

# Company Description

## ≡ PRESERVIVM

*Published as a part of Preservium Property AB (publ)'s application for listing on  
Spotlight*



### **Spotlight**

Spotlight is a subsidiary of ATS Finans AB, a securities company under the supervision of the Swedish Financial Supervisory Authority. Spotlight runs an MTF platform. Companies that are listed on Spotlight have undertaken to adhere to Spotlight's listing agreement. Among other things, the agreement is intended to ensure that shareholders and other actors in the market receive correct, immediate and concurrent information on all circumstances that may affect the Company's share price.

Trading on Spotlight takes place in an electronic trading system that is accessible to the banks and stockbrokers that are affiliated with the Nordic Growth Market ("NGM"). This means that those who want to buy and sell shares that are listed on Spotlight can use most banks or stockbrokers.

The listing agreement and share prices can be found on Spotlight's website ([www.spotlighstockmarket.com](http://www.spotlighstockmarket.com)).

**Manager:**

**Pareto**  
Securities

**This Company Description is dated 2 November 2021**

## IMPORTANT INFORMATION

This company description with appendices (jointly referred to as the "**Company Description**") has been prepared in order to provide information about Preservium Property AB (publ), corporate identification number 559323-9733, a public limited liability company (the "**Company**") and its business in connection with the listing of the Company's shares on Spotlight. 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 Spotlight.

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 the 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 materially 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 Vendors (as defined below), the Vendors' 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 Vendors' 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 and is based on, among other things, 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 Vendors, or reasonable assumptions based on information available to the Company and 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 or outcome 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.

## CONTENTS

<b>1</b>	<b>LIST OF DEFINITIONS</b> .....	<b>6</b>
<b>2</b>	<b>RESPONSIBILITY STATEMENT</b> .....	<b>9</b>
<b>3</b>	<b>INVESTMENT SUMMARY</b> .....	<b>10</b>
3.1	SUMMARY OF THE COMPANY, THE TENANTS AND THE PROPERTY .....	10
3.2	SUMMARY OF FINANCIAL INFORMATION .....	11
3.3	SUMMARY OF THE RECENT EQUITY ISSUE.....	11
<b>4</b>	<b>RISK FACTORS</b> .....	<b>12</b>
4.1	GENERAL RISK FACTORS AND DEVIATION FROM FORWARD LOOKING STATEMENTS.....	12
4.2	LIMITED OR NO SUBSTANTIAL OPERATING HISTORY .....	12
4.3	MARKET RISK .....	13
4.4	TRANSACTION RISK .....	13
4.5	OPERATIONAL RISK .....	13
4.6	RISKS RELATED TO RENTAL INCOME AND RISKS RELATED TO BREAK OPTIONS .....	14
4.7	TENANT RISK .....	14
4.8	COUNTERPARTY RISK.....	15
4.9	CONSTRUCTION RISK .....	15
4.10	RISK RELATING TO ZONING PLANS AND ENCUMBRANCES .....	15
4.11	RISKS RELATING TO LAND DEVELOPMENT AGREEMENT .....	16
4.12	RISKS RELATING TO OUTSTANDING INSPECTION REMARKS .....	16
4.13	RISKS RELATING TO UNFORESEEN COSTS REGARDING THE PROPERTIES.....	16
4.14	INCREASED MAINTENANCE COSTS .....	17
4.15	FINANCIAL RISK.....	17
4.16	FINANCING RISK .....	17
4.17	REFINANCING RISK.....	17
4.18	COMPLIANCE WITH FINANCING AGREEMENTS.....	17
4.19	RISK RELATED TO INTEREST RATES .....	18
4.20	RISKS RELATING TO THE CORONAVIRUS DISEASE (COVID-19).....	18
4.21	GEOGRAPHIC RISK .....	18
4.22	MANAGEMENT RISK.....	19
4.23	PROPERTY RISK .....	19
4.24	ENVIRONMENTAL AND TECHNICAL RISK .....	19
4.25	TERMINAL VALUE RISK .....	19
4.26	RISK RELATED TO FUTURE SHARE ISSUES .....	20
4.27	LEGAL AND REGULATORY RISKS.....	20
4.28	PROCESSING OF PERSONAL DATA .....	20
4.29	RISKS RELATING TO AMENDED OR NEW LEGISLATION.....	21
4.30	RISKS RELATING TO THE SHARES .....	21
4.31	DILUTION IN CASE OF A NEW SHARE ISSUE .....	21
4.32	RISKS RELATING TO THE COMPANY'S ABILITY TO PAY DIVIDENDS.....	21
4.33	TAX RISK.....	21
4.34	RISK RELATED TO THE PROPERTIES' TAX RESIDUAL VALUE AND TAX DEPRECIATIONS .....	22
4.35	RISK RELATED TO INTEREST DEDUCTION LIMITATION RULES .....	22
4.36	RISK RELATED TO POTENTIAL NEW TAX LEGISLATION .....	22
4.37	AIFM RISK.....	23
<b>5</b>	<b>THE RECENT EQUITY ISSUE</b> .....	<b>24</b>
5.1	THE RECENT EQUITY ISSUE .....	24

5.2	COSTS.....	24
<b>6</b>	<b>THE COMPANY AND THE TRANSACTION .....</b>	<b>25</b>
6.1	THE COMPANY .....	25
6.2	THE SHARES.....	31
6.3	SUBSIDIARIES.....	31
6.4	THE TARGETS .....	31
6.5	TRANSACTION AND GROUP STRUCTURE .....	32
6.6	CONTACT INFORMATION.....	33
<b>7</b>	<b>THE PROPERTIES .....</b>	<b>34</b>
7.1	GENERAL OVERVIEW .....	34
7.2	PROPERTY SUMMARY.....	35
7.3	VINKELHAKEN 2 .....	35
7.4	SNICKARBODEN 1.....	40
<b>8</b>	<b>THE TENANTS.....</b>	<b>44</b>
8.1	RIKSARKIVET.....	44
8.2	REGIONARKIVET .....	45
<b>9</b>	<b>THE LEASE AGREEMENTS .....</b>	<b>46</b>
9.1	SUMMARY OF THE LEASE AGREEMENTS .....	46
9.2	DETAILS IN THE LEASE AGREEMENTS .....	49
<b>10</b>	<b>FINANCIAL INFORMATION .....</b>	<b>51</b>
10.1	TRANSACTION FINANCING .....	51
10.2	KEY FIGURES.....	51
10.3	FINANCIAL CALENDAR.....	53
10.4	OWNERS AND SHARE CAPITAL .....	53
10.5	DESCRIPTION OF DEBT FINANCING .....	54
10.6	ESTIMATED DIVIDENDS .....	55
10.7	ESTIMATED INCOME AND COSTS .....	55
10.8	ESTIMATED TAX RESIDUAL VALUE.....	56
<b>11</b>	<b>THE MANAGEMENT OF THE COMPANY.....</b>	<b>57</b>
11.1	BOARD OF DIRECTORS, MANAGEMENT AND OWNERSHIP STRUCTURE .....	57
11.2	THE BUSINESS MANAGEMENT AGREEMENT .....	57
11.3	THE TECHNICAL FOLLOW-UP AGREEMENT.....	59
11.4	OTHER FUTURE FEES TO PARETO .....	59
11.5	POTENTIAL CONFLICT OF INTEREST .....	60
11.6	AUDITOR.....	61
11.7	EMPLOYEES.....	61
	<b>BOLAGSORDNING FÖR PRESERVIUM PROPERTY AB.....</b>	<b>62</b>

## APPENDICES

Appendix 1: Articles of association of the Company

## 1 LIST OF DEFINITIONS

<b>Adjusted EBITDA</b>	EBITDA (as defined below) as adjusted for value adjustments, capital gains/losses and transactions costs related to the Transaction
<b>Agreed Portfolio Value</b>	SEK 1,509,510,000
<b>BidCos</b>	Preservium Bidco 1 AB, a limited liability company incorporated in Sweden, Swedish corporate identification number 559326-7064 and Preservium Bidco 2 AB, a limited liability company incorporated in Sweden, Swedish corporate identification number 559326-7049
<b>Business Management Agreement</b>	The business management agreement between the Business Manager and the Company regarding the management of the Group
<b>Business Manager</b>	PBM
<b>CAPEX</b>	Capital Expenditure
<b>Closing</b>	The consummation of the acquisition of the Targets, which occurred on 19 October 2021
<b>Company</b>	Preservium Property AB, a public limited liability company incorporated in Sweden, Swedish corporate identification number 559323-9733
<b>Company Costs</b>	All costs related to the management of the Group, which are not defined as Property Related Costs, for example the fee to the Business Manager, the Property Manager and other necessary administration costs
<b>Company Description</b>	This Company Description, dated 2 November 2021
<b>CPI</b>	Swedish consumer price index (Sw. <i>konsumentprisindex</i> ), published by Statistics Sweden (Sw. <i>Statistiska Centralbyrån</i> )
<b>Day 1-profit</b>	Profit recognised in the consolidated pro forma balance sheet that represents the difference between the Agreed Portfolio Value, including tax related deductions, and the market value of the Properties
<b>Debt Facility</b>	The MidCo's bond issue in an aggregate total amount of approximately SEK 1,056,500,000, which was used to finance the Transaction, together with the capital raised in the Recent Equity Issue
<b>Deferred Tax Discount</b>	The difference between the Agreed Portfolio Value and the tax residual value of the Properties as of Closing, multiplied by 5.15%
<b>Dividend Yield</b>	Annualised total cash dividend payments to the holders of the Shares divided by the total amount raised through the Recent Equity Issue
<b>EBITDA</b>	Earnings on a consolidated basis before interest, taxes, depreciation and amortisation of eventual goodwill
<b>Group</b>	The Company and all of its subsidiaries including the Targets (each a " <b>Group Company</b> " and jointly the " <b>Group Companies</b> ")

<b>Group Costs</b>	Annual costs associated with the Group's operations, including the Property Related Costs and the Company Costs
<b>Lease Agreements</b>	The Tenants leases its premises under several separate lease agreements, jointly defined as the Lease Agreements (each a " <b>Lease Agreement</b> ")
<b>LTV</b>	Loan to value (Debt Facility divided by the Agreed Portfolio Value)
<b>Manager or Pareto</b>	Pareto Securities AB, a limited liability company incorporated in Sweden, Swedish corporate identification number 556206-8956
<b>MidCo</b>	Preservium Midco AB, a limited liability company incorporated in Sweden, Swedish corporate identification number 559326-7072
<b>Money Laundering Act</b>	The Swedish Money Laundering and Terrorist Financing (Prevention) Act ( <i>Sw. lag (2017:630) om åtgärder mot penningtvätt och finansiering av terrorism</i> )
<b>MTF</b>	Multilateral trading facility
<b>Net Property Value</b>	The Agreed Portfolio Value minus the Deferred Tax Discount
<b>Net Real Estate Yield</b>	Annualised, unlevered, NOI, divided by the Agreed Portfolio Value
<b>NOI</b>	Net operating income, being all amounts payable to the Group arising from or in connection with any lease, less any Property Related Costs
<b>Nordic Trustee</b>	Nordic Trustee AS, a limited liability company, incorporated in Norway, Norwegian corporate identification number 963 342 624
<b>PBM</b>	Pareto Business Management AB, a public limited liability company incorporated in Sweden, Swedish corporate identification number 556742-5581
<b>Portfolio</b>	The Properties, fully let to the Tenants
<b>Properties</b>	The registered freehold properties Täby Vinkelhaken 2 and Huddinge Snickarboden 1 (each a " <b>Property</b> ") and the buildings located thereon which were acquired through the acquisition of the Targets
<b>Property Manager</b>	PBM
<b>Property Related Costs</b>	All operating costs (excluding Company Costs and CAPEX) connected to the handling of the Properties which is non recoverable (not invoiced to Tenants)
<b>Recent Equity Issue</b>	The issuance of 4,635,000 new Shares in the Company resolved on an extraordinary general meeting on 28 September 2021
<b>Region Stockholm</b>	Region Stockholm, a Swedish county council, Swedish corporate identification number 232100-0016, which operates Regionarkivet
<b>Rental Income</b>	The Properties' total rental income including base rent and indexation and supplements as per January 2021

<b>Riksarkivet</b>	Riksarkivet, a Swedish authority, Swedish corporate identification number 202100-1074
<b>Share Purchase Agreement</b>	The share purchase agreement entered into on 24 September 2021 between the Company, or any of its subsidiaries, as purchaser and the Vendors as sellers regarding the purchase of all shares in the Targets, and indirectly the Properties
<b>Shares</b>	The 4,635,000 shares in the Company
<b>Snickarboden 1</b>	The registered freehold property Huddinge Snickarboden 1 and the buildings located thereon which was acquired through the acquisition of Snickarlyan AB
<b>Targets</b>	Täby Vinkelslipen AB, corporate identification number 559325-1795 and Snickarlyan AB, corporate identification number 559325-1928 (each a " <b>Target Company</b> ")
<b>Technical Follow-up Agreement</b>	The technical follow-up agreement between the Property Manager and the Company or any of its subsidiaries regarding the technical follow-up of the Properties
<b>Tenants</b>	All tenants within the Properties, including Riksarkivet and Region Stockholm or Regionarkivet (each a " <b>Tenant</b> ")
<b>Transaction</b>	All transactions, including but not limited to the transfers under the Share Purchase Agreement
<b>Vendors</b>	Mätslingan 17 AB, corporate identification number 559323-5855 and Snickarboden 1 AB, corporate identification number 559323-5863 (each a " <b>Vendor</b> ")
<b>Vinkelhaken 2</b>	The registered freehold property Täby Vinkelhaken 2 and the buildings located thereon which was acquired through the acquisition of Täby Vinkelslipen AB
<b>WAULT</b>	The weighted average unexpired lease term of the Lease Agreements as of 1 September 2021, excluding break options and supplements

## **2 RESPONSIBILITY STATEMENT**

The board of directors of 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 Vendors 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 Preservium Property 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 Property**

The Company is a Swedish public limited liability company which has, through the BidCos, acquired all shares in the Targets, which were the sole owner of the Properties.

The Portfolio consists of two public archive properties in Täby and Huddinge which are fully let to Riksarkivet and Regionarkivet with a combined WAULT of approximately 19 years. Both Properties are modern and specifically designed for the Tenants. The Portfolio comprises a total lettable area of approximately 43,161 square meters of which a majority comprise of archive premises. Vinkelhaken 2 is the largest property covering approximately 72% of the total lettable area and was originally built in 1995 and extended in 1998, 2003 and 2020. Snickarboden 1 covers approximately 28% of the total lettable area and the premises were originally built in 1999 and extended in 2007.

The Portfolio includes the two public tenants Riksarkivet and Region Stockholm. Riksarkivet is 100% owned by the Swedish state and represents 64% of the Rental Income from the Portfolio. Region Stockholm, which operates Regionarkivet, represents the remaining 36% of the Portfolio's Rental income.

Riksarkivet is one of Sweden's oldest public authorities with a history dating back to 1618. Riksarkivet is part of the Ministry of Culture and have a statutory role and functions that are determined by the Parliament and the government. The responsibility is primarily to hold the official archive for the Swedish government and for supervising the management of the archives of Swedish public authorities. Riksarkivet collect and secure records to preserve them for future generations. In accordance with Swedish law, public access to the official record is one of the fundamental tasks of Riksarkivet.

Regionarkivet is the official archive authority for Region Stockholm. Regionarkivet's mission includes to store and preserve important information for Region Stockholm and to provide it to the public. The authority is also responsible for the supervision of the archive process to ensure correct handling in line with legislation and regulatory documents. An important part of the work is to provide information to the operations included within Stockholm Region.

The Properties are fully let to Riksarkivet and Region Stockholm under several separate Lease Agreements. Each Lease Agreement was signed in conjunction to the development, redevelopment, or extension of the premises, between 1995 and 2020. The total rent under the Lease Agreements, including index and supplements is estimated to approximately SEK 63.1 million in 2021. The base rental income is on average approximately 71% index adjusted in accordance with the Swedish CPI. The annualised NOI of the Portfolio is estimated to approximately SEK 55.7 million, equivalent to a Net Real Estate Yield of approximately 3.7%.

## Summary of the Properties

### TÄBY, VINKELHAKEN 2



### HUDDINGE, SNICKARBODEN 1



Note: (1) WAULT has been calculated excluding break options and supplements as per Sept 2021.

Source: the Vendors and the Manager

## 3.2 Summary of financial information

The purchase price of the Shares was based on the Agreed Portfolio Value of SEK 1,509,5 million and was financed with the Recent Equity Issue of SEK 463.5 million and the Debt Facility of SEK 1,056.5 million.

Key financial figures include:

- Net Real Estate Yield of approximately 3.7%
- Estimated Dividend Yield of approximately 6.5%
- Initial LTV of approximately 70% based on the Agreed Property Value with no amortisation on the Debt Facility

## 3.3 Summary of the Recent Equity Issue

The Company issued a total of 4,635,000 Shares in the Company during September 2021 at a price of SEK 100 per share. The formal resolution to issue a total of maximum 4,635,000 new shares in the Company was taken on the extraordinary general meeting on 28 September 2021, and the resolution of the extraordinary 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 Company and its subsidiaries from time to time 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.*

*Only a limited due diligence review was performed on the Targets based on the documentation made available to the Manager by the Vendors, with respect to the Properties and the Targets. Without prejudice to the generality of the foregoing, the legal review has not included matters relating to the technical functions of the buildings or the technical construction of the buildings. Financing agreements, tax related questions, insurance related questions (besides high-level guidance on specific insurance questions) and questions regarding personal data have been excluded from the scope of legal review. 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.*

*There is no guarantee that all documentation and information relevant to the legal review have been provided by the Vendors. The outstanding documentation may therefore contain hidden liabilities or obligations and further subsequent risks not known at the date of this Company Description.*

### 4.1 General risk factors and deviation from forward looking statements

It should be emphasized that an investment in the Company is subject to risk. Investors should be aware of the fact that such investment might involve loss. Such loss will be limited to each investor's investment in the Company. An investment in the Company is suitable only for investors who understand the risk factors associated with this type of investment and who can afford a loss of all or part of the investment. The list below comprises the most important risk factors related to the Recent Equity Issue. All of these risk factors are important, and the risk factors are not listed in order of importance.

