

Company Description

Logistri Fastighets AB (publ)

Published as a part of Logistri Fastighets AB (publ)'s application for listing on AktieTorget



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Manager:



This Company Description is dated 18 October 2017

IMPORTANT INFORMATION

This company description with appendices (jointly referred to as the "**Company Description**") has been prepared in order to provide information about Logistri Fastighets AB (publ), corporate identification number 559122-8654, (the "**Company**") and its business in connection with the listing of the Company's shares on AktieTorget. Pareto Securities AB, corporate identification number 556206-8956 (the "**Manager**" or "**Pareto**") has been engaged as the Company's financial advisor. This Company Description has been prepared by the Company and is not approved by or registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). This Company Description has been reviewed and approved by AktieTorget.

See section 1 (*List of Definitions*) for an explanation of words and terms used throughout the Company Description.

Sources and disclaimer of liability

The information in the Company Description has been prepared to the best of our judgement and reasonable steps have been taken to ensure that information included in the Company Description is not incorrect in any material respect and does not entail any material omissions that can be expected to affect the meaning of its contents.

The information includes industry market data in the public domain, as well as estimates obtained from several third-party sources, including from the Vendor (as defined below), the Vendor's subsidiaries and industry publications. The Manager believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of the Vendor's data. Financial information in this Company Description has not been audited and/or reviewed by auditors unless otherwise stated. Pareto disclaims, to the extent permissible under applicable legislation, any liability for any loss as the result of any of the information given being misleading, incorrect or incomplete, as well as for any loss otherwise incurred as the result of an investment in the Company.

The Company Description includes forward-looking information and statements relating to the activities, financial position and earnings of the Company and/or the industry in which the Company operates. The forward-looking statements include assumptions, estimates and expectations on the part of the Company and the Manager and are based mainly on information provided by the Vendor, or reasonable assumptions based on information available to the Manager. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks and uncertainties that may cause actual events to differ materially from any anticipated development, with the implication that final earnings or developments on the part of the Company may deviate materially from the estimates presented herein. Neither Pareto nor the Company can guarantee the correctness or quality of the suppositions underpinning any assumptions, estimates and expectations, nor can they accept any liability in relation to whether any assumptions, estimates and expectations are actually correct or realised. All investors will need to perform their own independent assessment of such estimates/expectations, and all investors must themselves verify the assumptions which form the basis for the forward-looking statements. Neither the Company, nor Pareto can give any assurance as to the correctness of such information and statements or the correctness of the assumptions on which such information and statements are based.

The information included in the Company Description cannot be used for any other purpose than the assessment of an investment in the Shares in the Company.

The contents of the Company Description shall not be construed as legal advice, investment advice or tax advice. All investors are encouraged to seek such advice from their own advisors. Services provided by Pareto that has been engaged as the Company's financial advisor does not render – and shall not be deemed to render – any advice or recommendations as to an investment in Shares.

Governing law and dispute resolution

This Company Description is subject to Swedish law. Any disputes regarding this Company Description which cannot be solved amicably, shall be referred to the ordinary courts of Sweden and the applicant accepts the non-exclusive jurisdiction of the Stockholm District Court.

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APPENDICES

Appendix 1: Articles of association of the Company

1 LIST OF DEFINITIONS

Bonds	The senior secured callable bonds 2017/2021 in the nominal amount of SEK 375 million, issued by the subsidiary Logistri Portfolio 1 AB (publ) used to finance the Transaction, together with the capital raised in the Recent Equity Issue
Business Management Agreement	The business management agreement between the Business Manager and the Company regarding the management of the Group
Business Manager	PBM (see below)
CAPEX	Capital Expenditure
Closing	The consummation of the acquisition of the Targets
Company	Logistri Fastighets AB (publ), corporate identification number 559122-8654, registered with the Swedish Companies Registration Office on 25 August 2017
Company Description	This Company Description, dated 18 October 2017
CPI	Swedish consumer price index (<i>Sw. Konsumentprisindex</i>), published by Statistics Sweden (<i>Sw. Statistiska Centralbyrån</i>)
Dividend Yield	Annualised total cash dividend payments to the holders of the Shares divided by the total amount raised through the Recent Equity Issue
EBITDA	The Group's earnings on a consolidated basis before interest, taxes, depreciation, value adjustments, amortisation of eventual goodwill and capital gains/losses
EBITDA Yield	Annualised EBITDA divided by Gross Portfolio Value
Gross Portfolio Value	The acquisition price of the Portfolio, being SEK 600 million
Group	The Company and all its subsidiaries, including the Targets and the Subsidiaries
Group Costs	Annual costs associated with the Group's operations, excluding Property Related Costs, but including fee to the Business Manager, auditing fee, fee to the board of directors and any listing costs
ICR	Interest coverage ratio, being EBITDA divided with interest expenses of the Group
IRR	Internal rate of return, the annualised effective compounded return rate
Lease Agreements	The Tenants' lease agreements of the Portfolio
LTV	Loan to value (the ratio of the debt outstanding under the Bonds (less cash) to the market value of the Portfolio)
Manager or Pareto	Pareto Securities AB, corporate identification number 556206-8956

Net Operating Income	All amounts payable to the Group arising from or in connection with any lease, less any Property Related Costs
Net Real Estate Yield	Annualised Net Operating Income, divided by Gross Portfolio Value
PBM	Pareto Business Management AB, corporate identification number 556742-5581
Portfolio or Properties	Seven properties being Nybro Tallen 58, Olofström Holje 103:9, Jönköping Älgskytten 13, Götene Skräddaren 1, Lidköping Säware 19:12, Tingsryd Tingsryd 3:14 and Örebro Tackjärnet 3
Property Related Costs	All operating costs (excluding Group Costs and CAPEX) connected to the handling of the Portfolio, excluding CAPEX (annualised)
Recent Equity Issue	The issuance of 2,520,000 new Shares in the Company resolved on a general meeting on 15 September 2017
Share Purchase Agreement	The share purchase agreement entered into on 29 September 2017 by and between the subsidiaries of Logistri Portfolio 1 AB (publ), as purchasers and the Vendor as seller regarding the purchase of all shares in the Targets and indirectly the Portfolio
Shares	The 2,520,000 shares in the Company
Subsidiaries	Logistri Portfolio 1 AB (publ) (corporate identification number 559124-1574), a Swedish limited liability company and an immediate subsidiary, fully owned by the Company and registered with the Swedish Companies Registration Office on 5 September 2017. LP1 Nybro Tallen 58 AB (corporate identification number 559125-7554), LP1 Tingsryd Tingsryd 3:14 AB (corporate identification number 559125-7562), LP1 Örebro Tackjärnet 3 AB (corporate identification number 559125-7588), LP1 Olofström Holje 103:9 AB (corporate identification number 559125-7596), LP1 Jönköping Älgskytten 13 AB (corporate identification number 559125-7521), LP1 Götene Skräddaren 1 AB (corporate identification number 559125-7547) and LP1 Lidköping Säware 19:12 AB (corporate identification number 559125-7539), all Swedish limited liability companies, fully owned by Logistri Portfolio 1 AB (publ) and registered with the Swedish Companies Registration Office on 4 September 2017
Targets	Industri- och Logistikhus i Götene AB (corporate identification number 559051-7792), Logistri Tallen Fastighets AB (corporate identification number 559015-7912), Industri- och Logistikhus i Jönköping AB (corporate identification number 559051-7784), Logistri Säware Fastighets AB (corporate identification number 559051-7800), Logistri Örebro AB (corporate identification number 559079-8830), Industri- och Logistikhus i Olofström AB (corporate identification number 559051-7982), LP1 Olofström Holje 103:9 KDÄ AB (corporate identification number 559051-7818), Tingsryd 3:14 Fastighets AB (corporate identification number 559051-7974), LP1

Tingsryd Tingsryd 3:14 KDÄ AB (corporate identification number 559051-7990), Logistri Örebro Fastigheter AB (corporate identification number 559111-0209), Holje Industrihus i Olofström Fastighets KB (corporate identification number 969646-4669) and Tingsryd 3:14 KB (corporate identification number 916624-6174). The last three companies are owned by other Target companies and thus indirectly owned by the seven subsidiaries owned by Logistri Portfolio 1 AB (publ). All Targets, except for LP1 Olofström Holje 103:9 KDÄ AB, LP1 Tingsryd Tingsryd 3:14 KDÄ AB and the partnerships (Holje Industrihus i Olofström Fastighets KB and Tingsryd 3:14 KB), will merge into each buying subsidiary

Tenants

AB Gustaf Kähr (corporate identification number 556017-3600), EBP i Olofström AB (corporate identification number 556529-1928), Prototal AB (corporate identification number 556015-5532), Prototal PDS AB (corporate identification number 556507-3078), Orthex Sweden AB (corporate identification number 556051-7160) and Johnson Metall AB (corporate identification number 556062-0196)

Transaction

All transactions, including but not limited to the transfers under the Share Purchase Agreement

Vendor

Industri- och Logistikhus Stockholm AB, corporate identification number 559051-7743

WAULT

Weighted average unexpired lease term

2 RESPONSIBILITY STATEMENT

The Board of Directors in the Company is responsible for the information given in this Company Description. The Company confirms that, having taken all reasonable care to ensure that such is the case, the information contained in this Company Description is, to the best of the Company's knowledge, in accordance with the facts and contains no omissions likely to affect its import. Any information in this Company Description and in the documents incorporated by reference which derive from the Vendor and other third parties have, as far as the Company is aware and can be judged on the basis of other information made public by that third party, been correctly represented and no information has been omitted which may serve to render the information misleading or incorrect. The Board of Directors confirms that, having taken all reasonable care to ensure that such is the case, the information in this Company Description is, to the best of the board member's knowledge, in accordance with the facts and contains no omission likely to affect its import.

The Board of Directors of Logistri Fastighets AB (publ)

3 INVESTMENT SUMMARY

This summary should be read as an introduction to the Company Description, and is entirely subordinated to the more detailed information contained in this Company Description including its appendices. Any decision to invest in the Shares should be based on an assessment of all information in this Company Description and any other relevant information. In particular, potential investors should carefully consider the risk factors mentioned in section 4 (Risk factors).

For an explanation of definitions and terms used throughout this Company Description, please refer to section 1 (List of Definitions).

3.1 Summary of the Company, the Tenants and the Portfolio

The Company is a Swedish limited liability company which has, indirectly through the Subsidiaries, acquired all shares in the Targets, which are, directly or indirectly, the sole owners of the Properties.

The Portfolio comprises of seven logistics/light industrial properties in southern Sweden. The Properties are strategically located for the Tenants operations with well-developed infrastructure and close proximity to the majority of its customers.

The Properties are used mainly for logistics and light industrial purposes. The Portfolio has six tenants: AB Gustaf Kähr, EBP i Olofström AB, Prototal AB, Prototal PDS AB, Orthex Sweden AB and Johnson Metall AB. All the Properties are well suited and of key importance to each of the Tenants. The buildings in the Portfolio have a total lettable area amounting to approximately 104,500 sqm. All properties in the Portfolio are freehold properties.

Location of the Properties



Notes (1) Nybro (2) Olofström (3) Jönköping (4) Götene (5) Lidköping (6) Tingsryd (7) Örebro
Source: the Vendor

The WAULT of the Lease Agreements is approximately 14.2 years (as of 1 August 2017), either with 100% adjusted equivalent to changes in the Swedish CPI (Nybro, Tingsryd and Örebro) or a yearly fixed 2% up-lift (Olofström, Jönköping, Götene and Lidköping).

The agreed annual rent (excluding supplements) for the Portfolio amounts to approximately SEK 44.3 million, corresponding to SEK 424 per sqm. Rental income and leasable area are fairly equally distributed among the Properties. Total rental income per sqm of SEK 431 (including supplements) is perceived to be in line or even below logistics/light industrial market rent according to Datscha.

3.2 Summary of financial information

The purchase price was based on the Gross Portfolio Value, and was financed with the Recent Equity Issue of SEK 252 million and the Bonds raising issue proceeds of SEK 375 million.

Key financial figures include:

- Net Real Estate Yield of approximately 7.0%
- EBITDA Yield of approximately 6.6%
- Estimated Dividend Yield of approximately 9.0%
- Estimated IRR of approximately 9.7% (if sold after 10 years at an exit yield of approximately 7.6%)
- Initial LTV of approximately 62.5%, with no amortisation on the Bonds

3.3 Summary of the Recent Equity Issue

The Company issued a total of 2,520,000 Shares during September 2017, at a price of SEK 100 per Share. The formal resolution to issue a total of maximum 2,520,000 new shares in the Company was taken by the general meeting on 15 September 2017, and the resolution of the general meeting was, in accordance with the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*), based upon a proposal by the Board of Directors.

In connection with the Recent Equity Issue, the shares that existed in the Company prior to the Recent Equity Issue were redeemed at a redemption price of SEK 500,000 in aggregate, and for this purpose, the share capital was reduced by SEK 500,000.

4 RISK FACTORS

Prospective investors should be aware that investments in shares are always associated with risks. The financial performance of the Group and the risks associated with the Group's business are important when making a decision to invest in the Shares. There can be no guarantees or assurances that the Company's objectives are met and that an investment in turn will generate a positive return for the investor.

A number of factors influence and could influence the Group's operations and financial performance and ultimately the Company's ability to pay dividends. In this section a number of risk factors are illustrated and discussed, both general risks pertaining to the Company's operations and material risks related to the Shares as financial instruments. The risks described below are not the only ones the Group is exposed to. Additional risks that are not currently known to the Company, or that the Company currently considers to be immaterial, could have a material adverse effect on the Group's business. The order in which the risks are presented is not intended to provide an indication of the likelihood of their occurrence or of their relative significance.

4.1 No financial or operational history

The Company is in a development stage and has recently been formed for the purpose of carrying out the business plan contained in this Company Description and therefore lacks a financial and an operational history. This means that it may be difficult to correctly assess the financial situation and financial and operational performance of the Company as there is no conventional basis upon which to evaluate the Company's financial and operational history, which may make an investment in the Company associated with higher risk than investing in a company with a long and proven operating and financial track record.

4.2 Market risk

Real estate investment risk is linked to the value of the real estate. This risk can thus be defined as those factors that influence property valuations. The main factors are the supply and demand for commercial properties, as well as the yield that investors are willing to accept when purchasing real estate. The real estate market is influenced by the vacancy rate in the market. The vacancy rate is influenced by several factors on both a micro and macro level. Negative changes in the general economic situation, including business and private spending, may adversely affect the demand for commercial premises. The free capacity is also influenced by construction and refurbishment activity. Further, the real estate market is influenced by the demand for the type of real estate that the Group owns. During certain periods there might be fierce competition for a few real estate objects, and it might be difficult to purchase desired objects at the desired price. In other periods, it might be difficult to sell real estate objects at the desired price. A decrease in the value of the Properties would adversely affect the valuation of the Group's property portfolio and hence adversely affect the Group's financial condition, operations and earnings.

4.3 Transaction risk

According to the terms of the Share Purchase Agreement there are limitations as to which claims can be made against the Vendor and at what point in time these claims can be made. The Targets may also have latent liabilities which do not relate to the Properties. The Targets' properties were included in the Transaction and some of them have been conducting business for a long period of time which may increase the risk for e.g. environmental liabilities. Losses incurred due to such liabilities may not be possible to claim from the Vendor, and may therefore adversely affect the Group's financial condition.

