

Notice of written procedure for bonds issued by CPHI Holding A/S

To the holders of the up to DKK 100,000,000 (or its equivalent in SEK or EUR) Senior Secured Fixed Rate Bonds 2020/2022 with ISIN: SEK BONDS SE 0013486024 and EUR BONDS SE 0013486032 (the "Bonds") issued by CPHI Holding A/S (the "Issuer") on 21 February 2020.

Capitalized terms not otherwise defined in this notice shall have the meaning given to them in the terms and conditions relating to the Bonds (the "**Terms and Conditions**").

This notice has been sent by Intertrust (Sweden) AB (the "Agent") to direct registered owners and registered authorised nominees (*förvaltare*) of the Bonds recorded as of 25 August 2021 in the debt ledger produced by Euroclear Sweden. If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding Bonds on behalf of someone else on a Securities Account, please forward this notice to the holder you represent as soon as possible. See "Voting rights" in Section B (*Decision procedure*) for further information.

On behalf of and as requested by the Issuer, the Agent, acting in its capacity as Agent for the Bondholders under the Terms and Conditions, hereby initiates a written procedure (the "**Written Procedure**"), whereby the Bondholders can approve or reject a proposal from the Issuer regarding certain amendments to the Terms and Conditions. The proposal by the Issuer (the "**Proposal**") and the background thereto is described in Section A (*Background and Proposal*).

NO DUE DILIGENCE CARRIED OUT IN CONNECTION WITH THIS WRITTEN PROCEDURE

Please note that no due diligence whatsoever (legal, financial, tax, environment or otherwise) has been carried out by the Agent or any of its advisors or any other person for the purposes of the Written Procedure or with respect to the Issuer or its assets, why this notice for the Written Procedure does not contain any risk factors or other disclosures with respect to the Issuer or its assets that have been produced as a result of any such due diligence.

LIMITATION OF LIABILITY OF THE AGENT

The Proposal is presented to the Bondholders by the Agent on behalf of the Issuer, without any evaluation, advice or recommendations from the Agent to the Bondholders whatsoever. The Agent has not assessed the Proposal (and its effects, should it be adopted) from a legal, commercial, financial or other perspective and the Agent expressly disclaims any liability whatsoever related to the content of this notice and the Proposal (and its effects, should it be adopted). The Agent has assumed that documentation and other evidence (if any) delivered to it pursuant the Proposal is accurate, correct and complete and the Agent has not verified the contents of any such documentation. The Bondholders are recommended to seek their own professional advice in order to independently evaluate whether the Proposal (and its effects) is acceptable or not. Neither the Agent, nor any of its advisors has carried out any due diligence in connection with the Proposal and no party can guarantee any satisfactory outcome of the Proposal set out herein.

ALL BONDHOLDERS ARE STRONGLY ENCOURAGED TO REVIEW AND CONSIDER THE PROPOSAL

Before making a decision whether to accept the Proposal, each Bondholder is advised to carefully review the content of this document and the proposed resolution set out in Paragraph 3 (*Request for approval and consents*) of Section A (*Background and Proposal*) below and the limitation of liability provision set out above. If a Bondholder is uncertain as to the content and significance of this document and the measures the Bondholder should take, the Bondholder is advised to consult its own legal, tax or financial adviser for this purpose. The Agent will not, and is under no obligation to, update this document.

PARTICIPATION IN THE WRITTEN PROCEDURE

Bondholders may participate in the Written Procedure by completing and sending the voting form attached below to the Agent. The Agent must **receive the voting form no later than by 12.00 (CEST) on 21 September 2021** by mail, via courier or e-mail to the addresses indicated below. Votes received thereafter will be disregarded. Please note that the Written Procedure may expire early if the requisite majority consents of the total Adjusted Nominal Amount have been received before 21 September 2021.

To be eligible to participate in the Written Procedure a person must fulfil the formal criteria for being a Bondholder on 26 August 2021 (the "Record Date"). This means that the person must be registered on a Securities Account with Euroclear Sweden as a direct registered owner (*direktregistrerad ägare*) or authorised nominee (*förvaltare*) with respect to one or several Bonds.