Further, 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. There is a risk that the current expectations, and as such the forward-looking statements, are not correct. If so, it could affect the Group's financial conditions and the equity returns negatively.

### 4.2 Limited or no substantial operating history

The Company has recently been formed for the purpose of carrying out its business plan. Although the Business Manager and the Property Manager has many years' experience in the business sector, the Company is new and as such has no operating history. The Company is therefore depending on the Business Manager, the Property Manager and any future asset manager in order to carry out its business plan and conduct its day-to-day business.

If the Business Manager and/or the Property Manager fails to carry out the Company's business plan in a satisfactory manner, there is a risk that the Company and the Group would not be able to operate in accordance

with its business plan, comply with its obligations or claim benefits under other third party agreement, which may result in delays in meeting its business plan, increased costs, potential damages or terminated agreements. There is also a risk that the Group would have to procure management services from other providers on terms less favourable, if such services are available at all. If any of the above risks would materialise, it could adversely affect Group's business, financial condition and equity returns.

#### **4.3 Market risk**

Real estate investment, and thus the Group's business, is to a large extent 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 could have an adverse effect on the Group's business, financial condition and equity returns.

#### **4.4 Transaction risk**

The Share Purchase Agreement contains customary limitations as to which claims can be made against the Vendors and at what point in time these claims can be made. In addition, the Targets may have hidden liabilities which do not relate to the Properties and there is a risk that any potential losses incurred due to such liabilities cannot be possible to claim from the Vendors, and may therefore have a negative effect on the Group's financial condition and the equity returns.

#### **4.5 Operational risk**

The financial status and strength of the Tenants within the Properties, and thus their ability to pay rent etc., will always be a decisive factor when evaluating the risk of property companies. Operational risk also include risk related to restrictions in the Lease Agreements with the Tenants, risk related to legal claims from the 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. In the event that any or all of the Tenants are not able to pay rent under the Lease Agreements, this could have a material adverse effect on the Group's business, financial condition and equity returns.

Furthermore, if the Properties in the future must be renovated and/or adjusted, e.g. to serve the needs of any of the Tenants or a new tenant, such investments could affect the Group's financial condition and equity returns negatively. There could also be a period when there are no tenant(s) and consequently no income, which would affect the Group's financial condition and equity returns negatively.

#### **4.6 Insurance risk**

The operation of the Group's business, such as its premises for archive purposes, represents a potential risk of losses and liabilities and property damage for the Group's business caused by accidents or disruption in the Group's operations. An accident involving any of the Group's archive premises could result in loss of revenue, unforeseen costs such as higher insurance costs, and damage to the Company's reputation. In the event of accidents, the Group will rely on its insurance programs. There is a risk that the scope of the insurance coverage

may not cover all risks that materialise within the Group's business, resulting in the total amount of the Group's losses not being compensated by the Group's insurances in case of damages.

Further, certain types of losses are not able to insure and will, thus, not be covered by the Group's insurances. There is also the possibility that, in the future, the Company may be unable to procure similar adequate insurance coverage on favourable terms, or at all. Hence, there is a risk that the Group will be required to pay for any losses, damages and liabilities leading to adverse effects on the Group's business, financial condition and equity returns.

#### **4.7 Risks related to rental income and risks related to break options**

The Lease Agreement with the Tenant Regionarkivet regarding stage 2 expires on 31 December 2032. However, the Tenant has a right to prematurely terminate the relevant Lease Agreement for vacation as per on 31 December 2027. The notice period of such termination is 24 months. In case the Tenant Regionarkivet exercises the break option, the Tenant shall however hold the landlord harmless. If the break option is exercised, it might result in a vacancy in the relevant part of the premises, and consequently a decreased rental income for the Group. The Lease Agreements with Regionarkivet further contain a right for the Tenant to transfer the lease to another party without the landlord's prior consent. Given that the right to transfer the leases is not limited to e.g. the financial position of the new tenant, there is a risk that the relevant Lease Agreements are transferred to a tenant that has an inferior financial position compared to the current Tenant. Furthermore, one of the Lease Agreements with Regionarkivet (the Lease Agreement regarding stage 2) includes a provision that, if the lease is prolonged upon expiry, the Tenant may request that the new rent shall amount to the landlord's first cost (Sw. *självkostnad*). Provided that the Lease Agreement is prolonged, there is a risk that the new rent could be demanded to be calculated based on the landlord's first cost. The realisation of any of the risks described above, may have a negative effect on the Group's rental income. The current lease term expires on 31 December 2032.

There are certain risks involved with obtaining new tenants, such as a potential higher counterparty risks and increased costs due to renovations or adjustments, which could affect the Group's financial condition negatively. In addition, the Group's ability to negotiate new lease agreements on favorable terms and the obtaining of tenants is dependent upon the general condition of the real estate market at such time. The realisation of any of the risks described above could have an adverse effect on the Group's business, financial condition and equity returns.

Furthermore, if the Properties are damaged to such extent it can no longer be used for the intended purpose, or if the authorities due to the Properties' condition issue a prohibition to use the premises for the intended purpose, or if other obstacles occur which affect the Tenants' right to use the premises, there is a risk that the Lease Agreements may expire in advance. If any of the Properties are damaged or the use of the Properties is limited due to a decision by the relevant authorities, there is also a risk that the Tenants, under certain circumstances, may have a right to pay a lower rent than agreed in the Lease Agreements. If some or all Lease Agreements would expire in advance, or if the rents would be subject to a material reduction, this could have an adverse effect on the Group's financial condition and equity returns.

#### **4.8 Tenant risk**

The Group is dependent on the Lease Agreements and as such, the financial strength of the Tenants is critical for the Group's business. In the event that any of the Tenants are not able to pay their rent, this could have a material adverse effect on the Group's business, financial condition and equity returns. Financial difficulties on the part of the Tenants may result in the Group having to find new tenant(s) in an unfavourable market, thus failing to achieve the same cash flow from the Properties.

Furthermore, should any of the Tenants not extend their Lease Agreements after they have expired or if any of the Tenants are not able to pay rent, this could have a negative impact on the Group's financial position, results and equity returns.

#### **4.9 Counterparty risk**

The Group is dependent on the Vendors' ability to fulfil their obligations and undertakings, including any potential indemnities, under the Share Purchase Agreement, meaning that the financial strength of the Vendors and their willingness to fulfil their obligations and liabilities are critical and the Group's exposure of economic risks is increased. In the event the Vendors are not able or willing to fulfil their liabilities under the Share Purchase Agreement, this would affect the Group's business, financial condition and equity returns negatively.

#### **4.10 Construction risk**

Construction projects involve certain inherent risks. These risks include in general construction defects, forbidden use of the properties for the intended purposes, other latent defects, damages and pollutions. If these technical problems would occur or emerge, it would result in a delay of the planned constructions, or higher costs for constructions, which may have a negative effect on the Group's financial condition, its business and equity returns.

Furthermore, there are certain risks related to construction and development projects on real properties with respect to tenant adaptations and other tenant improvements required or requested by a tenant. Lack of quality in the execution of construction and development projects, as well as in the event of infringements in a tenant's right of use, is oftentimes associated with claims for e.g. rent reduction and damages by tenants whose rights and interests have been infringed due to the construction and development projects. In addition, owners of real properties are subject to liability towards third parties with regard to actions or measures taken on the property. The liability is based on the general provision of property owners' liability, which enables claims for damages being brought against owners of real properties should a third party incur any damage or loss due to such actions or measures. Should any of the above risks materialise this could have an adverse effect on the Group's financial condition, business and equity returns.

#### **4.11 Risk relating to zoning plans and encumbrances**

There are building rights deriving from the relevant zoning plans relating to the Properties, and the time for implementation of the zoning plans (Sw. *genomförandetid*) will end on 11 April 2024 in respect of Snickarboden 1 and on 17 April 2025 in respect of Vinkelhaken 2. During the time for implementation of a zoning plan, a property owner is entitled to develop a property in accordance with the zoning plan. When the time for implementation of a zoning plan has ended, a property owner's right to develop a property is no longer as secure, since the applicable zoning plan then may be replaced, changed or revoked. If the Group would intend to utilise the above-mentioned building rights and if such development is not possible to carry through, due to the zoning plan having been replaced, changed or revoked, it could have a negative impact on the Group's operations, financial position, results and equity returns.

According to information in the Swedish Land Registry (Sw. *fastighetsregistret*), there are several registrations and easements encumbering Snickarboden 1. The encumbrances relate to e.g. roads, water and sewerage. Further, an easement agreement will be entered into granting the properties Täby Vinkelhaken 3 and Täby Vinkelhaken 4 the right to use a road on Vinkelhaken 2. Such encumbrances could restrict the current or planned use of the Properties, which could have a negative impact on the Group's operations, financial position, results and equity returns.

#### **4.12 Risks relating to land development agreement**

There is a land development agreement (Sw. *exploateringsavtal*) between Täby Vinkelslipen 17 AB as property owner and the municipality of Täby. According to the land development agreement, the municipality shall carry out the construction works after the date when the zoning plan that is applicable for Vinkelhaken 2 had gained legal force (which occurred on 18 April 2020). In turn, the property owner is obligated to bear the costs for the construction of a walkway in connection to the property boarder, which have been estimated to SEK 300,000. The property owner is also obliged to provide security amounting to SEK 300,000 for its obligations under the land development agreement. As per the date of this Company Description, it is unclear whether the municipality will proceed to carry out the construction works according to the land development project. Should the construction works be carried out, there is a risk that the costs of the projects overrun the estimated budget. If any of the above risks would materialise, it could have a negative impact on the Group's operations, financial position, results and equity returns.

#### **4.13 Risks relating to outstanding inspection remarks**

As per the date of this Company Description, there are inspection protocols which contain remarks relating to e.g. the final inspection of the construction of phase 4 of Riksarkivet's premises on Vinkelhaken 2. Should any outstanding remarks exist in respect of such Property, such remarks will have to be rectified. Depending on the nature of such outstanding remarks, rectification could be costly and time consuming for the Group. Public authorities can also file penalties in order to force the relevant Target Company to carry out certain inspections or to rectify certain remarks. Further, outstanding remarks may cause claims from the Tenants. If any of the above risks would materialise, it could have a negative impact on the Group's operations, financial position, results and equity returns.

#### **4.14 Risks relating to unforeseen costs regarding the Properties**

There is a risk that the Targets, in their capacity as property owner, will be liable for future costs regarding the Properties. In the event the responsibility for costs relating to maintenance as well as investments and repairs at the Properties is not clearly regulated under the Lease Agreements, the Targets, in their capacity as landlord, will likely be liable for these costs. If the costs for maintenance, media etc. become more expensive than expected and thus, are not covered by the rent, such costs will affect the cash-flow negatively. Pursuant the Lease Agreements, the majority of the responsibility for maintenance, operation and replacement has been allocated to the landlord. Also, in most of the lease agreement, media costs are included in the rent. Also, the Lease Agreements contain certain unfavorable terms that are not considered market standard, e.g. certain provisions in the Lease Agreements stating (i) that, if taxes or fees decided by the government imply less costs for the landlord (i.e. the Targets), the rent shall be reduced correspondingly and (ii) that the relevant Target Company as landlord is responsible for equipping the premises with such locks and anti-theft equipment as is required for the Tenant's operations/insurance, and may thus imply unforeseen costs for the Group.

With regards to unforeseen costs, property investments and property management always contain a technical risk related to the operations of the Properties, including, but not limited to, construction issues, hidden defects and damage (including through fire or other natural disasters). These types of technical problems could result in significant unforeseen costs relating to the Properties. If the Properties encounter any such unforeseen costs in the future, and the Group is unable to pass such increased costs on to its Tenants, this could substantially increase the costs relating to such property, which could adversely affect the Group's business, financial condition and equity returns.

#### **4.15 Increased maintenance costs**

The estimated maintenance and capital expenses on which the forward-looking statements have been calculated are based upon information from the Vendors, 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, and could therefore adversely affect the Group's financial condition and equity returns.

#### **4.16 Financial risk**

Financial risk includes, but is not limited to, risk of not achieving the desired leverage ratio, not fulfilling loan obligations, interest rate fluctuations, risk related to effects of fair value adjustments and changes in laws and rules regarding tax and duties. The Tenants' rent is subject to indexation based on Swedish CPI (consumer price index (Sw. *konsumentprisindex*)). However, pursuant to the Lease Agreements, indexation shall apply with regard to only a fixed percentage rate of the base rent, i.e. not 100% of the base rent. Such percentage rate varies between 47.4% and 75%. Furthermore, some of the Lease Agreements state that the difference has to correspond to at least three basis points in order for the index supplement to be charged. Deviations from the estimated CPI may have a negative effect on the Group's financial condition and equity returns.

#### **4.17 Financing risk**

The Group is deemed to be sufficiently funded following the Recent Equity Issue. However, additional capital needs, due to for example unforeseen costs and/or larger capital expenditures than expected as well as Tenants' increased need for larger premises within the Properties, cannot be ruled out. In particular, there is a risk that the Group will have additional capital needs should the Tenants require that existing building rights on the Properties be used for additional archive premises, in which case the Group may have to facilitate such request(s) in order to keep the Tenants satisfied and in connection therewith incur additional costs. 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 and equity returns.

#### **4.18 Refinancing risk**

At maturity of the Group's debts (including the Debt Facility), 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 favorable 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, and could hence potentially adversely affect the Group's financial conditions and the equity returns. The Group's inability to refinance its debt obligations (including the Debt Facility) on favorable terms, or at all, could have a material adverse effect on the Group's business, financial condition and equity returns. The loan under the Debt Facility has a maturity of five years.

#### **4.19 Compliance with financing agreements**

The Debt Facility makes 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 mandatory pre-payment (put-option) of the Debt Facility, a cash sweep and an up-streaming restriction. Further, additional financing costs may incur and

the Debt Facility may be accelerated for immediate payment, which could ultimately result in bankruptcy and liquidation of the Group.

The Debt Facility contains an ownership clause (i.e. change of control). Such ownership clause might restrict any legal person's right to acquire or control more than a certain agreed share of the capital and/or voting rights of the Company. Should any person acquire or obtain ownership or control exceeding the agreed share, the full amount outstanding under the Debt Facility may be declared due and payable at short notice. There is a risk that a refinancing in connection with such event would lead to increased costs and could therefore adversely affect the Group's financial conditions and equity returns.

#### **4.20 Risk related to interest rates**

Following the repayment of the Debt Facility, the Group may have to incur additional financing on terms equal or less than the Debt Facility. Any such repayment will lead to increased costs and may therefore have a negative effect on the Group's financial condition and equity return.

#### **4.21 Risks relating to the Coronavirus disease (COVID-19)**

The 2019 novel coronavirus ("**COVID-19**") outbreak has during 2020 and is continuing to have an indeterminable adverse impact on the world economy. COVID-19 was reportedly first discovered in Wuhan, Hubei Province, China, in 2019, and the World Health Organization declared COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has become a widespread health crisis, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, in February to April 2020 the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity worldwide. The trading price of the Shares may therefore be adversely affected by the economic uncertainty caused by COVID-19. Furthermore, COVID-19 may have a negative adverse effect on the Shares liquidity on the secondary market. There is also a risk that the regions in which the Group operates its business, being the greater Stockholm area, may be subject to greater restrictions from the relevant authorities, from time to time, including e.g. travel bans and quarantine. There is a risk that these type of measures and other measures to limit the transmission of COVID-19 may impact the Tenants' ability to pay rent, which would have an adverse effect on the Group's business, financial condition and equity returns.

Furthermore, there is a risk that the COVID-19 outbreak could have a negative effect on the value of the Properties. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations. Moreover, due to COVID-19, there is a risk that the Group's Tenants may choose not to enter into new leases or renew existing Lease Agreements. There is also a risk that the global downturn could affect the liquidity position of existing Tenants, which in turn may require such Tenants to postpone rental payments or cause defaults under lease agreements. The COVID-19 crisis' impact on the Group's current and future tenants could lead to increased vacancies and a decrease in rental income for the Group, which could have a material adverse effect on the Group's operations, financial position and equity returns.

#### **4.22 Geographic risk**

This Company Description contains certain market information relating to the property market in Sweden in general, and in the greater Stockholm area in particular. Market values of properties in such area may decline in the future and negatively impact the Group's business, its financial condition and the equity returns.

#### **4.23 Management risk**

The Group is initially dependent upon the Business Manager and the Property Manager for the implementation of their strategy and the operation of their activities. Although the Business Management Agreement will be non-terminable during the first 5 years from signing (with certain exceptions) and thereafter prolonged until terminated with a notice period of 12 months, there is an uncertainty with regard to the management of the Group in the event of a termination of the Business Management Agreement, which would also result in a termination of the Technical Follow-up Agreement. In addition, the Group will be dependent upon the services and products of certain other consultants, contractors and other service providers in order to successfully pursue with 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.

