Offering Memorandum

STRICTLY PRIVATE AND CONFIDENTIAL

Invitation to participate in the Equity Issue of:

Cibus

Converting food into yield

Agreed Portfolio Value: EUR 735,000,000

Equity Issue: EUR 311,000,000

Subscription period commences on 7 February 2018 at 09:00 CET and ends on 1 March 2018 at 17:00 CET[1]

Sole Manager:

Pareto Securities

This Offering Memorandum is dated 5 February 2018

[1] The subscription period in the Retail Offering (as defined below) ends on 28 February 2018 at 17:00 CET

IMPORTANT INFORMATION

This Offering Memorandum with appendices (jointly referred to as the "**Offering Memorandum**") has been prepared by Pareto Securities AB (the "**Manager**" or "**Pareto**") in connection with an offer to subscribe for the shares to be issued in Creating Income Based Upon Selection AB (publ) under name change to Cibus Nordic Real Estate AB (publ), corporate identification number 559135-0599, (the "**Company**"). See chapter 1 (*List of Definitions*) for an explanation of words and terms used throughout the Offering Memorandum.

Sources and disclaimer of liability

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

The information includes industry market data in the public domain, as well as estimates obtained from several third-party sources, including from the Vendors (as defined below), the Vendors' subsidiaries and industry publications. The Manager believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness of the industry data, the assumptions or the Vendors' data. Financial information in this Offering Memorandum has not been audited and/or reviewed by auditors unless otherwise stated. The Manager 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 Offering Memorandum includes and is based on, among other things, forward-looking information and statements relating to the activities, financial position and earnings of the Company and/or the industry in which the Company operates. The forward-looking statements include assumptions, estimates and expectations on the part of the Company and the Manager and are mainly based on information provided by the Vendors, or reasonable assumptions based on information available to the Company and the Manager. Such forward-looking information and statements reflect current views with respect to future events and are subject to risks and uncertainties that may cause actual events 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 the Manager 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. The Company or Pareto cannot 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. Any reader of this Offering Memorandum should be aware that this information may not be used for any other purpose than to evaluate a possible investment in the Company.

The information included in the Offering Memorandum cannot be used for any other purpose than the assessment of an investment in the Shares to be issued by the Company.

The contents of the Offering Memorandum 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 the Manager do not render – and shall not be deemed to render – any advice or recommendation as to an investment in Shares.

The Manager, its employees, board members, shareholders and/or its closely related parties or companies in which such persons in practice have a controlling position may subscribe for Shares, provided that this does not result in over-subscription leading to reduced allocation to other investors.

Any investors in the Company must on his/her own ensure that the information presented is up to date and correct. If an acquisition at a later date is based on the information in the Offering Memorandum, it is necessary to verify that all relevant and updated information has been obtained. The information presented in the Offering Memorandum is up to date as at the date specified on its front page, and the Manager has no responsibility to update or supplement any information presented in this Offering Memorandum. Potential investors must read through the entire Offering Memorandum.

The Shares may not be a suitable investment for all investors. Each potential investor in the Shares must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Shares, the merits and risks of investing in the Shares and the information contained or incorporated by reference in this Offering Memorandum (including the risk factors herein) or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Shares and the impact that an investment in the Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares; and
- be able to evaluate (either alone or with the help of a financial or other adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Offering Memorandum is based on information received from the Vendors and the Vendors' representatives, as well as information obtained by Pareto, and limited legal, financial, environmental and technical due diligence investigations.

Information on conflicts of interest

Potential investors are hereby informed that all the current board members (an interim board to be replaced prior to listing of the Company's shares) of the Company are employees of the Business Manager and the Manager as at the date of the Offering Memorandum. The Company is owned by the Business Manager until the implementation of the contemplated Equity Issue in the Company and the cancellation of the Business Manager's shares of the Company. The employees of the Manager involved in the Transaction have contributed, or will contribute, *inter alia*, to the negotiation of the Share Purchase Agreement acceptance with the Vendors, the consent and waiver letters under certain loan agreements and the terms and conditions (respectively) for the Debt Facilities, the Corporate Administration Agreement, the Asset Management Agreement, the Property Management Agreement, the employment contract with the CEO and the Mandate Agreement (as defined herein below) for the Equity Issue and the issue of the Senior Unsecured Bond Financing.

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

All inquiries relating to this Offering Memorandum 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 Offering Memorandum 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.

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 Offering Memorandum. Such collaboration with other companies in the Pareto Securities Group shall not entitle the Manager to any additional fee.

The Company has engaged Nordnet Bank AB as Distributor (as defined below) in connection with the Institutional Offering and Avanza Bank AB as Distributor in the Retail Offering and the Institutional Offering. The Distributors will receive remuneration for the engagement.

Confidentiality

All communications relating to the Offering Memorandum shall be addressed to the Manager or the Distributors (as defined below). No other party has been authorised to disclose information or other details relating to the Offering Memorandum or circumstances referred to in the Offering Memorandum.

The Offering Memorandum is confidential. Reproduction or distribution of all or part of the Offering Memorandum or disclosure of its contents is not permitted.

Risk

It is emphasized that investments in real estate projects can involve great risks, and that any investment in shares will always be associated with risk. All investors must acknowledge the possibility that such an investment may result in the loss of all or part of the invested amount. Any investors that either cannot, or does not want to assume such risk should refrain from acquiring shares of the Company; see risk factors associated with investment in the Company in chapter 3 (*Risk factors*) for further details.

The Company's intention is to apply for listing of the Shares on Nasdaq First North in Stockholm, with an intended first day of trading within two business days from the Closing (as defined herein below).

Distribution

The offer is not an offer to the general public in Sweden or anywhere else, and does not entail a duty pursuant to the Swedish Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) to prepare a prospectus. This Offering Memorandum is not approved by or registered with the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). The offer will be made by way of an Equity Issue (as defined below) and by means of this Offering Memorandum. The Equity Issue will be made in three separate offerings; (1) one offering to a number of identified investors at a minimum application per investor of EUR 100,000 (the "**Institutional Offering**"), (2) one offering in which the aggregate sum the investors will pay will not exceed the equivalent of EUR 2,500,000 (the "**Retail Offering**") and (3) one offering to the Vendors to re-invest part of the purchase price by way of a set-off (the "**Vendor Offering**"). The Institutional Offering, the Retail Offering and the Vendor Offering are jointly referred to as the "**Offerings**".

THIS DOCUMENT IS FOR THE USE OF THE RECIPIENT ONLY AND SHOULD NOT BE COPIED OR DISTRIBUTED TO ANY OTHER PERSON OR ENTITY. THIS DOCUMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR

INDIRECTLY, IN OR INTO, AUSTRALIA, CANADA, HONG KONG, JAPAN, NEW ZEALAND OR SOUTH AFRICA, NOR IN ANY OTHER JURISDICTION IF SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE PROHIBITED BY APPLICABLE LAW IN ANY SUCH JURISDICTION OR OTHERWISE.

The Shares to be issued neither can, nor will, be marketed in jurisdictions in which this would be unlawful or subject to any requirement for registration or government approval.

Distribution of the Offering Memorandum, as well as offering the Shares for sale, or selling the Shares, may be subject to restrictions in certain jurisdictions. It is a requirement on the part of the Company and Pareto that any person who comes into possession of the Offering Memorandum shall familiarise him- or herself, and comply, with such restrictions. The Offering Memorandum shall not be used with a view to making, or in connection with making, any offer or solicitation made by persons in a jurisdiction under circumstances implying that such offer or solicitation is not permitted or not lawful.

Solely for the purposes of the manufacturer's (as used herein, "**Manufacturer**" refers to Pareto Securities AB) product approval process, the target market assessment in respect of the Shares has led to the conclusion that: (i) the target market for the Shares is eligible counterparties, professional clients and non-professional clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Shares to eligible counterparties, professional clients and non-professional clients are appropriate. Any person subsequently offering, selling or recommending the Shares (a "**Distributor**") should take into consideration the Manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Shares (by either adopting or refining the Manufacturers' target market assessment) and determining appropriate distribution channels. For the avoidance of doubt, the target market assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Shares.