4.4 Operational risk

The financial status and strength of the Tenants of the Properties, and thus their ability to service the rent etc., will always be a decisive factor when evaluating the risk of property companies. Operational risk also include risk related to restrictions in Lease Agreements, risk related to legal claims from tenants or authorities, including tax authorities and other third parties, risk for increased maintenance costs, risk for decreased technical conditions and risk for hidden defects and emissions.

The Lease Agreements relating to the Properties have been entered into with six different tenants, AB Gustaf Kähr (corporate identification number 556017-3600), EBP i Olofström AB (corporate identification number 556529-1928), Prototal AB (corporate identification number 556015-5532), Prototal PDS AB (corporate identification number 556507-3078), Orthex Sweden AB (corporate identification number 556051-7160) and Johnson Metall AB (corporate identification number 556062-0196). Since the Group is dependent on a few substantial lease agreements, the financial strength of the Tenants is critical for the investment. In the event that one, or more, of the Tenants is not able to pay the rent, this could have a material adverse effect on the Group's financial condition, operations and earnings.

The current Lease Agreements run until 31 December 2026 (AB Gustaf Kähr), 30 September 2031 (Prototal AB, Prototal PDS AB, EBP i Olofström AB), 30 November 2031 (Orthex Sweden AB), 14 June 2037 (Johnson Metall AB), respectively. There are certain risks involved with obtaining new tenants. New potential tenants might imply higher counterparty risks, and the Group's ability to successfully negotiate new lease agreements on favorable terms is dependent upon the general condition of the real estate market at such time. Further, the premises may have to be renovated and adjusted to serve a new tenant, or several tenants instead of a few tenants. Such investments could adversely affect the Group's financial condition, operations and earnings.

4.5 Financial risk

Financial risk includes, but is not limited to, the risk of not achieving the desired leverage ratio, not fulfilling loan obligations, interest rate fluctuations and risk related to effects of fair value adjustments. Furthermore, risk related to refinancing the debt when the Bonds issued to finance the Transaction mature, and that the margin and interest rate may be higher than the current situation. The commercial lease agreements relating to AB Gustaf Kähr, Orthex Sweden AB and Johnson Metall AB properties are adjusted annually with 100% of Swedish CPI, whereas the commercial lease agreements relating to Prototal AB, Prototal PDS AB and EBP i Olofström AB are adjusted annually with 2%. Deviations from the estimated CPI may adversely affect the Group's financial condition, operations and earnings.

4.6 Financing risk

The Group is deemed to be sufficiently funded. However, additional capital needs, due to for example unforeseen costs and/or larger capital expenditures than expected, cannot be ruled out. There is a risk that the Group cannot satisfy such additional capital need on favorable terms, or at all, which could have an adverse effect on the Group's business financial condition, operations and earnings.

4.7 Refinancing risk

At maturity of the Group's debts, the Group will be required to refinance such debt. The Group's ability to successfully refinance such debt is dependent on the conditions of the financial markets in general at such time. As a result, there is a risk that the Group's access to financing sources at a particular time may not be available on favourable terms, or available at all.

The Group will also, in connection with a refinancing of its debts, be exposed to interest risks on interest bearing current and non-current liabilities. Changes in interest rates on the Group's liabilities will affect the Group's cash flow and liquidity, hence may adversely affect the Group's financial conditions and the equity returns. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations. The Bonds have a maturity of 3.7 years as from the issue date.

4.8 Compliance with terms and conditions of the Bonds

The Bonds that the Group has issued have made the Group subject to a number of covenants dictating what actions the Group may and may not take. Should the Group breach these covenants, it may trigger increased amortisation (or even full repayment) and up-streaming restrictions which may adversely affect e.g. the possibility to upstream the funds required for servicing the payments required under the Bonds. Further, additional financing costs may incur and the Bonds may be accelerated, which could result in bankruptcy and liquidation of the Group. Such events would negatively affect the Group's financial condition, operations and earnings.

4.9 Deviation from forward-looking statements

This Company Description contains forward-looking statements based on current expectations which involve risks and uncertainties. The actual results could differ materially from the results anticipated in these forward-looking statements as a result of many factors, including, but not limited to, the risk factors set forth in this section and elsewhere in this Company Description. The cautionary statements made in this Company Description should be read as being applicable to all forward-looking statements wherever they appear in this Company Description.

4.10 Increased maintenance costs

The estimated maintenance and capital expenses on which the forward-looking statements have been calculated are based upon information from the Vendor, historic maintenance costs for the Properties and a technical due diligence conducted on the Properties. There is a risk that the maintenance costs and capital expenses for various reasons may exceed the estimated maintenance costs and capital expenses presented herein e.g. in order to meet demands from tenants, the market in general or legal requirements. Such increased costs and expenses may adversely affect the Group's financial condition, operations and earnings.

4.11 Geographic risk

This Company Description contains certain market information relating to the property market in Sweden in general, and Götene, Jönköping, Lidköping, Nybro, Olofström, Tingsryd and Örebro in particular. Market values of properties in the area may decline in the future and adversely affect the Group's financial condition, operations and earnings.

4.12 Management risk

The Group is initially dependent upon the Business Manager for the implementation of its strategy and the operation of its activities. The Business Management Agreement is continual and may be terminated after the earlier of (i) the date that is five years after the date of signing of the Business Management Agreement and (ii) the date on which 2/3 of the shareholders of the Company request it. Termination of the Business Management Agreement after five years as mentioned in (i) shall require 12 months written notice. In the event of

termination as mentioned in (ii), such termination shall enter into effect immediately. There is an uncertainty with regard to the management of the Group in the event of a termination of the Business Management Agreement. In addition, the Group will depend upon the services and products of certain other consultants, contractors and other service providers in order to successfully pursue the Group's business plan. There is a risk that the Group cannot purchase new management services or other necessary services or products on favourable terms, or at all, which could have an adverse effect on the Group's business, financial condition and equity returns. Further, should the Group terminate the Business Management Agreement, an exit fee will be payable to the Manager in accordance with the terms of the Master Agreement.

Finally, there is a risk that the fees (including any start-up or exit fee) connected to the Business Management Agreement with the Business Manager, as well as arrangements with the Manager, may adversely affect the Group's financial condition, operations and earnings.

4.13 Property risk and macro-economic factors

Returns from the Properties will depend largely upon the amount of rental income generated from the Properties, the costs and expenses incurred in the maintenance and management of the Properties, necessary investments in the Properties and upon changes in its market value. Rental income and the market value for properties are generally affected by overall conditions in the economy, such as growth in gross domestic product, employment trends, construction activity, inflation and changes of interest rates. Both property values and rental income may also be affected by competition from other property owners, or the perceptions of prospective buyers and/or the attractiveness from tenants, convenience and safety of the Properties. If the property value or the rental income would decrease, it may adversely affect the Group's financial condition, operations and earnings.

4.14 Environmental and technical risk

Property investments entail the risk of acquiring contaminated properties. According to the Swedish Environmental Act (*Sw. Miljöbalken (1998:808)*), the party that operates a business that has contributed to contamination is responsible for remediation. If the business proprietor is unable to perform or pay for remediation of a contaminated property, the responsible party is the party that acquired the property, if such party, at the time of the acquisition, was aware of or should have discovered the contamination. This means that, under certain conditions, claims could be made against the Group for soil remediation or reclamation relating to the presence or suspicion of contamination in soil, catchment areas or groundwater. In particular, there are indications that the previous property Örebro Tackjärnet 2, now merged into Tackjärnet 3, may be contaminated which could require remedial actions. The lease agreement of Tackjärnet 3, with the tenant Johnson Metall AB, contains regulations about the tenant's responsibility for remediation which, between the parties, is limited to such actions required for use of the property in accordance with the current use, i.e. industry. This is a limitation, between the parties of the lease agreement, of the rules in the Swedish Environmental Act. Cost for soil remediation or reclamation, could adversely affect the Group's financial condition, operations and earnings.

4.15 Terminal value risk

Property and property related assets are inherently difficult to appraise due to the individual nature of each property and due to the fact that there is not necessarily a liquid market or clear price mechanism. As a result, valuations may be subject to substantial uncertainties. There is a risk that the estimates resulting from the valuation process will not reflect the actual sales price. Any future property market recession could materially adversely affect the value of the Properties.

4.16 Risk related to future share issues

If the Company would need additional capital in the future, lack of participation from investors pose a risk to the Company's financial position until such further issue is completed. Investors who do not participate in future issues will risk having their ownership diluted.

4.17 Legal and regulatory risks

Investments in the Shares involve certain risks, including the risk that a party may successfully litigate against the Group, which may result in a reduction in the assets of the Group. However, the directors and the relevant managers of the Vendor are on the date hereof not aware of any pending litigation against the Targets. Changes in laws relating to ownership of land could have an adverse effect on the value of Shares. New laws may be introduced which may be retrospective and affect environmental planning, land use and/or development regulations.

Government authorities at all levels are actively involved in the promulgation and enforcement of regulations relating to taxation, land use and zoning and planning restrictions, environmental protection and safety and other matters. The institution and enforcement of such regulations could have the effect of increasing the expense and lowering the income or rate of return from the Company, as well as adversely affecting the value of the Properties. Government authorities could use the right of expropriation of the Properties if the requirements for expropriations are satisfied. Any expropriation will entitle the Group to compensation but the Group's financial condition, operations and earnings may, irrespective of such compensation, be negatively affected.

4.18 Risks relating to the Shares

Even if the Shares are admitted to trading on AktieTorget, there is a risk that active trading in the Shares will not occur and hence there is a risk that a liquid market for trading in the Shares will not occur or be maintained. Furthermore, the subscription price of the Shares in the Recent Equity Issue may not be indicative compared to the market price of the Shares when admitted for trading on AktieTorget.

Real estate is considered an illiquid asset, and normally it takes months to invest in and realise direct investments in property. The liquidity in the Shares is uncertain, and it can be difficult to sell the Shares in the secondary market. An investor can only exit the investment through a sale of the Shares in the secondary market or if the Company sells any of the Properties. Investments in the Shares are only suitable for investors who can bear the risks associated with a lack of liquidity in the Shares.

4.19 Tax risk

Changes in legislation regarding company taxation, VAT, as well as other government charges and contributions, may affect the conditions for the Group's business activities. There is a risk that these charges and contributions will not remain unchanged in the future. The Swedish Tax Agency's (Sw. *Skatteverket*) and the courts' views on how legislation and case law in several tax areas shall be interpreted have changed during the last few years. Such changes may have a negative effect on the Group's operations, financial position and result. There is a risk that tax rates will change in the future, or that there are other changes to the governmental system that will have an impact on the business. Any change in the tax legislation or practice that entails changes to corporate tax rate, deductibility of interest, changed possibilities for tax depreciations or limitations on tax-exempt disposals of shares in companies holding real estate may lead to a changed tax situation in the future for the Group and may have a negative effect on the Group's operations, financial position and result.

The Swedish Tax Agency may have the view that the Group has not made or accounted for transactions and tax decisions in accordance with applicable laws and case law. Any such decisions and changes could have a negative effect on the Group's operations, financial position and result.

Under the current rules a divestment of a real estate owning company is in general exempt from both stamp duty and capital gains taxation. On 31 March 2017, the Swedish government presented a law proposal that would affect the future taxation of real estate investments. The main rule in the law proposal imply that when the control over a real estate owning company cease, the real estate will, for tax purposes, be considered sold and bought back at market value. Therefore capital gains tax at 22% would be payable by the real estate owning company. Further, it was proposed to reduce the general stamp duty rate from 4.25% to 2% and to add a similar stamp duty burden upon a transaction of a real estate owning company. These potential changes will not enter into force before 1 July 2018 but at this stage it is uncertain if the proposal will be implemented at all.

In June 2017, further legislative changes were suggested, mainly with the purpose of enacting the EU Anti-Tax Avoidance Directive into Swedish domestic legislation. One key proposal that will entail significant changes for Swedish real estate investments is the general provision limiting deductibility of net interest expenses. Interest expenses on external debt are currently in principle deductible without limitations whilst strict interest deduction limitation rules applies with regards to intra-group debt. The rule would limit deductions for net interest expenses (allocable both to external and to intra-group debt) to 35 % of tax EBIT or - as an alternative – 25 % of tax EBITDA. The current Swedish interest deduction limitation rules are proposed to be retained, however with a restricted scope. It is proposed to combine the new rules with a reduction of the corporate income tax rate from 22% to 20%. Also, during a transition period, a limitation on utilization of tax losses carried forward is suggested. This implies that only 50% of taxable profit may be set off against the tax losses carried forward during the transition period.

The proposed new rules might have a negative effect on the Group's tax position.

Moreover, there are significant differences in the political parties' view on the size and occurrence of taxes and subsidies. There is always a risk that tax rates are changed in the future or that other changes of regulations occur which affect the ownership of the Portfolio. If any of the changes described above would materialize, it could have a negative effect on the Group's operations, financial position and result. Also other legislative changes regarding corporate tax and other taxes and fees, may affect the conditions of the Group's business and, hence, its financial position and result. Such decisions and changes, which may retroactive effect, could have a negative effect on the Group's operations, financial position and result.

4.20 Risk related to the classification of taxable depreciation values

This Company Description is based on a tax residual value per 30 June 2017 on the Properties of approximately SEK 154 million, of which approximately SEK 129 million attributes to buildings or building equipment and approximately SEK 25 million attributes to land. A depreciation rate of 4% has been assumed on the buildings. If the tax values and/or the actual allocation and/or the depreciation rate differ from the above, payable tax may change from the estimates in the project budget. Any discrepancies from the above could affect the Group's financial condition.

4.21 AIFM risk

The Alternative Investment Fund Managers Directive 2011/61/EU is recent, and there are still some unresolved/unclear issues regarding how to interpret the directive. The directive is implemented in Sweden. The Company has deemed itself to fall outside of the scope of the AIFM Directive due to its industrial purpose, i.e. because the Company shall indirectly generate returns through the Properties operations in the market and

not necessarily by divesting the Properties. However, there is a risk that the Company may be considered an AIFM, which would among other result in additional costs to a depositary and a manager.

The factors mentioned above are not comprehensive and there may be other risks that relate to or may be associated with an investment in the Company.

5 THE RECENT EQUITY ISSUE

5.1 The Recent Equity Issue

The Company has, through the Subsidiaries, acquired 100% of the shares in the Targets from the Vendor. The Portfolio includes the registered properties Nybro Tallen 58, Olofström Holje 103:9, Jönköping Älgskytten 13, Götene Skräddaren 1, Lidköping Säware 19:12, Tingsryd Tingsryd 3:14 and Örebro Tackjärnet 3. The purchase price for the Targets is based on the Gross Portfolio Value of SEK 600 million, subject to customary purchase price adjustments.

The Company has raised equity in the amount of SEK 252,000,000 by an equity issue in which the Company issued 2,520,000 new shares, to partially finance the acquisition.

The proceeds of SEK 252 million from the Recent Equity Issue have, together with the issue proceeds of SEK 375 million from the Bonds, exclusively been applied towards fully funding the acquisition of the Targets, including transaction costs and working capital requirements.

The Recent Equity Issue was based on a formal resolution to issue up to 2,520,000 new Shares in the Company, taken by the general meeting on 15 September 2017. The resolution of the general meeting was, in accordance with the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*), based upon a proposal by the Board of Directors.

In connection with the Recent Equity Issue, the 500,000 shares that existed prior to the Recent Equity Issue was redeemed at a redemption price of SEK 1 per share, and for this purpose, the share capital was reduced by SEK 500,000. Following the Recent Equity Issue, the Shares comprise all shares in the Company and the registered share capital of the Company amounts to SEK 2,520,000.

Pareto was the sole manager of the Recent Equity Issue.