#### **4.24 Property risk**

The Properties are located in the Stockholm area in the municipality of Täby and Huddinge, and accordingly the Group's property holdings are exposed towards macroeconomic factors that affect those parts of Sweden. In addition, should the Group acquire any additional properties, the Group will also be exposed towards macroeconomic factors that affect the geographic locations where such additional properties are located. Furthermore, the supply and demand regarding real estate, and accordingly the yield on real estate investments differ between different geographical markets and may develop differently within different geographical markets. The demand for real estate may decrease in the geographical market of the Properties even if the demand does not decrease in the rest of the country. This may lead to increased vacancies, lower future rental rates and/or decreasing market value of the Properties. If one or several of these factors would develop negatively, this could have a significant negative impact on the Group's business, financial position and equity returns.

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, inflation and changes of interest rates. Both property values and rental income may 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 market value of the Properties decreases, this may have a material negative effect on the Group's business, financial condition and equity returns.

#### **4.25 Environmental and technical risk**

According to the polluter pays-principle established under Swedish environmental law, the operator who has contributed to pollution will be responsible for remediation. However, should it not be possible to locate the polluter, the property owner is subsidiary responsible for remediation and associated costs. Accordingly, there is a risk that the Targets in their capacity as property owner may be held responsible for costly remediation.

#### **4.26 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.

#### **4.27 Risk related to future share issues**

If the Company would need additional capital in the future, the lack of participation from investors could pose a risk to the Company's financial position (until such further issue is completed). In addition, should the Company in the future choose to increase its share capital by way of a share issue, existing shareholders would under most circumstances have a preferential right to subscribe for Shares unless the shareholders of the Company resolve to approve a deviation from such rights at a general meeting. Existing shareholders in jurisdictions where participation in such share issue would require additional prospectuses, registration and/or other measures than those required under Swedish law could be excluded from their right to subscribe for new shares if such shares or shareholder rights are not registered under i.e. the U.S. Securities Act or equivalent regulations in other concerned jurisdictions and if no exemptions from the registration requirements are applicable.

As of the day of this Company Description, it is unlikely that the Company will apply for such registration and it cannot be guaranteed that any exemption from registration requirements will be applicable which could have the effect that the ownership of shareholders being based abroad is diluted. Furthermore, investors who are not participating, or who are not given the possibility to participate, in future issues will risk having their ownership diluted.

#### **4.28 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. 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 may, irrespective of such compensation, be negatively affected.

#### **4.29 Processing of personal data**

The Group will register, process, store and uses personal data in the course of its business on servers owned by the Business Manager, and/or the Manager and/or the Company, located in Sweden. It is of high importance that the Group registers, processes and uses personal data in accordance with applicable personal data legislation and requirements. There is a risk that the Group's handling of personal data is or has been inaccurate, or that due to security deficiencies a data breach occurs which leads to the spreading of personal data without the Group's control. A breach of the General Data Protection Regulation ("GDPR"), issued by the European Union, may result in administrative sanctions amounting to the higher of EUR 20,000,000 and 4% of the previous year's combined annual turnover of the ultimate parent company that controls the business and all other companies such ultimate parent company controls. If the Group fails to comply with the GDPR, this may have a negative impact on the Group's business, financial condition and equity returns.

#### **4.30 Risks relating to amended or new legislation**

This document is based on Swedish law in force at the date of this Company Description. No assurance can be given on the impact of any possible future legislative measures, regulations, changes or modifications to administrative practices or case law.

#### **4.31 Risks relating to the Shares**

The intention is that the Company will apply for listing of the Shares on Spotlight following completion of the Transaction. However, there is a risk that the Shares will not be admitted to trading. Even if the Shares are admitted to trading on Spotlight, 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 if they are admitted for trading on Spotlight.

Real estate is considered an illiquid asset and normally it takes months to invest in and realise direct investments in properties. The Shares' liquidity 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 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.

#### **4.32 Dilution in case of a new share issue**

In connection with the listing of the Shares with Spotlight, the Shares will have to be distributed to a certain number of shareholders in order to meet the listing requirements of Spotlight. However, if such distribution proves insufficient to meet the requirements of Spotlight, a new share issue may need to be carried out resulting in a dilution (in respect of number of shares) of the existing (at the time of the issue) shareholders' holding in the Company. As such new share issue would be made on market conditions, there would however be no financial dilution of the Shares.

Furthermore, the Company may need further equity in the future, inadequate participation in any future share issue on the part of investors may pose a risk to the solvency of the Company until such share issue has been completed. Investors that do not participate in future share issues will risk dilution of their ownership interests. A capital need may for example arise upon a future refurbishment of the Property, or other necessary investments pertaining to the Property, if the costs are not funded by a bank or another debt provider.

#### **4.33 Risks relating to the Company's ability to pay dividends**

The Company's ability to pay dividends is dependent on several factors, such as the Group's distributable reserves and liquidity situation, as well as any limitation imposed by applicable law and regulations. Furthermore, any payment of dividend may be subject to certain covenants in the financing documentation (including the Debt Facility). Any payment of dividend from the Group is dependent on a proposal from the Board of Directors of the Company and ultimately the decision by a general meeting. There is a risk that the Company will not be able to pay dividends as projected in this Company Description.

#### **4.34 Tax risk**

The Group's main tax risks are related to changes to or possible erroneous interpretations of tax legislation. Such changes or erroneous interpretations could lead to increased tax liability or other financial losses. Realisation of such risks might have a material adverse effect on the Group's business, financial condition, and equity returns.

It is possible that the Group has made or will make interpretations on tax provisions that differ from those of the Swedish Tax Agency (Sw. *Skatteverket*), and that as a result, the Swedish Tax Agency will impose taxes, on a higher tax base resulting in a higher effective tax rate, administrative penalties, or other consequences on any of the Group Companies. This could have a material adverse effect on the Group's business, financial condition, or results of operations, and affect the Group's financial conditions and equity returns negatively.

#### **4.35 Risk related to the Properties' tax residual value and tax depreciations**

The Targets' estimated tax residual value of the Properties per 19 October 2021 amounted to approximately SEK 317,449,000. Approximately SEK 39,244,000 of the Targets' tax residual value is attributable to land and approximately SEK 278,204,000 is attributable to the buildings, land improvements and building equipment's. The Company has assumed a tax depreciation rate of 4% of the depreciation base assumed to be attributable to buildings, 5% to land improvements (Sw. *Markanläggningar*) and the depreciation for building equipment's (Sw. *Byggnadsinventarier*) have been in accordance to the so-called 30% and 20% rule. There is a risk that a discrepancy from the above or different allocation between asset classes could affect the Group's financials by way of increased tax cost.

#### **4.36 Risk related to interest deduction limitation rules**

Under the Swedish interest deduction limitation rules, there is a general limitation for interest deductions in the corporate sector by way of an EBITDA-rule. Under the EBITDA-rule, net interest expenses, i.e. the difference between the taxpayer's interest income and deductible interest expenses when the expenses are higher, are only deductible up to 30% of the taxpayer's tax adjusted EBITDA. A simplification rule has also been implemented, under which negative net interest below SEK 5 million is deductible without having to satisfy the general interest deduction limitation rule. If the company is part of a group, the total deducted negative net interest of the group may not exceed SEK 5 million under the simplification rule.

Net interest expenses that are not deductible according to the EBITDA-rule can be carried forward for up to six years.

In connection with the introduction of the general interest deduction limitation rules, the Swedish corporate tax rate was reduced from 22% to 20.6% (as of 1 January 2021).

The interest deduction limitation rules could, depending on e.g. the Group's net operating income and financial structure, have a material adverse effect on the Group's business, financial condition, or results of operations, and affect the Group's financial conditions and equity returns negatively if interest expenses are not deemed as deductible for tax purposes, increasing the taxable result and the tax to be paid.

#### **4.37 Risk related to potential new tax legislation**

The Group's operations are affected by the tax rules in force from time to time in Sweden. Since these rules have historically been subject to frequent changes, further changes are expected in the future (potentially with retroactive effect). Any such changes may have a material adverse effect on the Group's business, financial condition, or results of operations, and affect the Group's financial conditions and equity returns negatively.

For example, in June 2015, the Swedish Government appointed a committee to analyse the possibility to divest properties through tax exempt disposals of shares in companies holding properties and, if considered necessary, to propose new legislation to prevent such transactions. The investigation also reviewed whether acquisitions through land parcelling procedures are being abused to avoid stamp duty. The result of the review was presented by the committee in March 2017. The committee's main proposal is that upon a change of control in a company holding assets that mainly consist of properties, the properties will be considered as divested and re-acquired for

a price corresponding to the market value of the properties and consequently any deferred tax in relation to the properties would thus be realised. The divested real estate company should also report a taxable notional income (instead of stamp duty) corresponding to 7.09% of the highest amount of the market value and the tax assessment value of the properties. Further, stamp duty is proposed to be introduced on acquisitions of properties by land parcelling procedures. The proposal received severe criticism and it is currently unclear if, and to what extent, the proposals will result in new legislation. It should however be noted that in the budget proposition for FY21 the Swedish government has given the Swedish Mapping, Cadastral and Land Registration Authority in assignment to review the possibilities to levy stamp duty on certain land parcelling procedures, which is in line with the proposal from 2017. If any of the proposals are enacted, it could have a material adverse effect on the Group's business if selling or acquiring companies holding assets mainly consisting of properties, and affect the Group's financial conditions and equity returns negatively.

Also, worthwhile to mention is that the Swedish Ministry of Finance referred a proposal regarding a new WHT Act on dividends to replace the current WHT Act. The rules are expected to enter into force on 1 July 2022 but no firm proposal is yet presented. According to the new Act, a non-Swedish tax resident (i.e. not limited to entities qualifying as a legal person) who is entitled to the dividend at the time of the dividend payment is liable to WHT at the rate of 30%. The taxpayer will still be entitled to a so-called "relief at source" by reference to DTTs directly at the time of distribution under specific conditions.

Under the current rules, tax is withheld when dividends are paid to a person who is considered as entitled to the dividend. According to the proposal, withholding tax should instead be withheld on dividends paid to a person who is the actual recipient of the dividend at the time of the distribution. The so-called "beneficial owner" in the OECD model agreement is proposed to be applied when making the assessment of who is the actual recipient/entitled to the dividend. This will affect e.g., securities lending. Also, it is proposed to replace the current anti-avoidance rule with a new provision in the general Swedish Anti-Tax Avoidance Act. If the proposal is enacted, it may have an effect how any dividend distributions are taxed in the future.

#### **4.38 AIFM risk**

The Alternative Investment Fund Managers Directive 2011/61/EU has been implemented in Sweden however, there are still some unresolved/unclear issues regarding how to interpret the directive. 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 Bidcos, acquired 100% of the shares in the Targets from the Vendors. The Properties are the registered freehold properties Täby Vinkelhaken 2 and Huddinge Snickarboden 1. The purchase price for the Targets is based on the Agreed Property Value of SEK 1509.5 million subject to customary purchase price adjustments.

The Company has raised equity in the amount of SEK 463.5 million by an equity issue in which the Company issued 4,635,000 new shares, to partially finance the acquisition.

The proceeds of SEK 463.5 million from the Recent Equity Issue have, together with the SEK 1056.5 million from the Debt Facility, 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 4,635,000 new Shares in the Company, taken by an extraordinary general meeting on 28 September 2021. The resolution of the extraordinary 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 4,635,000.

Pareto was the sole manager of the Recent Equity Issue.

### 5.2 Costs

The overall costs of the Company in relation to the Transaction are expected to amount to approximately SEK 66.8 million, of which the Recent Equity Issue fee to Pareto accounts for approximately SEK 45.3 million. The Recent Equity Issue fee is calculated on the basis that the Recent Equity Issue is fully subscribed for and represents approximately 3.0% of the Agreed Portfolio Value. Furthermore, the arrangement fee for the Debt Facility to Pareto amounts to approximately SEK 6.3 million. Please find further specification regarding transaction costs in section 10.1 (*Transaction financing*).

The aggregate net proceeds of the Company will be approximately SEK 396.7 million after start-up costs and the fee relating to the Recent Equity Issue and Debt Facility, provided that the Recent Equity Issue is fully subscribed for.

Please find provisions on future fees to the Manager and the Business Manager in sections 11.2 (*The Business Management Agreement*), 11.3 (*The Technical Follow-up Agreement*) and 11.4 (*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 559323-9733, registered with the Swedish Companies Registration Office since 23 June 2021. The registered address of the Company will be P.O. Box 7415, SE-103 91 Stockholm. The Company and the operations of the Company will be governed by Swedish law.

The Company was established for PBM and has no previous business history. The Company owns and manages the ownership of all of the shares in the Targets, through its subsidiaries. The Company is the ultimate parent company of the Group and the counterparty to the Business Manager and the Property Manager under the Business Management Agreement and the Technical Follow-up Agreement, respectively.

The object of the Company is to manage fixed and movable property or manage companies that directly or indirectly own fixed and movable property and collect funding for its business and conduct business related thereto.

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

#### *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.

<i>Interim Board of Directors and CEO</i>		
<b>Name</b>	<b>Position</b>	<b>Number of Shares in the Company</b>
Oskar Wigsén	Chairman of the Board	0
Johan Åskogh	Board Member	0
John Malmström	Board Member (CEO)	0

*Source: the Company*

All board members are employed by PBM. The new board of directors, which is likely to include several representatives of the investors in the Company, will be appointed at the extraordinary general meeting which is expected to be held on 8 December 2021. The interim board of directors will therefore be replaced following the annual 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.

Please refer to section 11 for additional information regarding the management of the Company.

The proposed board members are Lennart Schuss, Peter Bredelius, Magnus Oscarsson and Robin Englén, 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 have been part of the board of directors in the following other Companies, outside the Group, during the past five years:

**Board of director assignments for the interim board of directors**

**Oskar Wigsén**

**Ongoing board assignments:**

Preservium Property AB <sup>1</sup>  
 Frontida Fastigheter Midco AB  
 Backaheden Hede 3:122 Fastighets AB  
 Aarhus Residentials Denmark Midco 1 AB  
 One Publicus Gröna Draken 15 AB  
 Vårdfastigheter i Henån AB

**Previous board assignments:**

Korsängen Target AB  
 S88 Etablering AB  
 UA Gröna Etablering AB  
 Fibernät i Mellansverige AB  
 Open Infra Mälardalen AB  
 Fleming Properties AB  
 Borglanda Fastighets AB  
 Borglanda S88 AB  
 Backaheden Midco 2 AB  
 Korsängen Midco AB  
 Krona Public Real Estate AB  
 Aarhus Residentials Denmark AB  
 Korsängen Fastighets AB

**John Malmström**

**Ongoing board assignments:**

Preservium Property AB <sup>(1)</sup>  
 Frontida Fastigheter Midco AB  
 Origa Care Holding AB  
 Halmslätten Midco 1 AB <sup>(1)</sup>

**Johan Åskogh**

**Ongoing board assignments:**

Halmslätten Fastighets AB <sup>(1)</sup>  
 Backaheden Hede 3:122 Fastighets AB  
 Backaheden Fastighets AB <sup>(1)</sup>  
 Logistri Portfolio 2 AB <sup>(1)</sup>  
 LP1 Nybro Tallen 58 AB  
 LP1 Örebro Tackjärnet 3 AB  
 LP1 Jönköping Ålgskytten 13 AB  
 LP1 Götene Skräddaren 1 AB  
 LP1 Lidköping Säware 19:12 AB  
 LP1 Tingsryd Tingsryd 3:14 AB <sup>(1)</sup>  
 LP1 Olofström Holje 103:9 AB <sup>(1)</sup>  
 Frontida Fastigheter Midco AB  
 Origa Care Holding AB  
 Pareto Logistics Sweden AB <sup>(1)</sup>  
 Halmslätten Midco 1 AB <sup>(1)</sup>  
 Preservium Property AB <sup>(1)</sup>

**Previous board assignments:**

Fastighets AB Ridskolan  
 Umeå Logistiken 3 Fastighets AB  
 Nya Centrumfastigheter i Lomma AB  
 Serneke Projektfastigheter Eskilstuna AB  
 MJ Etablering IV AB  
 MS Etablering IV AB (publ)  
 Bråviken Logistik Jönköping AB  
 Industri- och Logistikhus i Götene AB  
 Jönköping Logistics PropCo AB  
 Projektbolag Del Y AB  
 MS Etablering II AB  
 Sydsvenska Hem förvärvsbolag 6 AB  
 Origa Care AB (publ)  
 Halmslätten Fastighets AB  
 Backaheden Fastighets AB  
 MJ Etablering VII AB  
 Wenaas Ottersland AB  
 Bråviken Logistik Fastigheter AB  
 Logistri Tallen Fastighets AB  
 Logistri Säware Fastighets AB  
 Fastighetsaktiebolaget Värmdö Ösby 1:32  
 Hemsö Verkmästaren Holding AB  
 PBM Etablering 1 AB (publ)  
 Slutplattan VOMVI 106098 AB  
 Bråviken Logistik Norrköping AB  
 Stensö Holding AB  
 Fibernät i Mellansverige AB  
 JMP Ekonomi och Finans Handelsbolag  
 Norrköping Logistics PropCo AB  
 Vrangelsro 5:4 Fastighets AB  
 One Publicus Fastighets AB <sup>(1)</sup>  
 Open Infra Mälardalen AB  
 Bråviken Logistik Nyköping AB  
 Fastighetsaktiebolaget Stockholm Sillö 6  
 Industri- och Logistikhus i Jönköping AB  
 Industri- och Logistikhus i Olofström AB  
 AK Etablering AB  
 Bråviken Logistik AB (publ)  
 Krona Public Real Estate AB  
 Vårdboende i Västerparken AB  
 Kävlinge Fastighets AB  
 Aarhus Residentials Denmark AB  
 Sydsvenska Hem AB (publ)  
 HåNi Konsult AB

*Note: (1) There are several board assignments within the same group*

*Source: Retriever and the interim 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.