This Offering Memorandum is subject to Swedish law, and any dispute arising out of or in connection with this Offering Memorandum is subject to the exclusive jurisdiction of Swedish courts.

NOTICE TO INVESTORS IN THE UNITED STATES

The offering consists of: (i) a Private Placement to (a) institutional and professional investors in Sweden, (b) investors outside Sweden and the United States of America (the "**U.S**." or the "**United States**"), subject to applicable exemptions from the prospectus requirements, and (c) “qualified institutional buyers” ("**QIBs**") in the United States as defined in, and in reliance on, Rule 144A ("**Rule 144A**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and (ii) an offer that is not to the general public in Sweden or anywhere else, and does not entail a duty pursuant to the Swedish Financial Instrument Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) to prepare a prospectus. All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act ("**Regulation S").**

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares. The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, sold, pledged or otherwise transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Accordingly, the Shares will not be offered or sold within the United States, except in reliance on the exemption from the registration requirements of the U.S. Securities Act under Rule 144A. The Shares will be offered outside the United States in compliance with Regulation S. Prospective investors are hereby notified that sellers of Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act. See "Section A United States" below.

Any Shares offered or sold in the United States will be subject to certain transfer restrictions as set forth under Section A: United States below.

The securities offered hereby have not been recommended by any United States federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the Private Placement or confirmed the accuracy or determined the adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense under the laws of the United States.

In the United States, this Offering Memorandum is being furnished on a confidential basis solely for the purposes of enabling a prospective investor to consider purchasing the particular securities described herein. The information contained in this Offering Memorandum has been provided by the Company and other sources identified herein. Distribution of this Offering Memorandum to any person other than the prospective investor specified by the Manager or their representatives, and those persons, if any, retained to advise such prospective investor with respect thereto, is unauthorised and any disclosure of its contents, without prior written consent of the Company, is prohibited. This Offering Memorandum is personal to each prospective investor and does not constitute an offer to any other person or to the public generally to purchase Shares or subscribe for or otherwise acquire any Shares.

Section A: United States

The Shares in the offer have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold except: (i) within the United States to QIBs in reliance on Rule 144A; or (ii) to certain persons in offshore transactions compliance with Regulation S under the U.S. Securities Act, and in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Shares as part of its allocation at any time other than to QIBs in the United States in accordance with Rule 144A or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Shares will be restricted and each investor of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described under Section B: United States below.

Any offer or sale in the United States will be made by affiliates of the Manager who are broker-dealers registered under the U.S. Exchange Act. In addition, until 40 days after the commencement of the Private Placement, an offer or sale of Shares within the United States by a dealer, whether or not participating in the Private Placement, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A of the U.S. Securities Act and in connection with any applicable state securities laws.

Section B: United States

The Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each investor in the Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed decision and that:

- The investor is authorised to consummate the purchase of the Shares in compliance with all applicable laws and regulations.
- The investor acknowledges that the Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer.
- The investor is, and the person, if any, for whose account or benefit the investor is acquiring the Shares was located outside the United States at the time the buy order for the Shares was originated and continues to be located outside the United States and has not purchased the Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Shares to any person in the United States.
- The investor is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Shares from the Company or an affiliate thereof in the initial distribution of such Shares.
- The investor is aware of the restrictions on the offer and sale of the Shares pursuant to Regulation S described in this Offering Memorandum.
- The Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S.
- The Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above restrictions.
- The investor acknowledges that the Company, the previous owners, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
- Each investor of the Shares within the United States pursuant to Rule 144A will be deemed to have acknowledged, represented and agreed that it has received a copy of this Offering Memorandum and such other information as it deems necessary to make an informed investment decision and that:
- The investor (i) is a QIB (as defined in Rule 144A), (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring such Shares for its own account or for the account of a QIB, in each case for investment and not with a view to any resale or distribution to the Shares, as the case may be.
- The investor is aware that the Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act.
- If, in the future, the investor decides to offer, resell, pledge or otherwise transfer such Shares, as the case may be, such Shares may be offered, sold, pledged or otherwise transferred only (i) to a person whom the beneficial owner and / or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) in accordance with Regulation S, (iii) in accordance with Rule 144 (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction.
- The Shares are "restricted securities" within the meaning of Rule 144(a) (3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Shares, as the case may be.

- The investor acknowledges that the Company, previous owners, the Manager and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

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APPENDICES

Appendix 1: Articles of association of the Company

In addition, the following documents can be obtained upon request from Pareto:

- Mandate agreement between Pareto and the Company (the "**Mandate Agreement**")
- Corporate Administration Agreement between Pareto Business Management AB and the Company
- Asset Management Agreement between the Asset Manager Finland and 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 Portfolio Value	The agreed cash and debt free value of EUR 735,000,000 under the Share Purchase Agreement with regard to the shares in the Targets allocated 43.8% and 56.2% to Target Grocery Finland and Target Retail Finland, respectively
Anchor Investors	The investors that have made commitments to the Manager to subscribe for Shares in the Equity Issue for a total amount of EUR 40.9 million
Anchor Tenants	Kesko, S-Group and Tokmanni, which are direct or indirect, through its affiliates, counterparties under each lease agreement
Asset Management Agreement	The advisory agreement between the Asset Manager Finland and, *inter alia*, the Company regarding the management of the Portfolio
Asset Manager Finland	Sirius Retail Asset Management Oy, corporate identification number 2867072-7
Business Manager	PBM
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
Closing	The consummation of the acquisition of the Targets
Company	Creating Income Based Upon Selection AB (publ) under name change to Cibus Nordic Real Estate AB (publ), corporate identification number 559135-0599
Company Costs	All costs related to the management of the Group, which are not defined as Property Related Costs, for example the fees to the Business Manager, the Asset Manager Finland and the Property Manager Finland and other necessary Finnish and Swedish administration costs
Corporate Administration Agreement	The corporate administration agreement between the Business Manager and the Company regarding the management of the Group
CPI	Finnish cost-of-living index, published by Statistics Finland
Day 1-profit	Profit recognised in the pro forma balance sheet that represents the difference between the Agreed portfolio value, including transaction costs, and the market value of the Portfolio
Debt Facilities	The Senior Secured Bank Financing and the Senior Unsecured Bond Financing
Dividend Yield	Annualised total cash dividend payments to the holders of the Shares divided by the total amount raised through the Equity Issue

EBIT	Earnings on a consolidated basis before interest and taxes
EBITDA	Earnings on a consolidated basis before interest, taxes, depreciation and amortisation of eventual goodwill
ESG	Environmental, social and corporate governance
Equity Issue	The share issue of 31,100,000 new Shares that will be issued in the Company, in which prospective investors are offered to invest pursuant to this Offering Memorandum
Gross Leases	Lease Agreements where the landlord is responsible for major renovations, real estate tax and real estate insurance and for e.g. utilities or building management, as agreed in the respective lease agreement
Group	The Company and all its subsidiaries, including the Targets and the Subsidiaries (each a "**Group Company**")
Group Costs	Annual costs associated with the Group's operations, including the Property Related Costs and the Company Costs
ICR	Interest coverage ratio, being EBITDA divided with net interest expenses of the Group. EBITDA includes adjustments for transaction costs and/or non-recurring items
Institutional Offering	The offering to a number of identified investors at a minimum application per investor of EUR 100,000
IRR	Internal rate of return, the annualised effective compounded return rate
Kesko	Kesko Oyj, corporate identification number 0109862-8.
Lease Agreements	All lease agreements in the portfolio
LTV	Loan to value (Debt Facilities, the Senior Secured Bank Financing or the Senior Unsecured Bond Financing to value of the Portfolio)
Manager or **Pareto**	Pareto Securities AB, corporate identification number 556206-8956
MidCo	Creating Income Based Upon Selection Sweden AB under name change to Cibus Sweden Real Estate AB, corporate identification number 559121-3284. The MidCo is a subsidiary to the Company
Money Laundering Act	The Swedish Act on measures against money laundering and terrorist financing (Sw. *lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*)
MREC	Mutual real estate company that is indirectly owned (in whole or in part), by one of the Subsidiaries, and which is the registered owner of a Property or Properties included in the Portfolio in freehold or in leasehold
Net Leases	Lease Agreements where the landlord is responsible for major renovations, real estate tax and real estate insurance