If you have an interest in a Bond but are not registered as a direct registered owner or authorised nominee on a Securities Account, you need to obtain a power of attorney or other proof of authorisation from the person who fulfils the formal criteria for being a Bondholder on the Record Date, to be able to participate. An alternative may be to ask the person that is registered as a Bondholder and holds the Bonds on your behalf to vote in its own name as instructed by you. For further information on voting, please see under *Voting rights* in Section B (*Decision procedure*).

Please contact the securities firm you hold your Bonds through if you do not know how your Bonds are registered or if you need authorisation or other assistance to participate.

Important Dates

Record Date (for voting): **26 August 2021**

Last time and day to vote: **12.00 CEST on 21 September 2021**

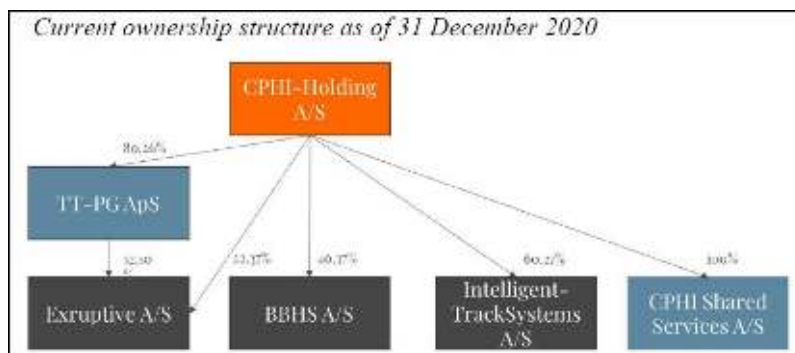
A. Background and Proposal

1. Background and current situation

The CPHI Group consists of the Issuer as the holding company of the following subsidiaries and associated companies:

- Exruptive A/S ("**Exruptive**");
- TT-PG ApS ("**TTPG**");
- IntelligentTrackSystems A/S ("**ITS**");
- CPHI Shares Services A/S ("**SSC**"); and
- BBHS A/S ("**BBHS**"),

(the "**Companies**" and the "**CPHI Group**") with the following structure:



The current structure of CPHI Group was formed in 2014, with the purpose of forming a divisional structure to create a lean operational structure, with full autonomy on operational tasks like sales, marketing, manufacturing, research and development, but to hold a common structure on all back-office functions like administration, bookkeeping etc.

One of the main targets was also to create a different shareholder structure, with focus on getting segment-oriented investors to the different divisions, contributing with both funds as well as industrial backgrounds.

The current structure turned out to be more of a burden rather than an advantage, and the CPHI Group has lacked the attraction of new investors. A lot of potential investors pointed at lack of transparency and a blurry ownership structure as main arguments for not investing in the business.

Following the issuance of the Bonds and our work in bringing new equity to the business, it has become obvious that a new structure, which is simple and transparent, is mandatory.

The main benefits from the reorganization will be:

- Access to external funding, conditioned on the completion of the proposed reorganization
- Cleaner structure
- Wholly owned subsidiaries
- Strengthens bondholders' position

The Issuer can confirm that additional funding of DKK 25-35 million is expected to be made available to the Issuer in the form of equity and subordinated loans once the structure is in place. Secondly, the main risk from bondholders' perspective resulting from the current group structure is the minority position in BBHS, which contains significant risk due to the Issuer's lack of control with BBHS, and the fact that BBHS is the business unit with the short-term highest value potential. A 100 % control by the Issuer over BBHS creates a much stronger funding potential for the CPHI Group, and thereby safeguarding Bondholders' position. By accepting our proposal, this risk element is eliminated.

The Issuer has for the last 6 months been in the early consultation for a potential IPO process and has been in talks with both the stock exchanges in Sweden and Denmark as well as several advisors. The conclusions are unambiguous, the proposed structure is prerequisite for a launch of an IPO, and a retention of the current structure is “a no go” in relation to IPO.

Our IPO process has reached a level, where we are very confident that the launch will succeed and attract the necessary equity funding, which opens for both repayment of the Bonds as well as creating the basis for future financing of projects and working capital.

Should the Proposal not be approved, it could have a material adverse effect on the Issuer’s financial position and could lead to a liquidity squeeze, which may ultimately affect the Issuer’s ability to repay the Bonds.