The members of the proposed 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 proposed board of directors*

<b>Lennart Schuss</b>	<b>Robin Englén</b>
<b>Ongoing board assignments:</b>	<b>Ongoing board assignments:</b>
Strandeken Fastigheter AB	Green Group AB <sup>(1)</sup>
Samhällsbyggnadsbolaget i Norden AB <sup>(1)</sup>	Djurgårdsstadens Fastigheter Holding AB <sup>(1)</sup>
SBB Kåpan Bostad AB	Mälårasen AB <sup>(1)</sup>
SBB Kåpan Bostadsfastigheter AB	Solid Equity Aktiebolag
TEAL Capital AB	Green RosersPort AB
Briot AB	RGL Fastigheter AB <sup>(1)</sup>
Brasil Development AB	3D Fastigheter AB
<b>Previous board assignments:</b>	Backaheden Fastighets AB
Klara Gångsta AB	Green H2O Fastigheter 1 AB
CCF Malmö Intressenter AB	Prinsens Lager Holding AB
Hemvist Järinge 2 AB	Green S Huvudsta 3 29 AB
Borglanda S88 AB	Green Fanan 18 AB
Hemvist Vilunda 6:84 AB	Green S Blixtljuset 15 AB
Borglanda Fastighets AB	Green H2O Fastigheter 2 AB
Hemvist Neptun 1 AB	Green Group Land AB
Framtidens Boende i Göteborg AB	Green Kostern 9 AB
Gimmel Söderhamn AB	Green S Ny 22 AB
Hemvist Nykvarn Kaffebyggaren 1 AB	Green S Ny 20 AB
Hemvist Ströpsta AB	Green S Portfölj 2 AB
Catella Consumer AB	Green S Ny 19 AB
Catella Corporate Finance Malmö AB	Green H2O Fastigheter 3 AB
Hemvist Uppsala Rudbeckia AB	Green H2O AB
Hemvist Nya Gatan AB	Green H2O Fastigheter 4 AB
Hemvist Nacka Björnen AB	<b>Previous board assignments:</b>
Widia Aktiebolag	Halmlätten Halmstad AB
Hemvist Romberga 23:56 AB	Fastighetsbolaget Stockholmsfanan 18 AB
IB Härsta 2 AB	Capacitas AB
Judiska Församlingen i Stockholm Service Aktiebolag	Salah AB
Hemvist Älta 109:6 AB	Umeå Logistiken 3 Fastighets AB
Hemvist Västerås Hydran 2 AB	Vrangelnsro 5:4 Fastighets AB
Hemvist Käbo 78:2 AB	Bostadsrättsföreningen Biz Apartment Gärdet
JLL Capital Markets AB	Halmlätten Midco 1 AB
Hemvist Focken 1 & 2 AB	Halmlätten Midco 2 AB
Hemvist Romberga 23:55 AB	Origa Care AB (publ)
Hemvist Uppsala Cykelkungen AB	Origa Care Holding AB
Hemvist Sicklaön 134:31 AB	
IB Härsta Holding AB	
Hemvist Vårholmen 6 AB	
Nya Gimmel AB	
IB Härsta 1 AB	
IB Gångsta Holding AB	
Catella Property Advisory AB	
Catella Property Advisory AB	
Brasil Development AB	
Hemvist Älvdansen 2 AB	
Hemvist i Mälardalen AB	
Hemvist Norby 123:1 AB	
Hemvist Apelvågen AB	
IB Bostad 18 AB (publ)	
IB Sundsvall Holding AB	
Catella Advisory Sweden AB	
Amplion Asset Management Holding AB	
Hemvist Söderby 2:60 & 2:61 AB	
CC Intressenter AB	
Hemvist Älvdansen 3 AB	

Hemvist Sala Backe 46:3 AB  
Hemvist Romberga 23:61 AB  
Hemvist Upplands-Väsby Drabanten AB  
Hemvist Västerås Hydran AB  
Hemvist Uppsala Svanen AB  
Hemvist Upplands-Väsby Drabanten 2 AB  
Hemvist Älta 109:7 AB  
IB Mitt AB  
IB Mitt AB  
Aktiebolaget Högkullen (publ)  
Hemvist Kåbo 61:3 AB  
IB Sundsvall AB  
Samhäll SBM Holding AB

<b>Peter Bredelius</b>	<b>Magnus Oscarsson</b>
<b>Ongoing board assignments:</b>	<b>Ongoing board assignments:</b>
Forsby Properties Aktiebolag <sup>(1)</sup>	Henry Trading Aktiebolag
Plåtpartnergruppen Sverige AB	Coeli Global AB <sup>(1)</sup>
Indecap Fonder AB	Invemo AB
Tingsvalvet Holding AB <sup>(1)</sup>	Gladshiem Fastigheter AB
One Publicus Fastighets AB <sup>(1)</sup>	Oscarsson & Engman Capital AB
H P Bredelius Aktiebolag	<b>Previous board assignments:</b>
Västsvensk Logistik AB (publ) <sup>(1)</sup>	Gladshiem Eskilstuna Holding 2 AB
<b>Previous board assignments:</b>	Gladshiem Arboga Holding AB
Indecap Holding AB	Bostadsrättsföreningen Brännaren 12
Varpsund Home of Shooting AB	Gladshiem Eskilstuna Holding AB
Berg Kohl Holding AB	Gladshiem Skövde 2 AB
Indecap Fonder AB	Gladshiem Skövde 1 AB
Esswege Fastigheter AB	Gladshiem Norrköping Holding 2 AB
Mälardalens Omsorgsfastigheter Invest AB	Bostadsrättsföreningen Valkyrian i Solsidan
Advokatfirman Lindahl i Örebro Aktiebolag	Peak AM Alternative Investments AB
Coronatus AB	Gladshiem Norrköping Holding 1 AB
NA Fastigheter AB	Gladshiem Eskilstuna Holding 3 AB
Fictilis AB	
Skavsta Jakthandel AB	
NA Bygg Holding Aktiebolag	
Västsvensk Bidco AB	
NA Bygg Aktiebolag	
Skokloster Wings & Clays AB	
Plåtpartnergruppen Service Sverige AB	
Mälardalens Omsorgsfastigheter Holding AB (publ)	
Mälardalens Omsorgsfastigheter Invest II AB	

Note: (1) There are several board assignments within the same group.

Source: Retriever and the proposed board of directors

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 in the following table. Any companies of which the members currently hold at least 10% of the capital or the voting rights are also presented in the following table.

#### *Companies of which the interim board of directors holds, or previously held, more than 10% of the shares*

<b>Oskar Wigsén</b>	<b>Johan Åskogh</b>
<b>Current holdings:</b>	<b>Current holdings:</b>
-	-
<b>Former holdings:</b>	<b>Former holdings:</b>
-	Håni Konsult AB
<b>John Malmström</b>	
<b>Current holdings:</b>	
-	
<b>Former holdings:</b>	
-	

Source: the interim Board of Directors

---

***Companies of which the proposed board of directors holds, or previously held, more than 10% of the shares***

---

<b>Lennart Schuss</b>	<b>Magnus Oscarsson</b>
<b>Current holdings:</b>	<b>Current holdings:</b>
- Briot AB (556961-5338)	- Oscarsson & Engman Capital (556779-2741)
- Skoga Invest AS (895250562)	- Henry Trading AB (556362-5069)
	- Invemo AB (556233-4002)
<b>Former holdings:</b>	<b>Former holdings:</b>
-	-

<b>Peter Bredelius</b>	<b>Robin Englén</b>
<b>Current holdings:</b>	<b>Current holdings:</b>
H P Bredelius Aktiebolag (556537-8436)	-
<b>Former holdings:</b>	<b>Former holdings:</b>
-	-

Source: the proposed Board of Directors

Please refer to section 11 (*The management of the Company*) for additional information regarding the management of the Company.

*The CEO of Preservium Property AB*

The CEO of Preservium Property AB is John Malmström. Mr Malmström is employed by the Business Manager and will not receive any salary from the Company in the regard of his role as CEO. Although Mr. Malmström is intended to be replaced as a member of the board of directors at the upcoming annual general meeting of the Company, there are no intentions to replace Mr. Malmström as the CEO of the Company. Mr. Malmström's tasks correspond to the tasks of the Business Manager, which are presented in section 11.2. Please see Mr. Malmström's CV below.

John Malmström, CEO:

- Employed as Business Manager at Pareto Business Management AB
- CEO of Fleming Properties and Origa Care
- 6 years' experience from the real estate sector and former CEO of Sydsvenska Hem and Audit Manager at EY Real Estate
- Holds a M.Sc. in Business and Economics from Lund University

*Proposed board of directors of Preservium Property AB*

The extraordinary general meeting is expected to be held on 8 December 2021. At this extraordinary 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. Any companies of which the proposed members currently hold at least 10% of the capital or the voting rights are also presented above in section 6.1.

#### **Lennart Schuss – proposed chairmen of the board**

- Education: B.A in Economics, Stockholm School of Economics
- Current position as chairman of the Board at SBB I Norden AB, Advisor to Genesta Property Funds and Chairman of the Swedish Society of Friends of the Weizmann Institute of Science, chairman of Kungliga Filharmonikerna Sällskapet and board member of Stockholm Konserthusstiftelse.
- Previous experience as co-founder of Gimmel Fastigheter, Catella Corporate Finance, ESWÖ & Partner Fund Commission and Stockholm Fund commission.
- Current board assignments: see chapter 6.1 above for a complete list for current board assignments
- Former board assignments: see chapter 6.1 above for a complete list for former board assignments
- Ownership in the Company: 0 shares
- Chairmen of the board in Samhällsbyggnadsbolaget I Norden AB (publ.) (SBB), the Company's largest shareholder
- Independent in relation to the Company

#### **Peter Bredelius – proposed board member**

- Education: Law degree and education within the Swedish armed forces.
- Current position as owner at H P Bredelius AB which provides consulting in business and corporate law together with board assignments.
- Previous experience as Lawyer and partner of the law firm Lindahl
- Current board assignments: see chapter 6.1 above for a complete list for current board assignments
- Former board assignments: see chapter 6.1 above for a complete list for former board assignments
- Ownership in the Company: 0 shares
- Independent in relation to the Company and larger shareholders

#### **Magnus Oscarsson – proposed board member**

- Education: Economic Studies, Stockholm University
- Current position as founder and CEO for Oscarsson and Engman Capital AB and founding board member for Gldsheim Fastigheter.
- Previous experience as founder and CEO of Holtback och Partners Asset Management, CEO of Julius Bear Nordic, partner, and director of ABG Securities AB and head of equity division of Erik Penser Bank.
- Current board assignments: see chapter 6.1 above for a complete list for current board assignments
- Former board assignments: see chapter 6.1 above for a complete list for former board assignments
- Ownership in the Company: 0 shares
- Independent in relation to the Company and larger shareholders

#### **Robin Englén – proposed board member**

- Education: Master's degree in business administration, Stockholm University
- Current position as CFO and Partner at Green Group AB
- Previous experience as Business manager at Pareto, CEO Mälaråsen AB (publ), CEO Origa Care AB (publ), CEO Fleming Properties AB, CEO Djurgårdsstadens Fastigheter AB and auditor at Deloitte in Stockholm and Hong Kong
- Current board assignments: see chapter 6.1 above for a complete list for current board assignments
- Former board assignments: see chapter 6.1 above for a complete list for former board assignments
- Ownership in the Company: 0 shares
- Independent in relation to the Company and larger shareholders

## 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 SE0016829790, CFI code is ESVUFR, FISN code is PRESERVIUM/SH and the ticker at Spotlight will be PRESRV. The Shares are registered by Euroclear Sweden AB that also 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 Spotlight is on or about 5 November 2021. The Company has engaged Pareto as liquidity provider for the Company.

## 6.3 Subsidiaries

The Company has one fully owned, immediate subsidiary named Preservium Midco AB, corporate identification number 559326-7072. Preservium Midco AB was registered with the Swedish Companies Registration Office on 8 July 2021 and Preservium Midco AB has two fully owned and immediate subsidiaries named Preservium Bidco 1 AB, corporate identification number 559326-7064 and Preservium Bidco 2 AB, corporate identification number 559326-7049. Preservium Bidco 1 AB and Preservium Bidco 2 AB were both registered with the Swedish Companies Registration Office on 8 July 2021. The registered address of Preservium Bidco 1 AB and Preservium Bidco 2 AB is P.O. Box 7415, SE-103 91 Stockholm.

The objects of Preservium Bidco 1 AB and Preservium Bidco 2 AB are to manage fixed and movable property or manage companies that directly or indirectly own fixed and movable property and collect funding for its business and conduct business related thereto. The immediate subsidiaries of Preservium Bidco 1 AB and Preservium Bidco 2 AB are the Targets. Preservium Bidco 1 AB will merge into Täby Vinkelslipen AB within 6 months post-Closing of the Transaction and Preservium Bidco 2 AB will merge into Snickarlyan AB within 6 months post-Closing of the Transaction.

Preservium Midco AB is the borrower under the Debt Facility.

The Share Purchase Agreement for the acquisition of the Targets was entered into on 24 September 2021, with the Vendors as sellers and Preservium Bidco 1 AB and Preservium Bidco 2 AB as purchasers.

## 6.4 The Targets

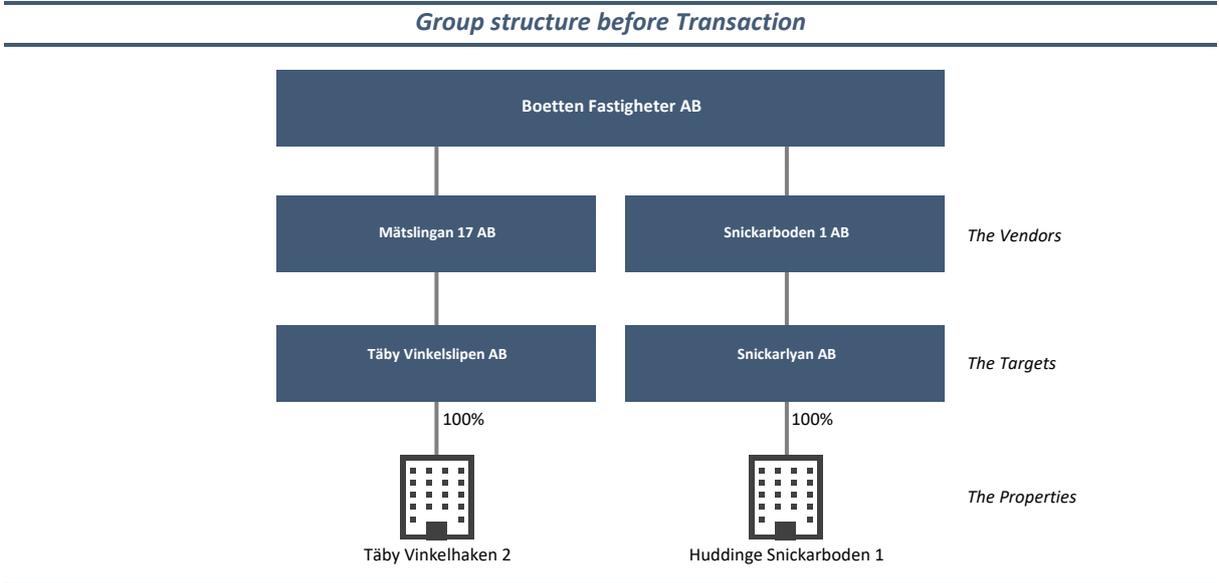
The Targets are the Swedish limited liability companies Täby Vinkelslipen AB with corporate identification number 559325-1795, registered with the Swedish Companies Registration Office since 1 July 2021 and Snickarlyan AB with corporate identification number 559325-1928, registered with the Swedish Companies Registration Office since 1 July 2021. The registered address of the Targets will ultimately be amended to c/o Pareto Business Management AB, P.O. Box 7415, SE-103 91 Stockholm.

The object of the Targets is to manage fixed and movable property or manage companies that directly or indirectly own fixed and movable property and collect funding for its business and conduct business related thereto.