NOI	Net operating income, being all amounts payable to the Group arising from or in connection with any lease, less any Property Related Costs
Net Real Estate Yield	Annualised NOI, divided by the Agreed Portfolio Value
Offering Memorandum	This offering memorandum, with appendices, dated 5 February 2018
Offerings	The Institutional Offering, the Retail Offering and the Vendor Offering jointly
PBM	Pareto Business Management AB, corporate identification number 556742-5581
Portfolio or **Properties**	The 123 assets included in the portfolio which will be indirectly acquired through the acquisition of the Targets. Note that the number of properties is higher as some assets constitute more than one property
Property Management Agreement	The service agreement between the Property Manager Finland and the Company regarding the property and financial management of the Portfolio
Property Manager Finland	Colliers International Finland Oy, corporate identification number 0420052-8 (former Ovenia Oy). Colliers International Group Inc. acquired the Ovenia Group on 4 January 2018
Property Related Costs	All operating costs (excluding Company Costs and CAPEX) connected to the handling of the Portfolio
Retail Offering	The offering in which the aggregate sum the investors will pay will not exceed the equivalent of EUR 2,500,000
S-Group	The 20 regional and local cooperatives, several corporate identification numbers, and Suomen Osuuskauppojen Keskuskunta (SOK Corporation), corporate identification number 0116323-1
Senior Secured Bank Financing	The existing financing of EUR 308 million in the Targets
Senior Unsecured Bond Financing	The senior unsecured bond financing, or equivalent debt instrument, of EUR 135 million, which together with capital raised in the Equity Issue, will be used to finance the Transaction
Share Purchase Agreement	The share purchase agreement that was entered into on 22 December 2017 between the Company as purchaser (on behalf of the MidCo) and the Vendors as sellers regarding the purchase of all shares in the Targets, being the indirect owners of the Portfolio. The share purchase agreement is, *inter alia*, conditioned on successfully completing the Equity Issue and the issue of the Senior Unsecured Bond Financing
Shares	The shares to be issued in the Equity Issue
Subsidiary Grocery Finland	SF Grocery Finland Oy, corporate identification number 2619776-1, fully owned by Target Grocery Finland

Subsidiary Retail Finland	SF Retail Finland Oy, corporate identification number 2720961-3 fully owned by the Target Retail Finland
Subsidiaries	SF Grocery Finland Oy and SF Retail Finland Oy
Targets	Target Grocery Finland and Target Retail Finland
Target Grocery Finland	Sirius Grocery Holding S.à r.l., corporate identification number B192963
Target Retail Finland	Sirius Fund II Holding S.à r.l., corporate identification number B204268
Tenants	The Anchor Tenants and all other tenants of the Portfolio
Tokmanni	Tokmanni Oy, corporate identification number 1928426-9
Transaction	All transactions under the Share Purchase Agreement, the Equity Issue, the Senior Secured Bank Financing and the Senior Unsecured Bond Financing
Triple-net Leases	Lease Agreements where the landlord is responsible for major renovations only
WAULT	The weighted average unexpired lease term of the Lease Agreements as of 31 December 2017
Vendor Investor	A wholly owned subsidiary of the Vendors who has committed to the Manager and the Company to subscribe for Shares in the Vendor Offering in an amount up to EUR 100,000,000.
Vendor Notes	The two vendor notes to be issued by MidCo to the Vendors on Closing in an aggregated amount corresponding to the Vendor Investor's investment in the Vendor Offering
Vendor of Target Grocery Finland	Sirius Fund I Grocery SCSp S.à r.l., corporate identification number B194325
Vendor of Target Retail Finland	Sirius Fund II SCSp S.à r.l., corporate identification number B202070
Vendor Offering	The offering in which the Vendor Investor will subscribe for Shares and re-invest a part of the purchase price in a maximum aggregate amount of EUR 100,000,000
Vendors	Vendors of Target Grocery Finland and Vendors of Target Retail Finland

2 INVESTMENT SUMMARY

This summary should be read as an introduction to the Offering Memorandum, and is entirely subordinate to the more detailed information contained in this Offering Memorandum including its appendices. Any decision to invest in the Shares should be based on an assessment of all information in this Offering Memorandum and any other relevant information. In particular, potential investors should carefully consider the risk factors mentioned in chapter 3 (Risk factors).

For an explanation of definitions and terms used throughout this Offering Memorandum, please refer to chapter 1 (List of Definitions).

2.1 Summary of the Company, the Tenants and the Portfolio

The Company is a Swedish limited liability company with no current business. The Company has, on behalf of the MidCo, entered into the Share Purchase Agreement to acquire all shares in the Targets, which through its Subsidiaries are the indirect owners of the Portfolio. Lisa Dominguez Flodin, previously, *inter alia,* CFO and CEO of Cityhold Property AB and member of the board of the listed real estate company NP3 Fastigheter AB, will act as the Company's CEO. Richard Backlund, previously, *inter alia,* Chairman of the Board of NP3 Fastigheter AB, CEO of Cityhold Property AB and Group CEO of Aberdeen Property Investors, is proposed to be the Company's Chairman of the Board.

The Company is, and will be, focused on acquiring, developing and managing properties in the Nordics with reputable grocery and discount store chains as anchor tenants. First acquisition is this Transaction, a property portfolio in Finland consisting of 123 assets anchored by the grocery chains Kesko and S-Group and the discount retailer Tokmanni, with an agreed portfolio value of EUR 735 million. The Agreed Portfolio Value implies a discount of approximately 5% compared to external valuation of EUR 767 million.

The Company is seeking to raise EUR 311 million in new equity to partly finance the acquisition of the Portfolio and cover transaction costs.

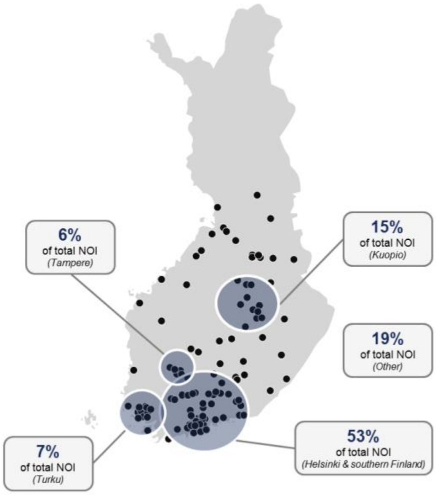
The Properties are located in growing regions across Finland with the majority of the Properties located in the southern part of the country. The Properties are relatively modern with a weighted average construction year of 1995. More than 90% of the total rental income of the Properties is anchored by the Anchor Tenants of which Kesko anchors approximately 59%, Tokmanni approximately 25% and the S-Group approximately 8%.

In total, the Portfolio comprises approximately 437,860 square metres of lettable area and the average size per property is subsequently approximately 3,600 square metres. The current vacancy rate of the Portfolio amounts to approximately 5% and the WAULT is approximately 5.4 years.

The estimated annual rent, excluding supplements, for the Portfolio amounts to approximately EUR 47.9 million, corresponding to approximately EUR 115 per square metre (occupied premises only). Almost all Lease Agreements are adjusted equivalent to changes in the CPI.

The Company's intention is to apply for listing of the Shares on Nasdaq First North in Stockholm, with an intended first day of trading within 2 business days from Closing. There is no guarantee that the Shares will be admitted to such trading within such timeframe or admitted to trading at all.

Pictures and location of the Properties



Source: the Vendors

2.2 Summary of the Equity Issue

On 16 January 2018 the Board of Directors of the Company proposed to issue a total of 31,100,000 Shares in the Company at par value which the Manager subscribed for, for a total remuneration of EUR 311,000. Simultaneously, the Board of Directors proposed a redemption of the Company's existing 6,000,000 shares with the purpose of repaying PBM. Post such events, the number of shares in the Company was 31,100,000 and the share capital amounted to EUR 311,000 with the Manager as sole shareholder. The Shares will now be sold to certain investors through the Offerings.

The formal resolutions to issue a total of maximum 31,100,000 new shares in the Company and to redeem 6,000,000 shares and the resolutions of the general meeting were, in accordance with the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*), based upon the proposals of the Board of Directors.