It is important to note, that the Issuer, according to the feedback from potential investors, is very convinced that the profitability and value of the CPHI Group will come to reality, once the structure is formalized and the IPO process can be initiated.

2. Reorganization and amendments to the Terms and Conditions

Given the background and the current situation, proposals (subject to confirmatory vote in the Written Procedure) have been adopted to:

1. Merge SSC with the Issuer (with the Issuer as the continuing entity);
2. Merge TTPG with Exruptive (with Exruptive as the continuing entity), collectively referred to as the "**Mergers**"; and
3. Transform the CPHI Group from individual companies to one group, whereby all shareholders of Exruptive, ITS and BBHS have been offered to convert their shareholding into shares in the Issuer (the "**Offer to Convert**"),

(collectively, the "**Reorganization**").

Proposals to implement this Reorganization have been adopted at general meetings in Exruptive, BBHS and ITS on Monday 21 June 2021 and in SSC and the Issuer on Wednesday 23 June 2021. Accordingly, all minority shareholders in BBHS, Exruptive and ITS have been giving the opportunity to convert their shares to new shares in the Issuer.

Provided that all shareholders accept the Offer to Convert and the new structure is approved by the Bondholders, the Reorganization will create a:

- simplified structure with no minority shareholders below the Issuer;
- simplified corporate governance and decision process in the CPHI Group;
- market standard "target structure" in relation to any future potential acquisition or IPO of the CPHI Group; and
- more marketable structure in respect of future financings as the structure will be much easier to "ring fence" for future lenders.

The simplified new structure of the CPHI Group following the Reorganization will be:



In addition to the Offer to Convert, a process is ongoing in which:

- lenders in all companies have been given access to convert their receivables to shares in the borrower and use such new shares as part of the Offer to Convert, and
- certain shareholders sell their shares in these companies and other groups of shareholders acquire these shares.

The Issuer has in the Reorganization process secured acceptance from sufficient shareholders in BBHS, Exruptive (following the merger with TTPG) and ITS, to be able to force redemption of any outstanding minority shares. Such forced redemption will be offered on the same terms as in the Offer to Convert.

The only outstanding condition to finally implement the Reorganization and report the Mergers to the Companies Agency, is approval from the Bondholders under this Written Procedure.

The Terms and Conditions include a general restriction on mergers and transfer of shares but allows for certain mergers and transfers if this happens within the CPHI Group and if the bondholders receive equivalent security in connection with the reorganization.

The following security has been granted by the CPHI Group:

- (a) Pledge over all the Issuer's shares in BBHS, Exruptive, ITS, TTPG and SSC (Clause 10.1(a))
- (b) Pledge over Downstream Loans as of 30 September 2021 granted by the Issuer to (i) BBHS in the amount of DKK 40,372,813 including interest, (ii) Exruptive in the amount of DKK 28,107,180 including interest and (iii) ITS in the amount of DKK 258,905 including interest (Clause 10.1(a) and 10.2(a) of the Terms and Conditions)
- (c) Registered floating charges (Dk. *Virksomhedspant*) in (i) BBHS in the amount of DKK 37,000,000, (ii) Exruptive in the amount of 40,750,000 and (iii) ITS in the amount of DKK 600,000 (Clause 10.1(a) and 10.2(d) of the Terms and Conditions)
- (d) Guarantee for 12 months interest from Main Shareholders (Clause 10.1(b) of the Terms and Conditions)

The Issuer hereby requests for approval of the Proposal with the effect of amending the Terms and Conditions in the following ways:

- Clause 10.1(a) is amended with the release of the pledge over the Issuer's shares in SSC and TTPG, provided that the release of these pledges shall only be effective upon registration of the completion of the Mergers in the Companies Agency, and
- Clauses 10.1(a) and 10.2(a) are amended with the release of the pledges created over the Downstream Loans granted by the Issuer to BBHS, Exruptive and ITS, provided that the release of such pledges shall only become effective upon simultaneously replacement of all such pledges, but not some only, with pledges over the shares obtained in BBHS, Exruptive and ITS as a result of the conversion of the relevant Downstream Loans.

