

Company Description



*Published as a part of Fleming Properties 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. Share prices for companies listed on Spotlight can be followed on Spotlight's website (www.spotlightstockmarket.com) and through most Internet brokers and websites with financial information. Stock prices are also published in newspapers.

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

Manager:



This Company Description is dated 10 October 2019

IMPORTANT INFORMATION

This company description with appendices (jointly referred to as the "**Company Description**") has been prepared in order to provide information about Fleming Properties AB, corporate identification number 559207-9544, (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.

Companies whose shares are traded on Spotlight are not covered by all laws and regulations that apply to a company listed on such a regulated market. Spotlight has through its listing agreement chosen to apply the majority of these laws and regulations.

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

Sources and disclaimer of liability

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

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

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

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

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

Governing law and dispute resolution

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

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APPENDICES

Appendix 1: Articles of association of the Company

1 LIST OF DEFINITIONS

Adjusted EBITDA	EBITDA (as defined below) as adjusted for value adjustments, capital gains/losses and transactions costs related to the Transaction
Agreed Gross Asset Value	EUR 131,000,000
Agreed Net Asset Value	EUR 128,500,000
Asset	The registered freehold plots with registration number 91-22-368-6 and 91-22-3-8-36, the registered usufructuary right with registration number 91-22-368-L1 and the buildings located thereon subject to acquisition through the acquisition of the Targets
Asset Management Agreement	The asset management agreement between the Asset Manager and the Company regarding the management of the Asset and the Targets
Asset Manager	Newsec Property Asset Management Finland Oy
BREEAM	Building research establishment environmental assessment method
Business Management Agreement	The business management agreement between the Business Manager and the Company regarding the management of the Group
Business Manager	PBM
CAPEX	Capital Expenditure
CBD	Central business district
CLI	Finnish cost-of-living index, published by Statistics Finland
Closing	The consummation of the acquisition of the Targets
Company	Fleming Properties AB, corporate identification number 559207-9544
Company Costs	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 and other necessary administration costs
Company Description	This Company Description, with appendices, dated 10 October 2019
CPI	Swedish consumer price index (<i>Sw. Konsumentprisindex</i>), published by Statistics Sweden (<i>Sw. Statistiska Centralbyrån</i>)
Debt Facility	Debt facility of EUR 78,000,000, that was used to finance the Transaction, together with the capital raised in the Recent Equity Issue
Dividend Yield	Estimated annualised total cash dividend payments to the holders of the Shares divided by the total amount raised through the Recent Equity Issue
EBITDA	Earnings on a consolidated basis before interest, taxes, depreciation and amortisation of eventual goodwill
Group	The Company and all of its subsidiaries including the Targets (each a " Group Company ")

Group Costs	Annual costs associated with the Group's operations, including the Property Related Costs and the Company Costs
HES	Health, environment and safety
ICR	Adjusted EBITDA divided by the sum of interest income and interest costs
Lease Agreement	The Lease Agreement between the Tenant and the Company or any Group Company
LTV	Loan to value (Debt Facility divided by the Agreed Gross Asset Value)
Manager or Pareto	Pareto Securities AB, corporate identification number 556206-8956
MergeCos	Fleming 1 Properties Oy, corporate identification number 3008912-2, Fleming 2 Properties Oy, corporate identification number 3008911-4, and Fleming 3 Properties Oy, corporate identification number 3008910-6, all wholly owned subsidiaries of the MidCo
MidCo	Fleming MidCo 2 Properties Oy, corporate identification number 3008908-5, a wholly owned subsidiary of the Parent MidCo
Money Laundering Act	The Swedish Money Laundering and Terrorist Financing (Prevention) Act (<i>Sw. lag (2017:630) om åtgärder mot penningtvätt och finansiering av terrorism</i>)
MTF	Multilateral trading facility
Neighbouring Property	The registered freehold plot with registration number 91-22-368-35
Net Real Estate Yield	Annualised, unlevered, NOI, divided by the Agreed Gross Asset Value
NOI	Net operating income, being all amounts payable to the Group arising from or in connection with any lease and the Rental Guarantee, less any Property Related Costs
Option Agreement	The agreement entered into by and between Kiinteistö Oy Vallilan Paahtimo and the Kiinteistö Oy Vallilan Toimisto on 10 October 2007 regarding the call option on the shares in Ässäparkki Oy
Parent MidCo	Fleming MidCo 1 Properties Oy, corporate identification number 3008909-3, a wholly owned subsidiary of the Company
Parking Facility Agreement	The agreement regarding the construction and lease of the parking spaces in the Underground Parking Facility entered into by and between the Vendor on their own behalf and on behalf of a company to be incorporated (Ässäparkki Oy), IVG Polar Oy and Kiinteistö Oy Vallilan Solar 1 on behalf of two companies to be incorporated (Kiinteistö Oy Vallilan Paahtimo and Kiinteistö Oy Vallilan Toimisto) on 21 June 2007
PBM	Pareto Business Management AB, corporate identification number 556742-5581
Property A	The registered freehold plot with registration number 91-22-368-6

Property B	The registered freehold plot with registration number 91-22-368-36
Underground Parking Facility	The underground parking facility located in an area possessed on the basis of a registered usufructuary right with registration number 91-22-368-6-L1
Property Related Costs	All operating costs (excluding Company Costs and CAPEX) connected to the handling of the Asset
Recent Equity Issue	The issuance of 5,950,000 new Shares in the Company resolved on an extraordinary general meeting on 16 August 2019
Renovation Works	All the renovation works of Property A and Property B as well as the Underground Parking Facility (i) specified in the major renovation contract agreements entered into with Consti Korjausurakointi Oy dated 30 January 2018 and (ii) separately agreed in the Share Purchase Agreement dated 5 July 2019
Rental Guarantee	The two year rental guarantee provided by the Vendor on Closing in relation to the vacant premises on Property B and 54 parking spaces in the Underground Parking Facility
Share Purchase Agreement	The share purchase agreement that was entered into on 5 July 2019 between the Company, or any of its subsidiaries, as purchaser and the Vendor as seller regarding the purchase of all shares in each Target Company, being the direct owner of the Asset
Shares	The 5,950,000 shares in the Company
SOK	SOK Corporation, 0116323-1 the administrative company of S Group, and its subsidiaries
Targets	Oy Ässäkeskus Ab, corporate identification number 0704470-0, Kiinteistö Oy Vallilan Toimisto, corporate identification number 2101246-5 and Ässäparkki Oy, corporate identification number 2185408-0 (individually a " Target Company ")
Technical Follow-up Agreement	The technical follow-up agreement between the Technical Follow-up Manager and the Company regarding the technical follow-up of the Asset
Technical Follow-up Manager	PBM
Tenant	SOK
Transaction	All transactions, including but not limited to the transfers under the Share Purchase Agreement
VAT	Value Added Tax
Vendor	Varma Mutual Pension Insurance Company, business identity code 0533297-9
WAULT	The weighted average unexpired lease term of the Lease Agreement and the Rental Guarantee as of 1 May 2019

2 RESPONSIBILITY STATEMENT

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

The Board of Directors of Fleming Properties 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 contained in this Company Description, its appendices 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 Tenant and the Asset

The Company is a Swedish public limited liability company which has, through the MergeCos, acquired all shares in the Targets, which are the sole owners of the Asset.

The Asset consists of Property A (construction year 1991), Property B (construction year 1920) and the Underground Parking Facility (construction year 2009), together forming a major office block comprising of approximately 41,132 m² office premises and 498 parking spaces. Property A and Property B are currently undergoing major refurbishments, with estimated completion dates being in November 2019 for Property A and in April 2020 for Property B.

The Asset is located in Vallila, Helsinki, only 2.5 kilometres from Helsinki CBD. In 2018 Nordea, the largest financial services provider in the Nordic region, relocated the company's headquarter from Sweden to Finland into Nordea's HQ Campus in Vallila, in direct vicinity from the Asset. In addition to Nordea, the area houses headquarters for several other well-known companies such as Telia, OP, General Electric Finland, Amer Sports, Securitas, Grano, Nets Finland, Digita and Unilever Finland.

The Asset serves as headquarter for SOK, the administrative organisation of S group being the largest grocery chain and the 8th largest company based on revenue in Finland. SOK has leased and will upon completion of the refurbishment occupy 89% of the total lettable area in the Asset of which 100% of the area in Property A, 67% in Property B and 85% of the parking spaces in the Underground Parking Facility.

The remaining area and parking spaces in Property B and in the Underground Parking Facility are not used by SOK. The Vendor provides a Rental Guarantee for the vacant areas that is valid for two years from Closing.

3.2 Summary of financial information

The purchase price of the acquisition was based on the Agreed Gross Asset Value of EUR 131,000,000 and was financed with the Recent Equity Issue and the Debt Facility.

Key financial figures include:

- Net Real Estate Yield of approximately 4.5%
- Estimated Dividend Yield of 7.0%
- Initial LTV of approximately 59.5% based on the Agreed Gross Asset Value

3.3 Summary of the Recent Equity Issue

The Company issued a total of 5,950,000 Shares during September 2019, at a price of EUR 10 per Share. The formal resolution to issue a total of maximum 6,500,000 new shares in the Company was taken by the extraordinary general meeting on 16 August 2019, 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 EUR 50,000 in aggregate, and for this purpose, the share capital was reduced by EUR 50,000.

3.4 Transfer of the Shares and exit

The Shares of the Company are freely transferrable. Thus, any transfer of the Shares in the Company is not subject to the approval of the Company. Shareholders in the Company do not have pre-emption rights.

4 RISK FACTORS

Prospective investors should be aware that investments in shares are always associated with risks. The financial performance of the Group and the risks associated with the Group's business are important when making a decision to invest in the Shares. There can be no guarantees or assurances that the Company's objectives are met and that an investment in turn will generate a positive return for the investor. A number of factors influence and could influence the Group's operations and financial performance and ultimately the Company's ability to pay dividends. In this section a number of risk factors are illustrated and discussed, both general risks pertaining to the Company's operations and material risks related to the Shares as financial instruments. The risks described below are not the only ones the Group is exposed to.

A due diligence review was performed on the Asset and the Targets based on the documentation made available to the Manager by the Vendor, with respect to the Asset and the Targets. 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.

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.

4.1 General risk factors

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 Group, the Recent Equity Issue, the Asset and the Shares. All of these risk factors are important, and the risk factors are not listed in order of importance.

4.2 Limited or no substantial operating history

The Company is in a development stage and has recently been formed for the purpose of carrying out its business plan contained in this Company Description. Although the Business Manager and the Asset 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 and the Asset Manager in order to carry out its business plan and conduct its day-to-day business. If the Business Manager and/or the Asset 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 favorable, 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 risk is linked to the value of the real estate. This risk can thus be defined as those factors that influence property valuations. The main factors are the supply and demand for commercial properties, as well as the yield that investors are willing to accept when purchasing real estate. The real estate market is influenced by the vacancy rate in the market. The vacancy rate is influenced by several factors on both a micro and macro level. Negative changes in the general economic situation, including business and private spending, may adversely affect the demand for commercial premises. The free capacity is also influenced by construction and refurbishment activity. Further, the real estate market is influenced by the demand for the type of real estate that the Group owns. During certain periods there might be fierce competition for a few real estate objects, and it might be difficult to purchase desired objects at the desired price. In other periods, it might be difficult to sell real estate objects at the desired price. A decrease in the value of the Asset would adversely affect the valuation of the Group's property portfolio and hence 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 Vendor and at what point in time any such claims can be made by the Group. The Targets may also have hidden liabilities which do not relate to the Asset. Losses incurred due to such liabilities may not be possible to claim from the Vendor and any such liabilities may have a negative effect on the Group's business, financial condition and equity returns.

4.5 Operational risk

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

The lease term of the Lease Agreement expires 31 December 2030 and has break options for 25% of lettable area under the Lease Agreement of which 9% can be triggered from 31 December 2025 and 16% from 31 December 2027. Thereafter, the Lease Agreement is subject to termination for vacation (*Sw. uppsägning för avflytt*) with a 24 month notice period and, in any event, final expiration on no later than 31 December 2030. 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 successfulness in negotiating 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.

Further, if the Asset in the future must be further renovated and/or adjusted to serve the needs of a new tenant, or serve several new tenants, such investments could affect the Group's financial condition and equity returns negatively. There could furthermore be a period when the Asset have no tenant and consequently no income. The realisation of any of situations described above could affect the Group's business, financial condition and equity returns negatively.

4.6 Counterparty risk

The Group is dependent on a substantial lease agreement with the Tenant and initially, the Rental Guarantee provided by the Vendor. This means that the financial strength of the Tenant is critical and therefore that the Group's exposure of economic risks is increased. In the event the Tenant is not able to pay rent or otherwise fulfil its economic obligations under the Lease Agreement, this would affect the Group's business, financial condition

and equity returns negatively. The lack of assets of the Tenant during an enforcement of such obligations may affect the Group's business, financial conditions and equity returns negatively. As the Tenant is not, according to the Lease Agreement, obligated to provide a lease guarantee or to provide other lease security, any shortcomings in the payment of the agreed rent by the Tenant would result in immediate and possibly material negative impacts to the NOI generated by the Targets which could affect the Group's business, financial condition and equity returns negatively.

In addition, certain potential issues that were surfaced during the legal, technical, tax and financial due diligence carried out in respect of the Targets have been mitigated in the Share Purchase Agreement by including them as conditions precedents, specific undertakings, specific indemnities or by taking such potential issues into account when calculating the purchase price. Such issues cover, for example, the insufficient real estate tax base in the year 2017 and the continuity of a material land lease agreement. Although most issues have been mitigated either fully or partially in the Share Purchase Agreement, the general counterparty risk should be taken into account when considering the risks included in the Share Purchase Agreement. In the event the Vendor would not be able to fulfill some, or any, of its obligations under the Share Purchase Agreement (including, but not limited to, the Rental Guarantee), this could affect the Group's business, financial condition and equity returns negatively.