The formal subscription for the Shares will be made on a subscription list during the subscription period. By placing a subscription by taped phone, Bloomberg or e-mail, each subscriber gives the Manager an irrevocable authorization to, in the name and on behalf of the subscriber (i) subscribe the number of shares applied for in the Equity Issue and (ii) enter into any other agreement or document and to conclude the transactions described in this Offering Memorandum. The subscriber is also aware and validates that the Company's lender(s) might require to confirm the final ownership structure of the Company, which would include the subscriber(s) investment(s).

2.2.1 Pre-commitments by investors to participate in the Equity Issue

The Vendors have, through a wholly owned subsidiary, committed to the Manager and the Company to subscribe for a maximum of 10,000,000 shares in the Equity Issue for a total amount of up to EUR 100,000,000. The subscription price will be funded through a re-investment of a part of the purchase price corresponding to the Vendor Investor's total subscription price and paid for with the Vendor Notes. The Vendor Investor is not guaranteed any allocation of its subscription.

A number of investors have until 2 February 2018 committed to the Manager to subscribe for 4,094,000 shares in the Equity Issue for a total amount of EUR 40.9 million. In addition, the Manager has received other indicative subscription interests for 5,190,000 shares, corresponding to a total amount of EUR 51.9 million. In total, commitments and other indicative subscription interests correspond to approximately 62% of the Shares to be issued in the Equity Issue. The Manager has granted the Anchor Investors full allocation (based on the number of shares committed).

2.2.2 Summary of financial information

The purchase price, which is based on the Agreed Portfolio Value is planned to be financed with the Equity Issue of EUR 311,000,000 and the Senior Unsecured Bond Financing of EUR 135,000,000. Further, debt of EUR 308,000,000 currently financing the Portfolio will be overtaken by the Group.

Key financial figures include:

- Net Real Estate Yield of approximately 6.1%
- Estimated Dividend Yield of approximately 8.0%
- Initial LTV of approximately 60% based on the Agreed Portfolio Value, including the Senior Secured Bank Financing and the Senior Unsecured Bond Financing

2.2.3 Subscription specifics

- The subscription price is EUR 10 per Share
- Settlement will be made in SEK, based on the exchange rate upon allotment (see section 4.8 for further information)
- Each applicant's minimum subscription in the Institutional Offering in the Equity Issue is set to EUR 100,000, which corresponds to 10,000 Shares
- Each applicant's minimum subscription in the Retail Offering in the Equity Issue is set to EUR 1,000 which corresponds to 100 Shares
- The subscription period for the Institutional Offering runs from 7 February 2018 at 09:00 CET to 1 March 2018 at 17:00 CET
- The subscription period for the Retail Offering runs from 7 February 2018 at 09:00 CET to 28 February 2018 at 17:00 CET
- The Vendors total subscription will be confirmed after the subscription period for the Institutional Offering
- The Board of Directors of the Company and/or the Manager reserve(s) the right to, in sole discretion, shorten or extend the subscription period

2.2.4 Payment for Shares

- Settlement for the subscribed Shares is expected to be due on or about 6 March 2018
- Settlement for the subscribed Shares in the Vendor Offering will occur on Closing
- Settlement is effected as Delivery vs Payment (DvP). Each investor must notify his or her custodian/bank to instruct receipt of the shares vs payment in the VPC system (Euroclear Sweden)
- If full payment is not received in time, the allotted Shares may be transferred to another investor
- If the price in the event of such a transfer is lower than the subscription price, the party originally allotted the Shares in the offer may be required to pay the difference
- The Board of Directors of the Company and/or the Manager is free to extend or shorten the payment period of up to six weeks without giving the applicant the right to cancel any applications for Shares

2.2.5 Prevention of Money Laundering

In order to subscribe for Shares, the investor must satisfy the applicable requirements pursuant to the Money Laundering and Terrorist Financing Prevention Act (Sw. *Lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*) and its associated regulations in the country where the Applicant is situated. To apply for Shares, the Applicant must be a client of the Manager or the Distributors and have a VP-account with Euroclear Sweden or a custody account with a custodian.

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

3.1 Risks outside the scope of the review

Due to the magnitude of the acquisition of the Targets, no complete legal review of the Portfolio has been carried out, but only a verifying review based on the Vendors' legal due diligence reports and a pre-determined limited number of documents concerning certain aspects of the Group and the Properties. Material reviewed in addition to the Vendors' legal due diligence report included Lease Agreements corresponding to approximately 67% of the generated rental income of the Portfolio, material concerning shareholding, certain public information, and specific indemnities and specific undertakings under the share and purchase agreements, by which the Vendors acquired the portfolios forming the Portfolio. There is no certainty that the risk factors described herein and the scope of the verifying legal review addresses or reflects the specific requirements, interests or circumstances that each investor may have.

The technical, environmental, tax and financial due diligence have also been limited due to the magnitude of the acquisition of the Targets.

3.2 Limited or no substantial operating history

The Company is in a development stage and has recently been formed for the purpose of carrying out the business plan contained in this Offering Memorandum. Although the CEO, the Business Manager and the Asset Manager Finland have 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 CEO, the Business Manager and the Asset Manager Finland in order to carry out its business plan and conduct its day-to-day business.

3.3 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 Properties would adversely affect the valuation of the Group's property portfolio and hence affecting the Group's financial condition negatively.

3.4 Transaction risk

Even though the Share Purchase Agreement is signed by the Vendors and the Company, on behalf of the MidCo, it is conditioned, *inter alia*, on the completion of the Equity Issue and the issue of the Senior Unsecured Bond Financing. Hence, there is a risk that even though the Equity Issue is successfully completed, the Transaction will not occur.

3.5 Credit risk in relation to the Vendors

The Company's credit risk in relation to the Vendors will be addressed and mitigated by the W&I Insurance under which the Vendors will pay the insurance premium of up to EUR 900,000. The insurance policy will take effect as from Closing and the remedy for the MidCo as a consequence of any breach of the Vendors' warranties in the Share Purchase Agreement will be a right for the MidCo to claim compensation from the insurer under the insurance policy.

3.6 Operational risk

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

The Lease Agreements relating to the Properties have been entered into with different tenants with more than 90% of the Properties anchored by Kesko, Tokmanni and S-Group making the Group dependable on any of these tenants and their ability to perform their obligations under the Lease Agreements (e.g. service rent). Even though no single property accounts for a larger share than 3.3% of the Portfolio's total rental income, there is a risk that many Properties would become vacant should either of Tokmanni, Kesko and S-Group suffer financial distress. Should either of Tokmanni, Kesko or S-Group be unable to perform their obligations under the Lease Agreements, this could have an adverse effect on the Group's financial condition.

There are certain risks involved with obtaining new tenants. New potential tenants might imply higher counterparty risks, and the Group's ability to successfully negotiate new lease agreements on favourable terms is dependent upon the general condition of the real estate market at such time. Further, the premises may have to be renovated and adjusted to serve a new tenant, or several tenants instead of a few tenants. Such investments could affect the Group's financial condition negatively.

3.7 Missing and terminated lease security

Several lease security under the Lease Agreements are either missing or have expired. Therefore, the relevant Group Companies may not have security for breaches by tenants under certain Lease Agreements. As a consequence, to the extent no lease security is valid in relation to a lease agreement, the Group Companies acting as landlords under the Lease Agreements may incur unforeseen loss due to a tenant's inability or lack of willingness to fulfil its obligations, such as payment of rent, set out in a lease agreement. This, in turn, may have a negative effect on the liquidity, dividends and expected equity returns of the Group.

3.8 Financing risk

Financial risk includes, but is not limited to, 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 completion of the offer set out in this Offering Memorandum. 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.

As of the date of this Offering Memorandum, the terms of the Senior Unsecured Bond Financing are still under negotiation. The Company assesses the risk of failing to issue a bond to be limited. There can, however, be no assurance that the Company will succeed in issuing a bond on terms equal to or better than those outlined in the indicative terms. Should the Company prove unsuccessful in issuing a bond on the indicative terms, the Company may elect to seek external financing from other sources, which may be more expensive for the Group, or not even available at all.