5.2 Costs

The overall costs of the Company in relation to the Recent Equity Issue are expected to amount to approximately SEK 27.0 million. The aggregate net proceeds of the Company will be approximately SEK 225 million after start-up costs in relation to the Recent Equity Issue.

Please find provisions on future fees to the Manager and the Business Manager in sections 12.2 (*The Business Manager*) and 12.3 (*Other future fees to Pareto*).

6 THE COMPANY AND THE TRANSACTION

6.1 The Company

The Company is a Swedish public limited liability company with corporate identification number 559122-8654, registered with the Swedish Companies Registration Office on 25 August 2017. The current registered address of the Company is P.O. 7415, SE-103 91 Stockholm. The Company's LEI code is 549300DGTCVHL640S069.

The Company was established by Pareto Business Management AB and has no previous business history. The Company owns and manages the ownership of all of the shares in the Targets, through the Subsidiaries. The Company is the ultimate parent company of the Group and the counterparty to the Business Manager under the Business Management Agreement.

The objects of the Company are to own and manage immovable (Sw. *Fast egendom*) properties or manage companies which directly or indirectly own immovable properties and, obtain financing for its business and conduct business related thereto.

The articles of association of the Company are included as Appendix 1 to this Company Description.

6.1.1 Board of Directors and the management of the Company

The duties and responsibilities of the Board of Directors follow from Swedish law and include the overall management and control of the Company. The Board of Directors is elected by the general meeting of the Company. The Board of Directors currently consists of three members.

Current Board of Directors

Name	Position	Joined	Number of Shares in the Company
Ulf Attebrant	Chairman of the Board	2017-09-07	0
Jacob Anderlund	Board Member and CEO	2017-09-07	0
Joachim Carlsson	Board Member	2017-09-07	0

Source: the Company

All board members are employed by the Business Manager. The new Board of Directors, which will include representatives of the investors in the Company, will be appointed at a general meeting which will be held on 1 November 2017. The current Board of Directors will therefore be replaced following the general meeting. The Company has not entered into any agreements with any member of the Board of Directors concerning benefits after the resignation of the assignment.

The proposed board members are Patrik von Hacht, Mattias Ståhlgrén, Peter Hogren and Lennart Öman, please refer to section 6.1.3 for further information. The remuneration to the proposed members of the new Board of Directors will be SEK 60,000 to the Chairman of the Board and SEK 40,000 to the Directors.

The members of the interim Board of Directors and the proposed members of the new Board of Directors have been part of the board of directors in the following other Companies, outside the Group, during the past five years:

Other board of director assignments for the interim Board of Directors

Ulf Attebrant	Joachim Carlsson	Jacob Anderlund
Ongoing board assignments:	Ongoing board assignments:	Ongoing board assignments:
LogistriFastighets AB (publ)	GBG Office 1AB (publ)	MS Etablering VII AB
LogistriPortfolio 1AB (publ)	Bråviken Norköping PropCo AB	Stensö Holding AB
Pareto GIMLE AB (publ)	Bråviken Flahult PropCo AB	MJ Etablering IV AB
Pareto GIMLE Holding 1 AB	Mälarsen AB (publ)	MJ Etablering VI AB
Pareto GIMLE Holding 2 AB	Bråviken Nyköping PropCo AB	MJ Etablering VII AB
Pareto GIMLE Holding 3 AB	Pareto GIMLE Holding 2 AB	MS Etablering II AB
Pareto GIMLE Holding 4 AB	Pareto GIMLE Holding 3 AB	MS Etablering II AB
	Bråviken Logistik Fastighets AB	MS Etablering IV AB (publ)
Previous board assignments:	Bråviken Logistik Jönköping AB	MS Etablering V AB
Walls Fastighetsaktiebolag	Bråviken Logistik Norköping AB	Bråviken Flahult PropCo AB
Aktiebolaget Administrator	Pareto GIMLE Holding 4 AB	Bråviken Norköping PropCo AB
Jupiter Fastighets Aktiebolag	MJEtablering I AB	Bråviken Nyköping PropCo AB
Fastighetsaktiebolaget Österboten	MJEtablering II AB	Fbemät i Mellansverige AB
Atrium Ljungberg Fatourssjön AB	Logistri Fastighets AB (publ)	Stadsnätbolaget Mälardalen AB
Fastighetsaktiebolaget Stadsgården	Logistri Portfolio 1AB (publ)	Bråviken Logistik Jönköping AB
Fastighets AB Brogatan	Pareto GIMLE Holding 1 AB	Bråviken Logistik Nyköping AB
Aktiebolaget Farsta Centrum		Bråviken Logistik Norköping AB
Citycon Tumba Centrumfastigheter AB	Previous board assignments:	Bråviken Logistik Fastighets AB
Fastighetsaktiebolaget Centrumhuset i Vällingby	Bostadsrättsföreningen Mölbybacken 1	Logistri Fastighets AB (publ)
Gränby Miljö & Retur AB		Logistri Portfolio 1AB (publ)
Farsta Centrumledning Aktiebolag		Previous board assignments:
Stockshem Aktiebolag		Huskvarnen Fastighets I AB
Fastighetsaktiebolaget Stenalyckan		Pilången Logistik I AB
Gränby Centrum Aktiebolag		Pilången Logistik II AB
Mobilia Shopping Centre AB		Mitt Vard Bolag AB
Stenungs Torv Fastighets AB		Huskvarnen Holding AB (publ)
Akersberga Centrum AB		Bosjö Fastigheter AB (publ)
Citycon Liljeholmstorget Galleria AB		Bosjö Fastigheter I AB
Niam Core - Plus Strömplen AB		Bosjö Vindtyget I AB
Fatburstrappan Väst AB		Pareto GIMLE AB
HIAG Fastigheter i Botkyrka AB		PBM Invest 100 AB
Compluvium Två AB		Mälarsen Fastigheter i Mästa AB
Citycon Jacobsbergs Centrum AB		Mälarsen Fastigheter i Stockholm AB
Liljeholmstorget Development Services AB		Kano Vårboende Haninge AB
HEBA Liljeholmsplan AB		Mälarsen AB (publ)
Citycon Development AB		Kalmar Eldalen Holding AB
Citycon Shopping Centers AB		MS Etablering VI AB
Atrium Uppsala AB		Bråviken Logistik AB (publ)
Citycon Högdalen Centrum AB		Hemsö Verkmästarens Holding AB
Jakobsberg LB Bostäder AB		Axet Bemanning Ekonomisk Förening
Citycon Services AB		MJ Etablering III AB
Drabantvägen bostäder AB		
HSB Bostadsrättsförening Axet i Stockholm		

Source: the Board of Directors

Other board of director assignments for the proposed Board of Directors

Patrik von Hacht	Mattias Ståhlgren	Peter Hogren	Lennart Öman
Ongoing board assignments:	Ongoing board assignments:	Ongoing board assignments:	Ongoing board assignments:
Leomar AB	---	GFW Management AB	Nötudden Invest AB
Nordisk Marinförsäkring AB		A-krdo International AB	Fricweld Aktiebolag
AdMare Shipmanagement AB			Victorsson Poultry AB
Medway Invest AB			RSG Gjuterigrupp Holding AB
Nordic Alliance Tankers AB			Kohlswa Gjuteri Aktiebolag
Previous board assignments:	Previous board assignments:	Previous board assignments:	Previous board assignments:
Capital Insurance Services MIS AB	FAREPAYMENT AB	Green Field Wind Sp. z.o.o.	Victorsson Holding AB
Nordic Holdings Ltd	Fareoffice Car Rental Solutions AB	OX2 Wind Poland Sp. z.o.o.	Fricweld Holding AB
Nordic Forest Terminals Ltd		Akredo Sp. z.o.o.	Victorsson Industrier Lego Partner AB
Nordic Recycling Ltd		NIDA Investment Sp. z.o.o.	
		NIDAT Investment Sp. z.o.o.	
		IVO Investment Sp. z.o.o.	

Source: the proposed Board of Directors

None of the members of the proposed Board of Directors of the Company has been convicted in fraud-related crimes, has been prohibited from carrying on business, or been engaged as a board member or as a holder of a managerial position in a company going bankrupt or being liquidated during the past five years, except for Lennart Öman while serving as a board member of Kohlswa Gjuteri Aktiebolag (the company is as of 10 March 2017 in bankruptcy and the trustee has given the investigation to the district court - no claims or remarks have been directed towards the board of Kohlswa Gjuteri Aktiebolag).

Companies of which the members of the interim Board of Directors and the proposed members of the new Board of Directors have held at least 10 % of the capital or voting rights during the past five years are presented below. Any companies of which the members currently hold at least 10 % of the capital or the voting rights are also presented below.

Companies of which the interim Board of Directors holds, or previously held, more than 10 % of the shares

Ulf Attebrant	Joachim Carlsson	Jacob Anderlund
Current holdings:	Current holdings:	Current holdings:
---	---	---
Former holdings:	Former holdings:	Former holdings:
---	---	---

Source: the Board of Directors

Companies of which the proposed Board of Directors holds, or previously held, more than 10% of the shares

Patrik von Hacht Current holdings: Medway Invest AB (556784-4971) Former holdings: Leomar AB (556531-2591) Nordic Alliance Tanker AB (556987-9447)	Mattias Ståhlgren Current holdings: --- Former holdings: ---
Peter Hogren Current holdings: GFW Management AB (556793-8047) A-krdo International AB (556959-4558) Former holdings: ---	Lennart Öman Current holdings: Nötudden Invest AB (556651-9954) Former holdings: ---

Source: the proposed Board of Directors

Please refer to section 12 (*The management of the Company*) for additional information regarding the management of the Company.

6.1.2 The CEO of Logistri Fastighets AB (publ)

The CEO of Logistri Fastighets AB (publ) is currently Jacob Anderlund. Jacob Anderlund is employed by the Business Manager and will be replaced by Ulf Attebrant after a board meeting following the general meeting to be held on 1 November 2017. Mr. Attebrant is employed by the Business Manager and will not receive any salary from the Company in the regard of his role as CEO. Mr. Attebrant's tasks correspond to the tasks of the Business Manager, which are presented in section 12.2 (*The Business Manager*). Please see Mr. Attebrant's CV below.

Ulf Attebrant – new CEO

- Employed as Business Manager at Pareto Business Management AB
- CEO of Pareto Alternative Investments AS, Sweden branch
- CEO of Huskvarnen Holding AB (publ) and Bosjö Fastigheter AB
- Experience: 30 years experience from the real estate sector, former CEO of CBRE Basale AB, CEO of Citycon Sweden AB, vice president of Atrium Ljungberg AB (publ) and earlier management position in listed Swedish real estate companies
- Education: Marketing economics DIHM, Royal School of Engineering

6.1.3 Proposed Board of Directors of Logistri Fastighets AB (publ)

A general meeting will be held on 1 November 2017. At this general meeting, a new Board of Directors will be elected. The proposed Board of Directors of the Company is presented below. Please note that each proposed board member's ownership in the Company is as of the date of this Company Description. Companies of which the proposed members of the Board of Directors have held at least 10 % of the capital or voting rights during the past five years are presented above in section 6.1.1. Any companies of which the proposed members currently hold at least 10 % of the capital or the voting rights are also presented in section 6.1.1.

Patrik von Hacht – proposed board member

- Education: Bachelour of Science in Business Administration and Economics
- Consultant
- Previous experience as CFO and Financial Controller
- Current board assignments: Leomar AB (556531-2591), Nordisk Marinförsäkring AB (556862-8183), AdMare Shipmanagement AB (556958-3460), Medway Invest AB (556784-4971) and Nordic Alliance Tankers AB (556987-9447)
- Former board assignments: Capital Insurance Services MIS AB (556618-7638), Nordic Holdings Ltd, Nordic Forest Terminals Ltd and Nordic Recycling Ltd
- Ownership in the Company: 100,000 shares

Mattias Ståhlgren – proposed board member

- Education: Master of Laws (LL.M.), Stockholm University
- CEO of FAREPAYMENT AB and Fareoffice Car Rental Solutions AB
- Previous experience as trustee at Remium Småbolag Sverige
- Current board assignments: no other ongoing board assignments
- Former board assignments: FAREPAYMENT AB (556581-6310) and Fareoffice Car Rental Solutions AB (556616-8075)
- Ownership in the Company: 100,000 shares

Peter Hogren – proposed board member (independent)

- Education: Master of Laws (LL.M.), Lund University
- Head of Sales and Business Development of BLOOC (Nordic Blooc AB)
- Previous experience as CEO and Country Manager of OX2 Wind Poland at OX2, CEO at Greenfield Wind
- Current board assignments: GFW Management AB (556793-8047) and A-krdo International AB (556959-4558)
- Former board assignments: Green Field Wind Sp. z.o.o., OX2 Wind Poland Sp. z.o.o., Akredo Sp. z.o.o., NIDA Investment Sp. z.o.o., NIDAT Investment Sp. z.o.o. and IVO Investment Sp. z.o.o. (all Polish LL.C)
- Ownership in the Company: 0 shares. Will act as independent board member

Lennart Öman – proposed board member (independent)

- Education: Master of Science, Royal Institute of Technology (KTH)
- CFO and Investment Manager of Nötudden Invest AB
- CEO of Victorsson Poultry AB
- Previous experience at Texas Instruments, Accenture and Ericsson
- Current board assignments: Nötudden Invest AB (556651-9954), Fricweld Aktiebolag (556215-1638), Victorsson Poultry AB (556189-6142), RSG Gjuterigrupp Holding AB (556711-9093) and Kohlswa Gjuteri Aktiebolag (556414-9010)
- Former board assignments: Victorsson Holding AB (556666-7662), Fricweld Holding AB (556704-2998) and Victorsson Industrier Lego Partner AB (556916-9336)
- Ownership in the Company: 0 shares. Will act as independent board member

6.2 The Shares

All shares in the Company have equal voting rights (1 vote per share) and equal rights to dividends. The Share's ISIN code is SE0010414615 and the ticker at AktieTorget will be LOGIST. The Shares are registered by Euroclear Sweden AB, and Euroclear Sweden AB handles the Company's share register. Shareholders may not receive physical share certificates, and all trades with the Shares are handled electronically through banks or other financial institutions. The shares of the Company are freely transferrable, subject to formal legal requirements and restrictions. Expected first day of trading on AktieTorget is on or about 23 October 2017. The Company has engaged Pareto as liquidity provider for the Company.

6.3 The Subsidiaries

The Company has one fully owned, immediate subsidiary named Logistri Portfolio 1 AB (publ), corporate identification number 559124-1574. Logistri Portfolio 1 AB (publ) was registered with the Swedish Companies Registration Office on 5 September 2017 and has seven fully owned and immediate subsidiaries, with corporate identification number 559125-7547, 559125-7554, 559125-7521, 559125-7539, 559125-7588, 559125-7596 and 559125-7562, all Swedish limited liability companies, registered with the Swedish Companies Registration Office on 4 September 2017. The registered address of each of the Subsidiaries is P.O. 7415, SE-103 91 Stockholm.

The objects of the Subsidiaries are to own and manage immovable (Sw. *Fast egendom*) properties or manage companies which directly or indirectly own immovable properties and, obtain financing for its business and conduct business related thereto. The immediate subsidiaries of Logistri Portfolio 1 AB (publ), are the direct or indirect owners of each of the Targets. All Targets, except for LP1 Olofström Holje 103:9 KDÄ AB, LP1 Tingsryd Tingsryd 3:14 KDÄ AB and the partnerships (Holje Industrihus i Olofström Fastighets KB and Tingsryd 3:14 KB), will merge into each buying subsidiary post Closing of the Transaction.