4.7 Possible unknown demerger liabilities

The Target Company Kiinteistö Oy Vallilan Toimisto was established on 31 August 2007 by way of a full demerger of Kiinteistö Oy Vallilan Solar 1. In addition to Kiinteistö Oy Vallilan Toimisto, there was one (1) other recipient company in the demerger, Kiinteistö Oy Vallilan Paahtimo, which has since become a part of Meira Oy by way of two consequent mergers. According to the demerger plan of Kiinteistö Oy Vallilan Solar 1, Kiinteistö Oy Vallilan Toimisto is responsible for any liabilities of the demerged company which pertain to the assets that have been transferred to Kiinteistö Oy Vallilan Toimisto, including Property B, the buildings thereon and any other assets pertaining to the Property B or the building located on it. Further, according to the demerger plan any assets, debts or liabilities of the demerged company unknown at the time of the demerger shall be allocated to the receiving companies as described above. In accordance with Finnish law, Kiinteistö Oy Vallilan Toimisto may become primarily liable for the demerged company Kiinteistö Oy Vallilan Solar 1 liabilities which has arisen before the implementation of the demerger and which were unknown at the time of the demerger, if such liabilities have been allocated to Kiinteistö Oy Vallilan Toimisto in the demerger plan. In addition, Kiinteistö Oy Vallilan Toimisto may become secondarily liable for liabilities allocated to the other recipient company under the demerger plan and the basis of which has arisen before the implementation of the demerger, provided that it has first been determined that no payment is forthcoming either from the relevant debtor to whom the liability has been primarily allocated, or from a security. The Vendor has given a specific indemnity in the Share Purchase Agreement relating to the aforementioned risk relating to the secondary demerger liability, but the risk of either primary or secondary demerger liabilities cannot be fully ruled out. Materialisation of any demerger liabilities could affect the Group's business, financial condition and equity returns negatively.

4.8 Risk of dilution of ownership in Ässäkeskus Oy

According to the Parking Facility Agreement and the Option Agreement, the owner of the Neighbouring Property (currently Meira Oy) has a secondary call option to acquire approximately 49.87% of all the shares in Ässäparkki Oy. The shares concerned by the call option entitle to the possession of 186 parking spaces in the Underground Parking Facility. The primary right to acquire the aforementioned shares belongs to one of the Targets, Kiinteistö Oy Vallilan Toimisto.

The Option Agreement was entered into prior to the current Lease Agreement, and therefore the possible exercise dates agreed in the Option Agreement refer to the termination dates of a previous lease agreement.

However, in a written confirmation provided by them, Meira Oy has agreed that the exercise dates of the Option Agreement are postponed to correspond with the termination date of the current Lease Agreement. Further, other terms of the Option Agreement are intended to be updated by an agreement to be entered into by and between Meira Oy and Kiinteistö Oy Vallilan Toimisto.

The exercising of the secondary call option by the owner of the Neighbouring Property would result in dilution of the relevant MergeCo's ownership in Ässäparkki Oy. Although the MergeCo would still be the majority shareholder with an ownership of 50.13% of the shares in Ässäparkki Oy. The exercising of the secondary call option could have negative financial implications, as the MergeCo would no longer be entitled to rental income from all of the parking spaces in the Underground Parking Facility, which could negatively affect the Group's business, financial condition and equity returns. Moreover, even if Kiinteistö Oy Vallilan Toimisto would exercise its primary call option in full and thus prevent the transfer of the relevant shares outside the Group, the purchase of the shares by Kiinteistö Oy Vallilan Toimisto and potential transfer of the shares back to the possession of the relevant MergeCo would cause additional transaction costs for the relevant companies.

4.9 Property risk

Returns from the Asset will depend largely upon the amount of rental income generated from the Asset, the costs and expenses incurred in the maintenance and management of the Asset, necessary investments in the Asset 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 products, employment trends, inflation and changes of interest rates. Both property values and rental income may also be affected by competition from other property owners, the perceptions of prospective buyers and/or the attractiveness from tenants, convenience and safety of the Asset. In the event any such risks are materialised it could negatively impact the business, financial condition and equity returns of the Group.

4.10 Risks related to rental income

If the Asset, or any part of it, is damaged to such extent it can no longer be used for the intended purpose, or if the authorities due to the Asset condition issue a prohibition to use the premises, or if other obstacles occur which affect the Tenant's right to use the premises, there is a risk that the Lease Agreement may expire in advance. If any part of the Asset is damaged or the use of the Asset is limited due to a decision by the authorities, there is also a risk that the Tenant, under certain circumstances, may be entitled to pay a lower rent than agreed in the Lease Agreement. If the Lease Agreement 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 business, financial condition and equity returns.

4.11 Technical condition of the Asset

The buildings within the Asset have been constructed over a period of approximately 100 years and have undergone significant renovations and refurbishments throughout the years. A due diligence of the technical condition of the Asset has been conducted on behalf of the Company in connection to the Transaction. Costs related to future maintenance and CAPEX have been budgeted for by the Company. However, there is a risk that the actual maintenance and CAPEX costs will be higher than the budgeted costs or that there are additional issues relating to the technical condition of the Asset that might have material adverse effects on the financial condition of the Group.

According to technical due diligence conducted on behalf of the Company, water is leaking from the bedrock surrounding the Underground Parking Facility. It is estimated that finding a one-time investment to finally solve the issue is, due to the nature of the leakage, uncertain. The Vendor has, under the Share Purchase Agreement, addressed active leaks in accordance with past repair practice. Future leaks are estimated to be partly addressed as maintenance repairs, costs of which are recoverable from the Tenant via maintenance rent. Unless the water

leaks are remedied, continuous leaks could in the future lead to damages to the concrete structures of the Underground Parking Facility, which could have an adverse effect on the Group's business, financial condition and equity returns. Furthermore, during the technical due diligence it has been discovered that there is a leakage in the garage of Ässäkeskus building which could result from damages in the courtyard structure. Water leaks in underground parking facilities are common, but in order to prevent the leaking of water, the courtyard must be renovated. The cost for the renovation of the courtyard is estimated to be between EUR 650,000 and EUR 1,000,000, and it has been budgeted for by the Company. In the event the costs for the above water leaks and the renovations related thereto would be higher than expected, it could have an adverse effect on the Group's business, financial condition and equity returns.

Furthermore, in the technical review of the Asset, there has been several issues identified relating to the technical condition of the Asset, including but not limited to, the renovation of roof lightning and indoor lightning of the Ässäkeskus office areas. The costs relating to the aforementioned renovations may cause the Group significant costs within the next one to ten years. The financial impact relating to these items has been partially mitigated in the Share Purchase Agreement, but in the event the costs would be higher than expected or if the counterparty risk relating to the Vendor's compliance with the Share Purchase Agreement would materialise, this could have an adverse effect on the Group's business, financial condition and equity returns.

4.12 Previous construction works

The buildings within the Asset were originally constructed in 1920, 1932, 1989, 1991, 2009 and 2010 and are subsequently undergoing an extensive conversion and refurbishment that began in 2018 with estimated completion in April 2020. There is a risk that there are deficiencies in the constructions or that other costs will arise due to the completed works and that the Group does not have sufficient protection under historical construction contracts or the contract related to the Renovation Works. Hence, there is a risk that there are outstanding costs relating to the remedial of such remarks and that the Group will incur future unforeseen costs. Further, certain authority inspection minutes concerning the renovations carried out in the buildings are missing, and therefore there might be risks, including but not limited to, unrectified deficiencies noted by the building inspection authorities relating to the missing documents that have not been fully taken care of. Such risks could result in unexpected costs and possible administrative measures taken by the building inspection authorities. Should the above-mentioned risks materialise, this could have an adverse effect on the Group's business, financial condition and equity returns.

4.13 Ongoing major renovations

There are currently major renovation works ongoing in Property A and Property B. The renovation of Property A is currently estimated to be completed by 31 October 2019. As for Property B, the renovation in sections E and F of the building are estimated to be completed by 28 February 2020, while the estimated completion date of the renovation in section D is 30 April 2020. The Vendor has, in the Share Purchase Agreement, undertaken to procure that the Renovation Works will be completed (completion in this context also meaning that the premises have been approved by the building inspection authority and the Tenant). Further, under the Share Purchase Agreement, any and all costs relating to the Renovation Works will be borne by the Vendor save to the extent such costs and expenses are paid by the Tenant or other third parties, and in the event of delay from the agreed last completion date (30 April 2020), the Vendor is, save for certain grounds not attributable to the Vendor, liable to compensate the MergeCos and the relevant Targets for any and all losses arising of such delay, including loss of rental income. Although the renovations and the known expenses related thereto have been taken into account in the Share Purchase Agreement, any shortcomings in the fulfilment of the obligations set out in the Share Purchase Agreement or other issues relating to the Renovation Works could be material in size. Should the Vendor not be able to indemnify the Group for the lack of compliance with its obligations regarding the renovations under the Share Purchase Agreement, this could have an adverse effect on the Group's business, financial condition and equity returns.

4.14 Third-party right to extend the Underground Parking Facility

According to an agreement entered into by the Targets and the Vendor in 2008, the owner of the Neighbouring Property (currently Meira Oy) has a right to extend the area of the Underground Parking Facility. Based on the aforementioned agreement, the extension area would be located, for the most part, under the Asset. However, the extension part would be owned by the owner of the Neighbouring Property. At the time of the signing of the agreement the Neighbouring Property was owned by Kiinteistö Oy Vallilan Paahtimo, but its ownership has since been transferred to Meira Oy. Under the agreement on the extension of the Underground Parking Facility, the owner of the Neighbouring Property is liable towards the parties of the agreement for the costs resulting from zoning, planning and construction of the extension, including any damages, e.g. loss of rental income, caused to the parties of the agreement or the possessors of the parking spaces in the Underground Parking Facility. Increased use of the Underground Parking Facility may increase the costs relating to upkeep, repairs and maintenance of the Underground Parking Facility, for which Ässäparkki Oy would be jointly liable, in relation to amount of parking spots owned by each party, with the owner of the Neighbouring Property. In addition, the construction of an extension owned by a third party under the Asset could potentially negatively affect the value of the Asset. The agreement on the extension has been agreed to be valid for a fixed period of 15 years, until 28 April 2023, after which it continues to be valid until further notice with six (6) month termination period. The agreement does not include any conditions regarding when the right to construct the extension can be exercised. Further, the agreement includes an obligation to transfer the agreement to any new owners of the respective properties or new shareholder of the MREC's that are parties to the agreement. Therefore, the agreement will be binding for the Target Companies and the relevant MergeCos. If Meira Oy exercises its right to extend the parking area, it could have negative effects for the Group's business, financial condition and equity returns.

4.15 Risk relating to encumbrances on the Asset

The encumbrances on the Asset may restrict the possibility to develop and exploit the Asset going forward and can thereby affect the valuation of the Asset, which could affect the Group's business, financial condition and equity returns negatively. In particular, there are several easements pertaining to the Asset, and many of them have been established for the benefit of the neighbouring properties. Many of the easement agreements set out specific obligations, such as obligations to allow the neighbouring properties to use the structures on the Asset.

Further, Property B has been designated in the city plan as valuable in terms of cityscape and historical and architectural value. According to the city plan provisions, the building may not be demolished nor can any repair or alteration works be carried out that would damage or alter its historical or cityscape value or that would change the architectural characteristics of the building. Further, any such works that have already been carried out must be restored. In addition, the city plan requires that any original or equivalent advertisement devices must be preserved, and that any new advertisement devices must be made according to the old models. Due to the aforementioned building preservation order, Property B may not be demolished and any repair or alteration works are subject to the abovementioned limitations. Therefore, the preservation order may impose limitations on any future development of the property. In addition, non-compliance with the preservation order could meet the statutory definition of a building protection offence sanctioned in the Finnish Criminal Code (39/1889, as amended).

4.16 Risk relating to unforeseen costs regarding the Asset

There is a risk that the Targets, in their capacity as property owners, will be liable for future costs regarding the Asset. The responsibility to bear costs relating to the maintenance as well as investments and repairs at the Asset may entail significant costs, which could affect the Group's financial conditions and the equity returns negatively.

Further, the estimated maintenance and capital expenses on which the forward-looking statements have been calculated are based upon information from the Vendor, historic maintenance costs and the Manager's analysis of the Asset. 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 higher costs could therefore adversely affect the Group's business, financial condition and equity returns.

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

4.17 Environmental and technical risk

According to the "polluter pays-principle" established under Finnish 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 Company in its capacity as property owner may be held responsible for costly remediation works.

4.18 Risks relating to maintenance rent charged from the Tenant

There is a risk that the Targets, in their capacity as landlords, may not be able to fully recover their costs for maintenance, repairs, media costs or other costs relating to the Asset through maintenance rent charged from the Tenant. In such event, there would be a risk that the Group could incur unforeseen costs. Furthermore, such discrepancies may create uncertainties with respect to applicable terms and conditions regarding the maintenance rent and increases the risk exposure for future disputes. The realisation of any of the above could adversely affect the Group's business, financial condition and equity returns.

There have historically been certain owner costs relating to repairs at the Asset which have not been collected from the Tenant. Therefore, the landlord may not be able to charge all actual maintenance and renovation costs from the Tenant. The annual leakage from operating expenses in comparison to income relating to electricity and other rental income was EUR 152,000 in 2017 and EUR 293,000 in 2018, and by mid-2019, the corresponding figure for 2019 was EUR 131,000. The ambiguity relating to the maintenance rent under the Lease Agreement may have negative financial implications for the NOI generated by the Targets which may negatively impact the Group's business, financial position and equity returns.

Further, costs of real estate tax and property insurance are not included in the rent charged from the Tenant. As per the Share Purchase Agreement, the Vendor is negotiating with the Tenant to have real estate tax and the insurance costs included in the maintenance rent by an amendment to the Lease Agreement. Unless such agreement is reached between the Vendor and the Tenant, the purchase price for the Targets has been agreed to be decreased. However, in the event aforementioned costs cannot be included in the Lease Agreement to be paid by the Tenant, there is a risk that in the long term the agreed reduction of the purchase price is not sufficient to cover all losses resulting from the relevant landlord not being able to charge the real estate tax and insurance costs from the Tenant. Such losses could negatively impact the income generated by the Targets and thus have an adverse effect on the Group's financial condition.

4.19 Rent reduction agreed with the Tenant

According to the Lease Agreement, following the vacation of the premises in the D wing of Property B currently leased by the Tenant, the rent payable by the Tenant will be reduced to EUR 441,667 per month, including adjustments. According to an amendment agreement made to the Lease Agreement, the rent for the additional

premises in the D wing will be EUR 15 per m² and the obligation to pay rent will commence once the renovation of Property A and Property B has been completed. Further, the total rent payable by the Tenant is reduced by EUR 8,000 per month for the duration of the ongoing renovation in the properties due to the Vendor not being able to provide suitable alternative premises for the Tenant for the duration of the renovation. Save for an e-mail correspondence, there is no written agreement governing such rent discount. The rent reductions are compensated by the Rental Guarantee agreed in the Share Purchase Agreement, but there is a risk that the Rental Guarantee provided by the Vendor would prove insufficient due to, e.g., incorrect estimates regarding the monthly amount of utility and maintenance costs of the Asset. Should the Rental Guarantee not cover the agreed rent reductions in full, they could have negative financial implications for the NOI generated by the Targets and the financial condition of the Group.