3.9 Refinancing risk

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

The Group will also, in connection with a refinancing of its debts, be exposed to interest risks on interest bearing current and non-current liabilities. Changes in interest rates on the Group's liabilities will affect the Group's cash flow and liquidity, hence may adversely affect the Group's financial conditions and the equity returns. The Group's inability to refinance its debt obligations on favourable terms, or at all, could have a material adverse effect on the Group's business, financial condition and results of operations. The Senior Secured Bank Financing matures in April 2020, February 2021 and March 2021 and according to the term sheet of the Senior Unsecured Bond Financing, which is under negotiation as of the date of this Offering Memorandum, the Senior Unsecured Bond Financing matures in May 2021.

3.10 Compliance with financing agreements

The loan agreements the Group has entered into will make the Group subject to a number of covenants dictating what actions the Group may and may not take. Should the Group breach these covenants, such breach may trigger increased amortisation and an up-streaming restriction. Further, additional financing costs may be incurred and the loans may be accelerated, which could result in bankruptcy and liquidation of the Group. Such events would negatively affect the Group's financial condition and equity returns.

In addition, the loan agreements the Group has entered into contain an ownership clause (i.e. change of control). Such ownership clause restricts any legal person's right to acquire or control more than a certain agreed share of the capital and/or voting rights of the Company. Should any person acquire or obtain ownership or control exceeding the agreed share, the full amount outstanding under the loan agreement may be declared due and payable at short notice. There is a risk that a refinancing in connection with such event would lead to increased costs and therefore affect the Group's financial conditions and the equity returns negatively.

The Group is required to comply with the terms and conditions under the Senior Unsecured Bond Financing, including, *inter alia*, to pay interest under the bonds. Events beyond the Group's control, including changes in the economic and business conditions in which the Group operates, may affect the Group's ability to comply with, among other things, the undertakings set out in the terms and conditions. A breach of the terms and conditions could result in a default under the terms and conditions, which could lead to an acceleration of the bonds, resulting in the Company having to repay the bondholders at the applicable call premium. It is possible that the Company will not have sufficient funds at the time of the repayment to make the required redemption of bonds. There is a risk that such event would lead to increased costs and therefore affect the Group's financial conditions and the equity returns negatively.

3.11 Deviation from forward-looking statements

This Offering Memorandum 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 chapter and elsewhere in this Offering Memorandum. The cautionary statements made in this Offering Memorandum should be read as being applicable to all forward-looking statements wherever they appear in this Offering Memorandum.

3.12 Deviation from estimated Property Related Costs and CAPEX

The estimated Property Related Costs and CAPEX on which the forward-looking statements have been calculated are based upon information from the Vendors, historic Property Related Costs for the Properties and a limited technical and environmental due diligence conducted on the Properties. Based on such information the Company has estimated the long-term CAPEX need to an average of approximately EUR 2.5 million per year. As the Portfolio is relatively large, there is a risk that the Property Related Costs and CAPEX for various reasons may exceed the estimated costs, hence affecting the Group's financial condition and equity returns.

3.13 Geographic risk

This Offering Memorandum contains certain market information relating to the property market in Finland. Market values of properties in Finland may decline in the future and negatively impact the equity returns.

3.14 Management risk

The Group is initially dependent upon the CEO and the Business Manager for the implementation of its strategy and the operation of its activities. The Corporate Administration Agreement is entered into for a period of three (3) years, commencing on Closing of the Transaction. The Company has, however, a right to terminate the Corporate Administration Agreement at any time with six (6) months' written notice. There is an uncertainty with regard to the management of the Group in the event of a termination of the Corporate Administration Agreement. In addition, the Group will depend upon the services and products of certain other consultants, contractors and other service providers in order to successfully pursue the Group's business plan. There is a risk that the Group cannot purchase new management services or other necessary services or products on favourable terms, or at all, which could have an adverse effect on the Group's business, financial condition and equity returns.

The Company is also dependent upon the Asset Manager Finland and the Property Manager Finland for the implementation of their strategies and the operation of their activities. There is a risk that the Asset Manager Finland and the Property Manager Finland fails to implement the strategy demanded by the Company and its shareholders, which may adversely affect the Group's financial condition, operations and earnings.

Finally, there is a risk that the fees payable to the Business Manager, the Asset Manager Finland and the Property Manager Finland as well as arrangements with the Manager, could have an adverse effect on the Group's financial condition.

3.15 Issues relating to asset and property management

Eight (8) MRECs owning eleven (11) Properties had been managed unprofessionally prior to closing of the acquisition of such real estate companies by the Vendors in February 2016, which has resulted in several management related issues. Such issues include unsatisfactory corporate governance, discrepancies regarding utility connection agreements, mismatch of obligations of several MRECs, outstanding obligations relating to zoning and planning obligations, monitoring of specific undertakings given by the previous vendors and missing documentation. The above described issues are likely to result in increased portfolio management and other expenses, which may adversely affect the Group's business and operations.

3.16 Property risk

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

3.17 Environmental and technical risk

According to the polluter pays principle established under Finnish environmental law, the operator who has caused pollution will be responsible for remediation. However, should it not be possible to locate the polluter, the property owner or possessor can secondarily be held responsible for remediation and associated costs. Accordingly, there is a risk that the members of the Group in their capacity as property owners may be held responsible for costly remediation works. The allocation of costs relating to soil and groundwater contamination can be agreed otherwise between the respective parties, which is the case in respect of most Properties. Therefore, in certain cases, the risk of the members of the Group is more severe than solely under applicable laws. However, in certain cases, the tenants have assumed the risk for contamination, which, in turn, reduces the Group's aggregate risk position. The environmental risks are to some extent limited in the Share Purchase Agreement.

Some Properties are included in the MATTI soil database, which lists certain contaminated and potentially contaminated land areas in Finland. Further, there has been contamination, or there is a known risk of contamination, in respect of some Properties. If authorities require remediation of contaminated areas, it cannot be ruled out that certain members of the Group are responsible for the related costs. A specific indemnity of the Vendors in respect of the existence of any hazardous substances on, in the soil of or in the groundwater under the Properties owned by three (3) MRECs has been included in the Share Purchase Agreement for a period of six (6) months following Closing.

3.18 Administrative procedure relating to contaminated soil

Soil contamination has been detected in the soil of the Property owned by a MREC. The MREC has made a provision in its account of approximately EUR 600,000 in relation to such contamination. The MREC has initiated an administrative proceedings, whereby the MREC has on 15 November 2016 filed an application to the Centre for Economic Development, Transport and the Environment of Pohjois-Savo (the "**Pohjois-Savon ELY**"), requiring that Pohjois-Savon ELY orders St1 Oy to remediate the detected contamination. The latest development is a decision by the Pohjois-Savon ELY issued on 30 June 2017 stating that the contamination must be remediated, but that St1 Oy cannot be obligated to carry out the remediation. Further, the Pohjois-Savon ELY will continue handling the matter after the decision has gained legal force. The MREC has appealed against the decision on 21 July 2017 to the Vaasa Administrative Court, and the appeal is currently pending.

There is no way to ascertain at this stage, who the Pohjois-Savo ELY will oblige to carry out the remediation works. Further, it's contractually uncertain who is responsible for the costs of remediation. However, the future (possible) remediation measures may cause complications to the use of the Property held by the MREC, and in the worst case scenario, the MREC could incur higher remediation costs relating to the soil contamination detected on the Property compared to the reserved amount.

3.19 Indoor air issues

There have been indoor air issues in respect of two (2) MRECs owning Properties. The respective MRECs could potentially incur relevant high costs of remedial action relating to indoor air issues, which may not be recoverable from the tenants, as well as suffer a loss resulting from possible rent reductions attributable to the indoor air issues or related renovations. In a worst case scenario, indoor air issues may entitle the relevant tenants to rescind the lease agreement. A specific indemnity of the Vendors in this respect has been included in the Share Purchase Agreement for the period of six (6) month period following Closing. The abovementioned issue may cause the Group to incur higher remediation costs which may adversely affect the Group's business and operations.