Logistri Portfolio 1 AB (publ) is the borrower under the Bonds.

The Share Purchase Agreement for the acquisition of the Targets was entered into on 29 September 2017, with the Vendor as seller and the subsidiaries of Logistri Portfolio 1 AB (publ) as purchasers.

6.4 The Targets

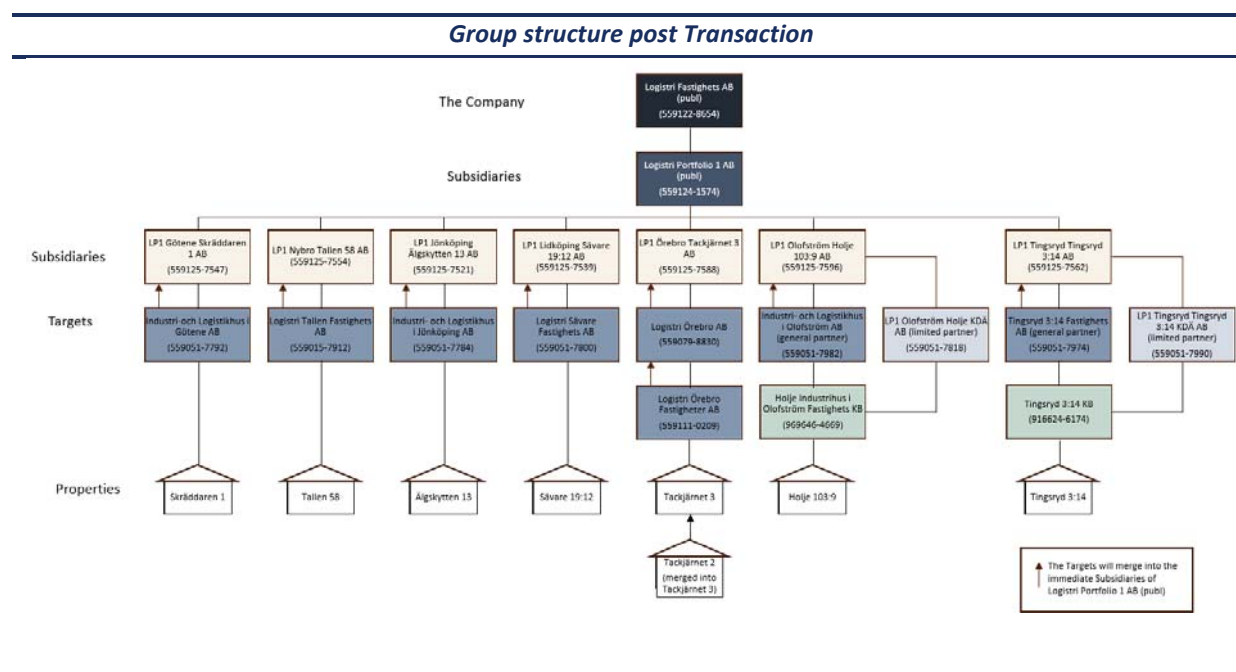
The Targets are twelve Swedish limited liability companies and limited liability partnerships with corporate identification 916624-6174, registered with the Swedish Companies Registration Office since 13 December 1988, 969646-4669, registered with the Swedish Companies Registration Office since 2 January 1998, 559015-7912, registered with the Swedish Companies Registration Office since 1 June 2015, 559051-7792, 559051-7784, 559051-7800, 559051-7982, 559051-7818, 559051-7974 and 559051-7990, registered with the Swedish Companies Registration Office since 18 February 2016, 559079-8830, registered with the Swedish Companies Registration Office since 11 October 2016 and 559111-0209, registered with the Swedish Companies Registration Office since 4 May 2017. The current registered address of the Targets is P.O. 7415, SE-103 91 Stockholm .

The Targets' shareholder prior to the acquisition of the Targets by the Company, through the Subsidiaries, was the Vendor. All Targets, except for LP1 Olofström Holje 103:9 KDÄ AB, LP1 Tingsryd Tingsryd 3:14 KDÄ AB and the partnerships (Holje Industrihus i Olofström Fastighets KB and Tingsryd 3:14 KB), will merge into each buying subsidiary.

6.5 Transaction and Group structure

The Transaction was structured as an acquisition of 100% of the shares in the Targets by the Subsidiaries, with the Company as the indirect owner. The Targets are the sole owners of the Properties.

The group structure after the Transaction is illustrated below.



Source: the Company

The Share Purchase Agreement was signed on 29 September 2017 with simultaneous Closing. The Share Purchase Agreement was negotiated between representatives of the Company, on behalf of the Subsidiaries, and representatives of the Vendor. The main elements in the Share Purchase Agreement have been structured as follows:

- The acquisition was carried out by means of a transfer of 100% of the shares in the Targets
- The purchase price was based on the Gross Portfolio Value of SEK 600,000,000 and was paid upon Closing
- The purchase price is subject to auditing and adjustment 35 business days after Closing
- The Vendor's obligations under the Share Purchase Agreement is secured by a guarantee from Alma I Group Holding AB (corporate identification number 559015-8019).

The purchase price payable on Closing was a preliminary amount based on a pro forma balance sheet and the final purchase price will be calculated based on the closing accounts to be prepared by the Vendor and reviewed by the Targets' auditor and the Company following Closing. All existing debt of the Targets was repaid by the Subsidiaries, on behalf of the Targets, at Closing.

The Share Purchase Agreement contains warranties regarding *inter alia* the Targets, the Portfolio, the Lease Agreements, tax and disputes; warranties collectively deemed by the Group and its legal advisors aim to be in line with Swedish market practice with customary limitations regarding the Vendor's liability for breach of warranties and in respect of thresholds and time limits for making claims.

6.6 Contact information

The Company's contact information is stated below.

Address:

Logistri Fastighets AB (publ)
Box 7415
103 91 Stockholm
Sweden

Phone:

Pareto Business Management: 08-402 50 00

Website:

www.logistri.se

7 THE PORTFOLIO

Unless otherwise explicitly stated, the Vendor is the source of all information contained in this section.

7.1 General overview

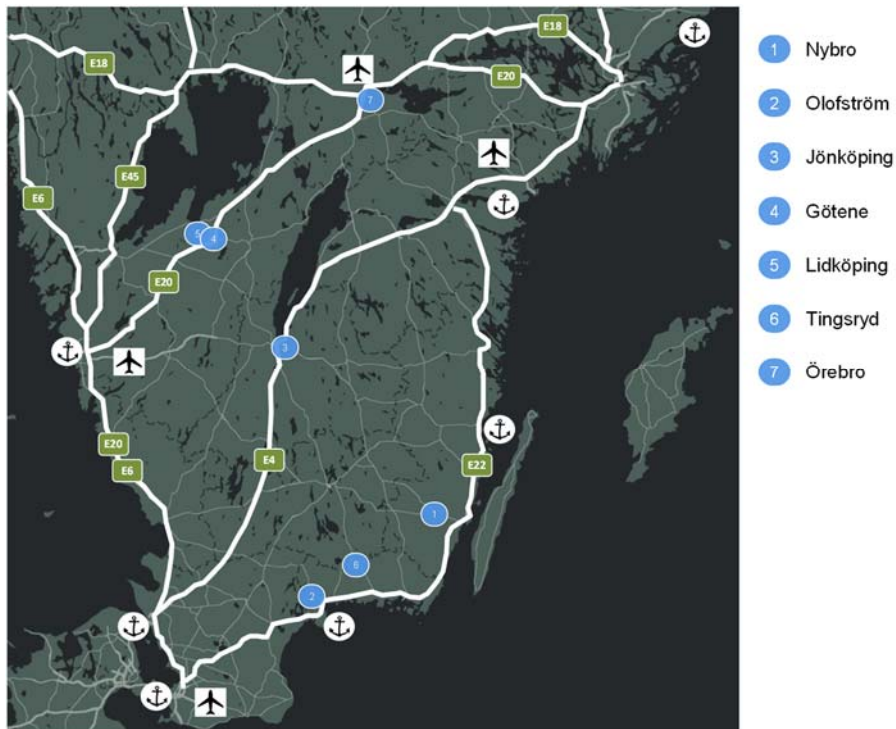
The Portfolio comprises seven logistics and light industrial properties in southern Sweden, almost all assets are located within the logistics triangle. The Properties are located in Götene, Jönköping, Lidköping, Nybro, Olofström, Tingsryd and Örebro. The Götene property, located approximately 20 km east of central Lidköping includes the Skräddaren 1 property. The Jönköping property Älgskytten 13 is located alongside the E4 motorway in a highly reputable logistics location (Ljungarum). The Lidköping property, Sävsåra 19:12 is located alongside the E20. The Nybro property, located close to Kalmar, includes the Tallen 58 property. The Olofström property, located close to the harbour of Karlshamn includes the Holje 103:9 property. The Tingsryd property includes the Tingsryd 3:14 property. The Örebro property, with highways, railways and a modern airport, where two major highways (E18 and E20) meet includes property Tackjärnet 3. The Örebro property previously included two properties, Tackjärnet 2 and Tackjärnet 3 but Tackjärnet 2 merged into Tackjärnet 3 at the end of September 2017. For more information regarding the location, please refer to section 8 (*Locations*).

The Properties are used mainly for logistics/light industrial purposes and the Portfolio has six tenants: AB Gustaf Kähr, Orthex Sweden AB, Johnson Metall AB, EPB i Olofström AB, Prototal AB and Prototal PDS AB. All the Properties are well suited for, and of key importance to each of the Tenants. For more information regarding the Tenants, please refer to section 9 (*The Tenants*).

The buildings in the Portfolio have a total lettable area amounting to approximately 104,500 sqm with a remaining lease term average of 14.2 years.

In the following sections, the Portfolio is described in more detail.

The assets are located alongside Swedish key transportation routes



Source: the Company

7.2 Summary of the Portfolio

A summary of the Portfolio is presented in the table below.

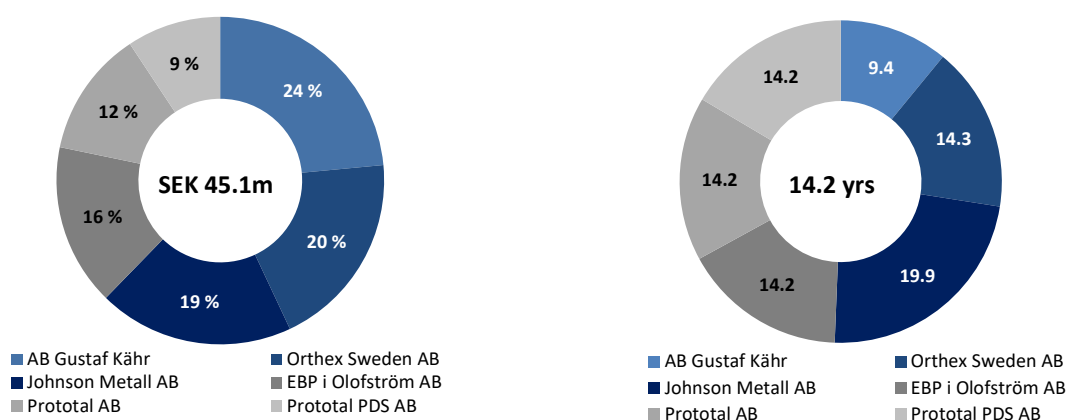
Summary of the Portfolio

Property	TALLEN 58	TINGSRYD 3:14	TACKJÄRNET 2&3	HOLJE 103.9	ÄLGSKYTTEN 13	SKRÄDDAREN 1	SAVARE 19:12
Location	Nybro	Tingsryd	Örebro	Olofström	Jönköping	Götene	Lidköping
Tenant	AB Gustaf Kähr	Orthex Sweden AB	Johnson Metall AB	EBP i Olofström AB	Prototal AB	Prototal PDS AB	Prototal PDS AB
Lettable area, sqm	20,416	21,124	22,700	18,354	10,896	9,275	1,714
NOI ⁽¹⁾ , SEK/m	8.6	8.6	8.6	6.9	5.3	3.5	0.4
Construction year	2010	1968-1991	1939-1993	1978	1984	1964	1989
Refurbishment year	N/A	2010	N/A	2005	2004	2004	2010

Notes: (1) Rounded figures

Source: the Vendor

Rental income breakdown and WAULT (yrs)



Source: the Vendor

7.3 The Olofström property – Holje 103:9

The property was originally constructed in 1978 and has since been extended. The property was refurbished in 2010 and the property has a total site area of almost 80,000 sqm with a number of unified and independent buildings. It contains lettable area of 18,354 sqm, of which 14,241 sqm is production area, 3,050 sqm is warehouse area and 1,063 office space.

The press hall was constructed in 1996 with concrete flooring, steel frame, sheet and board roofing. Ceiling height below beam is 8.4-15.7 meters. There are also two production halls from the 1970s with concrete frame elements, exterior walls of light concrete elements with sheet and cardboard ceilings. Ceiling height in those buildings are approximately 6.0 meters, below beam. The intermediate storage facility from 1997 has asphalt flooring, steel frame, sheet metal walls and ceiling of sheet and cardboard has a ceiling height of 10.0 meters. The painting facility from 1999 has a steel frame, sheet metal walls and sheet metal roof with a ceiling height of 9.0 meters. The office building was built during the 1970s with a wooden frame, brick facade and roofing of sheet metal and board. The personnel facility has a wooden frame, sheet metal facade and roof coated with cardboard. The site also has a total of 15 dockings and 70 parking lots.

Description and pictures of the Olofström property

Technical information	
Construction year	1978
Renovation year	2010
Clear height, meters	8.4-15.7
Number of doors/dockings	15
Number of parking lots	70

The building	
Foundation	Concrete, steel
Framework	Concrete, steel
Beams	Concrete, steel
Roof	Sheet metal, board
Ceiling	Sheet metal, board
Walls	Sheet metal
Facade	Light concrete elements, brick facade

Distribution of area, sqm	
Site area	79,659
Lettable area	18,354
Warehouse	3,050
Production	14,241
Office	1,063



Source: the Vendor

7.4 The Götene property – Skräddaren 1

The building on the Götene property was originally constructed in 1964 and modernized in 2004 with a total site area of 48,527 sqm, lettable area of 9,275 sqm of which 7,523 sqm is production area, 1,200 sqm is warehouse area and 552 sqm derives to office space. The building is constructed for light industrial purposes and the site also contains a total of 50 parking lots.

The older parts, built up and until 1987, have a frame of concrete elements, exterior walls and ceilings of light concrete elements with a ceiling coated in cardboard and rubber cloth (which have been replaced in parts on different occasions between 2009-2014). The ceiling height below beam is 4.9 meters. The production halls from 1996 and 2000 have steel frames, facade of sheet metal and insulation with sheet, insulation and cardboard ceilings. Ceiling height below beam is 5.3 meters. The cold storage from 1987 and 2004 has a steel frame with roof and walls of corrugated sheet metal. The ceiling height below beam is 5.0-6.0 meters.

Description and pictures of the Götene property

Technical information

Construction year	1964
Renovation year	2004
Clear height, meters	5.0-6.0
Number of doors/dockings	6
Number of parking lots	50



The building

Foundation	Concrete, steel frames
Framework	Steel frames
Beams	Concrete, steel, lightweight concrete
Roof	Corrugated sheet metal
Ceiling	Light concrete elements
Walls	Light concrete elements, corrugated sheet metal
Facade	Sheet metal



Distribution of area, sqm

Site area	48,527
Lettable area	9,275
Warehouse	1,200
Production	7,523
Office	552



Source: the Vendor

7.5 The Tingsryd property – Tingsryd 3:14

The property consists of an office building, renovated in 2009, and a combined production and warehouse building originally constructed in 1968. The ceiling height of the premises ranges from 2.5-6.5 meters.