4.20 Risks relating to vacant premises

According to the Lease Agreement, the Tenant will vacate the premises located in the D wing of Property B following the completion of the renovation of the E and F wings of Property B. The vacant premises will cover approximately 11% of the total lettable area. Although the Vendor is providing the Rental Guarantee for the vacant premises for a period of two years from the Closing, there is a risk that the premises remain vacant after the expiration of the Rental Guarantee, or that the income under new lease agreements would be lower in comparison to the previous lease agreements of the Tenant due to inferior lease terms or higher costs. Therefore, the vacancy of the premises in the D wing of Property B might affect the NOI generated by the relevant Target and therefore have negative financial implications for the Company and the Group.

4.21 Financing risk

Financial risk includes, but is not limited to, the risk of not achieving the desired leverage ratio, not fulfilling loan or bond obligations, interest rate fluctuations, risk related to effects of fair value adjustments and changes in laws and rules regarding tax and duties.

The Group is deemed to be sufficiently funded following the Recent Equity Issue and the entering into of the Debt Facility. However, additional capital needs, due to for example unforeseen costs and/or larger capital expenditures than expected, cannot be ruled out. There is a risk that the Group cannot satisfy such additional capital need on favourable terms, or at all, which could have an adverse effect on the Group's business, financial condition and equity returns.

4.22 Refinancing risk

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

The Group will also, in connection with a refinancing of its debts, be exposed to interest risks on interest bearing current and non-current liabilities. Changes in interest rates on the Group's liabilities will affect the Group's cash flow and liquidity, hence may adversely affect the Group's financial conditions and the equity returns. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations. According to the terms of the loan agreement, the loan under the Debt Facility has a maturity of 5 years.

4.23 Compliance with financing agreements

The Debt Facility entered into by the Group 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 amortisation and an up-streaming restriction. Further, additional financing costs may incur and the loans may be accelerated, which could result in bankruptcy and liquidation of the Group's assets. Such events would negatively affect the Group's financial condition and equity returns.

The Debt Facility further contains an ownership clause (i.e. a change of control clause) which is triggered should the Company cease to own or control 100% of the Shares in the Parent MidCo or the Parent MidCo cease to own or control 100% of the Shares in the MidCo, should the Company cease to be listed on Spotlight or if any person becoming obliged under the listing agreement with Spotlight to make a public offer for all the shares in the Company and such offer has been accepted by 50% or more of the shareholders in the Company. Should the change of control be triggered, the full amount outstanding under the loan agreement may be declared due and payable at short notice and/or all commitments of the lender under the loan agreement may be cancelled. There is a risk that a refinancing in connection with such an event would lead to increased costs and therefore affect the Group's financial conditions and the equity returns negatively.

4.24 Geographic risk

This Company Description contains certain market information relating to the property market in general and particularly in Finland and Helsinki. Market values of properties in general and in Finland may decline in the future and negatively impact the business, financial condition and equity returns of the Group.

4.25 Management risk

The Group is initially dependent upon the Business Manager, the Technical Follow-up Manager and the Asset Manager for the implementation of their strategy and the operation of their activities. Although the Business Management Agreement is non-terminable during the first five (5) years from signing (with certain exceptions) and thereafter automatically prolonged with three (3) years 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 and/or the Technical Follow-up Agreement. The Technical Follow-up Agreement is dependent on the Business Management Agreement and will terminate at the same date as the Business Management Agreement is terminated unless a material breach of the Technical Follow-up Agreement occurs by either party.

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.

4.26 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 from a valuation process are not reflecting the actual sales price. Any future property market recession could materially adversely affect the value of the Asset and subsequently the Shares in the Company.

4.27 Risks relating 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 resolves 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.

Public 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 expenses and lowering the income or rate of return of the Company, as well as adversely affecting the value of the Asset. Public authorities could use the right of expropriation of the Asset 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

In May 2018, the General Data Protection Regulation ("GDPR"), issued by the European Union ("EU"), entered into force. The implementation of a new system for personal data processing and actions needed to ensure compliance with the GDPR may involve certain costs for the Group. The implementation of a new system for personal data processing is important as data processing in breach of the GDPR could result in fines amounting to a maximum of EUR 20,000,000 or 4% of the Group's global turnover. The Group will register, process, store and uses personal data in the course of its business on servers owned by the Manager, 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. If the Group fails to comply with the GDPR, this may have a negative impact on the Group's business, financial position 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 Risk relating to the Shares

The shares are issued and traded in SEK and the dividends will be paid by the Company in EUR. Investors which hold a EUR account with Euroclear Sweden AB will receive the dividend in EUR. Investors which only hold a SEK account with Euroclear Sweden AB will receive the dividend in SEK. For such investors, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect the applicable EUR/SEK exchange rate or the ability of the Company to make payments in respect of the Shares. As a result, there is a risk that such investors may receive less dividends than expected.

Once the Shares have been 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 property. 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 Asset. 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 or share split

If the Company needs 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 Asset, or other necessary investments pertaining to the Asset, 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 lenders approval and certain covenants in the financing documentation. 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 tax increases 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 the tax provisions that differ from those of the Swedish Tax Agency (Sw. *Skatteverket*) or Finnish Tax Administration (Fi. *Verohallinto*), and that as a result, the Swedish Tax Agency or Finnish Tax Administration will impose taxes, tax rate increases, 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 business, financial condition, and equity returns negatively.

4.35 Risks relating to real estate tax base

The current estimated real estate tax after the completion of the renovation works is based on a real estate tax base review carried out on behalf of the Vendor. Should the actual real estate tax for the current or the following financial years be higher than the estimate included in the review, it would affect the projected cash flow of the Targets insofar as the real estate tax is not collectable from the Tenant (or tenants, as the case may be).

4.36 Risks relating to VAT deductions

The premises leased to the Tenant under the Lease Agreement have been considered to be fully in VAT taxable use by the Targets. However, based on information available to the public, a bank, S-Pankki Oy, operates in the premises. As banks typically practice VAT exempt business, it is possible that the premises are not in VAT taxable use, although no confirmation has been obtained in this respect. Under the Lease Agreement, the Tenant is obliged to notify the landlord if the premises are used for VAT exempt purposes. Furthermore, according to the Lease Agreement, the Tenant has a liability to compensate any VAT related costs incurred to the landlord if the premises would not be used for VAT taxable purposes. While the landlord has relied on the assumption that the tenant complies with their notification obligation described above, the Manager's understanding is that no control over the VAT taxable use of the premises has been exercised by the landlord. Further, according to information received from the Vendor, the respective Target has deducted the input VAT in relation to its real estate investments in full. Therefore, if S-Pankki Oy or any other tenant has VAT exempt operations in the premises, the VAT taxable use of the premises will decrease and, thus, the respective Targets could be liable to adjust the input VAT deducted on the costs and real estate investments relating to the leased premises. This would also impact the respective Target's ability to deduct input VAT on on-going renovation work, i.e., input VAT paid for such work would not be fully recoverable. Despite the fact that based on the Share Purchase Agreement the Vendor has the liability to compensate any possible VAT based on the decision made by the tax authorities after the Closing but relating to the time period prior to the Closing, it is required under the Share Purchase Agreement that the Targets and the MergeCos must first use all available remedies to recover the VAT payments from the Tenant in accordance with the Lease Agreement. The risk of the tax authority's requests and decisions relating to the time period before the Closing cannot be ruled out. In addition, the respective MergeCos as the landlord are primarily liable for the VAT risk to the tax authorities. Therefore, there is a risk that the MergeCos could become obligated to make additional VAT payments to the authorities without possibility to immediately claim or recover such damages from any other party. Any additional VAT payments required by the Authorities following the Closing but relating to the time prior to the Closing could negatively affect the financial condition of the Targets and the Group.

4.37 Risk related to interest restriction rules

The new rules governing tax deductibility of interest expenses have been applicable since 1 January 2019.

Sweden

Under the previous tax rules in Sweden, interest expenses were as a main rule fully deductible for tax purposes. According to the new rules it limits a company's deduction for net interest expense to 30% of 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.

It is possible to carry forward interest expense that cannot be deducted for up to six years.

In addition to the interest deductibility restrictions a reduction of the CIT rate has been introduced. As of 2019 the CIT rate have been reduced to 21.4% and from 2021 an additional reduction to 20.6% will be made.

The Swedish interest deduction limitations should not apply at the level of the Company (given the SEK 5 million safe-harbour rule) as the Company is not expected to incur material interest expenses.

Finland

In general, for an interest to be deductible for Finnish tax purposes, the loan has to be taken for business activity of the company and the terms of the loan should comply with arm's length principles. In addition, as of 1 January 2019 the scope of interest deduction limitation rules is extended to apply all financing expenses, i.e., interest payable to both group undertakings and external parties. The deductibility of net financing expenses is limited to 25% of that company's adjusted taxable income. A general threshold of EUR 500,000 applies, i.e. all financing expenses are deductible if the total net financing expenses of a company do not exceed EUR 500,000. If the threshold is exceeded, the limitations apply to the total net financing expenses and not just the amount exceeding the EUR 500,000 threshold. Under certain conditions, annual financing expenses on third party debt are always deductible up to EUR 3,000,000 per annum.

Non-deductible interest expenses can be carried forward to future tax years without expiry and should not be affected by any future changes in the ownership of the company.

With the current interest levels, it is not expected that the Finnish companies would be materially affected by the Finnish interest deduction limitation rules due to number of Finnish entities in the structure and the above-mentioned de-minimis rules. However, adverse implications may potentially arise in case the interest levels significantly increase in the future.

4.38 AIFM risk

The Alternative Investment Fund Managers Directive 2011/61/EU has been implemented in Sweden. Various unresolved/unclear issues regarding how to interpret the directive remain. 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 Asset operations in the market and not necessarily by divesting the Asset. 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 risk 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 MergeCos, acquired 100% of the shares in the Targets from the Vendor. The purchase price for the Targets was based on the Agreed Gross Portfolio Value of EUR 131 million, subject to customary purchase price adjustments.

The Company has raised equity in the amount of EUR 59,500,000 by an equity issue in which the Company issued 5,950,000 new shares, to partially finance the acquisition.

The proceeds of EUR 59.5 million from the Recent Equity Issue have, together with the EUR 78 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 6,500,000 new Shares in the Company, taken by the extraordinary general meeting on 16 August 2019. 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 5,000,000 shares that existed prior to the Recent Equity Issue was redeemed at a redemption price of EUR 0.01 per share, and for this purpose, the share capital was reduced by EUR 50,000. Following the Recent Equity Issue, the Shares comprise all shares in the Company and the registered share capital of the Company amounts to EUR 59,500.

Pareto was the sole manager of the Recent Equity Issue.

5.2 Costs

The overall costs of the Company in relation to the Recent Equity Issue are expected to amount to approximately EUR 7.65 million. The aggregate net proceeds of the Company will be approximately EUR 51.85 million after start-up costs in relation to the Recent Equity Issue.

Please find provisions on future fees to the Manager, the Business Manager, the Technical Follow-up Manager and the Asset Manager in sections 10.2 (*The Business Management Agreement*), 10.3 (*The Technical Follow-up Agreement*), 10.4 (*Management in Finland*) and 10.5 (*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 559207-9544, registered with the Swedish Companies Registration Office since 3 June 2019. The current registered address of the Company is P.O. Box 7415, 103 91 Stockholm. The Company and the operations of the Company is governed by Swedish law.

The Company was established by PBM and has no previous business history. The Company is the ultimate parent company of the Group and the direct parent company of the Parent MidCo and the indirect parent company of the MidCo, the MergeCos and the Targets. The Company ultimately conducts its business through the Targets, indirectly holding the Asset, and generates cash flow through the Lease Agreement. 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 first acquisition of the Company was the Asset which was acquired indirectly by the Company through the acquisition of the Targets.

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 extraordinary general meeting of the Company. The Board of Directors currently consists of three members.

Interim Board of Directors

Name	Position	Number of Shares in the Company
Oskar Wigsén	Chairman of the Board	0
Robin Englén	Board Member (CEO)	0
Anna Karnöskog	Board Member	0

Source: the Company

All members of the interim Board of Directors are employed by the Business Manager. The new Board of Directors, which will include representatives of the investors in the Company, will be appointed at an extraordinary general meeting which will be held on 24 October 2019. The interim Board of Directors will therefore resign and be replaced following the extraordinary general meeting. The Company has not entered into any agreements with any member of the Board of Directors concerning benefits after the resignation of the assignment.