**6.5 Transaction and Group structure**

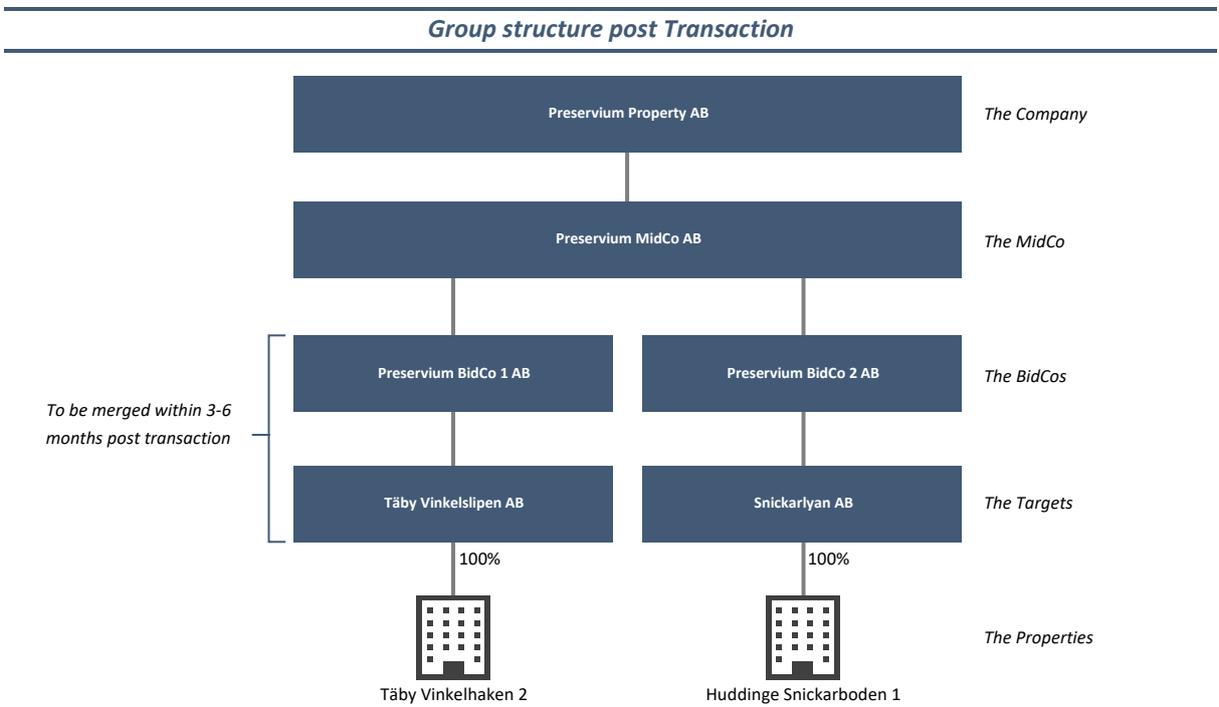
The Transaction was structured as an acquisition of 100% of the shares in the Targets by the BidCos. The Targets are the sole owners of the Properties.

The group structure before the Transaction is illustrated below.



Source: the Vendors

The Group’s structure post the Transaction, but prior to the merger, is illustrated below.



Source: the Company, the Vendors

The Share Purchase Agreement was entered into 24 September 2021 with closing on 19 October 2021. The Share Purchase Agreement was negotiated between representatives of the Company, on behalf of the Subsidiaries, and representatives of the Vendors. The main elements in the Share Purchase Agreement have been structured as follows:

- The acquisition was carried out by means of an acquisition of 100% of the shares in the Targets
- The purchase price was based on the Agreed Portfolio Value and was paid upon Closing
- The Agreed Portfolio Value was subject to customary purchase price adjustments, such as Deferred Tax Discount
- Closing occurred on 19 October 2021

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 prepared by the Vendors and reviewed by the Targets' auditor and the Company following Closing. All existing internal loans of the Targets were repaid by the Subsidiaries, on behalf of the Targets, at Closing.

The Share Purchase Agreement contains warranties regarding the Targets, the Properties, the Lease Agreements, tax and insurance, collectively deemed by the Group and its legal advisors to be in line with Swedish market practice with customary limitations regarding the Vendors' 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:*

Preservium Property AB (publ)  
c/o Pareto Business Management  
Box 7415  
103 91 Stockholm  
Sweden

*Phone:*

Pareto Business Management: 08-402 50 00

*LEI:*

549300E3NHIX7388LE79

*Website:*

[www.preserviumproperty.se](http://www.preserviumproperty.se)

## 7 THE PROPERTIES

Unless otherwise explicitly stated, the Vendors are the source of all information contained in this section.

### 7.1 General overview

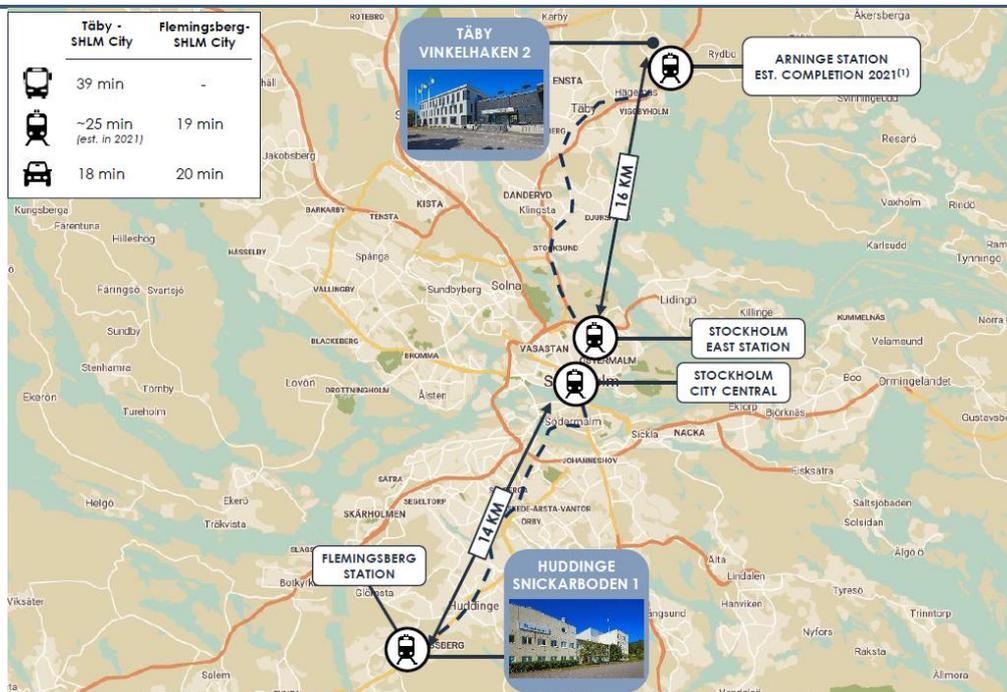
The Portfolio consists of two public archive properties, Snickarboden 1 located in Huddinge, Flemingsberg and Vinkelhaken 2 located in Täby, Arninge. Both Properties are modern and specifically designed for the Tenants' operations. The Portfolio comprises a total lettable area of approximately 43,161 square meters. Vinkelhaken 2 was originally built in 1995 and extended in 1998, 2003 and 2020. Snickarboden 1 was originally built in 1999 and extended in 2007. Vinkelhaken 2 is the largest of the two Properties covering approximately 72% of the total lettable area in the Portfolio and Snickarboden 1 covers approximately 28% of the total lettable area in the Portfolio. In addition, there is an estimated 24,000 square meters of potential building rights in the Portfolio, which may allow for further expansion for the Tenants in the future.

Each of the two Properties are modern and specifically designed for archive purposes and the majority of the lettable area in the Portfolio (approximately 78%) comprise of archive premises. The main temperature in most of the archive premises shall be 18 degrees Celsius with a humidity level between 30% and 40% in order to have a stable environment within the premises which is a prerequisite for storing old documents in a sustainable way. In addition, there are also several different public areas and offices within both properties.

Vinkelhaken 2 is fully let to Riksarkivet and Snickarboden 1 is fully let to Region Stockholm. As of 1 September 2021 the remaining lease term in respect of Vinkelhaken 2 was approximately 23.3 years and 11.3 years in respect of Snickarboden 1.

The estimated annual rent for the year 2021, including supplements, is estimated to approximately SEK 63.1 million, corresponding to approximately SEK 1,463 per square meters. The base rental income in the Lease Agreements are on average 71% adjusted in accordance with Swedish CPI. The annualised NOI of the Portfolio is estimated to approximately SEK 55.7 million, equivalent to a Net Real Estate Yield of approximately 3.7%.

#### Portfolio location



Sources: the Vendors, SL and Google Maps

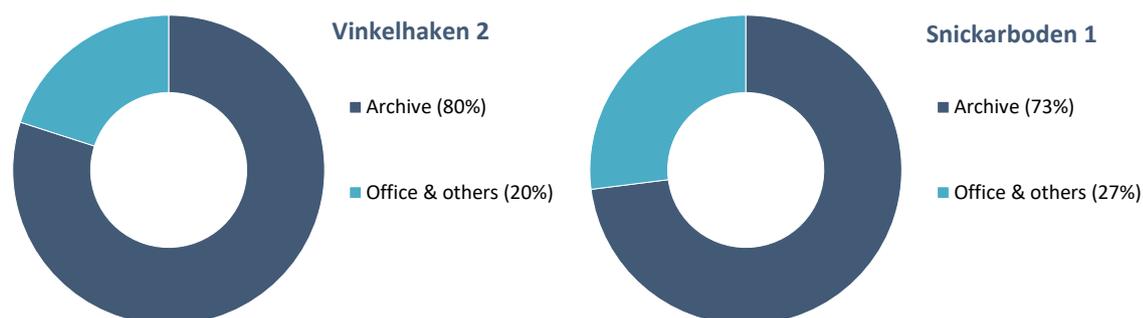
## 7.2 Property Summary

A summary of the Properties key facts is presented in the table below.

<i>Description of the Properties - Summary</i>		
Type	Vinkelhaken 2	Snickarboden 1
Registered property	Täby Vinkelhaken 2	Huddinge Snickarboden 1
Tenure	Freehold	Freehold
Address	Mätslingan 15 and Volymvägen 2	Björnkullavägen 14
Site area, m <sup>2</sup>	22,449	21,188
Lettable area, m <sup>2</sup>	31,055	12,106
Occupancy rate, %	100	100
Type codes	826 (special cultural building)	432 (industrial)
Remaining lease term, years	Approx. 23.3	Approx. 11.3 (excl. break options)
Number of floors	3	4
Construction years	1995, 1998, 2003 and 2020	1999 and 2007

Source: the Vendors

### *Lettable area per type of premises*



Source: the Vendors

## 7.3 Vinkelhaken 2

Vinkelhaken 2 is located on Mätslingan 15 in Täby municipality which is part of Stockholm county. The building on the property comprises one building which have been constructed in four different stages specifically designed for Riksarkivet. The first stage was constructed in 1995 comprising at that time 5,850 square meters and it has continuously been extended since then, in 1998 with 6,100 square meters (stage 2), in 2003 with 6,950 square meters (stage 3) and the latest extension was completed in 2020 with 12,155 square meters (stage 4).

As of 1 September 2021, Vinkelhaken 2 comprises a total lettable area of approximately 31,055 square meters, making it the largest archive building in the Nordics.

In addition, there are approximately 10,000 square meters of estimated unexploited building rights which are located on top of the latest extension. The latest extension currently entails three floors, and the building rights makes it possible to build additional three floors on top of the existing building. The framework on the existing building has been reinforced in order to facilitate for a possible extension.

Picture illustrating Täby Vinkelhaken 2 and the different stages it has been extended



Sources: the Vendors and Pareto

Selection of pictures of Vinkelhaken 2

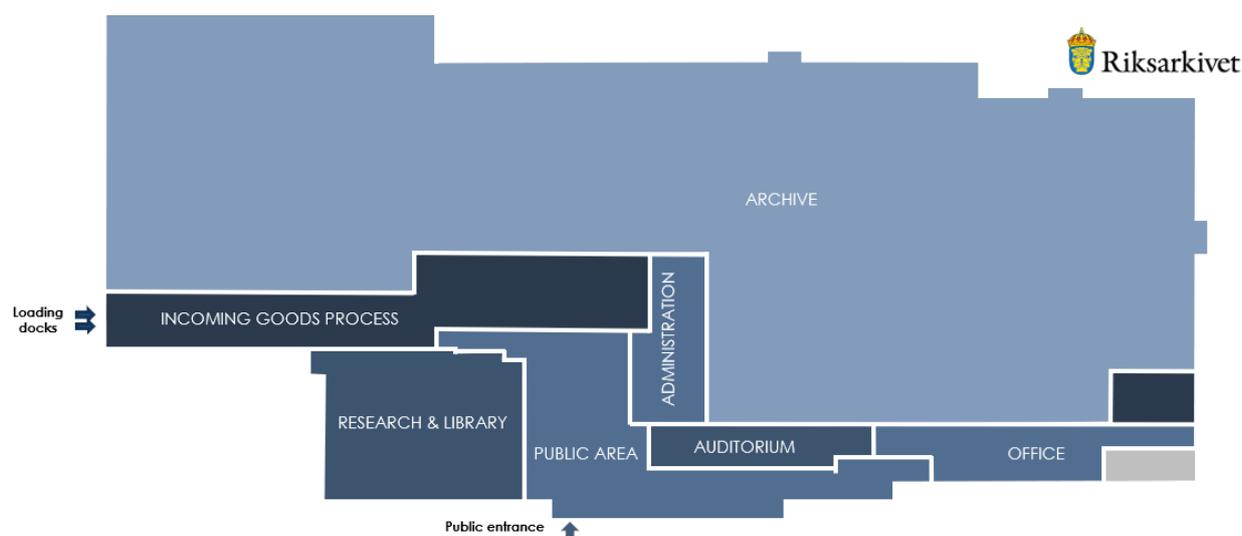


Source: Pareto

### 7.3.1 Floorplan

Approximately 80% of the lettable area within Vinkelhaken 2 comprises premises which are built for archive purposes. The archives comprise different types of archive facilities for example archives for documents with a temperature of + 18 degrees Celsius, archives for photographs with a temperature of + 3 degrees Celsius and servers for digital storage. Remaining 20% comprises of office areas and other common areas including amongst others loading docks and preparation areas for incoming goods, auditorium, research facilities, library, offices, cafe and public areas. Please see an illustrative floor plan for the first of three floors below, which is based on floor plans and rough estimates by Pareto. The second and third floor includes archive area, offices and additional research premises.

*Illustrative floor plan of Riksarkivet's premises in Vinkelhaken 2<sup>(1)</sup>*



*Note: (1) The illustrative floor plan shows area distribution for the first of three floors based on floor plans and rough estimates by Pareto  
Source: the Vendors*

### 7.3.2 Building description

#### Building description

##### General

Construction year, incl. reconstruction/refurbishment	1995/1998/2003/2020
No. of floors above ground	Mainly two floor regarding the three first stages comprising 18,900 square meters and mainly three floors on the fourth stage comprising 12,155 square meters
Outdoor parking	Ground parking, approximately 100 spaces
Ground bearing capacity	1,200 kilos
Ports	4
Buildings	1
Shelf meters	Approximately 750,000
Type of use within the property	Archive (80%), common areas /office (20%)

Technical specifications	
Foundation	Ground bearing slabs and piling
Foundation base	Rock and clay
Beams	Concrete
Structure	Concrete and steel
Roof construction	Concrete and steel
Roof external	Metal sheet and rubber sheet
Facade	Plaster, concrete and glass
Window construction	Wood & aluminium
Windows	3-glass
No. of loading docks	2
Load bearing capacity	Dimensioned for 1,200 kilos
Installations	
Heating	Heat pump and electricity
Cooling	Cold supply air and cooling media
Ventilation	FTX (heat recovery)
Lifts	5 elevators with a capacity of 2,000-3,000 kilos
Sprinklers and fire alarm	Sprinkler system
Electricity	Low voltage
Heating transmission	Waterborne, airborne and direct-acting electricity

Source: the Vendors

### 7.3.3 Location

Täby municipality is located north of Stockholm city in Stockholm county. Stockholm county comprises 26 municipalities and has almost 2.4 million inhabitants, making it the highest populated county in Sweden. One third of Sweden's economic growth stems from Stockholm county. Täby is a growing municipality bordering to Stockholm municipality with almost 73,000 inhabitants and an unemployment rate of 4.4%. The inhabitants in Täby has the second highest median income in the country and the second lowest number of people living of support from the municipality.

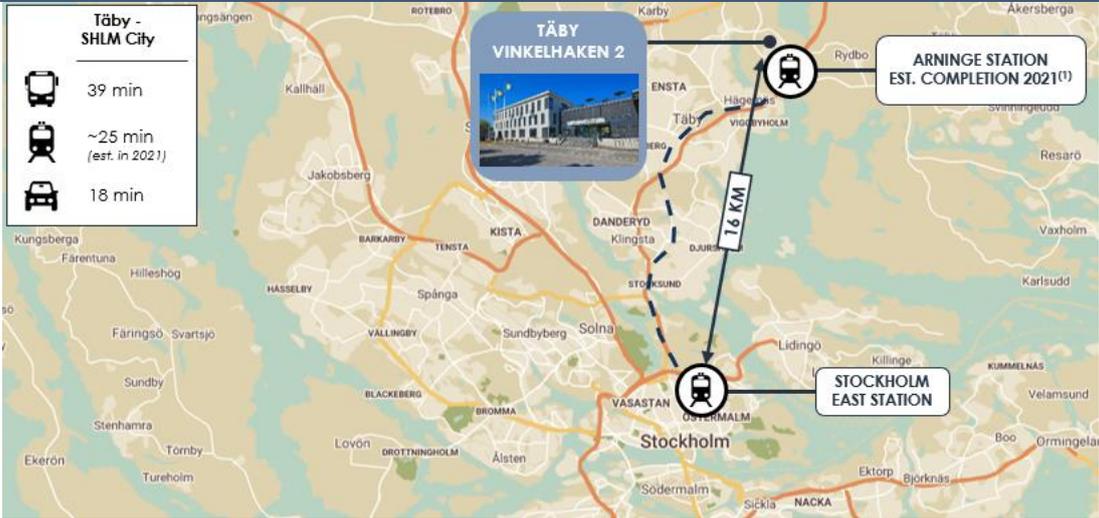
Key facts Täby municipality			
	Täby municipality	Stockholm county	Sweden
Population growth, 2017-2020	<b>3.3%</b>	3.6%	2.6%
Unemployment rate	<b>4.4%</b>	7.3%	8.5%
Median income	<b>SEK 382,393</b>	SEK 330,282	SEK 296,484

Source: Statistics Sweden

Vinkelhaken 2 is located in Arninge situated approximately six kilometers north east of Täby centrum and 20 kilometers northeast of Stockholm central station. The surrounding area of Vinkelhaken 2 is characterised by an established industrial area to the south and a newly developed residential area north of Vinkelhaken 2. The location has very strong communication possibilities by car, bus and train. The property benefits from easy access to E18 which ensures efficient transportation to and from Stockholm and Arlanda. Arninge centrum is located approximately 900 meters south of Vinkelhaken 2 and a new train station named Arninge Station is currently being built approximately 1,200 meters south of the Property. The travel time with train from the new train station will take approximately 25 minutes to Stockholm Station. The travel time by car to Stockholm central station takes less than 20 minutes and it takes approximately 25 minutes to Arlanda airport from Vinkelhaken 2.