The structures of the buildings are built with concrete and the facade materials are concrete, plate and fibreboard. The plot surface and foundation are also made of concrete. Roofs comprise a combination of built up felt and profiled metal sheeting. Facades to the robot/production building comprise of painted in-situ cast concrete to the basement, pre-cast concrete panels to the ground and high level roof areas and profiled metal sheeting to the first floor level facades. Windows throughout the site comprise a combination of newer sealed triple glazed cavity window units and original double glazed sealed cavity window units.

The total site area of the property is more than 95,000 sqm with lettable area of just over 21,000 sqm, of which 11,787 sqm is warehouse area, 4,519 sqm is production area and 4,818 is office space and other area. The site also consists of 8 loading doors and 125 parking lots.

Description and pictures of the Tingsryd property

Technical information	
Construction year	1968-1991
Renovation year	2009
Clear height, meters	2.5-6.5
Number of doors/dockings	8
Number of parking lots	125



The building	
Foundation	Concrete
Framework	Concrete
Roof	Felt and profiled metal sheeting
Walls	Concrete
Facade	Concrete, plate, fibreboard



Distribution of area, sqm	
Site area	9,516
Lettable area	21,124
Warehouse	11,787
Production	4,519
Office	1,738
Other	3,080



Source: the Vendor

7.6 The Lidköping property – Sävore 19:12

The property is located in Vinninga, just 10 minutes outside of central Lidköping. The property consists of a building with office, production and warehouse space.

The building was built in 1989, extended in 2010 and has a combination of steel and wooden framework supporting a pitched roof construction weathered with sheet metal. Facades comprise of metal cladding panels. Windows generally comprise of double-glazing with sealed cavity window units in timber, metal, timber frames with external metal protective sheeting. The foundations comprise of concrete slab.

The total site area of the property is 6,829 sqm with lettable area of 1,714 sqm, of which 100 sqm is warehouse area, 1,134 sqm is production area and 480 sqm is office space. The site also consists of 2 loading doors and 15 parking lots.

Description and pictures of the Lidköping property

Technical information

Construction year	1989
Renovation year	Several times
Clear height, meters	N/A
Number of doors/dockings	2
Number of parking lots	15

The building

Foundation	Steel and wood
Framework	Steel
Roof	Sheet metal
Walls	Sheet metal, wood
Facade	Cladding panels
Window construction	Insulated glass

Distribution of area, sqm

Site area	6,829
Lettable area	1,714
Warehouse	100
Production	1,134
Office	480



Source: the Vendor

7.7 The Jönköping property – Älgskytten 13

Originally constructed in 1984, the property is built with concrete piles of concrete elements as well as walls with ceilings of light concrete elements; the clear height is mainly 4.4 meters. The property contains a lettable area of 10,896 sqm, of which 8,295 sqm is production area, 1,448 sqm is office area and 1,153 is warehouse space. The new industrial section is built with concrete frame elements and both walls and ceilings of light concrete elements. The roof is covered with rubber cloth and the overall ceiling height of the new section is approximately 8.0 meters. The new office part is built with steel piles and glue beams, cedar wood and sedum roofs. All the buildings consist largely of open cohesive surfaces and are considered very flexible. The site also consists of 3 loading doors and 50 parking lots.

The property has a great micro location (Ljungarum logistics and industrial area) in direct vicinity (only 1 minute) to the E4 highway.

Description and pictures of the Jönköping property

Technical information	
Construction year	1984
Renovation year	2014
Clear height, meters	4.4-8.0
Number of doors/dockings	3
Number of parking lots	50
The building	
Foundation	Concrete and steel, lightweight concrete
Framework	Concrete frame elements
Beams	Glulam
Roof	Sedum roofs, rubber cloth
Ceiling	Coated with felt
Walls	Light concrete elements
Facade	Cedar wood
Distribution of area, sqm	
Site area	17,039
Lettable area	10,896
Warehouse	1,153
Production	8,295
Office	1,448



Source: the Vendor

7.8 The Nybro property – Tallen 58

The Nybro property has a total site area of almost 56,000 sqm and nearly all of the 20,500 sqm lettable area is warehouse space and was constructed in 2010 by Skanska. The property contains lettable area of 20,416 sqm, of which 19,791 sqm is attributal to warehouse area. The building has a ceiling height of between 9.0-10.0 meters (headroom beneath the roof girders of 8.0 meters). Load capacity in the warehouse is 2,500 kg/sqm.

The building has a steel framework supporting a flat roof construction weathered with felt roof coverings. Facades comprise of metal cladding panels with a pre-cast concrete plinth course. There is a covered loading area with profiled metal sheet facades and roof coverings. Windows generally comprise of tripleglazing with sealed cavity window units with metal frames. The foundations comprise of cast concrete slabs with foundation pads beneath columns.

The warehouse has six gates of which two of them have electric powered overhead doors with height-adjustable loading docks and an external weatherproof docking house. The site also consists of 50 parking lots.

Description and pictures of the Nybro property

Technical information	
Construction year	2010
Renovation year	-
Clear height, meters	8.0
Number of doors/dockings	6
Number of parking lots	50

The building	
Foundation	Floor slab
Framework	Steel, concrete
Roof	Felt roof
Facade	Sandwich elements of sheet steel metal

Distribution of area, sqm	
Site area	55,970
Lettable area	20,416
Warehouse	19,791
Office	326
Other	299



Source: the Vendor

7.9 The Örebro property – Tackjärnet 3

The property was originally constructed in 1939 and has been extended/refurbished up and until 1993. The total site area of the property is more than 33,000 sqm with lettable area of 22,700 sqm, of which 11,578 sqm is warehouse area, 8,787 sqm is production area and 2,335 is office space. The Örebro property previously included two properties, Tackjärnet 2 and Tackjärnet 3 but Tackjärnet 2 merged into Tackjärnet 3 at the end of September 2017.

The buildings have a combination of metal and concrete frames (the majority of buildings have concrete frames) that support flat and pitched roofs. The majority of roofs are weathered with built up felt but some of the smaller buildings have profiled metal sheeting and/or mineral-fibre panels. Facades comprise of concrete elements, brickwork, render, mineral fibre panels and profiled sheet metal panels. The site also consists of 75 parking lots.

The Örebro property is located next to a residential area. According to a municipal report from 2015, the area constitutes a good fit for future residential development due to the central location and the proximity to the residential areas of Holmen and Hagaby.

Description and pictures of the Örebro property

Technical information

Construction year	1939-1993
Renovation year	-
Clear height, meters	5.0-7.0
Number of doors/dockings	7
Number of parking lots	75

The building

Framework	Metal and concrete
Roof	Built up felt
Facade	Concrete, brickwork, render, mineral fibre panels and profiled sheet metal panels

Distribution of area, sqm

Site area	33,328
Lettable area	22,700
Warehouse	11,578
Production	8,787
Office	2,335



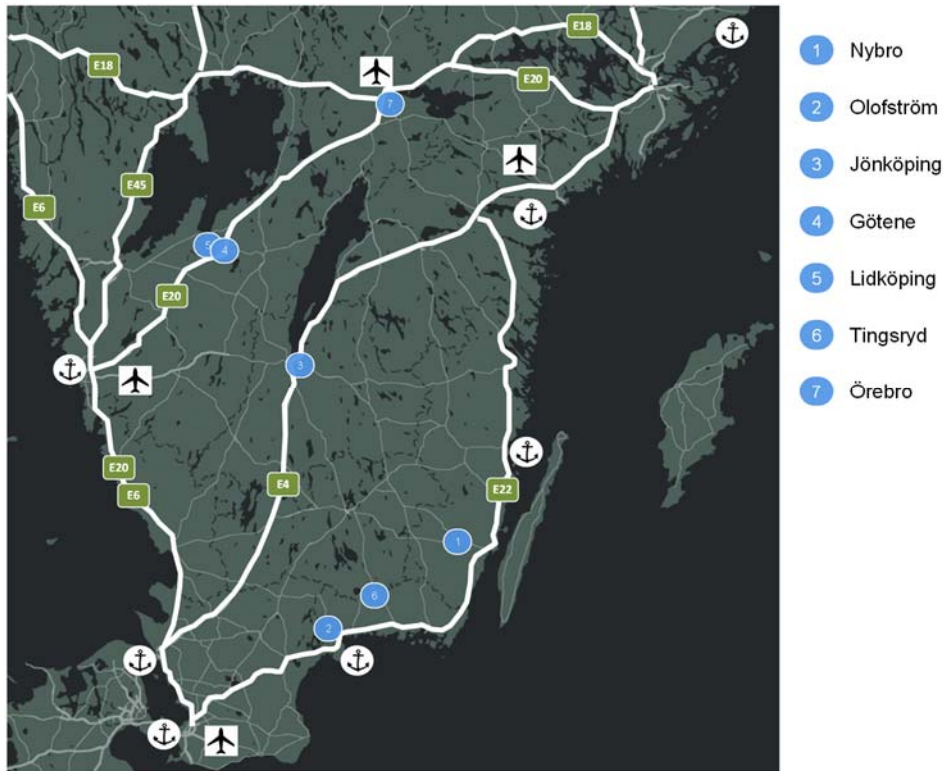
Source: the Company

8 LOCATIONS

8.1 Overview

Southern Sweden is the ideal location for centralised logistics operations in Northern Europe being the largest Nordic market. All major cities in the Nordics and the coastal regions of e.g. Poland and Germany can be served in less than 12 hours, with approximately 100 million people accessible within 24 hours according to CBRE.

Location of the Properties



Source: SCB

There has been a positive population growth in all municipalities between 2012 and 2016. The average population growth for the municipalities in the Portfolio amounts to 3.5% compared to the national average of 4.6%.

8.2 Örebro

Örebro is located in central Sweden, 200 km west of Stockholm and 300 km northeast of Gothenburg, with a population of 144,000 people. The Swedish logistics market is divided into separate regions with the Örebro region ranked as the second most attractive in the country, according to *Intelligent Logistik* (2017). In addition, several well-known companies have established logistics hubs in the region. For example, large companies such as Lidl has chosen Örebro as location for their third central warehouse and PostNord is currently constructing one of Sweden's most modern terminals in the area, due to completion in 2017 and 2019 respectively.

The region benefits from its central location which enables companies to reach 6.5 million people within 300 km.

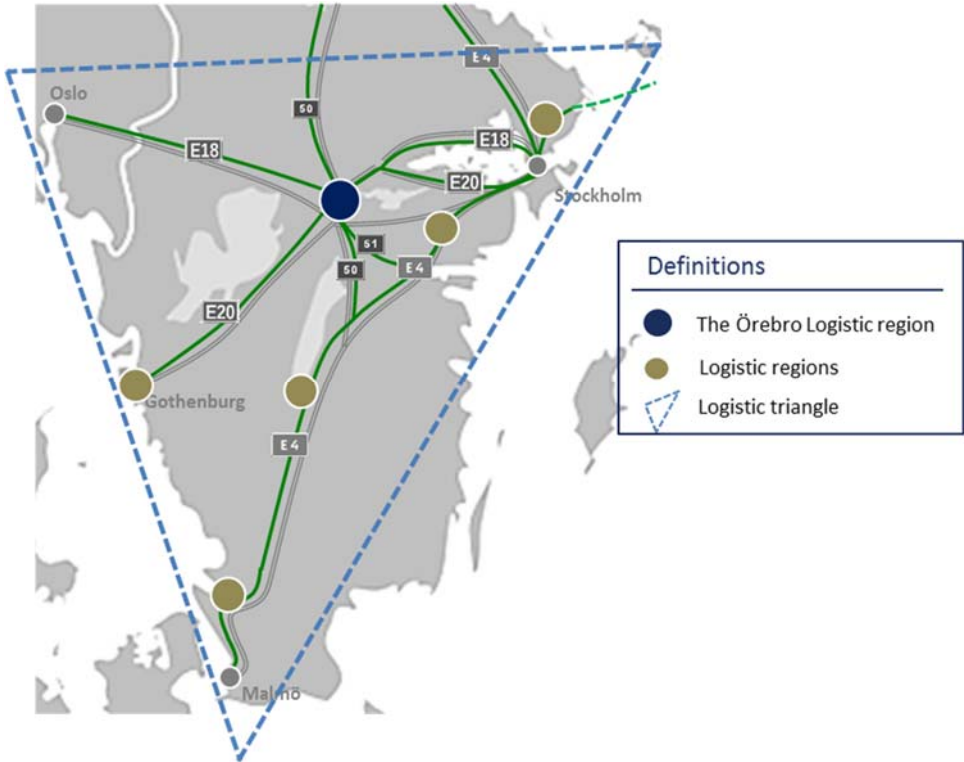
Top six logistic regions in Sweden

Ranking	Region
1	The Greater Gothenburg region
2	The Örebro region (Örebro, Hallsberg, Arboga, Kumla, Askersund)
3	The Eastern Sweden region (Norrköping, Linköping, Mjölby, Motala)
4	Stockholm North (Sigtuna, Väsby, Enköping, Håbo, Bro)
5	The Helsingborg region (Northeastern Skåne) and Eskilstuna/Strängnäs
6	The Jönköping region (Jönköping, Nässjö, Vaggeryd)

Source: Intelligent Logistik

The Örebro region is located in the heart of the Swedish ‘Logistics Triangle’, which is a strategic geographical location for logistics. The train alliance is planning a national railroad center in Hallsberg, which further strengthens the Örebro region.

The Örebro logistic region benefits from its central location



Source: CBRE and Pareto

The municipality of Örebro also benefits from its logistically strong infrastructure. The Property is located along the European highway, E18, and close to the intersection of E18 and E20. The country's largest intermodal terminal and one of Sweden's largest freight airports are also located in the region, which facilitates transports across Sweden and cross border. In addition, the proximity to *Bergslagsdiagonalen* and two combi terminals (*ÖrebroTerminalen* and *HallsbergsTerminalen*) are additional reasons companies are establishing their logistic hubs in the region.

8.3 Jönköping

Jönköping forms the centrepiece of the 'Logistics triangle', strategically located between the Scandinavian capitals with close proximity to Northern Europe. Jönköping municipality is the tenth largest municipality in Sweden with a total population of 135,300 people. Jönköping enjoys a strong local economy with a diversified business industry, primarily focusing on trade and logistics. The Jönköping area has multiple logistic-intensive businesses such as IKEA, Elgiganten, Bring, DHL and DB Schenker, all with logistics operations in the Jönköping area. The city benefits from well-developed infrastructure with an efficient network of motorways, railways and an airport. Within a radius of 400 km, 80% of the Swedish population is accessible.

Due to Jönköping's advantageous location, it is consistently considered among the most attractive logistics locations in Sweden with good opportunities to supply Finland, Denmark and Norway with day-after deliveries from warehouses. Jönköping is ranked as the sixth best logistics location in Sweden by *Intelligent Logistik* (2017). The railroad shuttle to Gothenburg and three combined terminals make it easy to enter import goods.

Top six logistic regions in Sweden

Ranking	Region
1	The Greater Gothenburg region
2	The Örebro region (Örebro, Hallsberg, Arboga, Kumla, Askersund)
3	The Eastern Sweden region (Norrköping, Linköping, Mjölby, Motala)
4	Stockholm North (Sigtuna, Väsby, Enköping, Håbo, Bro)
5	The Helsingborg region (Northeastern Skåne) and Eskilstuna/Strängnäs
6	The Jönköping region (Jönköping, Nässjö, Vaggeryd)

Source: *Intelligent Logistik*

8.4 Nybro

Nybro municipality has approximately 20,300 inhabitants. Last year, 1,710 people moved to Nybro and an average of 1,282 people/year are expected to move to Nybro in the coming years.

