c) a shareholder undertaking agreement duly executed by FPG Invest AS, Frigaard Industries AS and Frigaard AS and acknowledged and agreed by the Agent;
- (d) copies of all necessary corporate resolutions of the Issuer in order to execute the Amendment and Restatement Agreement and any other document to be executed in connection therewith, and to which it is a party;

- (e) unless included in the corporate resolutions, copy of a power of attorney from the Issuer to relevant individuals for their execution of the Amendment and Restatement Agreement and any other document to be executed in connection therewith, and to which it is a party;
- (f) copies of the Issuer's articles of association and certificate of registration; and
- (g) legal opinions or other statements as may be required by the Agent.

**3.3** If the Effective Date has not occurred on or before 30 April 2024, the Request will not be effective.

#### **4. Bondholder support**

The Agent has been informed that Bondholders representing a majority of the Adjusted Nominal Amount have confirmed that they intend to vote in favour of the Request.

#### **5. Written Procedure**

The following instructions need to be adhered to under the Written Procedure.

##### **5.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 12:00 CEST on 30 April 2024. Votes received thereafter may be disregarded.

##### **5.2 Decision procedure**

The Agent will determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will: i) be sent by notice to the Bondholders and ii) be published on the websites of a) the Issuer and b) the Agent.

A matter decided under the Written Procedure will be binding for all Bondholders, irrespective of them responding in the Written Procedure.

##### **5.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date (9 April 2024) in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Bonds.

##### **5.4 Bonds registered with a nominee**

You are not registered as a direct registered owner as set forth in Section 5.3(a), but your Bonds are held through a registered authorised nominee or another intermediary as set forth in Section 5.3(b), you may have two different options to influence the voting for the Bonds:

- (a) you can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you, or
- (a) you can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as Bondholder of the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the debt register as a Bondholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Bonds on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Bonds on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Bonds are registered or need authorisation or other assistance to participate. Bonds owned by the Issuer, another Group Company or an Affiliate do not entitle to any voting rights.

## **5.5 Quorum**

To approve the Request, Bondholders representing at least fifty (50) per cent of the Adjusted Nominal Amount must reply to the request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

## **5.6 Majority**

At least sixty-six percent and two thirds ( $66 \frac{2}{3}$ ) of the Adjusted Nominal Amount for which Bondholders reply under the Written Procedure must consent to the Request.

## **5.7 Address for sending replies**

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2 or sufficient evidence of entitlement to vote if the Bonds are held in custody other than Euroclear Sweden AB, by regular mail, scanned copy by e-mail, or by courier to:

### **By regular mail:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure North Investment Group AB (publ)  
P.O. Box 7329  
S-103 90 Stockholm

### **By courier:**

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure North Investment Group AB (publ)  
Norrländsgatan 23  
111 43 Stockholm



**By email:**

E-mail: [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com)

## **6. FURTHER INFORMATION**

For further questions to the Issuer, regarding the request, please contact the Issuer at:  
[tore.skedsmo@sono.no](mailto:tore.skedsmo@sono.no).

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [voting.sweden@nordictrustee.com](mailto:voting.sweden@nordictrustee.com) or +46 8 783 79 00.

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*Stockholm, 4 April 2024*

***NORDIC TRUSTEE & AGENCY AB (PUBL)***

*as Agent*

**VOTING FORM**

For the Written Procedure in North Investment Group AB SEK 285,000,000 Senior Secured Floating Rate Bonds with ISIN SE0015938493.

The undersigned Bondholder or authorised person/entity (the "**Voting Person**"), votes either **For** or **Against** the Request by marking the applicable box below. If a quorum does not exist in the Written Procedure, the Agent shall initiate a second Written Procedure provided that the Request has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure. The undersigned Bondholder hereby confirms that this Voting Form shall, unless amended or withdrawn, constitute a vote also in a second Written Procedure (if any).

**NOTE:** *If the Voting Person is not registered as Bondholder, the Voting Person must enclose a Power of Attorney/Authorisation, see Schedule 2.*

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 4 April 2024.

**For** the Request

**Against** the Request

Name of the Voting Person: \_\_\_\_\_

Capacity of the Voting Person: \_\_\_\_\_

Bondholder:  <sup>1</sup> authorised person:  <sup>2</sup>

Voting Person's reg.no/id.no.  
and country of incorporation/domicile: \_\_\_\_\_

Securities Account number at Euroclear Sweden AB:  
(if applicable) \_\_\_\_\_

Name and Securities Account number of custodian(s):  
(if applicable) \_\_\_\_\_

Nominal Amount voted for (in SEK): \_\_\_\_\_

Contact person, daytime telephone number and e-mail  
address: \_\_\_\_\_

\_\_\_\_\_  
Authorised signature and Name <sup>3</sup>

\_\_\_\_\_  
Place, date:

<sup>1</sup> When voting in this capacity, no further evidence is required.

<sup>2</sup> When voting in this capacity, the person/entity voting must also enclose a Power of Attorney/Authorisation (Schedule 2) from the Holder or other proof of authorization showing the number of votes held on the Record Date

<sup>3</sup> If the undersigned is not a Holder and has marked the box "authorised person", the undersigned – by signing this document – confirms that the Holder has been instructed to refrain from voting for the number of votes cast with this Voting Form.  
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POWER OF ATTORNEY/AUTHORISATION

For the Written Procedure in North Investment Group AB SEK 285,000,000 Senior Secured Floating Rate Bonds with ISIN SE0015938493.

**NOTE:** This Power of Attorney/Authorisation document shall be filled out if the Voting Person is not registered as Bondholder on the Securities Account, held with Euroclear Sweden AB. It must always be established a coherent chain of power of attorneys derived from the Bondholder, i.e. if the person/entity filling out this Power of Attorney/Authorisation in its capacity as "other intermediary", the person/entity must enclose its Power of Attorney/Authorisation from the Bondholder.

Capitalised terms used and not otherwise defined herein shall have the meanings assigned to them in the Notice of Written Procedure dated 4 April 2024.

Name of person/entity that is given authorisation (Sw. *befullmäktigad*) to vote as per the Record Date:

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Nominal Amount (in SEK) the person/entity is authorised to vote for as per the Record Date:

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Name of Bondholder or other intermediary giving the authorisation (Sw. *fullmaktsgivaren*):

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We hereby confirm that the person/entity specified above (Sw. *befullmäktigad*) has the right to vote in the Written Procedure (and any second Written Procedure) for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of SEK \_\_\_\_\_

We are:

Registered as Bondholder on the Securities Account

Other intermediary and holds the Bonds through (specify below):

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Place, date: \_\_\_\_\_

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Name:

Authorised signature of Bondholder/other intermediary (Sw. *fullmaktsgivaren*)