There are several urban development schemes currently ongoing close to Vinkelhaken 2. Directly north and east of Riksarkivet there are three larger residential development areas, when they are completed there will be approximately 3,000 residential areas together with a strong supply of community services. In addition, Arninge Centrum is currently being rebuilt to a modern shopping centre with amongst other a new ICA Maxi.

**Location Vinkelhaken 2**



Source: Google maps, Pareto

**Micro Location Vinkelhaken 2**



Sources: Google maps, Täby municipality, Ekonomifakta, Lanstyrelsen, Pareto

#### 7.4 Snickarboden 1

Snickarboden 1 is located on Björnkullavägen 14 in Huddinge municipality which is part of Stockholm county. The building at the property was constructed for Regionarkivet in 1999 comprising at that time 5,750 square meters (stage 1) and it has continuously been extended, in 2003 with 706 square meters, and in 2007 with 5,650 square meters (stage 2). Stockholm biological centre moved their operations to Snickarboden 1 in connection with latest extension in 2007. Today, the property comprises a total lettable area of approximately 12,106 square meters. Snickarboden 1 has approximately 14,000 square meter GFA of unexploited building rights which are located adjacent to the existing building. Regionarkivet has a right of first refusal to occupy the building right if it is developed.

*Picture illustrating Huddinge Snickarboden 1 and the different stages it has been extended*



Source: the Vendors

*Selection of pictures of Vinkelhaken 2*



Source: Pareto

### 7.4.1 Floorplan

Approximately 73% of the lettable area within Snickarboden 1 comprises premises which are built for archive purposes. The archives include various types of premises for storage for example, archives for sensitive papers, microfilms, a data storage hall for electronic documents a pathology archive, a climate archive and two freezing rooms for storage of biological samples. The archives for paper documents should have a temperature of 18 degrees Celsius with a relative humidity of 30-40%, the pathology archive should have a temperature of 16 degrees Celsius with a relative humidity of 30-40%, the climate archive should have a temperature of 12 degrees Celsius and the freezer archive should have a temperature of -20 degrees Celsius. Regionarkivets facility has a capacity of storing approximately 132,500 shelf meters of documents, approximately 7,000 shelf meters of pathology archive, approximately 2,400 shelf meters of climate archives and up to 900,000 test tubes depending on the size of the test tubes. In addition to the archive premises, 27% of the lettable area consists of office premises and common areas. These premises mainly comprise offices areas for employees at Regionarkivet and common areas which are used by visitors arriving to the facility to study and read documents stored in Regionarkivet.

### 7.4.2 Building description

General	
Construction year, incl. reconstruction/refurbishment	1999 and 2007
No. of floors above ground	Mainly two floor regarding the first stage completed in 1999 and four floors on the latest extension completed in 2007
Outdoor parking	Ground parking, approximately 30 spaces
Ground bearing capacity	1,200 kilos
Ports	0
Buildings	1
Shelf meters	Approximately 142,000
Type of use within the property	Archive (73%), common areas /office (27%)
Technical specifications	
Foundation	Ground bearing slabs and piling
Foundation base	Rock, clay and sand
Beams	Concrete
Framework	Concrete
Roof construction	Concrete and steel
Roof external	Metal sheet and rubber sheet
Facade	Plaster and concrete
Window construction	Wood & aluminium
Windows	3-glass
No. of loading docks	0
Load bearing capacity	N/A

Installations	
Heating	Electricity
Cooling	Baffles and cold supply air
Ventilation	FTX (heat recovery)
Lifts	2 elevators with a capacity of 2,000 kilos
Sprinklers and fire alarm	Fire alarm and temperature alarm
Electricity	Low voltage
Heating transmission	Direct-acting electricity

### 7.4.3 Location

Huddinge municipality is located south of Stockholm city in Stockholm county. Huddinge is a growing municipality bordering to Stockholm municipality with more than 113,000 inhabitants and an unemployment rate of 8.4%. The municipality has the third lowest median age in Sweden of 37.8 years. The largest private employer in Huddinge is IKEA with approximately 875 employees and Huddinge municipality is the largest public employer with approximately 5,900 employees.

#### Key facts Huddinge municipality

	Huddinge municipality	Stockholm county	Sweden
Population growth, 2017-2020	<b>2.9%</b>	3.6%	2.6%
Unemployment rate	<b>8.4%</b>	7.3%	8.5%
Median income	<b>317,275</b>	SEK 330,282	SEK 296,484

Source: Statistics Sweden

Snickarboden 1 is located on Björnkullavägen 14 in Flemingsberg situated approximately three kilometers south west of Huddinge centre and 16 kilometers south east of Stockholm central station. The surrounding area of Snickarboden 1 comprises residential buildings and a community centre with focus on public buildings. Within one kilometer from Regionarkivet's facility there are several important public buildings such as police station, prosecutor office, Huddinge jail, Södertörn university and Huddinge university hospital which is an important supplier of material to Regionarkivet. In addition, Regionarkivet benefits from having a strong provision of community services near the facility with amongst others, grocery stores, restaurants, schools and a nature reserve.

The location has very strong communication possibilities by car and train. Snickarboden 1 benefits from easy access to Huddingevägen which ensures efficient transportation to and from Stockholm within a 20 min drive. Flemingsberg station is located approximately 500 meters east of Snickarboden 1. The travel time with train from Flemingsberg station takes approximately 20 minutes to Stockholm central station.

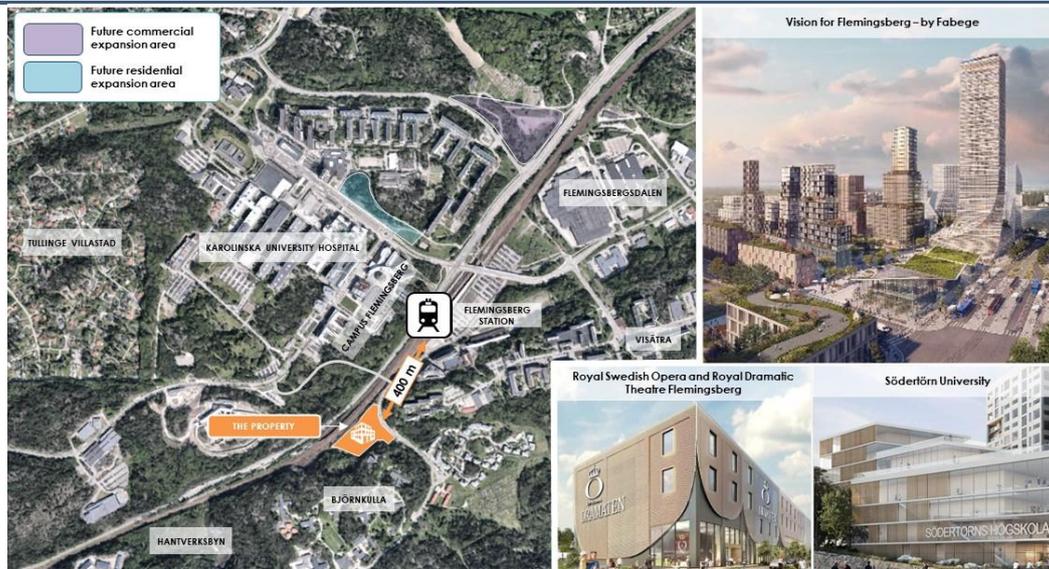
There are several urban development schemes currently ongoing in Flemingsberg. Fabege is currently working on their largest urban development project in Flemingsberg with a vision to transform the area into a vibrant district for workers, students, residents and visitors. When the project is completed Flemingsberg is expected to have 50,000 workers, 50,000 residents and 50,000 visitors according to Fabege.

**Location Snickarboden 1**



Source: Google maps, Pareto

**Micro Location Snickarboden 1**



Sources: Google maps, Huddinge municipality, Ekonomifakta, Lanstyrelsen, Fabège.se and Pareto

## 8 THE TENANTS

The Portfolio include the two public tenants Riksarkivet and Stockholm Region. Riksarkivet represents 64% of the Rental Income from the Portfolio and Regionarkivet represents the remaining 36% of the Rental Income from the Portfolio calculated based on the rental income for the year 2021.

### 8.1 Riksarkivet

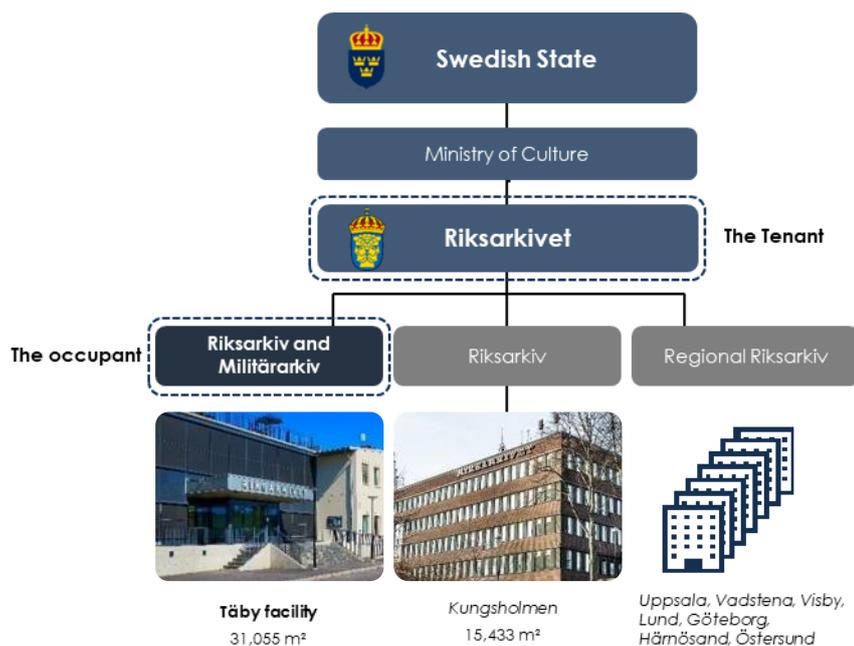
Riksarkivet is one of Sweden's oldest public authorities and the first archive was constructed in 1618. The mission is primarily to hold the official archive for the Swedish government and for supervising the management of the archives of Swedish public authorities. In accordance with Swedish law, public access to the official record is one of the fundamental tasks of Riksarkivet.

Riksarkivet is part of the Ministry of Culture and have a statutory role and functions that are determined by Parliament and the government. The management team is led by the Director General, with the support of an executive committee and an advisory council. The authority primarily cares for public archives, but also the archives of private individuals and non-public organisations, including businesses. Riksarkivet collects and secures records to preserve them for future generations.

The Military Archives, which hold military records from the sixteenth century to the present, was established in 1805. Between 1899 and 1935 the services were expanded and seven Regional State Archives were established to collect and preserve the records of regional and local authorities. The Military Archives and Regional State Archives all began life as independent institutions but were subsequently merged with Riksarkivet in 1995 and 2010 respectively.

Riksarkivet is the administrative authority for archive issues and has a special responsibility for the state archive activities and for archive care in the country. Their mission also includes to stipulate regulations and general advice for archive management. Riksarkivet must also manage the state's heraldic activities and ensure that regulations on the Swedish flag are observed.

*Illustrative tenant scheme<sup>(1)</sup>*



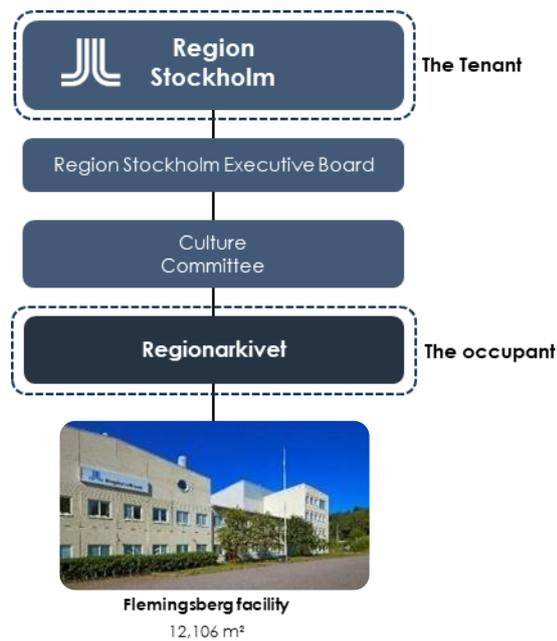
Source: the Vendors, Riksarkivet.se, Regeringen.se

## 8.2 Regionarkivet

Regionarkivet is the official archive authority for Region Stockholm. The department is part of the culture committee (Sw. *Kulturnämnden*). The mission includes to store, preserve and provide public access to the information. The authority is also responsible for the supervision of the archive process to ensure correct handling in line with legislation and regulatory documents. The mission also include education to authorities in document administration as well as support in questions related to publicity and confidentiality.

An important part of the work is to provide information to the operations included within Stockholm Region. Regionarkivet is handling delivery of information to healthcare operations, the public transport system, researchers and other operations within Stockholm Region on a daily basis.

*Illustrative tenant scheme<sup>(1)</sup>*



Source: the Vendors, sll.se

## 9 THE LEASE AGREEMENTS

### 9.1 Summary of the Lease Agreements

The Properties are fully let to Riksarkivet and Region Stockholm, respectively, under several separate Lease Agreements. Each Lease Agreement was signed in conjunction to the development, redevelopment, or extension of the premises, between 1995 and 2020. The total rent under the Lease Agreements, including index and supplements, is estimated to approximately SEK 63.1 million in 2021. The base rental income is on average approximately 71% index adjusted in accordance with the Swedish CPI. Below is a summary of the commercial terms under the Lease Agreements.

<i>Lease Agreements – summary of commercial terms</i>				
Property	Täby	Flemingsberg stage 1	Flemingsberg stage 2	Total
Tenant	Riksarkivet	Region Stockholm	Region Stockholm	-
Share of rental income, %	64%	14%	22%	<b>100%</b>
CPI adjustment <sup>(1)</sup>	75%	47%	75%	<b>71%</b>
Total area excl. parking, square meters	31,055	4,846	7,260	<b>43,161</b>
Rental income, SEKm	40.4	8.8	13.9	<b>63.1</b>
Break option	No	No	Yes <sup>(2)</sup>	-
WAULT excl. break option <sup>(3)</sup>	23.3	11.3	11.3	<b>19.2</b>
Right of transfer	No	Yes	Yes	-
VAT registration area	100%	100%	100%	<b>100%</b>

Notes: (1) Calculated on base rent not taking into account any supplements. (2) The tenant shall indemnify the landlord in case the tenant exercises the break-option. (3) WAULT has been calculated excluding break options and supplements as per September 2021.

Source: the Vendors

#### 9.1.1 Riksarkivet

The lease terms of Vinkelhaken 2 are currently governed by four different Lease Agreements with Riksarkivet. Two of the existing Lease Agreement in relation to Vinkelhaken 2 will be replaced by new lease agreements in 2023 and 2028, respectively. Each Lease Agreement was signed in conjunction to the development, redevelopment or extension of the premises, between 1995 and 2020 and refers to four different stages of the building.

The Lease Agreement with Riksarkivet regarding stage 1 replaced an old lease agreement on 1 July 2020 and runs until 31 December 2044. The notice periods for termination of the Lease Agreement regarding stage 1 with Riksarkivet is 24 months and if the Lease Agreement is not terminated within this period each lease term will be extended in periods of ten years. The Lease Agreement regarding stage 1 is 75% index adjusted in accordance with the Swedish CPI. The Lease Agreement includes 97 parking spaces.

The current Lease Agreement with Riksarkivet regarding stage 2 commenced on 1 April 1998 and runs until 31 March 2023. The current Lease Agreement will be replaced by a new already signed Lease Agreement regarding stage 2 which will commence on 1 April 2023 and runs until 31 December 2044. The notice periods for termination of the new Lease Agreement regarding stage 2 with Riksarkivet is 24 months and if the Lease Agreement is not terminated within this period each lease term will be extended in periods of ten years. The

Lease Agreement regarding stage 2 is currently 70% index adjusted in accordance with the Swedish CPI, however the rent in the new Lease Agreement will be 75% index adjusted in accordance with the Swedish CPI. The rent level will increase when the new Lease Agreement commences, please see the table below for further details.

The current Lease Agreement with Riksarkivet regarding stage 3 commenced on 1 January 2003 and runs until 31 December 2027. The current Lease Agreement will be replaced by a new already signed Lease Agreement regarding stage 3 which will commence on 1 January 2028 and runs until 31 December 2044. The notice periods for termination of the new Lease Agreement regarding stage 3 with Riksarkivet is 24 months and if the Lease Agreement is not terminated within this period each lease term will be extended in periods of ten years. The Lease Agreement regarding stage 3 is and will be 75% index adjusted in accordance with the Swedish CPI. The rent level will increase when the new Lease Agreement starts, please see the table below for further details.