Nybro has a unique business community with many small entrepreneurs, but also a number of major companies mainly operating in the wood, paper and design industry. Several of them are world leaders in their industries. In addition, the transport and logistics sector is important in the municipality.

Nybro has a strategic location between the three regional centers of Kalmar, Karlskrona and Växjö. Communications are good with, i.a., highway 25 and the railroad with both regional and commuter trains. Nybro also have two airports at a distance of 30 and 90 km respectively. It only takes 15 minutes to Kalmar by train and 50 minutes to Växjö.

The location of the Property is well thought out since the revenue from the tenant primarily derive from the strong hardwood market, which is produced in Nybro.



Source: the Vendor

The largest private employer in Nybro is AB Gustaf Kähr with 725 employees and the largest public employer is Nybro municipality with 2,025 employees. The forests of the region have helped the emergence of the glass and wood industry, which helped Nybro become an industrial society.

Nybro is the largest municipality in the region of the so called 'Glass Realm' in Småland (Sv: Glasriket), which has almost one million visitors each year.

Nybro municipality has also invested in a brand new electrified intermodal terminal. Nybro municipality wants to strengthen their infrastructure and become more competitive in the transportation industry. The goal is to develop the role as the logistical hub in the region.

8.5 Lidköping and Götene

Both Lidköping and Götene are located in vicinity to the Greater Gothenburg region which is the main driver in Western Sweden and Västra Götaland County. The latter is Sweden's second largest county in terms of inhabitants with a population of 1.7 million people.

Lidköping is located approximately 1 hour and 30 minutes outside of Gothenburg and Götene about 1 hour and 45 minutes outside of the city. The property in Götene is located in proximity to the European highway E20 and Lidköping only within a 20 minute drive. The E20 is a motorway along a significant part of Sweden from Öresundsbron and Malmö, to Stockholm via Gothenburg.

Lidköping and Götene have a population of over 39,300 and 13,300 inhabitants respectively. The largest employers in Lidköping include Fazer, Nobina and Lidköping municipality. In Götene, Volvo, Ericsson, Scania and Västra Götalands county council are the largest employers.

Since Lidköping and Götene borders to the lake Vänern, the harbour in Lidköping has always been of importance and counts as Vänerns second largest port, measured in the number of tonnes.

Between 310-330 new companies are set up in the city of Lidköping every year, according to *Tillväxtlidköping.*, which implies a growing, healthy city.

8.6 Olofström

Olofström has a population of almost 13,500 inhabitants and the industry in Olofström is dominated by the company Volvo Cars where more than 2,500 people are currently working. Olofström is an industrial community with a history of industrial production going back to the 1700s. Volvo has had operations at the Olofströmsverken since the 1920s and city has tight connections to the automotive industry.

The city's second largest employer is the municipality itself and other major employers include Finnveden Metal Structures, European Body Panels, Coor Service Management and Blekinge County Council.

Olofström is the starting/end point for Olofström-Älmhults Railway. At present, freight traffic travels to Älmhult and the traffic consists of transportation to and from Volvo's factory in Olofström.

Olofström is traversed by Riksväg 15 which crosses the country between Halmstad and Karlshamn.

8.7 Tingsryd

Tingsryd has a population of 12,400 inhabitants and it is about 40 km to Ronneby, Karlshamn and Växjö. The bus links with between Tingsryd and these cities as well as several other municipalities are good.

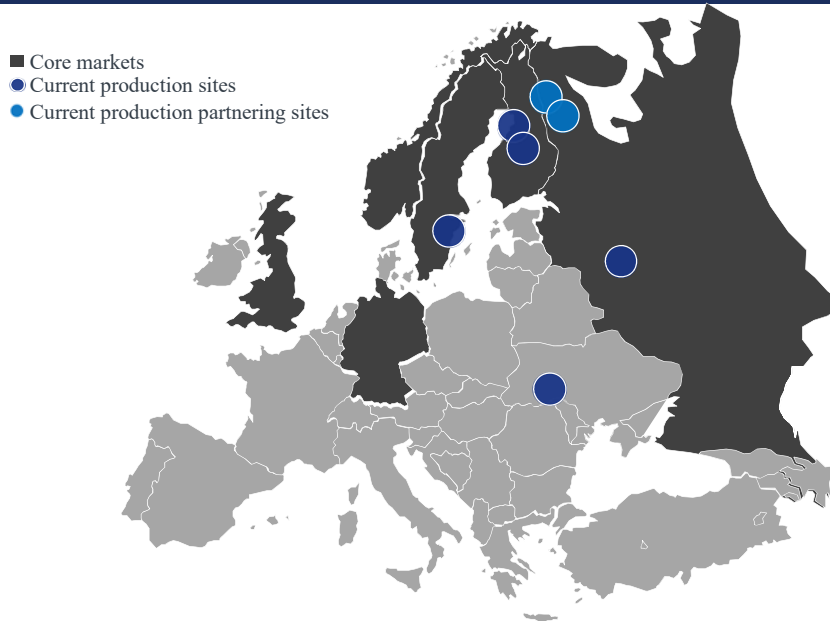
Tingsryd is a municipality that has a very high number of entrepreneurs according to the Swedish Business Industry survey. Just over 15.1% of the population operates a registered company or sits in the board of a company (survey done in late 2016). That number is the highest in Kronobergs County.

9 THE TENANTS

9.1 Kährs

Kährs leases the Tallen 58 property in Nybro. Kährs Group was founded in 1857 and has a long tradition of flooring manufacturing with a leading position in Northern Europe for multilayered and engineered wood floor. The Group enjoys considerable international brand recognition and operates under three separate brands; Kährs, UPOFLOOR and Karelia. Production takes place in six countries with Nybro in Sweden constituting the most strategic site, where the revenues primarily derive from. Sweden is also the most important market in terms of size and growth, whilst the other two are Finland and Russia.

Production consolidation and optimization



Source: the Vendor

Triton (Sweden) and Hartwall Capital (Finland) constitute the largest stakeholders in Kährs Group and have stabilized the firm thanks to a number of strategic decisions. For example, the number of brands were reduced and thereby contributing to a better product focus and brand recognition. Also, as a part of the more focused strategy, Kährs has consolidated its production, primarily closing sites in Finland to optimize its production (legacy sites from the merger with Karelia).

New brand structure

Kährs

Karelia
HARDWOOD FLOORS

UPOFLOOR®

Source: the Vendor

9.1.1 Financial overview

Kährs Group reports net sales of SEK 2.9 billion in 2016, implying a year-on-year growth of approximately 10%. The EBITDA margin amounted to approximately 11.1% and the EBIT margin to approximately 7.8%. Kährs Group's result for the period amounted to SEK 59 million.

In 2014, the new owners completed a major refinancing process during which the old bond was called and replaced by more attractive financing, thereby improving profitability and enabling future expansion.

Selected financials of the group

SEKm	Kährs	
Income statement	2016	2015
Net sales	2 894	2 724
COGS	2 261	2 152
EBITDA	320	314
Operating profit (EBIT)	133	172
Profit for the period	59	62

SEKm	2016-12-31		2015-12-31	
Balance sheet	2016-12-31		2015-12-31	
<i>Assets</i>				
Non-current assets	755		746	
Current assets	1 441		1 256	
Total assets	2 196		2 002	
Equity	472		359	
<i>Liabilities</i>				
Short-term liabilities	689		638	
Long-term liabilities	1 035		1 005	
Total liabilities	1 724		1 643	
Total equity and liabilities	2 196		2 002	

Source: Kährs Group annual reports

9.2 EBP

EBP leases the Holje 103:9 property in Olofström. They started as a spin-off from Volvo in 1996 and is now one of Northern Europe's largest stand-alone suppliers of niche-volume body panels to the vehicle industry, specializing in the production of low and medium volume for series as well as aftermarkets. EBP produces both spare parts as well as body panels, covering some of the leading automotive producers in Europe including Volvo, Aston Martin, Audi and Eberspächer.

Reputable customers

Volkswagen AG



Source: the Vendor

EBP is evaluating a possible expansion in order to facilitate a new press line and to continue with its efficiency measures. A major advantage for EBP is the long duration of the contracts, where investments are often backed up by contracted cash flow streams.

Expansion of current premises



Source: the Vendor

EBP has a strong relationship with many of its customers and most contracts have long durations which provide cash flow predictability. In Olofström, EBP is able to provide the entire production chain including stamping, assembling, ED-coating and packaging. There are only 3-4 firms in Europe that can offer a “one-stop-shop” solution similar to the one that EBP offers.

9.2.1 Financial overview

EBP reports net sales of approximately SEK 312 million in 2016, implying a year-on-year growth of approximately 21.5%. Both EBITDA and EBIT margins have increased substantial over recent year, with a 2016 EBITDA margin of 4.9% and 2016 EBIT margin of 2.0%.

Selected financials of the group

SEK '000	EBP	
Income statement	2016	2015
Net sales	311 871	256 723
COGS	283 376	236 685
EBITDA	15 155	11 652
Operating profit (EBIT)	6 142	534
Profit for the period	3 377	5

SEK '000	2016-12-31	2015-12-31
Balance sheet		
<i>Assets</i>		
Non-current assets	73 501	83 240
Current assets	147 567	115 895
Total assets	221 068	199 135
 Equity	 119 170	 115 793
<i>Liabilities</i>		
Short-term liabilities	84 829	67 242
Long-term liabilities	17 069	16 100
Total liabilities	101 898	83 342
 Total equity and liabilities	 221 068	 199 135

Source: EBP annual reports

9.3 Prototal AB and Prototal PDS AB

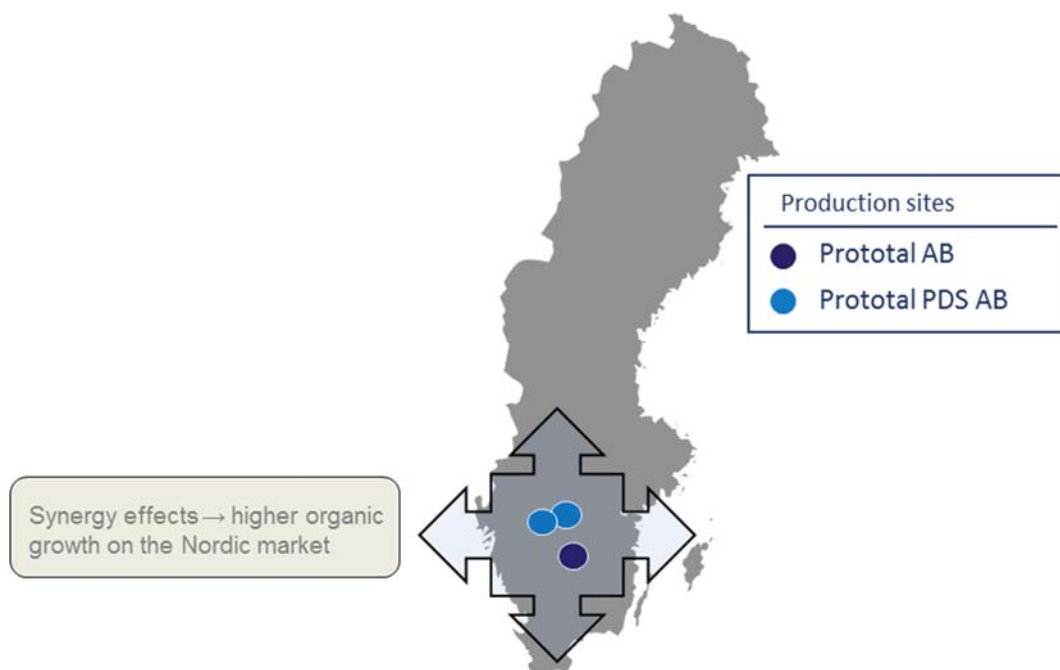
Prototal is a spin-off from Electrolux that develops customized prototypes in plastic and metal. The methods for plastic production include vacuum casting and 3D printing and the metal division comprises techniques such as flex forming, hydraulic pressing and laser cutting.

Prototal enjoys a strong market position within the field of customized plastic and metal prototypes thanks to its wide range of products compared to its competitors.

Prototal PDS AB (Lidköping and Götene) is a subsidiary to Prototal AB (Jönköping) and manufactures customized plastic prototypes both in large and small volumes and long and short production cycles. The large and standardized production in Götene, and the small and customized production in Lidköping. Examples of productions; specialized/standardized prostheses and pedals/panels for the automotive industry etc.

The management intends to optimize the synergies between Prototals' sites as well as the plastic and steel division.

Organic growth by optimizing synergies



Source: the Vendor

Prototal has a strong and diversified customer base and the all-embracing offering makes Prototal unique in the Nordic market. The plastic division is signified by a large customer base making up a small percentage of total revenues, whereas the steel division is more dependent of large contracts.

Selection of Prototals' customers



Source: the Vendor

9.3.1 Financial overview

A positive result of the acquisition of GePe Biwex in 2013 is that net sales has increased from SEK 114 million to SEK 120 million.

Selected financials of the group

SEK '000	Prototal AB		Prototal PDS AB	
	2016	2015	2016	2015
Income statement				
Net sales	120 068	114 327	111 992	87 736
COGS	88 316	87 451	85 585	65 905
EBITDA	2 630	370	8 330	9 019
Operating profit (EBIT)	-2 970	-5 709	4 922	5 747
Profit for the period	280	-439	1 758	2 694

SEK '000	2016-12-31		2015-12-31	
	2016-12-31	2015-12-31	2016-12-31	2015-12-31
Balance sheet				
<i>Assets</i>				
Non-current assets	54 582	62 277	13 663	17 945
Current assets	37 210	35 602	38 897	30 981
Total assets	91 792	97 879	52 560	48 926
<i>Equity</i>				
Untaxed reserves	18 128	16 437	11 401	9 927
<i>Liabilities</i>				
Short-term liabilities	26 360	31 227	21 545	19 422
Long-term liabilities	30 962	25 973	11 381	13 102
Total liabilities	75 450	73 637	44 327	42 451
Total equity and liabilities	91 792	97 879	52 560	48 926

Source: Prototal AB and Prototal PDS AB annual reports

9.4 Johnson Metall AB

Johnson Metall AB leases the Tackjärnet 3 property in Örebro and has had operations in the premises since the mid 1990s. Johnson Metall has an unrivalled leading position with a 45% market share in the Nordic bronze market.

The head office and the largest part of the production are found in the properties located in Örebro. They have production sites in both Sweden and Finland, applying an integrated model.

Long lasting customer relationships



Source: the Vendor

Johnson Metall also has loyal and long lasting customers such as Atlas Copco, Volvo and Sandvik with production units close to customer production sites.

Johnson Metall serves markets where customers fundamentally prefer outsourcing and where roughly 80% of the market for machined bronze goods is outsourced. Very few of the customers have an in-house machining capacity.

The company is signified by a bigger scale and a higher degree of integration than most peers. Their integrated model covering the whole value chain; melting & casting, distribution and machining, which make Johnson one step ahead of peers and unique in the Nordics.

9.4.1 Financial overview

Johnson Metall has been able to maintain a strong EBITDA-margin amid relatively though market conditions. There have been overall market downturns in key sectors such as offshore, mining, oil & gas which have had severe top line impact and lowered profitability.

During 2015/16 Johnson Metall divested its operations in the US and Romania. The reason for the divestment was a strategic management decision where all brass (Sw. *Mässing*) related production where divested to focus on bronze production.