The proposed board members are Hanna Ekdahl, Thomas Lindström, Patrik von Hacht and Erica Magnergård. The remuneration to the proposed members of the new Board of Directors will be EUR 6,000 to the Chairman of the Board and EUR 4,000 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:

Other Board of Director assignments for the interim Board of Directors

Anna Karnöskog	Robin Englén	Oskar Wigsén
Ongoing board assignments:	Ongoing board assignments:	Ongoing board assignments:
LP2 Prestando 1 AB LP2 Solsten 1:127 AB LP2 Falevi 2:1 AB LP2 Lärlingen 2 AB LP2 Revisorn 7 AB LP1 Olofström Holje 103:9 KDÄ AB LP1 Tingsryd Tingsryd 3:14 KDÄ AB Pareto GIMLE Holding 1 AB Pareto GIMLE Holding 2 AB Pareto GIMLE Holding 3 AB Pareto GIMLE Holding 4 AB LP2 Skyttbrink 29 AB LP1 Jönköping Älgskytten 13 AB LP1 Lidköping Sävarne 19:12 AB LP1 Götene Skräddaren 1 AB LP1 Nybro Tallen 58 AB LP1 Tingsryd Tingsryd 3:14 AB LP1 Örebro Tackjärnet 3 AB LP1 Olofström Holje 103:9 AB Korsängen Fastighets AB Logistri Portfolio 2 AB LP2 Åkaren 7 AB LP2 Åkaren 7 KDÄ AB LP2 Sillö 6 AB LP2 Ösby 1:32 AB Korsängen Midco AB	Biz Apartment AB Biz Apartment Bromma AB Biz Apartment Gärdet AB Biz Apartment HS AB Biz Apartment Solna AB Djurgårdsstadens Fastigheter AB Djurgårdsstadens Fastigheter Holding AB Guldslingan Holding AB Halmslätten Halmstad AB Halmslätten Midco 1 AB Halmslätten Midco 2 AB Halmslätten Umeå AB Origa Care Holding AB Origa Care Properties Oy Origa Property Joutsan Yhdystie Oy Origa Property Järvenpään Purjopolku Oy Origa Property Kouvolan Ojaääräntie Oy Origa Property Lahden Eteläinen Rengastie Oy Origa Property Laukaan Näätämäentie Oy Origa Property Lohjan Helsingiuksentie Oy Origa Property Oulaisten Ravikatu Oy Origa Property Raahen Pajuniityntie Oy Origa Property Raision Kellarimäenkatu Oy Origa Property Riihimäen Paimentytönpolku Oy Origa Property Rovaniemen Sarkatie Oy Origa Property Turun Isohaarlantie Oy Origa Property Ylivieskan Mikontie Oy	Stadsnåtsbolaget Mälardalen AB Korsängen Fastighets AB Korsängen Midco AB
Previous board assignments:	Previous board assignments:	Previous board assignments:
Fastighetsaktiebolaget Värmdö Ösby 1:32 Fastighetsaktiebolaget Stockholm Sillö 6 One Publicus Fastighets AB One Publicus Lagern 4 AB AK Etablering AB Fastighets AB Amuletten 18 HSB Bostadsrättsförening Rörstrand nr 210 i Stockholm	Bostadsrättsföreningen Biz Apartment Gärdet Origa Care AB (publ) Halmslätten Fastighets AB Vrangelstro 5:4 Fastighets AB Umeå Logistiken 3 Fastighets AB Kiinteistö Oy Laukaan Näätämäentie 4, Kiinteistö Oy Rovaniemen Sarkatie 18 Kiinteistö Oy Raision Kellarimäenkatu 4 Kiinteistö Oy Ylivieskan Mikontie 3 Kiinteistö Oy Lahden Eteläinen Rengastie 3 Kiinteistö Oy Järvenpään Purjopolku 1 Kiinteistö Oy Turun Isohaarlantie 2 Kiinteistö Oy Kouvolan Ojaääräntie 3 Kiinteistö Oy Lohjan Helsingiuksentie 54 Kiinteistö Oy Riihimäen Paimentytönpolku 6 Kiinteistö Oy Raahen Pajuniityntie 2 B Kiinteistö Oy Joutsan Yhdystie 2 Kiinteistö Oy Oulaisten Ravikatu 3	

Source: 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

Hanna Ekdahl

Ongoing board assignments:

Onvest Properties Oy (0410449-9)
Feon Oy (2733038-4)

Thomas Lindström

Ongoing board assignments:

Temell Holding AB (556883-5416)
Temell Investment Management AB (556976-6347)

Previous board assignments:

Kiinteistö Oy Uusi Pasilan Asema (2777945-6)
Kiinteistö Oy Triplaparkki (2697993-1)
Tripla Mall GP Oy (2698062-5)
Onvest Trading Oy (2690259-8)
Kiinteistö Oy Saariselän Saajopolku 7 (2204156-7)
Kiinteistö Oy Saariselän Saajopolku 8 (2204156-8)
Onnitalli Oy (0617944-3)
Harico Oy (0200600-0)
Onvest Sijoitus Oy (0932693-9)
Tamoke Oy (1070127-3)
GC Advisors Oy (2533029-2)

Previous board assignments:

Carlyle Real Estate Advisors Sweden AB (556700-5938)
Oslo Areal AS

Patrik von Hacht

Ongoing board assignments:

Medway Invest AB (556784-4971)
Leomar AB (556531-2591)
Leomar Ro-Ro AB (559144-6900)
Leomar Land AB (559154-3714)
AdMare Shipmanagement AB (556958-3460)
Logistri Fastighets AB (559122-8654)
Logistri Portfolio 1 AB (559124-1574)

Previous board assignments:

Nordisk Marinförsäkring AB (556862-8183)
Nordic Alliance Tankers AB (556987-9447)
Capital Insurance Services MIS AB (556618-7638)
Nordic Holdings Ltd
Nordic Forest Terminals Ltd
Nordic Recycling Ltd

Erica Magnergård

Ongoing board assignments:

Rätt Pr och Kommunikation i Stockholm (556821-3481)
One Plan(e)t AB (559117-7091)
Bråviken Logistik Fastigheter AB (559107-9255)
Bråviken Logistik AB (559020-2353)
Bråviken Flahult PropCo AB (556722-5775)
Bråviken Norrköping PropCo AB (556727-9707)
Bråviken Nyköping PropCo AB (559034-2183)

Previous board assignments:

Klöverkroken AB (559098-3721)
Gård till Bord AB (769633-2415)

Source: 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

Anna Karnöskog

Current holdings:

-

Former holdings:

-

Robin Englén

Current holdings:

-

Former holdings:

-

Oskar Wigsén

Current holdings:

-

Former holdings:

-

Source: the interim Board of Directors

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

Hanna Ekdahl

Current holdings:

-

Former holdings:

-

Thomas Lindström

Current holdings:

Temell Holding AB (556883-5416)
Temell Investment Management AB (556976-6347)

Former holdings:

-

Patrik von Hacht

Current holdings:

Medway Invest AB (556784-4971)

Former holdings:

-

Erica Magnergård

Current holdings:

Rätt Pr och Kommunikation i Stockholm (556821-3481)
One Plan(e)t AB (559117-7091)

Former holdings:

-

Source: the proposed Board of Directors

Please refer to section 10 (*The management of the Company*) for additional information regarding the management of the Company.

The CEO of Fleming Properties AB (publ)

The CEO of Fleming Properties AB (publ) is Robin Englén. Mr Englén 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. Englén is intended to be replaced as a member of the Board of Directors at the upcoming extraordinary general meeting of the Company, there are no intentions to replace Mr. Englén as the CEO of the Company. Mr. Englén's tasks correspond to the tasks of the Business Manager, which are presented in section 10.2. Please see Mr. Englén's CV below.

Robin Englén, CEO:

- Employed as Business Manager at Pareto Business Management AB
- CEO of Mälåråsen AB (publ) and Origa Care AB (publ)
- Business Manager for Cibus Nordic Real Estate AB (publ) and Delarka Holding AB (publ)
- 11 years' experience from the real estate sector and former CEO of Djurgårdsstadens Fastigheter AB and former Manager at Deloitte
- Holds a M.Sc. in Business Administration from Stockholm University

Proposed Board of Directors of Fleming Properties AB (publ)

An extraordinary general meeting will be held on 24 October 2019. 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. Any companies of which the proposed members currently hold at least 10% of the capital or the voting rights are also presented above.

Hanna Ekdahl – proposed chairman of the board

- Education: Master of Laws from University of Helsinki, Post Graduate Programme in Asset, Property and Facilities Management
- Head of real estate investments at Onvest Oy
- Previous experience as General Counsel of Onvest Group (Including Onninen Oy and Are Oy), Legal Counsel at SOK, and Attorney at Law at Castrén & Snellman Attorneys Ltd
- Current board assignments: Onvest Properties Oy (0410449-9), Feon Oy (2733038-4)
- Former board assignments: Kiinteistö Oy Uusi Pasilan Asema (2777945-6), Kiinteistö Oy Triplaparkki (2697993-1), Tripla Mall GP Oy (2698062-5), Onvest Trading Oy (2690259-8), Kiinteistö Oy Saariselän Saajopolku 7 (2204156-7), Kiinteistö Oy Saariselän Saajopolku 8 (2204156-8), Onnitalli Oy (0617944-3), Harico Oy (0200600-0), Onvest Sijoitus Oy (0932693-9), Tamoke Oy (1070127-3), GC Advisors Oy (2533029-2)
- Ownership in the Company: 0, acts as representative for Onvest OY, which holds 900,000 shares in the Company

Thomas Lindström – proposed board member

- Education: Master of Science in Civil Engineering from Royal Institute of Technology (KTH) in Stockholm
- Owner of Temell Holding AB and Temell Investment Management AB
- Previous experience as head of Carlyle Group's Nordic property business, head of transactions at GE Real Estate Nordics and Realia Fastighets AB

- Current board assignments: Temell Holding AB (556883-5416), Temell Investment Management AB (556976-6347)
- Ownership in the Company: 0 shares
- Independent in relation to the Company and larger shareholders

Patrik von Hacht – proposed board member

- Education: Bachelor of Science in Business Administration and Finance, Örebro University
- Consultant
- Previous experience as CFO and Financial Controller
- Other current board assignments: Medway Invest AB (556784-4971), Leomar AB (556531-2591), Leomar Ro-Ro AB (559144-6900), Leomar Land AB (559154-3714), AdMare Shipmanagement AB (556958-3460), Logistri Fastighets AB (559122-8654), Logistri Portfolio 1 AB (559124-1574)
- Former board assignments: Nordisk Marinförsäkring AB (556862-8183), Nordic Alliance Tankers AB (556987-9447), Capital Insurance Services MIS AB (556618-7638), Nordic Holdings Ltd, Nordic Forest Terminals Ltd, Nordic Recycling Ltd
- Ownership in the Company: 90,000 shares

Erica Magnergård– proposed board member

- Education: Journalism, Stockholm and Google Academy
- Founder of Rätt kommunikation, Head of Digital marketing, sales and e-commerce at Paradiset matmarknad, acting CEO of Quizye
- Previous experience as Head of Nordics at NaturalCycles, Head of media relations and market communications at Modern Woman Media
- Current board assignments: Rätt Pr och Kommunikation i Stockholm (556821-3481), One Plan(e)t AB (559117-7091), Bråviken Logistik Fastigheter AB (559107-9255), Bråviken Logistik AB (559020-2353), Bråviken Flahult PropCo AB (556722-5775), Bråviken Norrköping PropCo AB (556727-9707), Bråviken Nyköping PropCo AB (559034-2183)
- Former board assignments: Klöverkroken AB (559098-3721), Gård till Bord AB (769633-2415)
- 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 SE0013042561, CFI code is ESVUFR, FISN code is FLEMINGPRO/SH and the ticker at Spotlight will be FLMNG. 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 14 October 2019. The Company has engaged Pareto as liquidity provider for the Company.

6.3 The Parent Midco

The Parent MidCo is a Finnish limited liability company with corporate identification number 3008909-3. The current registered address of the Parent MidCo is c/o Pareto Securities Oy, Aleksanterinkatu 44, 00100 Helsinki, Finland.

The Parent MidCo was established by PBM with no previous business history. The Parent MidCo is a wholly-owned subsidiary of the Company and the direct shareholder of the MidCo. The Parent MidCo and the operations of the Parent MidCo are governed by Finnish law.

The object of the Parent MidCo's business is, directly or indirectly, to own and manage real property, chattels and securities as well as any other business activities compatible therewith.

6.4 Midco

The MidCo is a Finnish limited liability company with corporate identification number 3008908-5. The current registered address of the MidCo is c/o Pareto Securities Oy, Aleksanterinkatu 44, 00100 Helsinki, Finland.

The MidCo was established by PBM with no previous business history. The MidCo is a wholly-owned subsidiary of the Parent MidCo and the direct shareholder of each of the MergeCos. The MidCo and the operations of the MidCo are governed by Finnish law.

The object of the MidCo's business is, directly or indirectly, to own and manage real property, chattels and securities as well as any other business activities compatible therewith.

6.5 MergeCos

The MergeCos are Finnish limited liability companies with corporate identification numbers 3008912-2, 3008911-4 and 3008910-6. The current registered address of the MergeCos is c/o Pareto Securities Oy, Aleksanterinkatu 44, 00100 Helsinki, Finland.

The MergeCos were established by PBM with no previous business history. The MergeCos are wholly-owned subsidiaries of the MidCo and the direct shareholders of the Targets. The MergeCos and the operations of the MergeCos are governed by Finnish law.

The MergeCos were established to ensure the draw-down of the Debt Facility and will be merged with the Targets, with the MergeCos as the surviving entities, within 3-6 months after the Transaction.

The object of the business of all the MergeCos is, directly or indirectly, to own and manage real property, chattels and securities as well as any other business activities compatible therewith.

The Share Purchase Agreement for the acquisition of the Targets was entered into on 5 July 2019, with the Vendor as seller and the MergeCos as purchasers.

6.6 The Targets

The Targets are the Finnish limited liability company Oy Ässäkeskus Ab with corporate identification number 0704470-0, registered with the Finnish Companies Registration Office since 25 November 1987, the Finnish limited liability company Ässäparkki Oy with corporate identification number 2185408-0, registered with the Finnish Companies Registration Office since 31 March 2008 and the Finnish limited liability company Kiinteistö Oy Vallilan Toimisto with corporate identification number 2101246-5, registered with the Finnish Companies Registration Office since 31 August 2007. The registered address of the Targets is c/o Pareto Securities Oy, Aleksanterinkatu 44, 00100 Helsinki, Finland.

The object of Oy Ässäkeskus Ab is to own and manage Property A and the buildings thereon as well as an auditorium located partially in the area of another property. The object of Ässäparkki Oy is to own and manage the underground space located for the most part under the Properties A and B and the Neighbouring Property as well as to own and manage the Underground Parking Facility. Respectively, the object of Kiinteistö Oy Vallilan Toimisto is to own and manage Property B.