The Lease Agreement with Riksarkivet regarding stage 4 commenced on 1 January 2020 and runs until 31 December 2044. The notice periods for termination of the Lease Agreement regarding stage 4 with Riksarkivet is 24 months and if the Lease Agreement is not terminated within this period each lease term will be extended in periods of ten years. The Lease Agreement regarding stage 4 is 75% index adjusted in accordance with the Swedish CPI.

In addition to the Lease Agreements regarding stage 1-4 there are several supplementary agreements with Riksarkivet regarding Vinkelhaken 2. The supplementary agreements have various lease terms and mainly refer to previous investments in the premises initially paid by the landlord, which have been regulated mainly through rental supplements paid by the Tenant.

#### Lease summary – Vinkelhaken 2

Tenant	Description	Lettable area m <sup>2</sup>	Rent 2021, SEK	Rent 2021, SEK/m <sup>2</sup>	Start date	End date	Index % of CPI	VAT %	Comment
<b>BASE RENT</b>									
Riksarkivet	Stage 2 (Current rent)	6,100	4,293,278	704	1998-04-01	2023-02-28	70%	100%	The agreement will be replaced in 2023
	Stage 2 (Future rent)	6,100	6,805,114	1,116	2023-03-01	2044-12-31	75%	100%	New agreement starting in 2023
Riksarkivet	Stage 3 (Current rent)	6,950	6,021,171	866	2003-01-01	2027-12-31	75%	100%	The agreement will be replaced in 2028
	Stage 3 (Future rent)	6,950	7,753,373	1,116	2028-01-01	2044-12-31	75%	100%	New agreement starting in 2028
Riksarkivet	Stage 1	5,850	6,526,216	1,116	2020-07-01	2044-12-31	75%	100%	
Riksarkivet	Stage 4	12,155	19,346,542	1,592	2020-01-01	2044-12-31	75%	100%	
<b>TOTAL BASE RENT</b>			<b><sup>(1)</sup>36,187,207</b>						
<b>SUPPLEMENTS</b>									
Riksarkivet	Supplement heating, water and sewer	-	630,000	-	-	2044-12-31	75%	100%	
Riksarkivet	Investment supplement	-	120,204	-	-	2027-03-31	0%	100%	Expires in March 2027
Riksarkivet	Investment supplement	-	286,188	-	-	2026-12-31	0%	100%	Expires at the end of 2026
Riksarkivet	Investment supplement	-	2,930,544	-	-	2025-12-31	0%	100%	Expires at the end of 2025
Riksarkivet	Supplement lightning protection	-	144,427	-	-	2044-12-31	75%	100%	
Riksarkivet	Investment supplement	-	59,675	-	-	2027-09-30	0%	100%	Expires in Sept 2027
Riksarkivet	Investment supplement	-	64,293	-	-	2027-09-30	0%	100%	Expires in Sept 2027
<b>TOTAL SUPPLEMENTS</b>			<b>4,235,332</b>						
<b>TOTAL RENTAL INCOME</b>			<b>40,422,539</b>						

Note: (1) Refers to the total base rent + index as per the current Lease Agreements not taking into account the future agreements.

Source: the Vendors

### 9.1.2 Regionarkivet

The initial term of the Lease Agreement with Region Stockholm regarding stage 1 was 15 years until 2025-09-30, however the Lease Agreement has been prolonged until 2032-12-31. The initial term of the Lease Agreement with Region Stockholm regarding stage 2 is 25 years until 2032-12-31. The notice periods for termination of the Lease Agreements with Region Stockholm are 36 months and if the Lease Agreements are not terminated within this period each lease term will be extended in periods of ten years. The remaining lease term is approximately 11.3 years.

Region Stockholm has a break-option in the Lease Agreement regarding stage 2 with a termination date in 2027-12-31. Region Stockholm must notify the landlord in writing at least 24 months prior to the break-option termination date in order for the break-option to be valid. Region Stockholm shall however indemnify the landlord for any damage which affects the landlord as a result of the break-option being exercised. There are no break options in the Lease Agreement regarding stage 1.

The Lease Agreements with Region Stockholm regarding stage 1 and 2 include an option for the Tenant to transfer its rights and obligations under the Lease Agreements to another party without the landlord's prior written consent. In case the Lease Agreement with Region Stockholm regarding stage 2 is prolonged, the Tenant may be entitled to request that the rent in the Lease Agreement for stage 2 shall correspond to the landlord's first cost (Sw. *självkostnad*) for the premises, i.e. capital costs, depreciation, operating and maintenance costs and administration.

In addition to the Lease Agreements regarding stage 1 and 2 there are several supplementary agreements with Region Stockholm regarding Snickarboden 1. The supplementary agreements have various lease terms and mainly refer to investments in shelves, drawers, and security equipment, which have been regulated mainly through rental supplements paid by the Tenant.

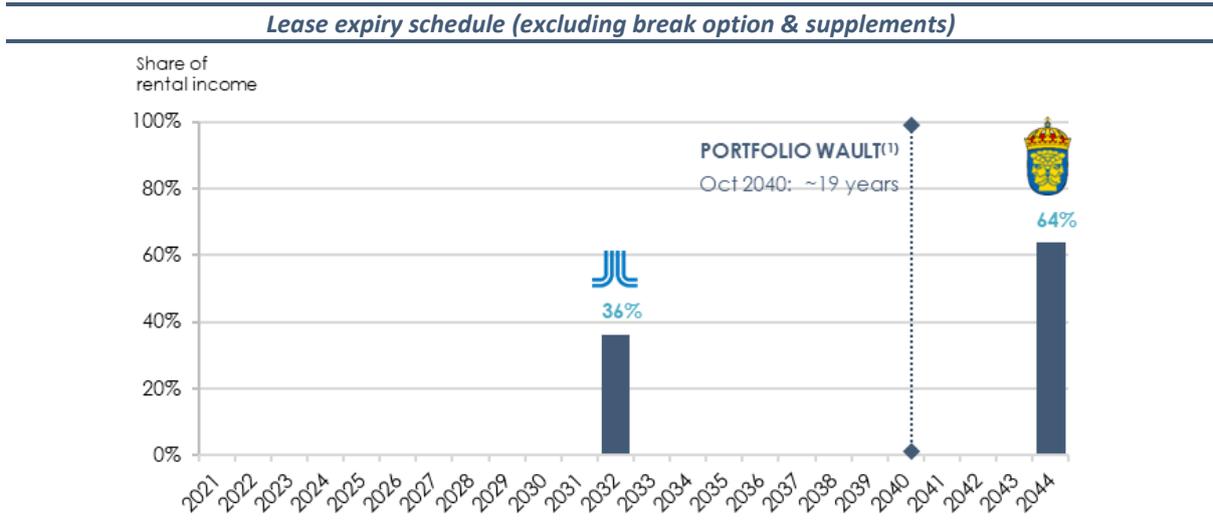
The Lease Agreement regarding stage 1 is 47% index adjusted in accordance with the Swedish CPI and the Lease Agreement regarding stage 2 is 75% index adjusted in accordance with the Swedish CPI. The supplementary agreements are not subject to % index adjustments.

Please see a summary of the Lease Agreements with Region Stockholm below.

<b>Lease summary – Snickarboden 1</b>									
Tenant	Description	Lettable area m <sup>2</sup>	Rent 2021, SEK	Rent 2021, SEK/m <sup>2</sup>	Start date	End date	Index % of CPI	VAT %	Comment
<b>BASE RENT</b>									
Region Stockholm	Stage 1	4,846	7,634,533	1,575	2000-10-01	2032-12-31	47%	100%	
Region Stockholm	Stage 2	7,260	11,462,175	1,579	2007-12-31	2032-12-31	75%	100%	
<b>TOTAL BASE RENT</b>			<b>19,096,708</b>						
<b>SUPPLEMENTS</b>									
Region Stockholm	Rent for shelves	-	1,150,000	-	-	2032-12-31	0%	100%	Expires at the end of 2032
Region Stockholm	Rent for shelves	-	1,208,594	-	-	2032-12-31	0%	100%	Expires at the end of 2032
Region Stockholm	Rent for shelves	-	158,000	-	-	2032-12-31	0%	100%	Expires at the end of 2032
Region Stockholm	Rent for shelves	-	782,568	-	-	2032-12-31	0%	100%	Expires at the end of 2032
Region Stockholm	Investment supplement	-	138,930	-	-	2032-12-31	0%	100%	Expires at the end of 2032
Region Stockholm	Rent for shelves	-	156,902	-	-	2032-12-31	0%	100%	Expires at the end of 2032
Region Stockholm	Supplement road maintenance	-	10,000	-	-	2032-12-31	0%	100%	
<b>TOTAL SUPPLEMENTS</b>			<b>3,604,994</b>						
<b>TOTAL RENTAL INCOME</b>			<b>22,701,702</b>						

Source: the Vendors

The graph below illustrates the lease expiry schedule of the Lease Agreements within the Properties.



Note: (1) WAULT has been calculated excluding break options and supplements as per September 2021.  
 Source: the Vendors

**9.2 Details in the Lease Agreements**

**Simplified demarcation list for the Properties**

Party	Property tax	Utilities	Repair & maintenance	Insurance
Tenants	✓	✓		
Landlord		✓	✓	✓

Source: the Vendors

**Utility costs**

In general, the costs for utilities i.e. electricity, heating, ventilation, water and sewage are included in the rent for both Properties. However, utilities are covered by Riksarkivet in the latest extension (stage 4) of Vinkelhaken 2 (~28% of total Portfolio area). Cost for utilities related to stage 4 are invoiced to Riksarkivet with yearly settlement based on actual outcome.

**Property tax**

Vinkelhaken 2 is registered for tax purposes as a special unit, culture building (i.e. type code 826), which imply that Vinkelhaken 2 is not subject to any property tax. Snickarboden 1 is registered for tax purposes as an industrial unit, warehouse (i.e. type code 432), resulting in a property tax of 0.5% of the tax assessment value. Region Stockholm covers 100% of the cost of property tax for Snickarboden 1.

**Operating and maintenance costs**

The Targets, as landlords, are responsible for most of the property management including property caretaking as well as running maintenance. Costs related to planned maintenance, i.e. end-of-life replacement, are the Targets', as landlords, responsibility.

Costs related to property insurance will be covered by the Targets.

**VAT compensation**

The Tenants are subject to VAT. The Property is to 100% subject to VAT. However, it may be noted that the current Lease Agreement with Riksarkivet regarding stage 2 lacks a customary provision which states that the Tenant, if the relevant Target Company, as a consequence of the Tenant's independent action – such as subletting of all or part of the premises – becomes liable for adjusted VAT in accordance with the provisions of the Value-Added Tax Act, shall fully compensate the landlord for its lost tax deduction rights.

**Rental payments**

The Rental Income is primarily invoiced and paid quarterly in advance.

## 10 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.

The financial information has not been reviewed or audited by the Company's auditor, unless otherwise stated.

### 10.1 Transaction financing

The investment has an estimated project cost of SEK 1,520 million, and will include the following elements:

<i>Project costs, rounded</i>	
<b>Element</b>	<b>SEK ('000)</b>
<b>Agreed Property Value</b>	<b>1,509,510</b>
Deferred Tax Discount	-61,433
<b>Net Property Value</b>	<b>1,448,077</b>
Mortgage deeds	11,060
Arrangement and sales fee <sup>(1)</sup>	45,285
Debt financing arrangement fee <sup>(1)</sup>	6,339
Other start-up costs (Transaction related costs) <sup>(2)</sup>	4,100
Working capital	5,138
<b>Total project cost</b>	<b>1,520,000</b>

Notes: (1) Refers to the equity issue fee and the arrangement fee in relation to the Debt Facility to Pareto. (2) Other start-up costs include budgeted costs for due diligence, valuation, listing on MTF, legal advisors, start-up costs for the Business Manager, Property Manager and other service providers

Source: the Company

### 10.2 Key figures

<i>Key figures, rounded</i>		
<b>Estimated key figures</b>	<b>Unit</b>	<b>Amount/percentage</b>
Debt Facility	SEK million	1,056.5
Recent Equity Issue	SEK million	463.5
Rental income <sup>(1)</sup>	SEK million	63.1
NOI <sup>(1)</sup>	SEK million	55.8
Adjusted EBITDA <sup>(1)</sup>	SEK million	53.4
Net Real Estate Yield	%	3.7
Dividend Yield	%	6.5

Note: (1) Based on the Group's estimated normalised income and costs for 2021 including provision for planned maintenance as described further in section 10.7

Source: the Company

The Agreed Property Value of SEK 1,509,510,000 corresponds to an estimated Net Real Estate Yield of approximately 3.7%.

The estimated project cost of SEK 1,520 million has been financed as set out below:

<i>Project financing</i>	
Element	SEK million
Debt Facility	1,056.5
Recent Equity Issue	463.5
<b>Total Financing</b>	<b>1,520.0</b>

Source: the Company

*The consolidated pro forma balance sheet as of 19 October 2021*

The consolidated pro forma balance sheet as per 19 October 2021 is presented in the table below. The consolidated pro forma balance sheet has not been reviewed by the Company's auditor.

<i>Consolidated pro forma balance sheet per 19 October 2021</i>	
Consolidated pro forma balance sheet – the Group	19/10/2021
<i>Values in SEK '000</i>	
Fixed assets <sup>(1),(2)</sup>	1,520,000
<b>Total fixed assets</b>	<b>1,520,000</b>
Financial assets	-
<b>Total financial assets</b>	<b>-</b>
Current assets	33,880
<b>Total current assets</b>	<b>33,880</b>
<b>Total assets</b>	<b>1,553,880</b>
Share capital	4,635
Share reserve	470,455
<b>Total equity</b>	<b>475,090</b>
Deferred tax <sup>(1)</sup>	12,406
Liabilities to credit institutions <sup>(3)</sup>	1,039,094
Short term liabilities <sup>(4)</sup>	27,290
<b>Total liabilities</b>	<b>1,078,791</b>
<b>Total liabilities and equity</b>	<b>1,553,880</b>

Note: (1) In the consolidated pro forma balance sheet the Day 1-profit and related deferred tax liability are recognised on the investment properties as if the Day 1-profit had occurred as of 19 October 2021. (2) The value is based on an external valuation in September 2021. (3) Liabilities to credit institutions are net of the loan minus Debt financing arrangement fee of SEK 6.3 million plus capitalised cost of mortgage deeds of approximately SEK 11 million. (4) Includes accrued costs related to stamp duty of SEK 14.8 million and prepaid rent for the period 20 Oct 2021 until 31 Dec 2021 of SEK 12.5 million.

Source: the Company

### 10.3 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.

<i>Financial calendar</i>	
Annual report	24/02/2021
Annual general meeting	31/03/2021

Source: the Company

### 10.4 Owners and share capital

The Company's largest shareholders as per 13 October 2021 are presented below.

<i>Largest shareholders<sup>(1)</sup></i>		
Shareholders	Number of shares	Ownership share
Samhällsbyggnadsbolaget i Norden AB (publ)	1,642,630	35.4%
Jan-Eric Nilsson	158,000	3.4%
Von Euler & Partners <sup>(2)</sup>	152,000	3.3%
JRS Asset Management AB	140,000	3.0%
Eton family <sup>(2)</sup>	128,000	2.8%
LMK Stiftelsen	106,000	2.3%
Svanberg & CO	105,000	2.3%
Core Capital Management <sup>(2)</sup>	105,000	2.3%
Familjen Kamprad Stipendiestiftelse	88,000	1.9%
Tino Goetze	88,000	1.9%
Other ~230 shareholders	2,712,630	41.0%
<b>TOTAL</b>	<b>4,635,000</b>	<b>100%</b>

Note: (1) As per 13 October 2021 (2) Includes aggregated ownership from two or more accounts.

Source: the Company

There are 4,635,000 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 12,000,000 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)
23/06/2021	Establishment	+ 500,000	500,000
22/10/2021	Recent Equity Issue	+ 4,635,000	5,135,000
22/10/2021	Redemption of shares	- 500,000	4,635,000

Source: the Company

## 10.5 Description of debt financing

The Manager was prior to the Transaction, on behalf of the Group, conducting an evaluation of debt financing options. A request for a proposal was distributed to a number of potential lenders in order to map the financing alternatives available to the Group. Based on indicative terms received, more detailed discussions were initiated with a Nordic institution.

The Debt Facility was structured as a bond issue based on the template for real estate financing in the Swedish bond market. The entire bond issue was subscribed by a Nordic institution.

### *Main indicative terms of the Debt Facility*

<b>Bondholder:</b>	Nordic institution
<b>Borrower:</b>	The MidCo
<b>Guarantors:</b>	None
<b>Structure:</b>	Bond issue
<b>Bond Trustee</b>	Nordic Trustee AS
<b>Amount:</b>	SEK 1,056.5 million
<b>LTV:</b>	70%, based on the Agreed Portfolio Value
<b>Maturity:</b>	5 years
<b>Interest rate:</b>	Fixed all-in interest rate of 2.18% <sup>(1)</sup>
<b>Amortisation:</b>	Bullet on final maturity date
<b>Call option / break fee</b>	Make-whole if the loan amount is called prior to the date falling 54 months after the issue date and 100% of the loan amount if called 54 months after the issue date.
<b>Covenants:</b>	<p><b>Hard covenants</b></p> <ul style="list-style-type: none"> <li>• Loan to value ratio does not at any time exceed 80%;</li> <li>• Book equity ratio at all times is more than 0%; and</li> <li>• Interest cover ratio at any time is higher than 1.5x.</li> </ul> <p><b>Soft covenants</b></p> <ul style="list-style-type: none"> <li>• Loan to value ratio does not at any time exceed 75%;</li> <li>• Interest Coverage Ratio at any time is 1.5 or higher; and</li> <li>• Book Equity Ratio at no time is less than 15%.</li> </ul>
<b>Undertakings:</b>	According to market standards
<b>Ownership clause:</b>	Company to own and control 100% of the MidCo and no person or group of persons acting in concert to own and control more than 50% of the shares in the Company, other than any person or group of persons acting in concert owning or controlling more than 30% of the Shares in the Company prior to the issue date
<b>Cash Sweep</b>	Upon the occurrence of a tenant default or a tenant exchange event, a cash sweep shall be made with excess cash in accordance with the terms and conditions of the Debt Facility
<b>Security package:</b>	The security package includes, <i>inter alia</i> , mortgages over the Properties covering the full Debt Facility amount, pledges over the shares in the MidCo, BidCos and the Targets and pledges over certain intragroup and shareholder loans
<b>Arrangement fee:</b>	One-time arrangement fee of 0.6% of the total amount of the Debt Facility to Pareto Securities debt financing team

Note: (1) Effective all-in interest corresponding to 2.21% after 365/360-conversion  
Sources: the Company, the lender

The MidCo has entered into a bond agreement with the lender based on the commercial terms set out above.