Selected financials of the group

SEK '000	Johnson Metall	
Income statement	2016	2015
Net sales	386 805	695 444
COGS	272 291	540 560
EBITDA	58 019	16 183
Operating profit (EBIT)	38 204	-25 628
Profit for the period	30 825	-43 207

SEK '000	2016-12-31 2015-12-31	
Balance sheet	2016-12-31	2015-12-31
<i>Assets</i>		
Non-current assets	154 748	296 428
Current assets	142 523	223 204
Total assets	297 271	519 632
Equity	132 487	101 225
Provisions	52 354	54 083
<i>Liabilities</i>		
Short-term liabilities	70 732	162 904
Long-term liabilities	41 698	201 420
Total liabilities	164 784	418 407
Total equity and liabilities	297 271	519 632

Source: Johnson Metall AB annual reports

9.5 Orthex Group

Orthex Sweden AB leases the property Tingsryd 3:14 in Tingsryd and has produced and sold household and everyday products since the early 1900s.

Oy Orthex AB acquired Sveico AB in 2010, which contributed to the presence in the kitchen tools market for the Group. The following year, in 2011, Hammarplast Consumer AB was acquired by the Group, which provided additional product series in the storage and garden product market.

Orthex operate in a non-cyclical industry with mainly need based purchases with stable growth outlook with a Nordic market estimated at SEK 5 billion.

Orthex has a diversified customer base, where no single customer makes up more than 10% of total sales.

Excellent customer relationships



Source: the Vendor

Orthex has a broad assortment in five categories comprising four brands with well-known quality, functionality and affordability. The Group's brands include:

- SmartStore – “Optimal storage for the home” are the keywords of the SmartStore brand. The majority of the storage products sold by Orthex Group are marketed under this trademark.
- GastroMax – In the GastroMax product range, all tools needed in the kitchen for cooking, baking or storing food is represented. The products are produced in cooperation with professional chefs and Scandinavian designers. Their business is based on more than 100 years of accumulated experience and knowledge about making kitchen products.
- Hammarplast – The brand's focus is to sell affordable and functional products within the garden and household segment. The products have been sold since 1947 and this long tradition and experience has made Hammarplast a reliable brand.
- Orthex – Offers practical and durable products for everyday life, ranging from freezer cans and buckets to laundry baskets and pots. Nordic design and focus on end-users have been the core of the products since 1956 when Orthex was founded.

Of the total manufacturing of plastic products, approximately 76% derives from the Tingsryd property using 25 automated machines and the single largest brand in terms of sales, SmartStore, is also manufactured in the property.

Very strong brands



Source: the Vendor

9.5.1 Financial overview

Orthex showing increasing sales and higher margins despite the challenging market situation and net sales increased in year 2016 by 3%. The largest category of the Group, storage solutions, increased the most. Sales of the SmartStore products are estimated to approximately EUR 30 million.

The target of the group is to save and increase the efficiency of the use of its resources. According to management, both net sales and profit will increase during year 2017.

Orthex has shown a strong growth through maintaining current momentum and further optimizing production.

Accelerated growth in export markets with potential to increase Nordic cross-selling and further strengthen the offering. Also, credit metrics are likely to improve thanks to refinancing and the financial profile provides room for expansion, both organic and through M&A.

Selected financials of the group

Income statement	Orthex (EUR '000)		Orthex Sweden (SEK '000)	
	2016	2015	2016	2015
Net sales	59,379	2,049	358,680	334,958
COGS	38,377	1,199	257,923	227,150
EBITDA	19,597	420	58,232	58,937
Operating profit (EBIT)	12,430	203	46,863	48,770
Profit for the period	7,545	35	119,738	29,325

Balance sheet	EUR '000		SEK '000	
	2016-12-31	2015-12-31	2016-12-31	2015-12-31
Assets				
Non-current assets	44,018	49,455	148,740	128,190
Current assets	23,377	22,435	121,276	100,984
Total assets	67,395	71,890	270,016	229,174
Equity				
	15,890	8,035	173,934	134,196
Provisions			20,754	20,974
Untaxed reserves			13,362	41,525
Liabilities				
Short-term liabilities	13,986	14,348	47,102	32,380
Long-term liabilities	37,519	49,507	14,864	99
Total liabilities	51,505	63,855	96,082	94,978
Total equity and liabilities	67,395	71,890	270,016	229,174

Source: Orthex Group and Orthex Sweden AB annual reports

10 THE LEASE AGREEMENTS

10.1 Summary of the Lease Agreements

The Properties are leased to market leading niche players, which all have had operations in the Properties for several years. The weighted average unexpired lease term amounts to approximately 14.2 years (as of 1 August 2017). Generally, the lease structure in the Portfolio is triple net with the risk for cost overruns allocated on each tenant. The lease agreement in Nybro/Tallen 58 is not triple net, but the tenant carries all utility costs under the lease agreement. Property tax is partly recovered from supplements (or directly covered by the tenants).

Overview of Lease Agreements

	TALLEN 58	TINGSRYD 3:14	TACKJÄRNET2-3	HOLJE 103:9	ÄLGSKYTEN 13	SKRÄDDAREN 1	SÄVARE 19:12	TOTAL
Tenant	Kährs Group	Orthex	Johnson Metal	EBP	Prototal AB	Prototal PDS	Prototal PDS	
Location	Nybro	Tingsryd	Örebro	Olofström	Jönköping	Götene	Lidköping	
Lease term	2026-12-31	2031-11-30	2037-06-14	2031-09-30	2031-09-30	2031-09-30	2031-09-30	
Area, m ²	20,416	21,124	22,700	18,354	10,896	9,275	1,714	104,479
Estimated income 2017, SEKm	10.6	8.8	8.7	7.2	5.6	3.7	0.5	45.0
Rent / m ²	518	415	383	392	511	395	305	431
CPI adjustment	100% CPI	100% CPI	100% CPI	2 %	2 %	2 %	2 %	
Break option	No	No	No	No	No	No	No	
Notice period	24 months	60 months	42 months	36 months	36 months	36 months	36 months	
Extension period	60 months	120 months	60 months	60 months	60 months	60 months	60 months	
VAT	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

Source: Vendor

10.2 Summary of certain provisions in the Lease Agreements

10.2.1 Property maintenance

Generally, the Tenants are responsible for operation and maintenance of the Properties with limited obligations of the landlord. However, in respect of the property in Nybro, the landlord is responsible for a substantial part of the maintenance and has an obligation to exchange certain equipment.

10.2.2 Rental payments and adjustments

All Tenants pay an annual base rent which is subject to CPI indexation or an annual fixed upward adjustment of 2 percent. The tenant AB Gustaf Kähr is to pay a rent surcharges related to property tax and utility costs such as

heating, cooling, ventilation, water and sewage. Other tenants pay property tax in addition to rent but have own subscriptions in respect of utility costs.

10.2.3 Guarantees

According to the Lease Agreements with AB Gustaf Kähr, Orthex Sweden AB and Johnson Metall AB the tenants obligations in relation to the landlord have been secured by a parent company gurarantee or a bank guarantee. All guarantees have been capped to a certain amount and the bank guarantee is limted in time.

10.2.4 Third party letting and assignment of the Lease Agreements

In accordance with Swedish law the general rule is that the tenant may not sublet or assign a lease agreement to a third party without the landlord's consent. Some Lease Agreements contain deviations from the general rule and gives the tenant a right to sublet or assign premises to a group company or to another tenant unless the landlord has legitimate reasons to refuse such subletting.

10.3 Rent levels

Rental levels for logistics and light industrial assets typically ranges between 300 – 750 SEK/sqm according to Datscha. The weighted market rent according to Datscha amounts to ~580 SEK/sqm and the current rental level amounts to SEK 431 SEK/sqm.

11 FINANCIAL INFORMATION

The estimates, projections and calculations in this section are based on assumptions supported by objective data. The estimates involve risks, uncertainties and other factors that may cause actual developments to differ materially from the anticipated development.

All calculations and estimates are based on current information, believed to be correct at the time of preparation of this Company Description. The Company cannot guarantee the correctness of the calculations, or the quality of the figures and assumptions underlying the calculations. Some of the assumptions made will or may be changed by the Board of Directors, and accordingly the estimates may then change. Please note that the expected return is not a guarantee of actual return. Actual return is also subject to the investor's tax position and may be affected by future changes in tax legislation.

11.1 Transaction financing

The investment has an estimated project cost of SEK 627 million, and will include the following elements:

<i>Project costs, rounded</i>	
Element	SEK million
Gross Portfolio Value	600.0
Latent tax discount	-24.5
Mortgage deeds	1.9
Net Portfolio Value	577.4
Arrangement and sales fee	15.0
Debt financing	7.5
Other start-up costs ¹	4.5
Working capital	22.6
Total Project cost	627.0

Source: the Company

11.2 Key figures

<i>Key figures, rounded</i>		
Estimated key figures	Unit	Amount/percentage
Bonds	SEK million	375.0
Paid-in equity	SEK million	252.0
Gross income (full year 2017)	SEK million	45.0
Net Operating Income (full year 2017)	SEK million	41.9
EBITDA (full year 2016)	SEK million	39.5
Net Real Estate Yield	%	7.0
EBITDA Yield	%	6.6
IRR (post tax, 10 year)	%	9.7
Dividend Yield	%	9.0

Source: the Company

The agreed Gross Portfolio Value of SEK 600 million corresponds to an estimated Net Real Estate Yield of approximately 7.0%. Including Group Costs, the estimated EBITDA Yield amounts to approximately 6.6%.

The estimated project cost of SEK 627 million is expected to be financed as set out below:

¹ Other start-up costs include cost for due diligence, valuation, start-up costs for the Business Manager and others

Project financing

Element	SEK million
Bonds	375.0
Equity	252.0
Total Financing	627.0

Source: the Company

11.3 Consolidated balance sheet as of 30 September 2017

Below is illustrative consolidated balance sheet as per 2017-09-30 presented. The consolidated balance sheet has not been reviewed by the Company's auditor.

Consolidated balance sheet per 2017-09-30

Consolidated balance sheet – the Group	2017-09-30
Values in SEK million	
Fixed assets	600
Total fixed assets	600
Current assets	48,9
Total current assets	48,9
Total assets	648,9
Share capital	-0,5
Share reserve	-248,2
Total equity	-248,7
Deferred tax	-0,5
Liabilities to credit institutions	-375
Loan arrangement fees	13
Short term liabilities	-37,9
Total liabilities	-400,2
Total liabilities and equity	-648,9

Source: the Company

11.4 Financial calendar

The Company will report under IFRS, and the Company's financial year starts on January 1st and ends on December 31th. The financial calendar of the Company is presented below.

Financial calendar

General meeting	2017-11-01
Year end report	2018-02-26
Annual report	2018-02-26
Annual general meeting	2018-04-04

Source: the Company

11.5 Owners and share capital

In the table below are the Company's largest owners per 6 October 2017 presented.

<i>Largest shareholders</i>		
Shareholder	Number of shares	Ownership share
Svenpab	253,000	10.0%
LGT Gadd SMP fond	109,000	4.3%
Holmbergs Fastigheter	100,000	4.0%
Shortell	100,000	4.0%
Mattias Ståhlgren	100,000	4.0%
Göran Källebo	100,000	4.0%
Patrik von Hacht	100,000	4.0%
Acervo	90,000	3.6%
Rolf Nilsson AB	60,000	2.4%
Fornminnesföreningen	50,000	2.0%
<i>Other 188 shareholders</i>	<i>1,458,000</i>	<i>57.7%</i>
Total	2,520,000	100.0%

Source: the Company

There are 2,520,000 shares issued in the Company, and all issued shares are paid in full. All shares in the Company have equal voting rights and equal rights to dividends. The maximum number of shares in the Company in accordance with the articles of association is 8,000,000 shares. The Company has engaged Pareto as liquidity provider for the Company. The development of the share capital is shown in the table below:

<i>Share capital development</i>			
Date of registration	Event	Change in share capital (SEK)	Total share capital (SEK)
2017-08-25	Establishment	+ 500,000	500,000
2017-10-03	Equity Issue	+ 2,520,000	3,520,000
2017-10-03	Redemption of shares	- 500,000	2,520,000

Source: the Company

11.6 Description of debt financing

The Manager was prior to the Transaction, on behalf of the Group, conducting an evaluation of debt financing options. The Manager has chosen to finance the acquisition through a bond issue and negotiated commercial terms with a few Swedish bond investors.

The main terms are as follows:

<i>Main debt terms</i>	
Amount:	SEK 375 million
LTV	62.5%
Maturity:	3.7 years
Interest rate:	Fixed rate coupon of 4.00% p.a., payable quarterly in arrears
Price:	Issued at 97.00% of the nominal amount
Amortisation:	Not applicable
Maintenance	<ul style="list-style-type: none">LTV < 75%

covenants:	<ul style="list-style-type: none"> • ICR > 1.75x
Incurrence covenants	<ul style="list-style-type: none"> • LTV < 70% • ICR > 2.00x
Special undertakings	<ul style="list-style-type: none"> • Negative pledge
Call structure (American)	<ul style="list-style-type: none"> • Make whole 36 months • Thereafter callable @ 100% + 50.0/25.0/10.0% of the coupon after 36/38/41 months respectively
Security package:	(i) first ranking share pledge in respect of all shares in each of the Issuer and all direct and indirect subsidiaries of the Issuer (including each partnership, each Target and each Property Owning Company), (ii) first ranking pledge over any insurance claims above a certain threshold, (iii) a first ranking pledge over each Intercompany Loans made to the direct and indirect subsidiaries of the Issuer, and (iv) first ranking pledge over mortgage certificates in the total Nominal Amount of at least the Allocated Loan Amount for the Properties securing all amounts outstanding under the Finance Documents and intragroup loans from the Issuer to the Property Owning Companies
Initial fee:	One-time fee of 2.00% of the loan amount (being in aggregate SEK 7,500,000)

Sources: the Company

The Company has issued a bond to the investors based on the commercial terms set out above.

Based on the figures provided in the term sheets and cost efficient leases, the credit metrics of the Company are strong. Break-even rent (pre amortisation and dividends) is estimated to approximately SEK 196 per sqm in 2018, to be compared with the Company's expected weighted average rent of approximately SEK 437 per sqm. This equals a theoretical rent decrease of 55%. ICR and the debt service coverage ratio (DSCR) are expected to amount to 2.7 times EBITDA, respectively in 2018.

11.7 Dividends

Dividends to investors are estimated at approximately 9% per annum, calculated based on total paid-in equity of SEK 252 million. The first dividend is expected during the first half year of 2018. Dividends are dependent on the Group's distributable reserves and liquidity situation, and dividends may be subject to the relevant lender's approval or certain covenants in the financing documentation. Ultimately, the future dividend policy of the Company will be determined by the general meeting of the Company following a proposal from the Board of Directors.

All Shares have equal rights to dividends. The shareholder registered in the Company's share register on each record date shall be considered authorized to receive dividends; in case of bonus issue (*Sw. fondemission*), to receive new shares, and to execute the shareholders' right to subscribe for new shares in rights issues.

If a shareholder cannot be reached through the Euroclear system, its claim on dividends is limited only by the general limitation period (*Sw. lagstadgad preskriptiontid*). After the limitation period, the dividend will accrue to the Company.

There are no restrictions to receive dividends for shareholders residing outside Sweden. For shareholders with other domicile for tax purposes than Sweden, ordinary Swedish withholding tax will be deducted from the dividend.