3.20 Terminal value risk

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

3.21 Risk related to future share issues

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

3.22 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. On the date hereof, the Vendors are aware of one (1) pending dispute with a tenant, with the disputed amount being approximately EUR 7,500, as well as one (1) pending criminal case pertaining to an attempted burglary at one of the Group's Properties. Changes in laws relating to ownership of land could have an adverse effect on the value of Shares. New laws may be introduced which affect environmental planning, land use and/or development regulations.

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

In May 2018 a new General Data Protection Regulation ("**GDPR**") issued by the EU will enter 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 per cent of the Group's global turnover. If the Group fails to comply with the new GDPR this may have a negative impact Group's business and financial position.

3.23 Risks relating to the Shares

The intention is that the Company will apply for listing of the Shares on Nasdaq First North in Stockholm following completion of the Transaction. However, there is a risk that the Shares will not be admitted to trading. Further, even if the Shares are admitted to trading on Nasdaq First North in Stockholm, 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 Equity Issue may not be indicative compared to the market price of the Shares if they are admitted for trading on Nasdaq First North in Stockholm. 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 Portfolio in whole. Investments in the Shares are only suitable for investors who can bear the risks associated with a lack of liquidity in the Shares.

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

In addition, payment for any Shares allocated to an investor will be made in SEK based on the EUR/SEK exchange rate procured by the Manager on or about the date of allocation. Full proceeds in EUR will then be paid to the Company upon settlement. If the Equity Issue for any reason is cancelled after settlement has occurred, the Shares will be redeemed and the investors which are registered as shareholders at the communicated record date for redemption will receive repayment of its investment in SEK based on the available exchange rate at that time. Hence, such investors are subject to risk relating to currency rate exposure and there is a risk that any fluctuations in currency rate will lead to an investor's invested capital is reduced in connection with a redemption.

3.24 Dilution in case of a new share issue or share split

In connection with the listing of the Shares on Nasdaq First North in Stockholm, the Shares must be distributed to the public in order to meet the listing requirements of such trading platform. Such distribution may take place by way of a secondary sale of the Shares in the Company to a larger number of shareholders. However, if such secondary sale proves insufficient to meet the requirements of Nasdaq First North, a new share issue or a share split may need to be carried out resulting in a dilution (in respect of number of shares) of the existing (at the time of the issue) shareholders' holding in the Company. As such new share issue or split would be made on market conditions; there would however be no financial dilution of the Shares.

3.25 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 and/or bondholders approval and certain covenants in the financing documentation. Any payment of dividends from the Group is dependent on the proposal from the Board of Director's of the Company and ultimately the decision of the general meeting. There is a risk that the Company will not be able to pay dividends as projected in this Offering Memorandum.

3.26 Tax risk

Changes in laws and regulations regarding tax and other duties may involve new and changed parameters applicable to the Targets and taxation of the Targets at higher levels than as of the date hereof. Changes in tax rules and regulations may reduce the profitability of leasing out property and the profit after tax for the Targets and subsequently the profit for the shareholders of the Company.

The Company has identified certain discrepancies between the information available from the financial statements of each relevant Group Company and information provided by the Vendors, in relation to the real estate investments made in relation to the relevant buildings, as well as the amounts of VAT deducted. The Vendors have in the Share Purchase Agreement undertaken to use their commercially reasonable efforts to update and correct the VAT information and provide the correct information to the purchaser under the Share Purchase Agreement prior to Closing. To the extent the Vendors would not fulfil this undertaking this could have an adverse effect on the Group's financial condition and equity returns.

3.27 Risk related to current interest barrier rules and potential changes

Under the current interest barrier rules in Finland and Sweden, interest expenses are fully deductible against interest income. There are, however, rules that may limit tax deductibility of interest expenses in certain cases.

The current Finnish interest barrier rules are generally limited to interest paid to related parties by business companies, companies taxed in accordance with the Finnish Business Income Tax Act (BITA). As leasing of real estate is often not considered as a business activity for Finnish tax purposes, real estate companies and their holding companies are currently typically excluded from the scope of the Finnish interest barrier rules.

However, the Ministry of Finance in Finland has on 19 January 2018 published a draft proposal for changes in the Finnish interest deduction restriction rules. According to the draft bill, the new interest deduction limitation, applied as of 2019, would expand and significantly tighten the current regulation. Even though the actual government bill might differ from the draft proposal, below are the main contents of the proposed rules:

1. the net interest expenses would be deductible to the amount of 25% of the tax EBITDA. The tax EBITDA would be calculated by adding back interest expenses as well as tax depreciations to the taxable profit/loss before applying the interest deduction limitations;
2. all Group Companies, including both ordinary and mutual real estate companies as well as their holding companies, would be included in the scope of the rules;
3. interest expenses on loans from related and unrelated parties would fall within the scope of the rules. However, other than related party net interest expenses would be deductible always up to EUR 3 000 000;
4. the possible interest deduction limitations would be applied only if the net interest expenses exceed EUR 500 000;
5. the definition of interest and financial expenses ("borrowing costs" according to the EU Anti-Tax Avoidance Directive) would include interest expenses on all forms of debt, other costs economically equivalent to interest and expenses incurred in connection with the raising of finance; and
6. the non-deductible net interest expenses could be carried forward without time limitation.

In order to ensure compliance with any new or amended legislation, there is a risk that the Group may need to spend time and financial resources, which could have an adverse effect on the Group's business and financial condition.

It is possible that Finnish interest barrier rules would impact the tax deductibility of the interest cost of the Finnish companies. Hence, the change in legislation could result in higher income in taxation than accounting potentially increasing the tax cost in the structure. Further, there is a risk that any future changes to tax legislation and the implementation of such could affect the Group's tax paying position, financial condition and equity returns (e.g. through dividend capacity) negatively going forward.

In Sweden, the Swedish Government (due to the Anti-Tax Avoidance Directive (2016/1164/EU)), intends to pass a bill covering new limitations regarding the possibility to deduct interest costs (including interest costs on external loans). The rules are proposed for enactment per 1 July 2018 and will be applicable after 30 June 2018. These new rules could affect the possibility to deduct interest payments for the Swedish Group Companies. However, in the Group's current financing structure, the Swedish Group Companies should on a consolidated level not have any net interest expenses whereas the new rules should not have any effect on the Swedish Group Companies. There is a risk that future changes to the Group's financial structure could lead to the Group being affected by the new rules and affecting the Group's tax position, financial condition and equity returns negatively.

The Dividend Yield of 8% per annum is based on the interest barrier rules in effect as of the date of this Offering Memorandum and that potential changes of such rules subsequently could have a negative impact on the Company's financial condition and consequently its dividend capacity.

3.28 Risk related to the classification of taxable depreciation values

This Offering Memorandum is based on an expected tax residual value on the Properties of approximately EUR 336 million, of which approximately EUR 278 million attributes to buildings and approximately EUR 58 million attributes to land. A depreciation rate of 7% has been assumed on the buildings. If the tax values and/or the actual allocation and/or the depreciation rate differ from the above, payable tax may change from the estimates in the Company's budget. Any discrepancies from the above could affect the Group's financial condition.

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

3.30 Closing risk

There is a risk that Closing will not occur, due to for instance a material breach of a warranty under the Share Purchase Agreement by the Vendors or unforeseen events, in which case the Transaction and the Equity Issue will not be carried out. For further information, please see chapter 4 (*The Equity Issue, Subscription, allotment and payment of shares,* etc.*).*

In the event the Company goes bankrupt or is liquidated, the investors' claim to receive any paid-in equity will compete with claims under the Share Purchase Agreement, taxes or any other claims. There is a risk that the investors will not receive all, or anything, of the equity initially invested.

3.31 Vendor Investor

The Vendors have, through a wholly owned subsidiary, committed to the Manager and the Company to subscribe for Shares in the Equity Issue in an amount of up to EUR 100,000,000. There is a risk that such Vendor Investor will not be able to honour its commitments or that it may withdraw its commitments. If the Vendor Investor would not carry out its commitment to subscribe for Shares, the Company would have the possibility to initiate legal proceedings against such Vendor Investor for damages. However, it is uncertain if it is possible to enforce any commitment to subscribe for Shares under Swedish law. Further, even if a court was ruled in favour of the Company, there is a risk that such Vendor Investor would not have sufficient funds to be able to pay any damages.