The Downstream Loans granted by the Issuer to BBHS, Exruptive and ITS will be fully converted by issuance of shares to the Issuer in BBHS, Exruptive and ITS, respectively, under the same terms as other lenders are being offered to convert their receivables to shares.

These new shares will automatically be pledged to the Bondholders. The share pledge agreement covers the Issuer's current shares and "*any additional shares in the company acquired by the pledgor in the security period*".

The Bondholders will achieve at least an equivalent security, as the volume of the pledged shares in Exruptive, ITS and BBHS will increase correspondingly. The registered floating charges and the Guarantee will remain, and no changes are required.

Currently, the Bondholders will in an enforcement scenario have direct claims against BBHS, Exruptive and ITS in the amount of the pledged Downstream Loans. As these Downstream Loans are converted into shares in the Issuer, the Bondholders will upon completion of the Reorganization cease to have this legal basis for making direct claims against BBHS, Exruptive and ITS, respectively. Consequently, to mitigate the effect this may have on the Bondholders' current position, the Issuer offers as part of this Proposal to procure that BBHS, Exruptive and ITS (subject to customary guarantee limitations and completion of the Reorganization) will guarantee the Issuer's obligations under the Bonds and that the definition of "Secured Obligations" in the Terms and Conditions is amended by expanding such definition to include the obligations assumed by BBHS, Exruptive and ITS as guarantors, provided that (i) such guarantees shall be issued no later than 15 days from completion of the Reorganization and, (ii) any failure to procure such guarantees within 15 days from completion of the Reorganization shall constitute an Event of Default under the Terms and Conditions.

3. Request for approval and consents

The Issuer hereby kindly asks the Bondholders to:

1. approve and consent to the Proposal set out above;
2. approve and consent to the amendments to the Terms and Conditions, in order to implement the Proposal and as described in Section 2 (*Reorganization and Amendments to the Terms and Conditions*) above;
3. authorize the Agent to (on behalf of the Bondholders) take all such steps as may be deemed necessary or desirable to implement the Proposal and/or to achieve its purpose, to execute and enter into any documents that may be necessary in connection with the Proposal including any consequential amendments to the Terms and Conditions;
4. provided that the Issuer has not withdrawn the Proposal, irrevocably waive any Event of Default resulting from any non-compliance under the Terms and Conditions for the period between the end of the voting period under the first Written Procedure and the end of the voting period under the second Written Procedure (up to and including the date of execution of the amended and restated Terms and Conditions); and
5. to acknowledge the limitation of liability set out in above under the heading "LIMITATION OF LIABILITY OF THE AGENT".

B. Decision procedure

The Agent will determine whether replies received are eligible to participate in the Written Procedure, continuously calculate the replies provided in respect of the Proposal and determine the result of the Written Procedure as soon as possible based thereon.

Once a requisite majority of consents of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure have been received by the Agent, the relevant decision shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken in the Written Procedure will be sent by notice to the Bondholders, published on the websites of the Issuer and the Agent and published by way of press release by the Agent.

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

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

Voting rights

Anyone who wishes to participate in the Written Procedure must on 26 August 2021 (the "**Record Date**"):

- (i) be registered on the Securities Account as a direct registered owner (*direktregistrerad ägare*); or
- (ii) be registered on the Securities Account as authorised nominee (*förvaltare*),

with respect to one or several Bonds.

If you are not registered as a direct registered owner, but your Bonds are held through a registered authorised nominee (*förvaltare*) or another intermediary, you may have two different options to influence the voting for the Bonds.

1. You can ask the authorised nominee or other intermediary that holds the Bonds on your behalf to vote in its own name as instructed by you.

2. You can obtain a power of attorney or other authorisation from the authorised nominee or other intermediary and send in your own voting form based on the authorisation. If you hold your Bonds through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the Securities Account, or from each intermediary in the chain of holders, starting with the intermediary that is registered in the Securities Account as authorised nominee or direct registered owner.

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

The 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, any other Group Company or an Affiliate do not entitle the holders to any voting rights and are not included in the Adjusted Nominal Amount.

Quorum

Pursuant to Clause 16(g) of the Terms and Conditions, a quorum in respect of the Written Procedure will only exist if a Bondholder (or Bondholders) representing **at least fifty (50) per cent** of the Adjusted Nominal Amount reply to the Proposal.