11.8 Estimated owner costs

Estimated Property Related Costs and Group Costs are presented in the table below. The figures are based on Vendor's historical costs, the Company's assumptions and experiences of the Manager and the Business

Manager. Since the Tenants generally are responsible for the all the costs relating to the Properties, the Lease Agreements are triple net or close to triple net.

The Company has budgeted for annual periodic maintenance costs of SEK 1,021,000, corresponding to approximately SEK 10 per sqm, to create buffer, even though almost all property costs are covered by the Tenant. The company has budgeted for a 25% increase of the periodic maintenance costs in 2019, to create further buffer. Including management costs, the estimated EBITDA Yield is 6.6%. Long-term annual company costs, including fee to the Business Manager, Euroclear, Nordic trustee, yearly valuations, auditing cost, listing cost and fee to the Board of Directors are estimated to approximately SEK 1,073,000 excl. VAT. The Company's long-term EBITDA margin is estimated to approximately 88%. Due to difficulties of assessing potential value adjustments, the Company has chosen to present an estimated EBITDA instead of profit for the period.

Estimated income and costs, year 2017 (full year)

Income and costs, year 2017 (full year)	SEK '000	SEK per sqm	Yield
Estimated rental value	44,984	424	7.5%
Insurance	461	4	
Periodic maintenance	1,021	10	
Property tax	720	7	
Technical management	909	9	
Net operating income	41,873	401	7.0%
Business management	1,300	12	
Auditing, listing, directors' fee and other	1,073	7	
EBITDA	39,500	378	6.6%

Source: the Company

11.9 Estimated tax residual value

The Targets' tax residual value of the Portfolio per 30 June 2017 amounted to approximately SEK 154,092,000. Approximately SEK 25,170,000 of the Targets' tax residual value is attributable to land and the rest, equalling approximately SEK 128,922,000, is attributable to the buildings or building equipment on the Properties. The Company has assumed a tax depreciation rate of 4.0% of the depreciation base assumed to be attributable to buildings. Any discrepancies from the above could affect the Group's financials.

12 THE MANAGEMENT OF THE COMPANY

12.1 Board of Directors, management and ownership structure

The Board of Directors currently comprises three members: Ulf Attebrant (Chairman of the Board), Jacob Anderlund and Joachim Carlsson. After the general meeting held on 1 november 2017 the board is proposed to comprise four members: Patrik von Hacht, Mattias Ståhlgren, Peter Hogren and Lennart Öman. Peter Hogren and Lennart Öman will act as independent board members. Jacob Anderlund is currently CEO of the Company but will be replaced by Ulf Attebrant after the general meeting held on 1 November 2017.

Prior to the Transaction, the Company was a shelf company without any activities or employees, and with a minimum capital of SEK 500,000. The sole shareholder of the Company was Pareto Business Management AB. All shares held by Pareto Business Management AB was redeemed by way of a share capital reduction in connection with the registration of the Recent Equity Issue, as described in section 5.1 (*The Recent Equity Issue*).

12.2 The Business Manager

The Business Management Agreement is continual and may be terminated after the earlier of (i) the date that is five years after the date of signing of the Business Management Agreement and (ii) the date on which 2/3 of the shareholders of the Company request it. Termination of the Business Management Agreement after five years as mentioned in (i) shall require 12 months written notice. In the event of termination as mentioned in (ii), such termination shall enter into effect immediately.

The Business Manager shall receive a payment of SEK 1,200,000 p.a., excl. VAT, 2017 (annualised) in consideration for its services rendered as Business Manager. In addition, the Business Manager shall receive a start-up fee of SEK 250,000 excl. VAT (non-recurring item).

If other reporting obligations are imposed on the Business Manager by government authorities, or if there are material changes in the lease structure, the Business Manager shall be entitled to adjust the fixed fee in accordance therewith.

The fees shall be adjusted annually by 100% of the change in CPI, with the first such adjustment taking place in January 2018. The first adjustment shall be based on the index value as of October 2017, with reference to the index value as of October 2016. If the change in CPI is negative, no adjustment is to be done.

Any duties not specified in the agreement, or carried out after the expiry of the agreement, shall be compensated at the standard hourly rates of the Business Manager, which are currently between SEK 950 and 1,500, excl. VAT. Furthermore, the Business Manager shall receive consideration based on the said hourly rates for the administration of tender processes for the joint procurement of goods and services from the Business Manager's contractors. If other reporting obligations are imposed on the Business Manager by government authorities, or if there are material changes in the lease structure, the Business Manager shall be entitled to adjust fees in accordance therewith.

There shall for certain supplementary duties be agreed a separate fee based on market terms. Examples of such supplementary duties are:

- (a) coordination of construction projects;
- (b) renegotiation/renewal of lease agreements;
- (c) assistance in connection with the conclusion of new contracts involving the use of external advisors;
- (d) restructuring of the Group;
- (e) assistance in connection with insured damage; and
- (f) inspection of the Portfolio and reporting to the Group, with assessment of the technical status and issues that need to be raised with tenants in relation to the tenant maintenance obligation.

The fee for these supplementary duties shall when it is possible to do so be agreed with the Board of Directors of the Company prior to the commencement of the work. The amount shall fall due for payment once the supplementary duty or duties has/have been completed.

The Business Manager is authorised to appoint, for the account of the Group, advisors whenever this is assumed to be in the interest of the Group or their owners. The Group shall cover the following costs directly and for their own account:

- (a) audit expenses;
- (b) expenses relating to professional assistance, including assistance from accountants or lawyers;
- (c) costs relating to external assistance in updating the register of shareholders, e.g. fees to Euroclear Sweden AB, Aksjeservice and any other providers of such services;
- (d) external costs in connection with lease or sale;
- (e) assistance relating to health, environment and safety, as well as assessments and inspections relating to building matters and technical matters, maintenance, repair, upgrades, etc.;
- (f) necessary travel, subsistence, meeting and entertainment expenses;
- (g) other direct and indirect costs incurred by the Business Manager in relation to work outside the scope of the Business Manager's duties as specified under items (a) to (o) of Clause 1 of the agreement; and
- (h) other costs that are directly attributable to the Group companies.

The Business Management Agreement is available from the Manager upon request.

12.3 Other future fees to Pareto

If the Master Agreement for financial services with Pareto is terminated by the Company, the Business Manager shall be entitled to terminate the Business Management Agreement with effect from the same date.

Moreover, Pareto shall, under the Master Agreement to be signed with the Company, have an exclusive right to be appointed as manager and advisor to the Company (and its Group companies) if the Company (or its Group companies) wishes to carry out any transaction. A transaction within the meaning of the Master Agreement includes (but is not limited to) any sale or other transfer (including by way of merger or de-merger) of the Shares of the Company or of any other Group company, as well as any sale or other transfer of underlying property or properties, any acquisition of other businesses, companies or properties, any construction of new properties, as well as any equity issue, refinancing, re-syndication or restructuring of the Company or any company within the Group.

Pareto is entitled to an annual fee of SEK 100,000 under the Master Agreement.

By Gross Portfolio Value is here meant the implicit value of all Shares of the Company as defined by the agreed purchase price for the Shares, with the addition of (i) the deduction for deferred tax, (ii) the liabilities of the group (including accrued, but unpaid, interest, fees, interest rate swap premiums, etc.), (iii) all other deductions and (iv) any outstanding payments under agreements for the follow-up of the group properties.

This shall apply correspondingly to the realisation of Shares of one or more of the Company's subsidiaries, although the calculation of commission shall only take into account the Properties and the liabilities thus spun off from the group.

Upon the sale or other realisation of one or more of the Properties (including by way of merger or de-merger), the Company shall pay Pareto a commission of 1% of the aggregate Gross Portfolio Value of the properties thus realised.

For the Managers services in case of an equity issue with the purpose of acquiring additional properties, the Manager shall receive a transaction fee of 2,5% of the gross portfolio value (to be read as the sum of equity and debt required to finance an acquisition).

If the parties fail to reach agreement on the Gross Portfolio Value, the Company and the Manager shall each appoint a reputable appraiser and the Gross Portfolio Value shall be determined, with binding and final effect, as the average of the two appraisals. The Business Manager's calculation of the net present value of the tax positions is binding on the appraisers, unless such calculation contains obvious errors.

In the event of any share capital increase subsequent to the Recent Equity Issue, it has been agreed that the Company shall pay Pareto a market standard commission of the gross proceeds from such equity issue. The commission falls due for payment upon registration of the share capital increase in the Companies Registration Office and can, if applicable, be charged against the paid-up equity thus received.

Pareto shall be entitled to commission even if Pareto has not contributed to such realisation or share capital increase. Pareto may under the Master Agreement require, upon realisation or share capital increase as mentioned above, the transferor to conclude a Mandate Agreement with Pareto or a company designated by Pareto on the applicable standard terms and conditions of Pareto or such company designated by Pareto. The Business Manager has an irrevocable authorisation to conclude and sign such an agreement on behalf of the Company and its shareholders.

The commissions in sections 12.2 (*The Business Manager*) and 12.3 (*Other future fees to Pareto*) above are specified exclusive of Value Added Tax and other government taxes and charges. Value Added Tax and other government taxes and charges will accrue in accordance with the rules applicable at any given time. If such government taxes and charges are incurred, these will come in addition to the above commissions and will be invoiced retrospectively, together with any interest.

The Master Agreement described above is continual and may be terminated after the earlier of (i) the date that is five years after the date of conclusion of the Master Agreement and (ii) the date on which 2/3 of the shareholders of the Company request it. Termination of the Master Agreement after five years as mentioned in (i) shall require 12 months written notice. In the event of termination as mentioned in (ii), such termination shall enter into effect immediately.

The Company shall, upon termination of the Master Agreement by the Company, pay to Pareto a compensation equal to 1% of the Gross Portfolio Value of the Portfolio ("**Exit Fee**"). Pareto shall also be entitled to such Exit Fee if the Master Agreement is terminated by Pareto as the result of the Company's termination of the Business Management Agreement with the Business Manager. In the event of dispute concerning the Gross Portfolio Value, such value shall be determined, with final and binding effect, by an independent and reputable appraiser jointly appointed by Pareto and the Company.

The Master Agreement is available from the Manager upon request.

12.4 Potential conflict of interest

Potential investors are hereby informed that the current board members of the Company are employed by the Business Manager as at the date of this Company Description. Prior to the completion of the Recent Equity Issue and the redemption of the Business Manager's shares in the Company, the Company was owned by the Business Manager. The employees of the Manager involved in the Transaction have contributed, inter alia, to the negotiation of the Share Purchase Agreement acceptance with the Vendor, the term sheet for the Bonds, the Business Management Agreement, the Mandate Agreement for the Recent Equity Issue as well as the Master Agreement for financial services.

The Manager has incurred, and will incur, costs on behalf of the Company in relation to the Transaction (such as for example costs relating to legal and technical assistance). The Manager will have to cover these costs in the event that the Transaction is not implemented. The Manager has identified that the foregoing may represent a conflict of interest, and even if such conflicts of interests are deemed to be limited, is handling this by carefully checking that the Transaction and the work relating thereto is conducted with a focus on the best interests of the Company.

If an acquisition at a later date is based on the information in the Company Description, it is necessary to verify that all relevant and updated information has been obtained. The information presented in the Company Description is up to date as at the date specified on its front page.

To the extent that Pareto collaborates with other subsidiaries to Pareto Securities AS (the "**Pareto Securities Group**") in connection with the placement of the Shares of the Company, these will jointly with Pareto be considered the "**Manager**" for purposes of the Company Description. Such collaboration with other companies in the Pareto Securities Group shall not entitle the Manager to any additional fee.

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

12.5 Auditor

The Company's auditor is Deloitte AB, corporate identification number 556271-5309, since the beginning of September 2017. The auditor in charge for the audit is Jan Palmqvist, Authorized Public Accountant, who replaced Malin Lüning in mid September 2017 due to reorganisation of the auditor assignment.

12.6 Employees

The Company does not have any employees.

Appendix 1

Bolagsordning för Logistri Fastighets AB (publ)

Organisationsnummer 559122-8654

Antagen på extra bolagsstämma 15 september 2017

§ 1 Firma

Bolagets firma är Logistri Fastighets AB (publ).

§ 2 Säte

Styrelsen ska ha sitt säte i Stockholms kommun, Stockholms län.

§ 3 Verksamhet

Bolaget ska förvalta fast och lös egendom eller förvalta bolag som direkt eller indirekt äger fast eller lös egendom och upphämta finansiering för sin verksamhet samt bedriva därmed förenlig verksamhet.

§ 4 Aktier och aktiekapital

Aktiekapitalet skall utgöra lägst 2.000.000 kronor och högst 8.000.000 kronor.

§ 5 Antalet aktier

Antalet aktier skall vara lägst 2.000.000 och högst 8.000.000.

§ 6 Styrelse

Styrelsen ska bestå av lägst tre och högst tio styrelseledamöter med högst tio suppleanter.

§ 7 Revisor

För granskning av bolagets årsredovisning samt styrelsens och verkställande direktörens förvaltning ska lägst en och högst två revisorer med högst 2 revisorssuppleanter utses eller ett registrerat revisionsbolag.

§ 8 Kallelse till bolagsstämma

Kallelse till bolagsstämma ska ske genom annonsering i Post- och Inrikes Tidningar och genom att kallelsen hålls tillgänglig på bolagets webbplats. Samtidigt som kallelse sker ska bolaget genom annonsering i Svenska Dagbladet upplysa om att kallelse skett.

§ 9 Rätt att delta i bolagsstämma

Aktieägare som vill delta i bolagsstämma skall dels vara upptagen i utskrift eller annan framställning av aktieboken avseende förhållandena fem vardagar före stämman, dels göra anmälan till bolaget den dag som anges i kallelsen till stämman. Sistnämnda dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före stämman. Aktieägare får ha med sig ett eller två biträden vid bolagsstämma om aktieägaren anmäler antalet biträden till bolaget på det sätt som anges i föregående mening.

§ 10 Ärenden på årsstämman

På årsstämma ska följande ärenden förekomma:

1. Val av ordförande vid stämman.
2. Upprättande och godkännande av röstlängd.

3. Godkännande av dagordning.
4. Val av en eller två justeringspersoner.
5. Prövning om stämman blivit behörigen sammankallad.
6. Föredragning av framlagd årsredovisning och revisionsberättelse samt, i förekommande fall, koncernredovisning och koncernrevisionsberättelse.
7. Beslut angående
 - a. Fastställande av resultaträkning och balansräkning, samt i förekommande fall, koncernresultaträkning och koncernbalansräkning.
 - b. Dispositioner beträffande bolagets vinst eller förlust enligt den fastställda balansräkningen samt i förekommande fall den fastställda koncernbalansräkningen.
 - c. Ansvarsfrihet åt styrelsens ledamöter och verkställande direktören.
8. Fastställande av arvoden åt styrelse och revisor.
9. Val av
 - a. Styrelse och eventuella styrelsesuppleanter.
 - b. Revisorer och eventuella revisionsuppleanter när så skall ske.
10. Annat ärende, som ankommer på stämman enligt aktiebolagslagen (2005:551) eller bolagsordningen.

§ 11 Räkenskapsår

Bolagets räkenskapsår skall omfatta perioden 0101--1231.

§ 12 Avstämningsförbehåll

Den aktieägare eller förvaltare som på avstämningsdagen är införd i aktieboken och antecknad i ett avstämningsregister, enligt 4 kap. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument eller den som är antecknad på avstämningskonto enligt 4 kap. 18 § första stycket 6-8 nämnda lag, ska antas vara behörig att utöva de rättigheter som framgår av 4 kap. 39 § aktiebolagslagen (2005:551).