3.32 Interest rate risks

The Senior Unsecured Bond Financing value depends on several factors, one of the most significant over time being the level of market interest. The Senior Unsecured Bond Financing will bear an interest of 3 month EURIBOR plus a floating rate margin. As the floating rate margin will not be fixed until on or about settlement of the Senior Unsecured Bond Financing, the Company is until such date exposed to risk relating to interest rate fluctuations. There is a risk that the floating rate margin payable under the Senior Unsecured Bond Financing will be higher than calculated in this Offering Memorandum. A higher interest rate level will have a negative effect on the Group’s financial condition and could also adversely affect equity returns.

3.33 Risks relating to the closing of the Senior Unsecured Bond Financing

There is a risk that closing of the Senior Unsecured Bond Financing will not occur, due to e.g. unfavourable market conditions or unforeseen events out of the Company's control. If closing of the Senior Bond Financing does not occur, the Company will have to incur alternative financing, and there is a risk that such alternative financing is only available on less favourable terms or not at all. There is a risk that the terms of such alternative financing could adversely affect the Group's financial condition and equity returns. Ultimately there is a risk that the Transaction and the Equity Issue will or cannot not be carried out.

3.34 Demergers of the members of the Group

Several members of the Group have been a recipient entity in a demerger. Such members of the Group having been a recipient entity in a demerger may be jointly liable for all obligations of the relevant demerging company that have been created before the implementation of the demerger. Some of the demerging companies are third parties. A specific indemnity of the Vendors in respect of certain MRECs having been recipients in the demerger of the third-party company Kiinteisö Oy AKR Etelä-Suomi, has been included in the Share Purchase Agreement. The specific indemnity covers all direct damage, cost, loss or expense (including loss of rental income and reasonable attorney fees) actually incurred by the Company or any Group Company from a claim presented pursuant to the MRECs' secondary liability, provided that such Group Company presents a related claim towards the Vendors within six (6) months following Closing.

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.

4 THE EQUITY ISSUE, SUBSCRIPTION, ALLOTMENT AND PAYMENT OF SHARES, ETC.

4.1 The Equity Issue and subscription price

The Company has, on behalf of the MidCo, entered into the Share Purchase Agreement for the acquisition of 100% of the shares in the Targets from the Vendors. The Portfolio includes 123 assets in Finland. The purchase price for the Targets is based on the Agreed Portfolio Value of EUR 735 million.

The Board of Directors has, against this background, proposed to raise equity in the amount of EUR 311,000,000 by an equity issue in which the Company issues 31,100,000 new shares which are sold to prospective investors for a subscription price of EUR 10 per share.

The payment required for an ownership stake of 1.0%, 5.0%, 10.0%, 20.0% and 25.0%, respectively, in the Company is as follows:

		Equity payment
Per 1.0%	EUR	3,110,000
Per 5.0%	EUR	15,550,000
Per 10.0%	EUR	31,100,000
Per 20.0%	EUR	62,200,000
Per 25.0%	EUR	77,750,000

The EUR 311 million of proceeds from the Equity Issue shall, together with the proceeds from the Senior Unsecured Bond Financing of EUR 135 million, exclusively be applied towards fully funding the acquisition of the Targets, including transaction costs and working capital requirements.

The Company’s intention is to apply for listing of the Shares on Nasdaq First North in Stockholm, with an intended first day of trading within 2 business days from Closing. There is no guarantee that the Shares will be admitted to such trading within such timeframe or admitted to trading at all.

The Shares will be offered to investors in three separate offerings (jointly referred to as the "**Offerings**"):

(a) one offering to a number of identified investors at a minimum investment per investor of EUR 100,000, the Institutional Offering;

(b) one offering, in which the aggregate sum the investors will pay will not exceed the equivalent of EUR 2,500,000, the Retail Offering; and

(c) one offering to the Vendor Investor at a maximum investment of EUR 100,000,000, the Vendor Offering

The Offerings are made in accordance with applicable exemptions in the Financial Instruments Trading Act (Sw. *lag (1991:980) om handel med finansiella instrument*) and the Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) (the "**Prospectus Directive**").

4.2 Terms of the Equity Issue

To be able to facilitate settlement mechanics in the Offerings, the Board of Directors of the Company on 16 January 2018 proposed to issue a total of 31,100,000 Shares in the Company at par value which the Manager subscribed for, for a total remuneration of EUR 311,000. Simultaneously, the Board of Directors proposed a redemption of the Company's existing 6,000,000 shares with the purpose of repaying PBM. Post such events, the number of shares in the Company was 31,100,000 and the share capital amounted to EUR 311,000 with the Manager as sole shareholder.

The Shares will be sold to certain investors through the Offerings for a subscription price of EUR 10 per Share. Subscriptions in the Retail Offering and the Institutional Offering will be paid for by investors in cash and the Vendor Offering will be paid for by the Vendor Investor with the Vendor Notes.

The formal resolutions to issue a total of maximum 31,100,000 new shares in the Company and to redeem 6,000,000 shares and the resolutions of the general meeting were, in accordance with the Swedish Companies Act (Sw. *Aktiebolagslagen (2005:551)*), based upon the proposals of the Board of Directors.

The Equity Issue is conditional upon:

(a) all corporate resolutions required to implement the Equity Issue being taken, including the approval of the Equity Issue and any changes needed in the Company's articles of association by the general meeting of the Company;
(b) the Company successfully raising EUR 135,000,000 under the Senior Unsecured Bond Financing;
(c) the fulfilment of all conditions under the Senior Unsecured Bond Financing for disbursement of the net proceeds;
(d) the fulfilment of all conditions under the consent and amendment letters with the existing lenders under the Senior Secured Bank Financing;
(e) the execution of the Corporate Administration Agreement with respect to the management of the Group;
(f) the execution of the Asset Management Agreement and the Property Management Agreement with respect to the management of the Portfolio;
(g) the execution of the Share Purchase Agreement; and
(h) the fulfilment of all conditions under the Share Purchase Agreement for paying the purchase price of the Targets to the Vendors

The paid-in funds from the Equity Issue (other than the up to EUR 100,000,000 which will be paid with the Vendor Notes as further described under section 4.3 below) will be transferred to an account held by the Company but pledged by the Manager until Closing. No assurance can be made by the Company that the conditions listed above will be satisfied. In the event that not all of the conditions for the Equity Issue (as set out above) have been met prior to 30 April 2018, the funds will be returned to the investors and the Equity Issue will be cancelled.

Further, the Company and the Manager may in their sole discretion cancel the Equity Issue at any time for any other reason. Upon cancellation, the investor shall receive repayment of such investor's investment and shall after such repayment no longer have any rights or obligations pursuant to this Offering Memorandum. Neither the Manager nor the Company will be liable for any losses of the investor due to the Equity Issue being cancelled, irrespective of the reason for such cancellation.

The Board of Directors and the Manager shall be authorised to make any adjustments to the corporate resolutions required to register the Equity Issue with the Swedish Companies Registration Office (Sw. *Bolagsverket*).

4.3 Vendor Investor and Vendor Offering

The Vendor Investor has committed to the Manager and the Company to subscribe for a maximum of 10,000,000 shares in the Equity Issue for a total amount of up to EUR 100,000,000 through the Vendor Offering. The subscription price will be paid through a re-investment of a part of the purchase price. The purchase price in the Vendor Offering will be paid by the Vendor Investor for with the Vendor Notes which will carry a value corresponding to the Vendor Investor's total investment. The Vendor Notes will be contributed by the Vendors to the Vendor Investor and will be applied by the Vendor Investor to pay the subscription price to the Manager and upon such payment receive Shares in the Company. The Manager will, in connection to Closing, contribute the Vendor Notes to the Company as a part of the proceeds from the Equity Issue. Simultaneously with the MidCo's issuance of the Vendor Notes, the Company will assume the obligations and the position as borrower under the Vendor Notes from the MidCo. Following the contribution of the Vendor Notes by the Manager to the Company, the indebtedness under the Vendor Notes will cease as the Company will hold both the position as lender and as borrower under the Vendor Notes. The Vendor Investor is not guaranteed any allocation of its subscription.