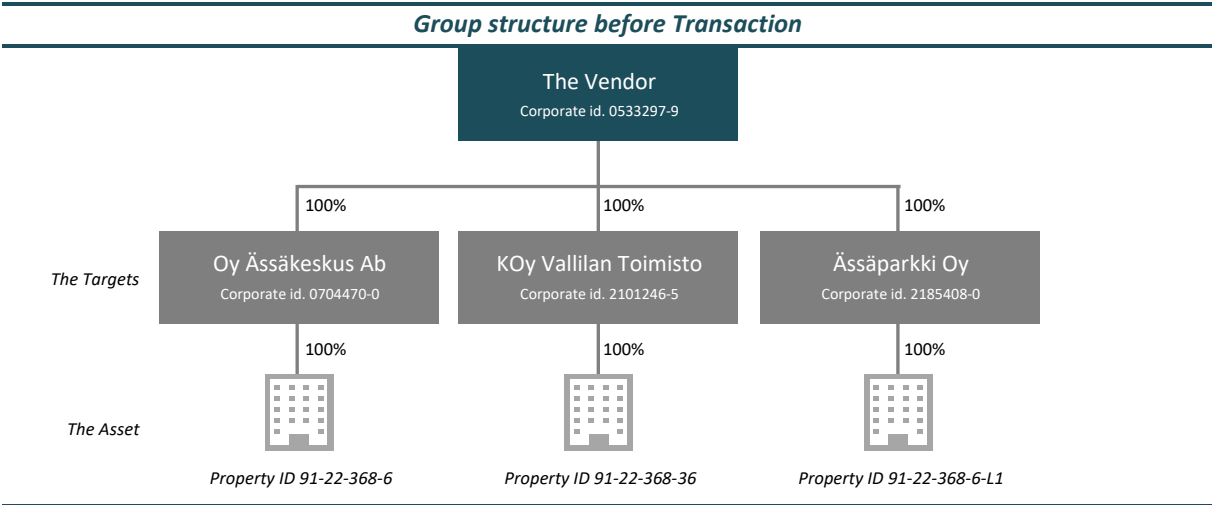
The only active shareholder of Ässäparkki Oy prior to the Transaction was the Vendor. As for Oy Ässäkeskus Ab, the Vendor has owned the shares in the company since 1998. Further, the shares in Kiinteistö Oy Vallilan Toimisto were acquired by the Vendor from a Finnish limited liability company named IVG Polar Oy in 2012. The Targets are together with the MergeCos the borrowers under the Debt Facility.

The Targets will merge into each purchasing MergeCo within 3 – 6 months after the Closing as further described below in section 6.7.

6.7 Transaction and Group structure

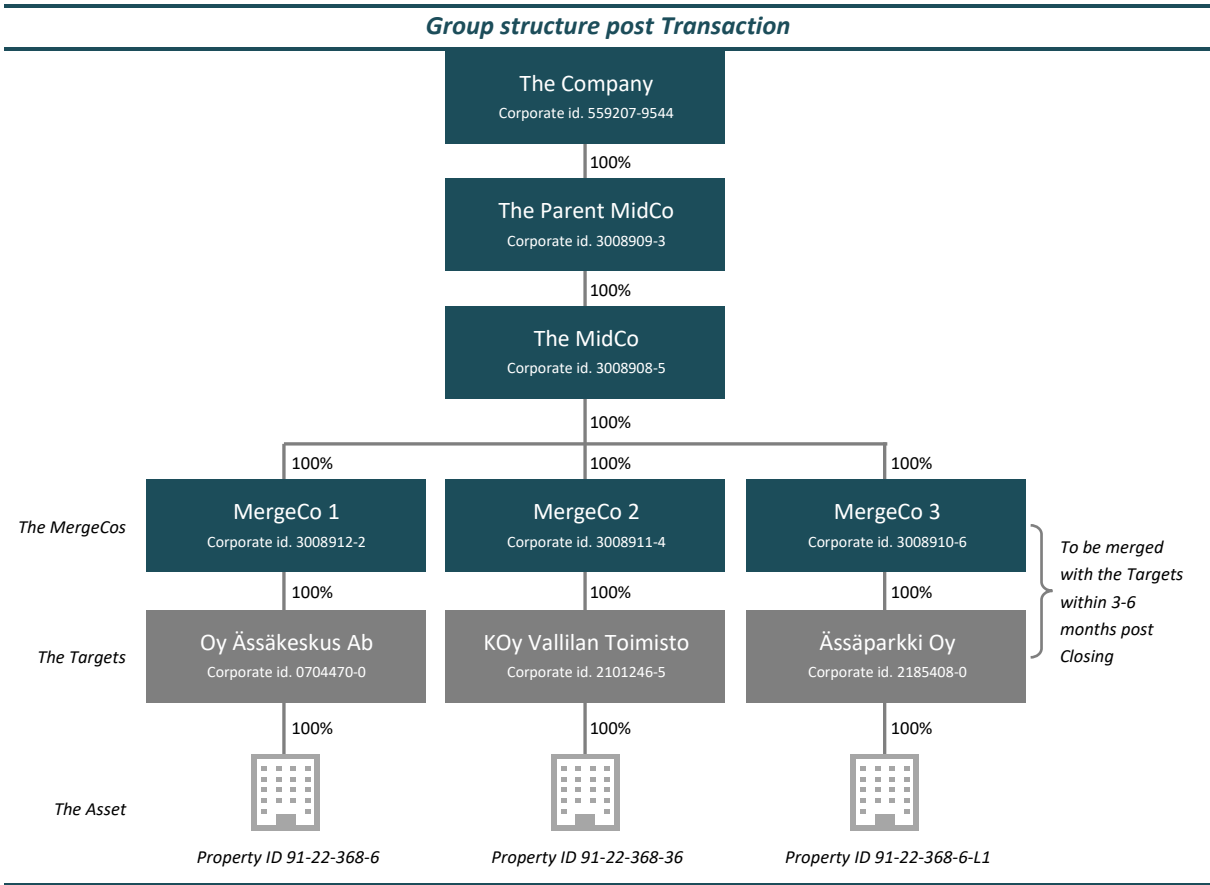
The Transaction was structured as an acquisition of 100% of the shares in the Targets by the MergeCos, with the Company as the indirect owner. The Targets are the sole owners of the Asset.

The group structure prior to the Transaction is illustrated below.



Source: the Vendor

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



Source: the Company, the Vendor

The Share Purchase Agreement was signed on 5 July 2019 with Closing on 9 October 2019. The Share Purchase Agreement was negotiated between representatives of the Company, on behalf of the MergeCos, and representatives of the Vendor. The main elements in the Share Purchase Agreement have been structured as follows:

- The acquisition was carried out by means of an acquisition of 100% of the shares in the Targets
- The purchase price was based on the Agreed Gross Asset Value and was paid upon Closing
- The Vendor has given certain essential undertakings in relation to the completion of the Renovation Works, compensation of NOI shortfall resulting from premises to be vacated by the Tenant (the Rental Guarantee) and, for example, the compensation of real estate tax and insurance costs and certain VAT matters
- The Vendor has undertaken to procure that the Renovation Works will be completed by the last completion date (being 30 April 2020), or otherwise the MergeCos and the relevant Targets will, save for certain exceptions, be entitled to compensation from the Vendor. The Vendor shall carry all costs relating to the Renovation Works. Following the completion of the Renovation Works, all rights and responsibilities in relation to the Renovation Works shall be assumed by the MergeCos or the respective Targets, the Vendor will still be obligated to assist the Group in certain matters in relation to the Renovation Works, including but not limited to, any disputes arising with contractors. The Vendor is further obligated to compensate the MergeCos and the Targets certain costs relating thereto
- The purpose of the Rental Guarantee is to compensate the estimated NOI shortfall relating to the premises in Property B which have not been let by the vacation date or for which rent payments have not started prior to, or on, the date when the Tenant has vacated the premises in accordance with the

Lease Agreement. The Rental Guarantee is subject to the further terms set out in the Share Purchase Agreement

- Regarding the compensation of real estate tax and insurance costs related to Property B and the Underground Parking Facility, it has been agreed that the Vendor will compensate the MergeCos on a euro-for-euro basis up until the Vendor and the Tenant have agreed to include the costs to the maintenance rent. However, should such an agreement not be reached by 30 April 2020, the purchase price agreed in the Share Purchase Agreement shall be decreased
- The purchase price was based on the Agreed Gross Asset Value of EUR 131 million and was paid upon Closing
- The purchase price is subject to auditing and adjustment no later than two calendar months after Closing

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

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

6.8 Contact information

The Company's contact information is stated below.

Address:

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

Phone:

Pareto Business Management: 08-402 50 00

LEI:

549300597G8EJWW4V667

Website:

www.flemingproperties.se

7 THE ASSET

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

7.1 General overview

The Asset consists of Property A, Property B and the Underground Parking Facility, together forming a major office block comprising of approximately 41,132 m² office premises and 498 parking spaces. Property A was originally constructed in 1991 but has undergone a refurbishment during 2018 and 2019 which is currently being finalised. Property B was originally constructed in 1920 and is currently undergoing an extensive refurbishment with estimated completion in April 2020.

The Asset is located in Vallila, Helsinki, only 2.5 kilometres from Helsinki CBD. In 2018 Nordea, the largest financial services provider in the Nordic region, relocated the company's headquarter from Sweden to Finland into Nordea's HQ Campus in Vallila, in direct vicinity from the Asset. In addition to Nordea, the area houses headquarters for several other well-known companies such as Telia, OP, General Electric Finland, Amer Sports, Securitas, Grano, Nets Finland, Digita and Unilever Finland.

The Asset serves as headquarter for SOK, the administrative organisation of S group being the largest grocery chain and the 8th largest company based on revenue in Finland. SOK has leased and will upon completion of the refurbishment occupy 89% of the total lettable area in the Asset of which 100% of the area in Property A, 67% in Property B and 85% of the parking spaces in the Underground Parking Facility.

The remaining area and parking spaces in Property B and in the Underground Parking Facility are not let by SOK. The Vendor provides a Rental Guarantee for the vacant areas that is valid for two years from Closing.

The Asset



Sources: the Vendor and the Manager

7.2 Asset description

A summary of the Portfolio is presented in the table below

Property A, Ässäkeskus

Property A comprises an office building with a lettable area of approximately 27,251 m² and 121 underground parking spaces. The building was constructed in 1991 and has eight floors above ground, a loft and two underground floors. The loft on the 9th floor is inclusive of 288 m² sauna premises and the rest are technical premises.

Property A is fully let to SOK and is currently in its final stages of a refurbishment project. The project has included renovation of office, lobby and bathroom areas, installation of completely new meeting rooms on the second floor, renewal of façade joints and cabling, partial renewal of HVAC, cooling equipment and lighting. In addition, the restaurant on the first floor is expanded and leisure areas and kitchen on the second to sixth floor are refurbished to ensure high quality office space. The refurbishment is expected to be finalized in November 2019 after the plumbing and cable renovation in the office units and works in the air-raid shelters are completed.

Property B, Vallilan Toimisto

Property B was built in 1920 and expanded in 1932. The total lettable area consists of approximately 13,881 m² office space and five parking spaces spread across six floors and a basement. The building is currently being completely refurbished and upon completion the building will offer modern, high-quality office premises with an industrial-like atmosphere. The renovation project includes the entirety of the premises except for the structure of the building. The façade and windows, which are protected, will be refurbished in a manner that is approved by the Finnish National board of Antiquities. The renovation is expected to be fully completed in April 2020 and a BREEAM certification is sought after.

SOK leases 67% of the lettable area in Property B, the remaining areas are currently vacant due to the refurbishment project. The Vendor provides a Rental Guarantee for the vacant areas that is valid for two years from Closing.

Underground Parking Facility, Ässäparkki

The Underground Parking Facility comprises 372 parking spaces with a floor area of approximately 14,560 m² spread across two levels. There are two lift units, one on each side of the facility, and each unit has two lifts. The Underground Parking Facility is owned by Ässäparkki Oy.

The Underground Parking Facility can be entered from Satamaradankatu, one of the roads right outside the office block. The access tunnel's entrance is located on a leasehold plot with the City of Helsinki as the landlord and a fixed lease term of 30 years until 31 August 2049. Ässäparkki Oy has a priority right to have the area for lease again, provided that the area is leased for a similar purpose.

The land area for the Underground Parking Facility is possessed by virtue of a usufructuary right (Sw. *Nyttjanderätt*) based on which the owner of the Underground Parking Facility has the right to use the area and to construct the facility therein. The usufructuary right has been registered as an encumbrance for Property A, Property B as well as the Neighbouring Property. The agreement is in force for a fixed 100-year period until December 2107, after which owner of the Underground Parking Facility has a right of first refusal to renew the term of the usufructuary right with a further 100-year period. During the fixed period, the usufructuary right can only be cancelled by an agreement between all concerned property owners. In Finland, possession of underground parking facilities by virtue of a usufructuary right is common. Neither the owner of the Underground Parking Facility nor other involved property owners pay any compensation for the usufructuary right.

SOK rents the majority of the parking spaces except for 54 parking spaces which are reserved for the vacant premises in Property B. The Rental Guarantee provided by the Vendor includes rent for the vacant parking spaces in the Underground Parking Facility.

A summary of the Asset is presented in the following table.

<i>Property description - Summary</i>				
	Property A	Property B	Underground Parking Facility	Total
Registered owner	Oy Ässäkeskus Ab	KOy Vallilan Toimisto	Ässäparkki Oy	
Address	Fleminginkatu 34	Fleminginkatu 24	Fleminginkatu 34	
Tenure	Freehold	Freehold	Usufructuary right	
Lettable area, m ²	27,251	13,881	-	41,132
Occupancy rate, % ⁽¹⁾ (including rental guarantee)	100 (100)	67 (100)	85 (100)	89 (100)
Construction year	1991, expanded in 2010	1920, 1932, 1989	2009	
Refurbishment year	2018, 2019	2019, 2020	-	
Number of parking spaces	121	5	372	498
WAULT, years ⁽²⁾	11.7	6.3	9.2	9.8
Base rent 2019, EUR '000 (EUR/m ²) ⁽³⁾	4,123 (151)	2,117 (153)	32 (-)	6,272 (152)

Notes: (1) The Vendor provides a two-year Rental Guarantee for the remaining, currently vacant premises. (2) As of 1 May 2019, including break options and Rental Guarantee for 2 years. (3) Including Rental Guarantee.

Source: The Vendor

7.3 Technical description

The Vendor has used a reputable external property consultant company to investigate and document the technical condition of Property A, Property B and the Underground Parking Facility. Since Property B is currently undergoing a major refurbishment some items have been classified as “will be completely renovated”.

The report was finalized in April 2019 and the summary of the building description is presented in the following tables.