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. At the option of each Bondholder, a voting form provided at or before 12.00 (CEST) on 21 September 2021 in respect of the Written Procedure shall also remain valid for any such second Written Procedure.

Majority

Pursuant to Clause 16(e)(viii) of the Terms and Conditions, **at least sixty-six and two thirds (66 2/3) per cent** of the Adjusted Nominal Amount for which Bondholders reply in the Written Procedure must consent to the Proposal in order for it to be approved.

Final date to vote in the Written Procedure

The Agent must have received the votes by mail, courier or e-mail to the address indicated below no later than by **12.00 (CEST) on 21 September 2021**. Votes received thereafter will be disregarded.

Address for sending replies

By regular mail:

Intertrust (Sweden) AB
Attn: Maria Landers, P.O. Box 16285, 103 25 Stockholm

By courier:

Intertrust (Sweden) AB
Attn: Maria Landers, Sveavägen 9, 10th floor, 111 57 Stockholm

By e-mail:

trustee@intertrustgroup.com

VOTING FORM

For the Written Procedure initiated on 26 August 2021 of the up to DKK 100,000,000 (or its equivalent in SEK or EUR) Senior Secured Fixed Rate Bonds 2020/2022 with ISIN: SEK BONDS SE 0013486024 and EUR BONDS SE 0013486032 (the "Bonds") issued by CPHI Holding A/S (the "Issuer") on 21 February 2020

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

Reply

Name of person/entity voting: _____

Nominal Amount voted for: _____

The undersigned hereby (put a cross in the appropriate box) votes for alternative:

A) Approve

B) Reject

C) Refrain from voting

with respect to the Proposal.

The undersigned hereby confirms (put a cross in the appropriate box) that this voting form shall constitute a vote also for a second Written Procedure (if any) pursuant to clause 17(j) of the Terms and Conditions with respect to the Proposal:

Confirmed

Not confirmed

Signature

Name in print:

Contact information

Email:

Tel:

NOTE: Please attach a power of attorney/authorization if the person/entity voting is not registered on the Securities Account as a direct registered owner or authorized nominee. The voting form shall be signed by an authorized signatory. A certified copy of a registration certificate or a corresponding authorization document for the legal entity shall be appended to the voting form for any legal entity voting. The registration certificate, where applicable, may not be older than one year.

POWER OF ATTORNEY/AUTHORISATION¹

For the Written Procedure initiated on 26 August 2021 of the up to DKK 100,000,000 (or its equivalent in SEK or EUR) Senior Secured Fixed Rate Bonds 2020/2022 with ISIN: SEK BONDS SE 0013486024 and EUR BONDS SE 0013486032 (the "Bonds") issued by CPHI Holding A/S (the "Issuer") on 21 February 2020

Authorized Person²: _____

Nominal Amount³: _____

Grantor of authority⁴: _____

We hereby confirm that the Authorized Person specified above has the right to vote for the Nominal Amount set out above.

We represent an aggregate Nominal Amount of⁵: _____

We are (put a cross in the appropriate box):

Registered as authorized nominee on a Securities Account

Registered as direct registered owner on a Securities Account

Other intermediary and hold the Bonds through⁶ _____

Date:

Signature

¹ Use this form to confirm a person's/entity's authority to vote if the person/entity is not registered as a direct registered owner or authorized nominee.

² Insert the name of the person/entity that should be authorized to vote.

³ Insert the aggregate nominal amount the Authorized Person should be able to vote for.

⁴ Insert the name of entity/person confirming the authority.

⁵ The total Nominal Amount the undersigned represents

⁶ Mark this option if the undersigned is not registered as authorized nominee or direct registered owner in the Securities Account kept by Euroclear Sweden. Please insert the name of the firm the undersigned holds the Notes through.



For further questions please see below.

To the Issuer:

CPhi Holding A/S, Peter Scheuer Jensen, psj@cphi-holding.com, +45 22 44 49 01

To the Agent:

Intertrust (Sweden) AB, Kristofer Nivenius, trustee@intertrustgroup.com, +46 70 688 1910

Stockholm on 26 August 2021

Intertrust (Sweden) AB

as Agent