## 10.6 Estimated dividends

Dividends to investors are estimated at approximately 6.5% per annum, calculated based on total paid-in equity of SEK 463.5 million. The first dividend is expected during Q2 2022 but is conditional upon a decision by the general meeting of the Company. 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 shareholders registered in the Company's share register on each record date shall be considered authorised to receive dividends; in case of bonus issues (*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 preskriptionstid*). 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.

## 10.7 Estimated income and costs

Estimated Property Related Costs and Company Costs are presented in the table below. Due to difficulties of assessing potential value adjustments, the Company has chosen to present an estimated EBTIDA instead of profit for the period. The figures are based on the Vendors' budget as well as historical outcome, the Company's assumptions and experiences of the Manager, the Business Manager, the Property Manager and a CAPEX budget performed by WSP on behalf of the Company.

Total annual Property Related Costs are estimated to approximately SEK 7,380,000 excl. VAT (rounded figure). Of these non-recoverable costs, approximately SEK 220,000 relates to insurance for the Properties and approximately SEK 5,710,000 relates to operating costs for the Property. The remaining approximately SEK 1,450,000 refers to budgeted costs related to structural maintenance.

Long-term annual Company Costs, including, *inter alia*, fee to the Business Manager and Property Manager, auditing cost, fee to Nordic Trustee, listing cost, fee to the board of directors and other fees are estimated to SEK 2,319,000 excl. VAT (rounded figure). The Company's long-term EBITDA margin, calculated as EBITDA divided by Rental Income, is estimated to approximately 85%.

The Group's total costs for managing the Company, its subsidiaries and the Property, are estimated to approximately SEK 9,700,000 per year (calculated at price level for year 2021), equivalent to approximately SEK 225 per square meters.

*Estimated income and costs, full year basis 2021, rounded figures<sup>(1)</sup>*

	SEK '000	SEK/m <sup>2</sup>
<b>Rental Income</b>	<b>63,124</b>	<b>1,463</b>
Non-recoverable costs related to utilities & property tax	-3,760	-87
Property caretaking and running maintenance	-1,950	-45
Insurance	-220	-5
Structural maintenance	-1,450	-34
<b>Net operating income<sup>(1)</sup></b>	<b>55,745</b>	<b>1,292</b>
Technical property management	-300	-7
Business management	-900	-21
Auditing, Euroclear, listing fee, directors' fee and other	-1,119	-26
<b>Adjusted EBITDA</b>	<b>53,425</b>	<b>1,238</b>

Notes: (1) The NOI is normalised based on rent level 2021.

Source: the Company

### 10.8 Estimated tax residual value

The total tax residual value of the Properties per 19 October 2021 amounted to approximately SEK 317.5 million. Approximately SEK 39.2 million of the Target's tax residual value is attributable to land and approximately SEK 278.2 million is attributable to the buildings, land improvements and building equipment's.

The Company has assumed a tax depreciation rate of 4% of the depreciation base assumed to be attributable to buildings, 5% to land improvements (Sw. *Markanläggningar*) and the depreciation for building equipment's (Sw. *Byggnadsinventarier*) have been in accordance to the so-called 30% and 20% rule. There is a risk that a discrepancy from the above or different allocation between asset classes could affect the Group's financials by way of increased tax cost.

## 11 THE MANAGEMENT OF THE COMPANY

### 11.1 Board of directors, management and ownership structure

The board of directors of the Company currently comprises three directors: Oskar Wigsén as Chairman of the board, Johan Åskogh as board member and John Malmström as board member, all of whom are employees of Pareto Business Management AB. After the extraordinary general meeting which is expected to be held on 8 December 2021 the board is proposed to comprise four members: Lennart Schuss, Peter Bredelius, Magnus Oscarsson and Robin Englén.

Prior to the Transaction, the Company was a shelf company without any activities or employees, and with a minimum share capital of SEK 500,000. The sole shareholder of the Company was PBM. All shares held by PBM 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*).

### 11.2 The Business Management Agreement

The Business Management Agreement is valid for a period of five years from the earliest of the signing of the agreement and closing of the transaction (as defined in the Mandate Agreement, entered into on 13 September 2021) (the "**Original Termination Date**"), with an automatic extension period of three years at a time, unless the agreement is terminated in accordance with Sub-clause (a) or (b) below. The Business Management Agreement may be terminated by either party in writing at the earlier of the following dates:

- a) on the Original Termination Date provided that the Business Management Agreement has been terminated with 12 months written notice, and
- b) the date on which (i) such termination is requested by 2/3 of the shareholders of the Group Companies due to the Business Manager's material breach of the agreement, or (ii) such termination is requested by the Business Manager due to the Group Companies material breach of the agreement, provided that such material breach has not been remedied within a reasonable time after written complaint from the other party

If the Master Agreement with Pareto is terminated by the Company, see section 11.4 for further details, the Business Manager shall be entitled to terminate the Business Management Agreement with effect from the same date. Also, if the Business Management Agreement is terminated by the Group Companies, the Manager has the right to terminate the Master Agreement at the same time as cessation of the Business Management Agreement.

Tasks under the Business Management Agreement include, *inter alia*, the following:

- a) Act as CEO of the Group
- b) Group accounting
- c) Financial reports of the Group
- d) Support on investor relations and public authorities queries
- e) Cash management and loan agreement compliance
- f) Tax and VAT handling and consulting services
- g) Board activities and handling of general meetings

For any services not defined in the Business Management Agreement, or services performed after the Business Management Agreement has expired, the Business Manager shall receive a project management fee as agreed between the Business Manager and the board of directors of the Company or any other of the Group Companies. Examples of such additional services to be carried out by the Business Manager are coordinating building

projects, renegotiation of lease agreements and refinancing of Group Companies' loans. For refinancing of the Group Companies' loan(s) the project management fee is 0.1% of the refinanced amount.

The Business Manager shall receive a management fee of SEK 800,000 p.a., excl. VAT, 2021 (annualised) in consideration for its services rendered as Business Manager. The fee shall be paid half-yearly in advance. For services for the period between Closing of the Transaction and 31 December 2021, a fee of 135,000 will be payable. In addition, the Business Manager shall receive a start-up fee of SEK 150,000, excl. VAT (non-recurring item). The start-up fee shall be payable at the same time as the first management fee.

The management fee shall be adjusted annually by 100% of the change in Swedish CPI, with the first such adjustment taking place in January 2023. The first adjustment shall be based on the index value as of October 2022, with reference to the index value as of October 2021. If the change in CPI is negative, no adjustment is to be done.

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 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, *inter alia*, the following costs directly and for their own account:

- a) Expenses related to audits
- b) Expenses related to any external consultants including auditing and legal assistance
- c) Expenses related to external consultants of shareholders' registries, including costs from Euroclear and other external consultants
- d) External costs in connection with letting or sale
- e) Assistance related to Health, Environment and Safety (HES) tasks, inspections, maintenance, repairs or improvements, upgrades or other building or technical matters related to the Properties
- f) Any necessary travel, daily allowance and representation expenses
- g) Expenses related to keeping insider log and board portal
- h) 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 clause 1 of the agreement
- i) Extraordinary costs and expenses incurred by the Business Management in order to ensure that the Company is managed in accordance with Swedish laws and regulations which have taken effect after the date of this Agreement
- j) Expenses related to valuation
- k) Other costs directly related to the operation of the Group Companies

Should the Group acquire additional properties (an "**Additional Property**") or additional subsidiaries (an "**Additional Subsidiary**"), the Company shall be entitled to include the management of an Additional Property or Additional Subsidiary, as applicable, in the Services described in the Business Management Agreement provided that (i) such management would be included in the services if they were performed by the Business Manager or any third party engaged by the Business Manager for the Company, and (ii) the Business Manager is compensated for the additional work by an increase of the Management Fee in a way satisfactory to the Business Manager.

### 11.3 The Technical Follow-up Agreement

The Technical Follow-up Agreement is valid for as long as the Business Management Agreement is valid and shall be terminated automatically as the Business Management Agreement is terminated. The Technical Follow-up Agreement is terminated with immediate effect in case of a material breach either by (i) such termination is requested by 2/3 of the shareholders of the Company due to the Technical Follow-up Manager's material breach, or (ii) such termination is requested by the Technical Follow-up Manager due to the Company's, or any of its subsidiaries, material breach, provided that such material breach has not been remedied within a reasonable time after written complaint from the other party. In case of termination due to either party's material breach of this agreement, the termination shall enter into effect immediately.

The Technical Follow-up Manager shall:

- a) Follow-up and monitor on the local property caretaker's operations
- b) Conduct inspections of the Properties two times per year. The Technical Follow-up Manager shall, in connection therewith, hold meeting(s) with the property caretaker to review an HSE form
- c) Prepare, on the basis of the inspection, an inspection report
- d) Of its own accord keep the Company informed of any special circumstances of material importance that comes to its knowledge in connection with its performance of the agreement

The Technical Follow-up Manager shall receive a management fee from the Company in the amount of SEK 300,000 per year (excl. VAT). The fee shall be paid half-yearly in advance. For services for the period between Closing of the Transaction and 31 December 2021, a fee of SEK 50,000 will be payable. Further, in addition to the management fee, the Technical Follow-up Manager shall be entitled to a start-up fee amounting to SEK 100,000, exclusive of VAT (non-recurring item). The start-up fee shall be payable at the same time as the first management fee to the Technical Follow-up Manager.

The management fee shall be adjusted annually by 100% of the change in Swedish CPI, with the first such adjustment taking place in January 2023. The first adjustment shall be based on the index value as of October 2022, with reference to the index value as of October 2021. If the change in CPI is negative, no adjustment is to be done.

Any work falling outside the Technical Follow-up Manager's scope, including any follow-up of deviations discovered during the inspection and any call-outs to the Properties, the Company's, or any of its subsidiaries, responsibility as landlord according to the Lease Agreements with respect to the Properties, any emergency or urgency services relating to the Properties and any other work not included in the Technical Follow-up Manager's scope ("**Additional Work**"), shall be compensated separately by the Company, or any of its subsidiaries, at the basic rate for each item as set out in the Technical Follow-up Agreement. Compensation for any travel expenses, accommodation, daily allowance or representation expenses shall be additional thereto. Furthermore, to the extent more extensive services are needed in connection to the Additional Work, the hourly rate of SEK 2,000 will apply. The hourly rate shall be adjusted on annual basis on same terms as the management fee.

### 11.4 Other future fees to Pareto

Pareto has, under the Master Agreement, an exclusive right to be appointed as manager and advisor to the Company (and its subsidiaries) if the Company (or its subsidiaries) 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 company within the Group, as well as any sale or other transfer of underlying property, any acquisition of other businesses, companies or properties, any construction of new properties, as well as any share issue, refinancing, re-syndication or restructuring of the Company or any Group Company.

The Master Agreement 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.

If a party materially breaches its obligations pursuant to the Master Agreement, and such party does not rectify such breach within reasonable time following the other party's written notice of such breach, the other party can revoke the Master Agreement with written notice.

If the Master Agreement 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. Also, if the Business Management Agreement is terminated by the Group Companies, the Manager has the right to terminate the Master Agreement at the same time as cessation of the Business Management Agreement.

Save for any termination by a Group Company in accordance with above, a Group Company shall pay the Manager a consideration equal to 1% of the gross real estate value of the relevant Property (or Properties as the case may be) owned by the relevant Group Company (the "**Exit Fee**") if (i) a realisation of shares of one or more of the Company's subsidiaries take place, although the calculation of commission shall only take into account the Properties and the liabilities thus spun off from the group, (ii) a sale or other realisation of one or more of the Properties of the group (including by way of merger or de-merger) ((i) and (ii) are hereafter referred to as the "**Exit Transaction**") or (iii), if the Master Agreement is terminated and the Group Company during a 12 month period from the Master Agreement is terminated, agrees (conditionally or unconditionally), or receives a bid which leads to an Exit Transaction or completes an Exit Transaction. In relation to (i) - (iii) above, the Manager is entitled to an Exit Fee even though the Manager has not contributed to such realisation. The Exit Fee falls due immediately upon the other party's receipt of the notice of termination in accordance with the details set out in an invoice in relation to the Exit Fee.

Pareto is entitled to an annual fee of SEK 100,000, excluding VAT, under the Master Agreement. The fee shall be paid half-yearly in advance.

The annual fee shall be adjusted annually by 100% of the change in Swedish CPI, with the first such adjustment taking place in January 2023. The first adjustment shall be based on the index value as of October 2022, with reference to the index value as of October 2021. If the change in CPI is negative, no adjustment is to be done.

### **11.5 Potential conflict of interest**

Potential investors are hereby informed that the interim 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 Vendors, the loan documentation for the Debt Facility, the Business Management Agreement, the Technical Follow-up 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, financial and technical assistance). The Manager has recognised that the foregoing may represent a conflict of interest, and even if such conflicts of interests are deemed to be limited, the Manager has undertaken measures so that the Transaction and the work relating thereto has been and is conducted with a focus on the best interests of the Company.

The information presented in the Company Description is up to date as at the date specified on its front page. The Manager refers to all relevant and updated information if a decision to acquire shares in the Company is taken at a later stage.

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 or debt financing arrangement related to 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, unless specifically mentioned in the Company Description.

All inquiries relating to this Company Description should be directed to the Manager. No other person has been authorised 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 authorised by the Company or the Manager.

#### **11.6 Auditor**

The Company's auditor is Ernst & Young Aktiebolag, corporate identification number 556053-5873, since September 2021. The auditor in charge for the audit is Fredric Hävrén, Authorised Public Accountant.

#### **11.7 Employees**

The Company does not have any employees.

## **BOLAGSORDNING FÖR PRESERVIUM PROPERTY AB**

**Org.nr 559323-9733**

Antagen på extra bolagsstämma 22 september 2021

### **§ 1 Firma**

Bolagets firma är Preservium Property AB. Bolaget är publikt (publ).

### **§ 2 Styrelsens säte**

Styrelsen har sitt säte i Stockholm.

### **§ 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 Aktiekapital och antal aktier**

Aktiekapitalet utgör lägst 3 000 000 kronor och högst 12 000 000 kronor. Antalet aktier ska vara lägst 3 000 000 stycken och högst 12 000 000 stycken.

### **§ 5 Styrelse**

Styrelsen ska bestå av lägst 3 och högst 4 ledamöter utan suppleanter.

### **§ 6 Revisorer**

Bolaget ska ha 1 revisor utan revisorssuppleanter eller ett registrerat revisionsbolag.

### **§ 7 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 har skett.

Kallelse till årsstämma samt till extra bolagsstämma där fråga om ändring av bolagsordningen kommer att behandlas skall utfärdas tidigast sex och senast fyra veckor före stämman. Kallelse till annan extra bolagsstämma skall utfärdas tidigast sex och senast två veckor före stämman.

### **§ 8 Rätt att delta i bolagsstämma**

Aktieägare som vill delta i bolagsstämma skall dels vara upptagen i utskrift eller annan framställning av aktieboken avseende förhållandena sex bankdagar 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 första meningen i denna paragraf.

### **§ 9 Öppnande av stämma**

Styrelsens ordförande eller den styrelsen därtill utser öppnar bolagsstämman och leder förhandlingarna till dess ordförande vid stämman valts.

### **§ 10 Årsstämma**

Årsstämma hålls årligen inom sex månader efter räkenskapsårets utgång.

På årsstämma ska följande ärenden förekomma.

- a. Val av ordförande vid stämman,
- b. Upprättande och godkännande av röstlängd,
- c. Godkännande av dagordning,
- d. Val av en eller två justeringspersoner,
- e. Prövning av om stämman blivit behörigen sammankallad,
- f. Föredragning av framlagd årsredovisning och revisionsberättelse samt koncernredovisning och koncernrevisionsberättelse,
- g. Beslut om
  - a) fastställande av resultaträkning och balansräkning, samt koncernresultaträkning och koncernbalansräkning,
  - b) dispositioner beträffande vinst eller förlust enligt den fastställda balansräkningen,
  - c) ansvarsfrihet åt styrelseledamöter och verkställande direktör,
- h. Fastställande av styrelse- och revisorsarvoden,
- i. Val av styrelse och revisionsbolag eller revisorer,
- j. Annat ärende, som ankommer på stämman enligt aktiebolagslagen eller bolagsordningen.

**§ 11 Räkenskapsår**

Bolagets räkenskapsår ska omfatta tiden den 1 januari – den 31 december.

**§12 Avstämningsförbehåll**

Bolagets aktier skall vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om kontoföring av finansiella instrument.

---