Property A, Ässäkeskus

<i>Building description – Property A</i>	
General	
Construction year, incl. reconstruction/refurbishment	Constructed in 1991, expanded in 2010 and major refurbishments during 2018-2019
No. of floors above ground	8 plus a loft
No. of floors below ground	2
Garage/parking	Two levels below ground, 121 parking spaces
Technical specifications	
Foundation	Reinforced concrete
Framework	Reinforced concrete frame (column-beam). Intermediate floors are hollow-core slab
Roof	Ridged roof's surface material is metal sheeting. Flat roof's surface is partly covered with bitumen felt and partly urethane based roofing material. There is also gravel layer covering parts of the bitumen felt

External walls and façade	Reinforced concrete element walls and partly brick masonry. Façades are concrete surfaces, metal sheeting and ceramic and granite tiles
Windows	Double and triple glazed wooden and metal framed windows
Traffic and parking areas	Yards are mainly covered with concrete tiled pavements
Installations	
Heating	District heating
Heat dissipation	Radiators, fan coil heaters in loading bay and window bench convectors in 9th floor cabinet area
Ventilation	Mechanical supply and exhaust air with heat recovery system
Cooling	Chilled ventilation. Cooling beams in office spaces. Separate split cooling devices
Lifts	One goods lift and seven personnell lifts
Sprinklers and fire alarm	Sprinkler system is installed and the fire alarm is partially addressed and partially loop based
Sewage	Main pipelines are cast iron and some plastic sewer pipes in branches
Domestic waterworks	Copper and galvanized steel pipes
Security and surveillance	Safety lighting and emergency sound systems. Tenant has own access control, burglary detection and video surveillance systems
Electricity	Medium voltage connection, one transform station
Reserve power	One reserve power unit
Lighting system	T5 and T8 fluorescent tube lighting and led lighting
Building automation system	Centralized control room with “Siemens” automation system

Source: the Vendor

Property B, Vallilan Toimisto

Building description – Property B

General	
Construction year, incl. reconstruction/refurbishment	1920, extended in 1932 and 1989 and ongoing renovations
No. of floors above ground	6
No. of floors below ground	1 (basement)
Garage/parking	5 parking spaces
Technical specifications	
Foundation	Concrete structured (so called “well rings”)
Framework	Reinforced column and beam frame. Also, possible load-bearing brick walls were detected on the site visit. Intermediate floor slabs have been cast on site
Roof	Metal sheeting
External walls and façade	External walls are brick masonry and concrete structured. Facades are plastered.
Windows	Double and triple glazed wooden and metal framed windows
Traffic and parking areas	Concrete tiled pavements in the yard deck

Installations	
Heating	District heating
Heat dissipation	The heating system will be completely renovated
Ventilation	Mechanical supply and exhaust air with heat recovery system, will be completely renovated.
Cooling	Will be completely renovated
Lifts	4 lifts, 5 after renovation
Sprinklers and fire alarm	Sprinkler system will be completely renovated, automatic addressed fire alarm system
Sewage	Will be completely renovated
Domestic waterworks	Water pipes and fixtures will be completely renovated
Security and surveillance	Safety lighting system and emergency sound system. Tenant has their own access control, burglary detection and video surveillance systems
Electricity	Medium voltage connection, one transform station in building
Reserve power	One reserve power unit
Lighting system	Will be renovated to led lighting in ongoing renovation
Building automation system	Centralized automation system will be completely renovated based on interviews from site visit in 2018

Source: the Vendor

Underground Parking Facility, Ässäparkki

Building description – Underground Parking Facility

General	
Construction year, incl. reconstruction/refurbishment	2009
No. of floors above ground	0
No. of floors below ground	2
Garage/parking	Two floors below ground, 372 parking spaces.
Technical specifications	
Foundation	Concrete structured footings and slab
Framework	Reinforced concrete structured frame (cast in situ): columns, beams and intermediate floor slabs. Some cast in situ reinforced concrete structured walls
Roof	Mainly underground location. Elevator hall buildings: bitumen felt
External walls and façade	Elevator hall buildings: reinforced concrete wall with thermal insulation, plastered facades and metal profile sheeting
Windows	Fixed double glazed metal framed windows
Traffic and parking areas	Concrete floors in the parking hall and in the ramp
Installations	
Heating	District heating with separate heating centers for general heating and ramp heating

Heat dissipation	Heated supply air, ramp's frost prevention heating
Ventilation	Mechanical supply and exhaust air with heat recovery system
Cooling	No main cooling system, singular split cooling device for telecommunication space
Lifts	4
Sprinklers and fire alarm	Separate sprinkler centers in parking premises and ramp. Automatic and addressed fire alarm system
Sewage	Cast iron and plastic systems
Domestic waterworks	Copper pipes
Security and surveillance	Safety lighting and video surveillance systems
Electricity	Low voltage connection 2x3x200A
Reserve power	Two UPS-devices serving two lifts
Lighting system	T5 fluorescent lights, compact fluorescent lights and halogen lights
Building automation system	Centralized control room with "Trend" automation system

Source: the Vendor

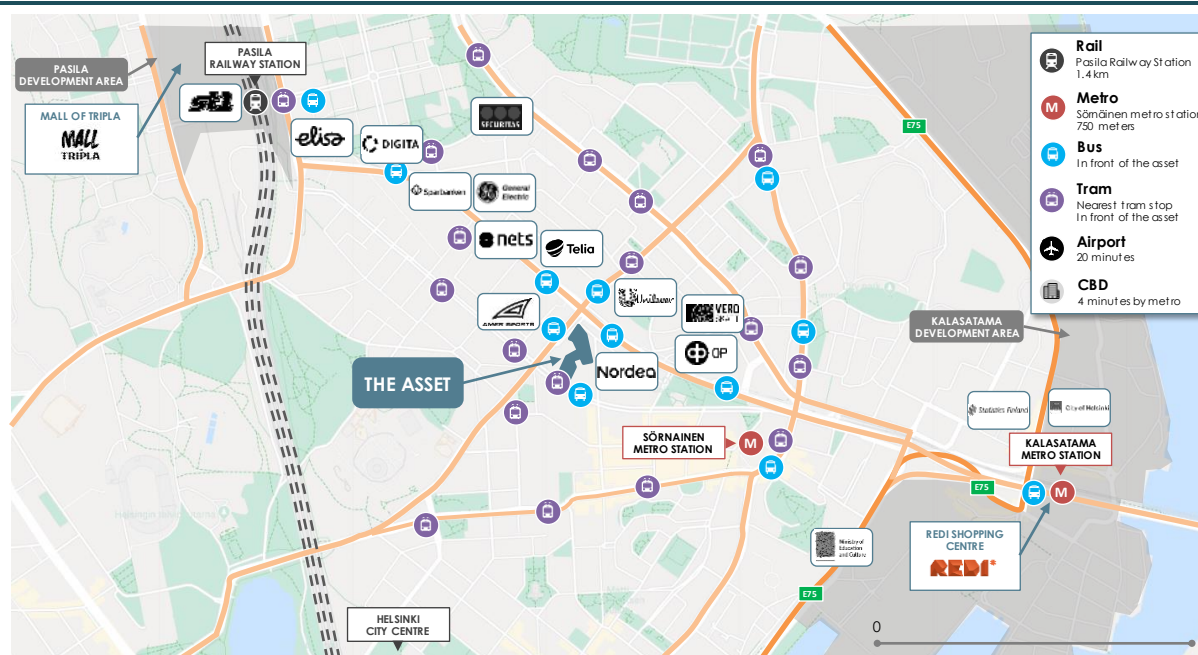
7.4 Location

The Asset is situated in Vallila, an area located in the axis between Pasila in the northwest and Kalasatama in the southeast. The Vallila district, particularly the area adjacent to Teollisuuskatu, has been in focus for large-scale development projects spearheaded by the City of Helsinki. The objective is to facilitate and enable the area to become a vibrant city centre, hosting cultural activities and a vast amount of jobs. The area is anticipated to function as a crucial hub in-between Pasila and Kalasatama, improving connectivity as well as expanding the city centre of Helsinki. Furthermore, the development will also improve the already well-functioning public transit system.

On the opposite side of the street from the Asset, NCC has an ongoing office construction project, Fredriksberg. The project is progressing rapidly with the completion of its first phase in 2018. The sale of the first office building, out of the envisioned three constructions, marked a crucial milestone for the area, communicating that the investment and development enthusiasm in the area is and will remain high. Furthermore, NCC announced in November 2018 that construction of the last two phases of Fredriksberg has commenced due to high demand for new office space in Vallila.

The areas Pasila and Kalasatama also have ongoing development projects, including shopping centres, residential buildings and offices. The Redi shopping centre in Kalasatama opened in autumn 2018 and Mall of Tripla, which is located in Pasila, is planned to open during autumn 2019. When completed, Mall of Tripla will be the largest shopping centre in Finland by number of shops.

Location of the Asset



Source: the Company, the Vendor's broker

Communication

Vallila is strategically located along all main arteries going into the city centre and to other parts of Helsinki. Having several major roads such as the E75 highway in close proximity, Helsinki CBD can be reached within an 8 minutes' drive, and Helsinki-Vantaa airport within a 20 minutes' drive. In 2018 Helsinki-Vantaa airport was voted as the best airport in Northern Europe and has flights departing to most countries in the world daily. The roads also enable an extensive network of public commuting options. There are several bus and tram stations surrounding the Asset, with the closest bus and tram stations located right in front of the Asset. Furthermore, there is a railway station in Pasila, 1.4 kilometres from the Asset and a metro station in Sörnäinen, 750 meters from the Asset. Helsinki CBD can be reached within 4 minutes by metro.

7.5 The Lease Agreement

SOK is the Tenant under the Lease Agreement that covers 89% of the lettable area and parking spaces in the Asset upon completion of the Refurbishment Works. The Lease Agreement was signed 17 February 2017 and was further amended 8 February 2019 to include an additional 868 m² of lettable area. Furthermore, the lease amendment resulted in the landlord taking over management responsibilities in Property B and the Underground Parking Facility to allow for multi-letting. The landlord will be able to recover the Tenant's share of the operating expenses in Property B and the Underground Parking Facility through separate maintenance charges. The remaining 11% of the lettable area is not let by SOK and is currently undergoing a major refurbishment with estimated completion in April 2020. The remaining 11% of the lettable area can be let post-completion of the Refurbishment Works and a loss of income related to potential vacancies will be compensated for by the Vendor through the Rental Guarantee, which is valid for two years from Closing

The annual base rent under the Lease Agreement for 2019 is EUR 5,578 million and is applicable upon completion of the Refurbishment Works. The base rent is subject to upward adjustment in accordance with changes of the CLI. If the change in CLI is negative, no adjustment is to be done. Adjustments are made the 1 January each year. Furthermore, the Lease Agreement includes two break options which can be exercised by the Tenant on or after 31 December 2025 or on or after 31 December 2027, respectively, and both of which are valid until the Lease

Agreement expires. If the Tenant wishes to exercise the break options, the landlord must be notified 24 months in advance.

<i>Lease Agreement with SOK – summary of commercial terms</i>				
Commercial terms	Property A	Property B	Underground Parking Facility	Total
Tenant	SOK	SOK	SOK	
Initial lease term, years	13.8	13.8	13.8	13.8
Share of Asset's lettable area/parking spaces	100%	67%	85%	89%
Remaining lease term, years ⁽¹⁾	11.7	7.9	10.7	10.7
Lettable area, m ²	27,251	9,267	-	36,518
No. of garage spaces	121	5	318	444
Base rent 2019, EUR '000 ⁽²⁾	4,123	1,455	-	5,578
Base rent 2019, EUR/m ² ⁽²⁾	151	157	-	153
CPI adjustment, %	100	100	-	100
Break option ⁽³⁾	-	31/12/2025 (3,431 m ²) 31/12/2027 (5,836 m ²)	31/12/2025 (44 units) 31/12/2027 (70 units)	-
Notice period for break options, months	-	24	24	-

Notes: (1) As of 1 May 2019, including break options and SOK lease only. (2) Refers to rent upon completion of the Refurbishment Works in 2019 years values. The rent for parking spaces is included in the rent shown in Property A and B. (3) The break options can be exercised until the lease term expires.

Source: the Vendor

Lease period

The Lease Agreement was signed on 17 February 2017 and it is valid for up to approximately 13 years. The Lease Agreement was amended on 8 February 2019 as the Tenant let an additional 873 m² of lettable office area and 11 additional parking spaces. The lease period for the additional premises is valid for the same time as the initial lease period under the Lease Agreement.

Utility costs

As presented in the following table, in Property A, the Tenant has its own subscriptions for utilities and pays expenses directly to the suppliers. In Property B and Underground Parking Facility, the Tenant will upon completion of the refurbishment pay maintenance charges to the landlord to compensate for utility expenses in Property B and the Underground Parking Facility.

Demarcation list of utility costs under the Lease Agreement

Type of utility	Tenant has its own subscription	Tenant pays supplements to the rent	Included in the rent
Property A			
Electricity	X		
Water and sewage	X		
Heating	X		
Hot water	X		
Cooling	X		
Garbage removal	X		
Property B and Underground Parking Facility			
Electricity		X	
Water and sewage		X	
Heating		X	
Hot water		X	
Cooling		X	
Garbage removal		X	

Source: the Vendor

Property caretaking and maintenance

The Lease Agreement has a standardised demarcation list given the use of the Asset. Costs related to running maintenance, property caretaking and repairs in Property B and Underground Parking Facility are reimbursed by the Tenant and in Property A the tenant is fully responsible for operating expenses. Structural maintenance, i.e. CAPEX in the Asset, is split between the landlord and the Tenant in accordance with the demarcation list in the Lease Agreement. As a general rule, the landlord bears the responsible for a majority of the structural maintenance related to the exterior of the building and technical installations. However, a complete overview can only be given through reading the Lease Agreement.

Rental payments and adjustments

The annual base rent, excluding supplements, under the Lease Agreement upon completion of the refurbishment is approximately EUR 5.578 million in 2019 years values. The base rent is adjusted upwards annually per 1 January with 100% of the changes in the CLI. If the change in CLI is negative, no adjustment is to be done. Adjustment index is the index value per October and the base index value of the Lease Agreement is the index value per September 2016 and equals 1916.

Break options

There are two break options for premises in Property B and Underground Parking Facility. The first break option can be exercised on or after 31 December 2025 and it concerns an area of 3,431 m², while the second break option can be exercised on or after 31 December 2027 and concerns an area of 5,836 m². The break options also apply to parking spaces in the Underground Parking Facility with the first break option relating to 44 parking spaces and the second break option to 70 parking spaces. The break options are valid until the lease term expires. The tenant must notify the landlord 24 months in advance before the break options can be exercised. Therefore, for example, in order to exercise the first break option on 31 December 2025, the Tenant would have to notify the landlord no later than on 31 December 2023.

