

From: Koggbron Projekt AB (publ) ("Issuer")  
To: To the Holders of bonds in Koggbron Projekt AB (publ)  
Subject: Status update from the Issuer  
Date: July 10 2020

### **Information to bondholders**

This intends to give an update on the progress in Karlholm and related processes on how to recover as much value as possible for the investors. The message includes both a general update about the project in Karlholm which includes properties outside of the control of the bondholders, but are equally important to create long term value for bondholders, status of properties controlled by the bondholders and legal updates on the different processes to sell the pledged properties that were taken out of the structure by the previous owners of Koggbron Projekt AB (publ), Thomas Melin and Johan Tungard.

The best way to get information about what is happening at Karlholm Strand is to visit the website <https://karlholmstrand.se/> and to follow Karlholm Strand on Facebook and on Instagram.

Generally, the current pandemic has created a strong demand for vacation houses in Sweden and this should be positive for Karlholm. June this year has shown record sale of properties in Sweden.

### **General information about Karlholm**

The general strategy is to create a small living community where you can live, work, go to school and spend your vacation. It should be easy for construction companies to initiate construction.

- More than 1000 people have either signed up in the que for an apartment, house or place in the harbor. Lots of ad hoc visitors on the site which shows that there is real interest in the development
- Harbor is being worked upon and the first docks are about to be produced during the next weeks. The Swedish Environmental agency needs collateral to approve further excavation. Ready to initiate excavation once collateral is in place.
- A boat ramp to be able to load boats up to 50 tons is currently being built and estimated to be ready in September.
- Water, sewage, electricity and internet fiber is available at each plot for the southern and middle part. Northern part can be ready within 2 months (when needed)
- All old industrial buildings have new roofs and new white walls which gives a modern look to the whole area

### **Status of development of properties (outside scope of bondholders)**

The overall plan is to transform the old very worn out factory buildings into warehouses, apartments, stores, restaurants, gym etc. This will create value to the overall development of Karlholm Strand and be beneficial to the recovery of bondholders.

- 24 garages sold and another and 12 has been rented out. 2 owners have developed their garage into a living space (this is allowed) and many companies have moved in which make the area more attractive as people come there to work and live.
- Restaurant will open Friday 10 July, and this will create an even more attractive place to work and live in. The owner of the restaurant has more than 30 years of experience in running restaurants.
- Grocery store ready and discussions ongoing with potential operators.
- Boat and caravan reseller, including service, has moved into the industrial buildings (Karlholm Marin).
- Crane has been bought to enable lifting and storing of boats up to 70 feet and 50 tons and they can then be maintained and serviced by Karlholm Marin.
- Discussions ongoing to potentially buy a used bowling alley which should be collocated with the future gym and padel tennis course
- Karlholm Logistics is showing increasing turn over with new clients

### **Status of house development (outside of scope of bondholders)**

The first phase with 8 town houses is ready and the owners moved in during May. The houses were sold for just above 3 msek. Owners use the both as permanent houses and as vacation houses. Owners come from Karlholm, Gävle, Uppsala and Stockholm.

On another plot they have planned handed in building permits to build a rental house with 168 apartments. Building permit is expected mid-July and if things according to plan the first tenants can move in in the beginning of 2022.

### **Sale of properties controlled by bondholders**

Property 1:74 has been sold to Eksjöhus (<https://eksjohusbostad.se/objekt/brf-karlholm-strand-1/>) and they intend to build 29 town houses. The payment to the project will be done as soon as they have sold 70% of the houses.

With the production of new apartments there is a need for a school and there are currently three school companies interested in running the school and one building company has shown interest in the school property.

One other large housing company has recently visited the site and they are very interested in buying plots for up to 80 houses. They have made several site visits and are currently making internal evaluations.

### **Bankruptcy in Karlholm utveckling Kommanditbolag**

Karlholm Utveckling Kommanditbolag was March 20 this year put in bankruptcy. The reason for the bankruptcy was that the previous owners had not paid invoices and had not informed Anders Högberg about this either. Anders Högberg has now paid off the creditors and bought back the assets from the bankruptcy administrator hence protected the assets for the bondholders. This received some negative press but should not have any impact on the overall project. This has however meant that Anders Högberg has incurred additional costs which according to the deal with the previous owners should have been settled before the takeover.

## Legal update on Sanden and Järfälla properties

Thomas Melin moved the properties out of the structure even if we have pledges on the properties. The move of the properties has been made against the loan and security agreements and such conduct could be considered as a criminal offence.

MI Andersson was declared bankrupt in the end of June 2019 and the bankruptcy estate immediately commenced a formal claw-back action in court (court: Helsingborgs Tingsrätt) and the informal negotiations with Melin to try and find an out-of-court-settlement through which the properties could be sold or the properties be brought back to the estate have not been successful. Melin is not acting in good faith.

Currently there are two court cases ongoing related to the unlawful actions with regards to the properties. One is handled by the bankruptcy estate, Mr. Hans Renman at Schjödt Lawfirm in Stockholm, where they have filed charges against Melin at the Helsingborg District Court to claw back the properties to the bankruptcy estate. Court proceedings has been planned for October. The second court case has been initiated by the bondholders in order to have the claims by Koggbron Projekt AB towards MI Andersson enforced in the properties meaning that the properties eventually will be sold by the Enforcement Authority in Sweden. This process has been initiated and the court is now trying to serve the summons to the relevant parties (under the control of Melin) now unlawfully owning the properties.

For both tracks there will first be a process to get control over the properties and then they are to be sold, either by the bankruptcy estate or by the Swedish Enforcement Authority. It is currently impossible to give an estimate for how long this will take as it depends upon the way Melin acts.

### Repayment of bonds

The project is progressing well, but it should be seen as a marathon and not as a sprint. The first recovery to the bondholder is most likely the sale to Eksjöhus which could if things go well be done during the latter part of 2020. Schools and other parts will most likely not come during 2020. The legal situation is as described above complex and can easily continue for quite some time and no recovery on this part should be expected during 2020.

### For further information:

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