Real estate tax

The Tenant's share of the real estate tax is currently paid in full by the landlord. As set out in the Share Purchase Agreement, the Vendor is seeking to include real estate tax as well as the property insurance costs of the Property B and the Underground Parking Facility in the maintenance charge paid by the Tenant by an amendment to the Lease Agreement. For more information, please see Section 6.7.

VAT compensation

The VAT registered area for the buildings amounts to 100%. The Tenant is responsible that the area pertaining to the Lease Agreement is 100% VAT registered. In case the Tenant sub-lets any of the premises under the Lease Agreement to a third party which is not VAT registered, the Tenant is liable to compensate the landlord for the additional costs arising from non-deductible VAT. The Lease Agreement specifically stipulates that this includes also non-deductible VAT from investments in the property.

Based on information received from the Vendor, the premises in the Asset have been considered to be fully in VAT taxable use. However, based on available information, S-Pankki Oy, a commercial bank belonging to the S group operates in the premises, too. As banks typically practice VAT exempt business, it is possible that the operations carried out by S-Pankki Oy in the premises located in the Asset are not VAT registered, which would have an effect on the percentage of VAT taxable use of the premises. Consequently, this would affect the respective Target's possibility to deduct input VAT on the costs relating to the premises, and potentially cause an obligation to adjust input VAT deductions made by the Target. For more information, please see Section 6.7.

Third party letting and assignment of the Lease Agreement

The Tenant is not entitled to transfer the Lease Agreement to a third party without the Landlord's written consent, such consent not being unreasonably withheld. The Tenant is entitled to sub-lease the leased premises by notifying the landlord thereof in writing. However, the landlord needs not be notified if the premises are subleased to an entity affiliated with the Tenant. Re-letting to an affiliate of the Tenant is permitted. Re-letting to a third party is subject to a written consent of the landlord (such consent not to be unreasonably withheld).

The Tenant shall, despite any subleasing or re-letting, remain responsible towards the landlord for the fulfilment of the terms of the Lease Agreement in all respects.

Based on available information, the Tenant has sublet certain office premises in Property A to S-Pankki Oy.

8 THE TENANT

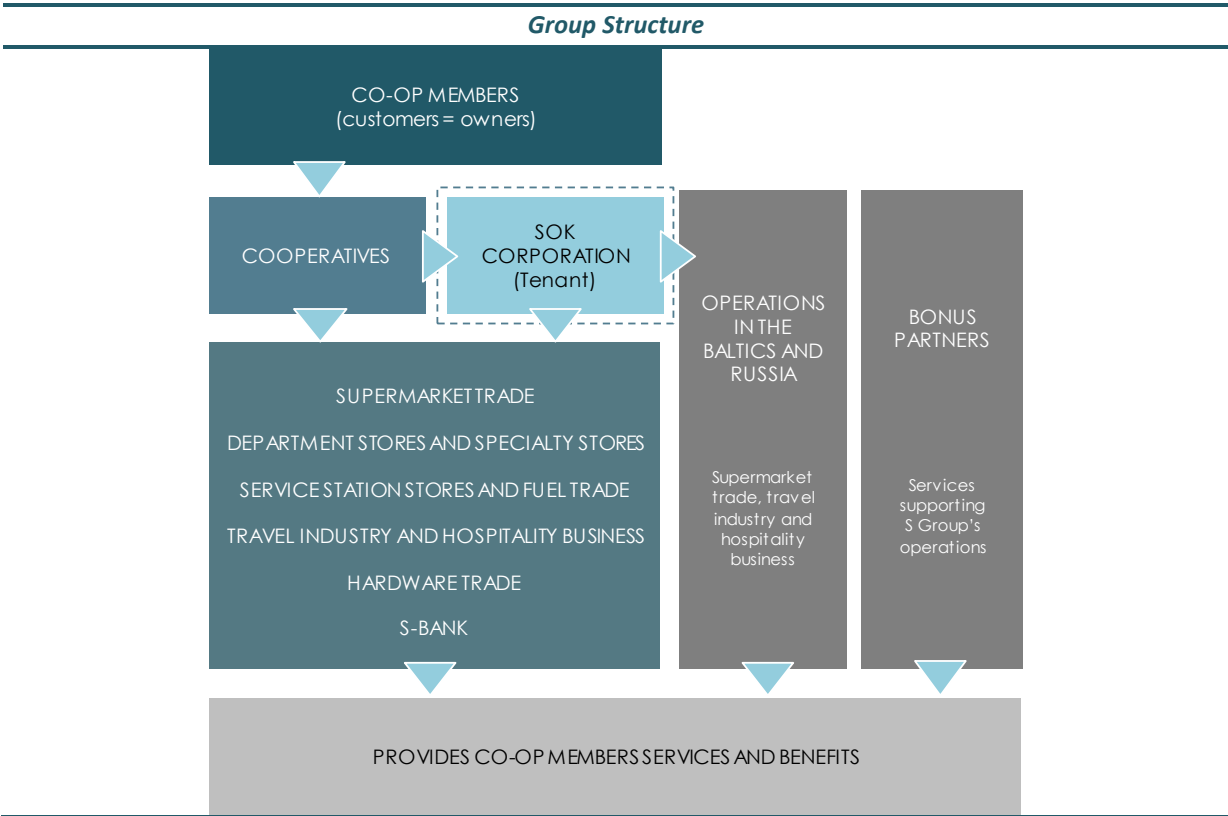
Unless otherwise explicitly stated, the Tenant or S group, is the sources of all information contained in this section.

SOK is the administrative organisation of S group, a market leading network of Finnish cooperatives active in the retail and service sector. The group was founded in 1904 and provides centralised service activities to the regional and local cooperatives. The services provided by SOK includes support with procurement, expert and supporting services. In tradition, SOK is responsible for the strategic guidance and development of the business chains in the S group.

S group is one of the market leading retail and service companies and its business line includes daily goods retail, department stores, cosmetic stores, service stations, hardware, restaurants, hotels and financial services. The company is especially strong in the daily goods retail sector with a store network of approximately 950 units and a market share of 47.2%. S group consists of 20 regional cooperatives, seven local cooperatives and SOK. The group is a significant nationwide employer with its approximately 40,700 employees, out of which 5,800 are employed at SOK.

8.1 Group Structure

S group is owned by its approximately 2.4 million co-op members, which is more than half of the adult population in Finland. The cooperative model has enabled S group to focus on long term value maximisation for its members, allowing it to become a frontrunner in the industry in terms of social responsibility and employee well-being, whilst maintaining a strong and loyal customer base. Through cooperatives and SOK, the group own several well-known brands within daily goods, consumer goods and services, restaurants and hotels and financial services. S group mainly operates on the Finnish market, but the company has some of their operations in Russia and the Baltics as well.



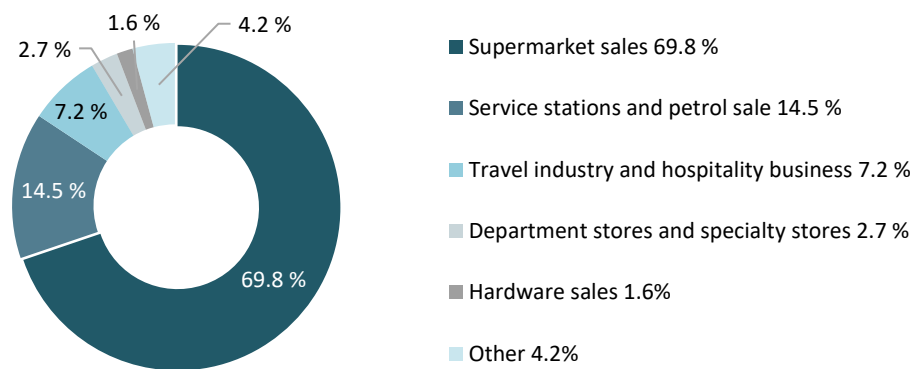
Source: the Tenant

Daily goods retail

S group is a market leader in daily goods retail with an estimated market share of 47.2%. The store network comprises of brands like Prisma hypermarkets, S-market supermarkets, Alepa and Sale grocery stores. Measured by sales, the daily goods arm of S group is the largest division of the cooperatives, accounting for nearly 70% of the groups' total sales.

In June 2017, S group announced that it had acquired Stockmann Herkku, the grocery retail business of the well-known department store company Stockmann which owns brands like Lindex. The deal, which was accepted by Finnish Competition and Consumer Authority in December 2017, included six Herkku supermarkets in department stores in Helsinki CBD and Itäkeskus, Espoo, Vantaa, Tampere and Turku. Stockmann Herkku had net sales of EUR 127 million in 2016 and has around 800 employees in Finland.

S group's retail sales by segment, excluding VAT



8.2 Financials

SOK

The following summary presents a few selected financial figures from the income statement and the balance sheet of SOK between the years 2015-2018. The overall development of the Finnish national economy and private consumption have had a considerable effect on the result. Private consumption has been supported by the continued low interest rate level, income level growth that has surpassed the growth of consumer prices as well as the continued decrease in unemployment. This has had a positive effect on the financial results for the financial year 2018. Net sales, EBITDA, profit before tax and total profit has increased on a year-on-year basis.

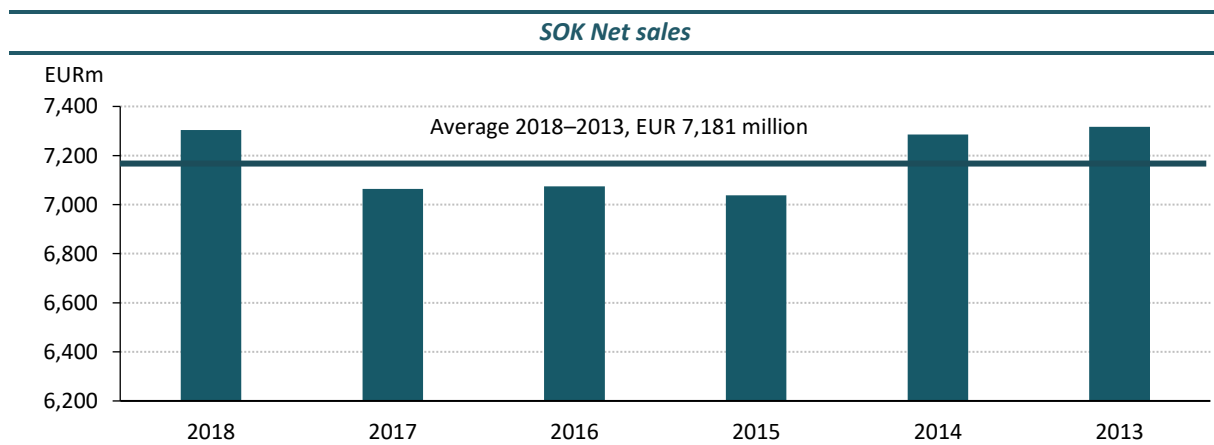
Income statement & balance sheet for SOK

EUR millions				
Income statement	2018	2017	2016	2015
Net sales	7,304	7,064	7,074	7,038
<i>% Growth YoY</i>	3.4	-0.1	0.5	-
EBITDA	122	83	89	74
<i>% Margin</i>	1.7	1.2	1.3	1.0
Profit before tax	55.4	5.0	22.8	9.4
Profit for the period	48.7	1.9	11.6	0.6

Balance sheet	31/12/2018	31/12/2017	31/12/2016	31/12/2015
<i>Assets</i>				
Non-current assets	747	765	794	680
Current assets	983	982	955	990
Total assets	1,730	1,747	1,749	1,670
<i>Equity</i>				
Total equity	661	634	647	617
<i>% Equity</i>	38.2	36.3	37.0	36.9
Other provisions				
<i>Liabilities</i>				
Short-term Liabilities	877	911	878	858
Long-term liabilities	192	202	225	196
Total equity and liabilities	1,730	1,747	1,749	1,670

Source: the Vendor and Retriever

The graph below depicts the net sales between the years 2018 and 2013. Driven by positive macroeconomic factors, the net sales for SOK increased to 7.3 billion euro for the financial year 2018, making them the 8th largest company in Finland in terms of net sales. The result equals a year-on-year increase of 3.4%, and 1.7% above the average for the financial years 2013-2018. Overall, the net sales are considered strong and stable with only a 3.7% difference between the net sales for 2018 and 2015, which was the year with the weakest performance in terms of net sales among the financial years presented below.



Source: the Vendor and Retriever

9 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.

9.1 Transaction financing

The investment has an estimated project cost of approximately EUR 137.5 million, and includes the following elements:

<i>Project costs, rounded</i>	
Element	EUR ('000)
Agreed Gross Asset Value	131,000
Deduction for deferred tax and CAPEX adjustment ⁽¹⁾	-2,500
Agreed Net Asset Value	128,500
Stamp duty	2,620
Arrangement and sales fee ⁽²⁾	3,930
Debt financing ⁽³⁾	600
Other start-up costs (Transaction related costs) ⁽⁴⁾	500
Working capital	1,350
Total project cost	137,500

Notes: (1) Includes a fixed deduction for deferred tax liabilities and an adjustment for future CAPEX. (2) Costs related to the Recent Equity Issue, as described further in section 5.2 (3) The amount of EUR 600,000 includes the arrangement fee to the lender and additional buffer for potential commitment fee. (4) Other start-up costs include cost for due diligence, valuation, listing on MTF, start-up costs for the Business Manager, Technical Follow-up Manager and others.

Source: the Company

9.2 Key figures

<i>Key figures, rounded</i>		
Estimated key figures	Unit	Amount/percentage
Debt Facility	EUR million	78.0
Recent Equity Issue	EUR million	59.5
Rental income ⁽¹⁾	EUR million	7.3
NOI ⁽¹⁾	EUR million	5.8
Adjusted EBITDA ⁽¹⁾	EUR million	5.5
Income from property management	EUR million	4.4
Income from property management per share	EUR	0.7
Net Real Estate Yield	%	4.5
Dividend Yield	%	7.0

Note: (1) Based on the Group's estimated income and costs.

Source: the Company

The estimated project cost of EUR 137.5 million has been financed as set out below:

<i>Project financing</i>	
Element	EUR million
Debt Facility	78.0
Recent Equity Issue	59.5
Total Financing	137.5

Source: the Company

The consolidated pro forma balance sheet as of 9 October 2019

The consolidated pro forma balance sheet as per 9 October 2019 is presented in the table below. The purpose of the pro forma balance sheet is to inform and present facts and illustrate a hypothetical situation. The consolidated pro forma balance sheet has not been reviewed by the Company's auditor.

<i>Consolidated pro forma balance sheet per 9 October 2019</i>	
Consolidated pro forma balance sheet – the Group	09/10/2019
<i>Values in EUR '000</i>	
Intangible assets ⁽¹⁾	3,058
Total intangible assets	3,058
Fixed assets	131,000
Total fixed assets	131,000
Financial assets	0
Total financial assets	0
Current assets	6,410
Total current assets	6,410
Total assets	140,468
Share capital	60
Share reserve	59,908
Total equity	59,968
Deferred tax	2,500
Liabilities to credit institutions	78,000
Short term liabilities	0
Total liabilities	80,500
Total liabilities and equity	140,468

Note: (1) Intangible assets mainly refers to capitalised costs for transfer tax, stamp duty and escrow account fees.

Source: the Company

9.3 Financial calendar

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

<i>Financial calendar</i>	
Extraordinary General meeting	24/10/2019
Year end report	26/03/2020
Annual report	26/03/2020
Annual general meeting	28/04/2020

Source: the Company

9.4 Owners and share capital

In the table below are the Company's largest owners per 9 October 2019 presented.

<i>Largest shareholders</i>		
Shareholder	Number of shares	Ownership share
Onvest Oy ⁽¹⁾	900,000	15.1%
Svenska Handelsbanken Luxembourg S.A.	735,420	12.4%
Fibonacci Asset Management AB	180,000	3.0%
K Öhlin Holding AB	180,000	3.0%
Volvo Pensionsstiftelse	180,000	3.0%
Mats H Nilsson	150,000	2.5%
Johan Von Kantzow	138,000	2.3%
Johan Olofsson	137,075	2.3%
Eton Innovation AB	120,000	2.0%
Gadd & Cie Luxembourg S.A.	120,000	2.0%
Other ~205 shareholders	3,109,505	52.3%
TOTAL	5,950,000	100.0%

Note: (1) Hanna Ekdahl, a representative of Onvest Oy, is member of the proposed Board of Directors.

Source: the Company

There are 5,950,000 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 (EUR)	Total share capital (EUR)
03/06/2019	Establishment	+ 50,000	50,000
11/09/2019	Recent Equity Issue	+ 59,500	109,500
11/09/2019	Redemption of shares	- 50,000	59,500

Source: the Company

9.5 Description of debt financing

The Manager has prior to the Transaction, on behalf of the Group, conducted an evaluation of debt financing options. A request for a proposal was distributed to a number of potential banks and other lenders in order to map the debt financing alternatives available to the Company. Based on indicative terms from banks and other lenders, more detailed discussions were initiated with one of the banks. The Company has entered into a loan agreement with the bank based on the commercial terms set out below.

Main terms of the Debt Facility	
Lender:	European bank
Borrowers:	The MergeCos and the Targets
Guarantors:	The Company, the Parent MidCo, the MidCo, the MergeCos and the Targets
Amount:	EUR 78 million
LTV:	Approximately 59.5%, based on the Agreed Gross Asset Value
Maturity:	5 years
Interest rate:	Approximately 1.45% (fixed)
Hedging:	The Company has entered into hedging arrangement on the whole Debt Facility amount.
Amortisation:	Bullet
Covenants:	<ul style="list-style-type: none"> Interest Cover Ratio: <375% will trigger increased amortisation (3% flat per annum) and up-streaming restriction (no payment of dividend and no payment of principal or interest on shareholder loans to Parent Midco or intragroup loans to the MidCo)) LTV >65% increased amortisation (3% flat per annum) and up-streaming restriction (no payment of dividend and no payment of principal or interest on shareholder loans to the Parent Midco or intragroup loans to the MidCo)
Undertakings:	According to market standards
Ownership clause:	According to market standards
Security package:	The security package consists of, <i>inter alia</i> , security over the Group's assets including mortgages in the Asset covering the full Debt Facility amount, the shares in the Parent MidCo, the shares in the MidCo, the MergeCos and the Targets, intragroup and shareholder loans, insurance policies, the rights under the Share Purchase Agreement, the rights under the Rental Guarantee, the rights under certain construction agreements and bank accounts
Arrangement fee:	One-time arrangement fee of 0.6% of the total loan amount (being in aggregate EUR 468,000)

Source: the Company, the lender

Break-even rent (pre dividends) is estimated to approximately EUR 71 per square meter in 2019 full-year figures, to be compared with the Company's expected weighted average rent for 2019 of approximately EUR 178 per square meter. This equals a theoretical rent decrease of approximately 60%. ICR is expected to amount to 4.9 times Adjusted EBITDA (*see definition*) in 2019.

9.6 Estimated dividends

Dividends to investors are estimated at approximately 7% per annum, calculated based on total paid-in equity of EUR 59.5 million. The first dividend is expected during the first half of 2020 but is conditional upon 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 shareholder registered in the Company's share register on each record date shall be considered authorized to receive dividends; in case of bonus issue (*Sw. fondemission*), to receive new shares, and to execute the shareholders' right to subscribe for new shares in rights issues.

If a shareholder cannot be reached through the Euroclear system, its claim on dividends is limited only by the general limitation period (*Sw. lagstadgad 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.

9.7 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 Income from property management instead of profit for the period. The figures are based on Vendor's budget, the Company's assumptions and experiences of the Manager, the Business Manager and the Technical Follow-up Manager.

Total annual Property Related Costs are estimated to approximately EUR 1,476,000 excl. VAT (rounded figure). Of these costs, approximately EUR 441,000 (rounded figure) are non-recoverable which are mainly related to property tax and insurance in Property A.

Long-term annual Company Costs, including, *inter alia*, non-recoverable costs of the Asset Manager, fee to the Business Manager and Technical Follow-up Manager, auditing cost, listing cost and fee to the Board of Directors are estimated to approximately EUR 309,000 excl. VAT (rounded figure). The Company's long-term EBITDA margin is estimated to approximately 75%.

The Group Costs are estimated to approximately EUR 1,785,000 (rounded figure) for 2019, equivalent to approximately EUR 43 per m².

Estimated income and costs, full year basis in 2019 years values, rounded figures

Element	EUR ('000)	EUR/m ²
Base rent incl. index ⁽¹⁾	6,272	152
Maintenance charge income ⁽¹⁾	1,035	25
Gross rental income	7,308	178
Property Related Costs	-1,476	-36
Net operating income	5,831	142
Asset management ⁽²⁾	-62	-2
Business & technical management ⁽³⁾	-145	-4
Auditing, listing and directors' fee	-102	-2
Adjusted EBITDA	5,522	134
Financial income	0	0
Financial costs	-1,131	-27
Income from property management	4,391	107

Note: (1) Includes rent and maintenance charge payable by the Tenant upon completion of the Renovation Works and the Rental Guarantee. The Tenant pays higher rent than stated above prior to the completion of the renovation project. (2) The estimated gross fee to the Asset Manager, after the merger of the MergeCos and the Targets, is EUR 109,000 per annum of which EUR 47,000 is included in the Property Related Costs and part of the maintenance rent invoiced to the Tenant. (3) Includes fee to the Business Manager of EUR 125,000, fee to the Technical Follow-up Manager of EUR 10,000 and the fee under the Master Agreement of EUR 10,000.

Source: The Company

10 THE MANAGEMENT OF THE COMPANY

10.1 Board of Directors, management and ownership structure

The Board of Directors currently comprises of three directors: Oskar Wigsén as Chairman of the Board, Robin Englén as Board Member and Anna Karnöskog as Board Member, all of whom are employees of PBM. These directors will resign and be replaced by new directors after Closing.

Prior to the Transaction, the Company was a shelf company without any activities or employees, and with a minimum capital of EUR 50,000. The sole shareholder of the Company was Pareto Business Management AB. All shares held by Pareto Business Management AB was redeemed by way of a share capital reduction in connection with the registration of the Recent Equity Issue, as described in section 5.1 (*The Recent Equity Issue*).

10.2 The Business Management Agreement

The Business Management Agreement is valid for a period of five (5) years from signing of the Agreement (the “**Original Termination Date**”), with an automatic extension period of three (3) years at a time, unless the Agreement is terminated in accordance with Sub-clause (a) or (b) below. The 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:

- At the request of the Board of Directors act as CEO of the Group
- Group accounting
- Annual and quarterly financial reports of the Group
- Support on investor relations and public authorities queries
- Cash management and loan agreement compliance
- Tax and VAT handling and consulting services
- 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 EUR 125,000 p.a., excl. VAT, 2019 (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 and 31 December 2019, a fee of EUR 20,833 will be payable. In addition, the Business Manager shall receive a start-up fee of EUR 20,000, excl. VAT (non-recurring item). The start-up fee shall be payable at the same time as the first management fee.

The fee shall be adjusted annually by 100% of the change in Swedish CPI, with the first such adjustment taking place in January 2021. The first adjustment shall be based on the index value as of October 2018, with reference to the index value as of October 2020. If the change in CPI is negative, no adjustment is to be done.

If the Business Manager is obliged to perform other reporting duties from public authorities or the lease structure is considerably altered, the Business Manager shall be entitled to adjust the fixed fee in accordance therewith.

The Business Manager has authority to, at the expense of the Group Companies, to engage consultants when this is considered to be in the best interest of the Group Companies, or its owners.

The Group Companies shall cover reasonably incurred and documented expenses in addition to the remuneration of the Business Manager, including, inter alia, the following:

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

Should the parties not agree on an increase of the business management Fee, the Business Manager shall be entitled to invoice the Group Companies an hourly fee of EUR 200 per hour (excl. VAT). The hourly fee shall annually be adjusted with a percentage increase calculated based on same terms as the management fee. Further, to the increase of the management fee, the Business Manager shall be entitled to a startup-fee corresponding to 25% of the annual increase of the management fee excluding VAT.

10.3 The Technical Follow-up Agreement

The Technical Follow-up Agreement is valid for as long as the Business Management Agreement is valid and shall terminate automatically as the Business Management Agreement terminates. 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:

- i. follow-up and monitoring on the Asset Manager's management operations
- ii. conduct inspections of the Asset two times per year. The Technical Follow-up Manager shall, in connection therewith, hold meeting(s) with the Tenant and the Asset Manager
- iii. Follow-up on technical and environmental related
- iv. 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 EUR 10,000 p.a., excl. VAT, 2019 (annualised). The fee shall be paid half-yearly in advance. For services for the period between Closing and 31 December 2019, a fee of EUR 1,667 will be payable. Further, to the management fee, the Technical Follow-up Manager shall be entitled to a start-up fee amounting to EUR 5,000, exclusive of VAT. The start-up fee shall be payable at the same time as the first management fee.

The fee shall be adjusted annually by 100% of the change in Swedish CPI, with the first such adjustment taking place in January 2021. The first adjustment shall be based on the index value as of October 2018, with reference to the index value as of October 2020. If the change in CPI is negative, no adjustment is to be done.

Any work falling outside the scope of the Duties, including any follow-up of deviations discovered during the inspection and any call-outs to the Asset, the Group Companies responsibility as landlord according to lease agreements with respect to the Asset, procurement of external consultant for maintaining environmental classification, any emergency or urgency services relating to the Asset and any other work not included in the Duties ("**Additional Work**"), shall be compensated separately by the Group Companies 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 set out in the Technical Follow-up Agreement. The rates per item in the Technical Follow-up Agreement may be adjusted in line with general salary developments.

10.4 Management in Finland

The local management, including property and financial management of the Asset, is managed through an agreement with the Asset Manager. Below is a summary of the terms in the Asset Management Agreement on arm's length.

The scope of the Asset Management Agreement includes, *inter alia*, financial planning and reporting of the Finnish Group Companies, financial management of the Finnish Group Companies, lease administration of the Asset, administrative management of the Finnish Group Companies and technical management of the Asset. In addition, the Asset Manager has designated an account management team lead by a key account manager that acts as the single point of contact.

The fee under the Asset Management Agreement, after the merger of the MergeCos and Targets, is estimated to be approximately EUR 109,000 per annum excluding VAT, of which EUR 47,000 is estimated to be included in the Property Related Costs and part of the maintenance rent reinvoiced to the Tenant (or tenants as the case may be).

10.5 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 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 EUR 10,000, 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 2021. The first adjustment shall be based on the index value as of October 2018, with reference to the index value as of October 2020. If the change in CPI is negative, no adjustment is to be done.

10.6 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 to, *inter alia*, the negotiation of the Share Purchase Agreement acceptance with the Vendor, the loan documentation for the Debt

Facility, the Asset Management Agreement 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, tax and technical assistance). The Manager will have to cover these costs in the event that the Transaction is not implemented. The Manager has further recognised that the foregoing may represent a conflict of interest, and even if such conflict of interests is deemed to be limited, the Manager has undertaken measures so that the Transaction and the work relating thereto 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 of the Company, these will jointly with Pareto be considered the "**Manager**" for purposes of the Company Description. Such collaboration with other companies in the Pareto Securities Group shall not entitle the Manager to any additional fee.

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

10.7 Auditor

The Company's auditor is Ernst & Young AB, corporate identification number 556235-4539. The auditor in charge for the audit is Fredric Hävrén, Authorized Public Accountant.

10.8 Employees

The Company does not have any employees.

Bolagsordning för FLEMING PROPERTIES AB

Org.nr 559207-9544

Antagen på extra bolagsstämma 16 augusti 2019

§ 1 Firma

Bolagets firma är Fleming Properties 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 30 000 euro och högst 120 000 euro. 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 7 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 bolagsstämma ska ske 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 fem vardagar före stämman, dels göra anmälan till bolaget den dag som anges i kallelsen till stämman. Sistnämnda dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före stämman. Aktieägare får ha med sig ett eller två biträden vid bolagsstämma om aktieägaren anmäler antalet biträden till bolaget på det sätt som anges i 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.

1. Val av ordförande vid stämman,
2. Upprättande och godkännande av röstlängd,
3. Godkännande av dagordning,
4. Val av en eller två justeringspersoner,
5. Prövning av om stämman blivit behörigen sammankallad,
6. Föredragning av framlagd årsredovisning och revisionsberättelse samt koncernredovisning och koncernrevisionsberättelse,
7. 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,
8. Fastställande av styrelse- och revisorsarvoden,
9. Val av styrelse och revisionsbolag eller revisorer,
10. 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.