The Vendor Investor commitments are not secured by bank guarantees, pledged accounts, deposits or similar arrangements, thus, there is a risk that the Vendor Investors will not be able to honour their commitments. Further, if certain conditions are not met, for example regarding timing of the Transaction, the Vendor Investor may withdraw their commitments.

The Vendors undertake to enter into a lock-up agreement on customary terms stating that the Vendor Investor is prohibited from selling the acquired Shares for a period of six (6) months from the subscription.

The Vendor Investor's subscription in the Vendor Offering will be confirmed upon the expiration of the Institutional Offering.

4.4 Anchor Investors and other indicative subscription interests

A number of investors have until 2 February 2018 committed to the Manager to subscribe for 4,094,000 shares in the Equity Issue for a total amount of EUR 40.9 million. In addition, the Manager has received other indicative subscription interests for 5,190,000 shares, corresponding to a total amount of EUR 51.9 million. The Manager has granted the Anchor Investors full allocation (based on the number of shares committed).

4.5 Subscription period

The Retail Offering:

The subscription period for the Retail Offering starts on 7 February 2018 at 09:00 CET and ends at 28 February 2018 at 17:00 CET. Subscriptions from retail investors to acquire shares must be for a minimum of 100 Shares and a maximum of 9,900 Shares in even blocks of 100 Shares. The total allocated amount in the Retail Offering will not exceed EUR 2,500,000. In order to subscribe for Shares in the Retail Offering you must have an account with Pareto or Avanza Bank AB.

The Institutional Offering:

The subscription period for the Institutional Offering starts on 7 February 2018 at 09:00 CET and ends at 1 March 2018 17:00 CET. The minimum subscription is 10,000 shares. In order to subscribe for Shares in the Institutional Offering you must have an account with Pareto.

The Board of Directors and/or the Manager may in their sole discretion shorten or extend the subscription periods.

4.5.1 Subscription

Subscription shall be made according to instructions from your client responsible broker.

The Manager may, in its sole discretion, accept subscriptions placed by taped phone, e-mail, Bloomberg or other means it deems appropriate, but may request that the order is subsequently confirmed in writing, and may, if the subscriber fails to satisfy such requirement, in its sole discretion, disregard the subscription, without any liability towards the subscriber. Any subscription placed by taped phone, Bloomberg or e-mail shall be deemed made on the terms and subject to the conditions set out in the Offering Memorandum, irrespective of whether it is subsequently confirmed in writing or not. Any subscription received by the Manager (whether in writing, by taped phone, Bloomberg or e-mail) becomes binding when the subscription is received by the Manager and may not be withdrawn or amended after such time. When submitting such subscription the subscriber commits to make any payment, in relation to the Shares subscribed for as directed by the Manager.

In order to apply for subscription of Shares and be allocated Shares, the Subscriber must satisfy the applicable requirements of the Swedish Money Laundering and Terrorist Financing Prevention Act (Sw. *lag (2009:62) om åtgärder mot penningtvätt och finansiering av terrorism*) and its associated regulations. A Subscriber who is not registered as a client with the Manager must therefore complete the Manager's customer agreement before such Subscriber can be considered for an allotment of Shares in the Offerings. Should the Subscriber not have receive the customer agreement, please contact the Manager as soon as possible to obtain it or refer to Pareto Securities website www.paretosec.com.

4.6 Authorization

By placing a subscription by taped phone, Bloomberg or e-mail, each subscriber gives the Manager an irrevocable authorization to, in the name and on behalf of the subscriber (i) subscribe the number of shares applied for in the Equity Issue and (ii) enter into any other agreement or document and to conclude the transactions described in this Offering Memorandum. The subscriber is also aware and validates that the Company's lender(s) might require to confirm the final ownership structure of the Company, which would include the subscriber(s) investment(s).

4.7 Allocation of shares

Subscribers will be notified of allocation of Shares on or about 2 March 2018 by way of a contract note. The subscriber undertakes to make its payment in respect of the allocated Shares on the settlement date as specified in the contract note. Those not allotted Shares will not receive any notification.

The Board of Directors may delete or reduce any subscription of Shares at its own discretion. When allocating Shares, the Board of Directors will, *inter alia*, emphasise investor composition, solvency and the date of subscription, and also assign priority to investors that in the opinion of the Board of Directors make positive contributions to the activities of the Company. The Manager has granted the Anchor Investors full allocation (based on the number of shares committed).

4.8 Payment of shares

The expected payment date is 6 March 2018. The payment date may be changed by the Board of Directors and/or the Manger at its discretion without entitling the subscriber to claim that the subscription is not binding. Payment in respect of the Vendor Investor's subscription will occur on Closing.

Full payment for allotted Shares shall be paid in cash against delivery of Shares in accordance with the contract note. Payment shall be made in SEK, based on the exchange rate provided by the Manager based on the exchange rate procured by the Manager on or about the date of allocation. The exact amount in SEK will be stated in the contract note. The Manager will, once receiving the paid-in capital convert the capital to EUR prior to transferring the proceeds to the Company. The currency conversion will be based on the conversion rate stated in the contract note. The SEK amount in the contract notes will subsequently equal the total subscribed EUR amount in the Retail and Institutional Offerings.

4.9 Late, insufficient or incorrect payment of shares

The Manager assumes no responsibility for the delivery and payment obligations of the Company and the investors, respectively. The Manager may in the event of a payment default by an investor transfer the Shares which have not been paid for to another party and transfer the net proceeds thereof to the Company. The defaulting investor will be solely responsible for any deficit amount.

4.10 Listing of the Shares

Following the Equity Issue, the Company will apply for listing of the Company's Shares on Nasdaq First North in Stockholm. The Company intends to complete the listing of the Shares within 2 business days from Closing. However, it cannot be guaranteed that the Shares will be admitted to trading within such timeframe or admitted to trading at all.

In connection with a future listing on Nasdaq First North, the Company's shares must be distributed to the public in order to meet the listing requirements of the trading platform. Such distribution may take place by way of a secondary sale of the existing shares in the Company (i.e. the Shares) to a larger number of shareholders. If such secondary sale proves insufficient to meet the requirements of the trading platform, the Board of Directors may propose that the general meeting decides to issue new shares in the Company (in which case the Company's share capital will be increased) or to conduct a split of the Company's shares to be followed by a secondary sale of shares held by one or more major shareholders (in which case the share capital of the Company will not be affected). A new share issue or a share split would result in a dilution (in respect of number of shares) of the existing (at the time of the issue) shareholders' holding in the Company. As such new share issue or split would be made on market conditions, there would however be no financial dilution of the Shares.

4.11 Conditions precedent to the Equity Issue

The registration and completion of the Equity Issue is conditional upon the satisfaction of the conditions as set out in section 4.2 above. If the conditions are not satisfied, the funds will be returned to the investors and the Equity Issue will be cancelled.

If the Equity Issue for any reason is cancelled after settlement, the Shares will be redeemed and the investors who are registered as shareholders at the communicated record date will receive repayment of its investment. The timing for such redemption will be subject to any legal regulations and limitations imposed by Euroclear Sweden. The repayment will made in SEK and the investors are therefore subject to risk relating to currency rate exposure. Neither the Manager nor the Company will be liable for any losses (including losses with regard to currency fluctuations and/or conversion of currency) of the investors due to the Equity Issue being cancelled, irrespective of the reason for such cancellation.

4.12 Costs

The overall costs of the Company in relation to the Transaction are expected to amount to approximately EUR 15.3 million, of which the Equity Issue fee to Pareto accounts for approximately EUR 11.0 million. The Equity Issue fee is calculated on the basis that the Equity Issue is fully subscribed and represents approximately 1.5% of the Agreed Portfolio Value.

The Company will in connection with the acquisition of the Portfolio incur expenses relating to technical, environmental, legal, tax and financial assistance, etc., estimated to amount to approximately EUR 1.8 million. The Company has mandated Pareto to issue the Senior Unsecured Bond Financing at an estimated cost of approximately EUR 2.0 million, or 1.5% of the issue size.

The aggregate net proceeds of the Company will be approximately EUR 295.7 million after start-up costs, provided that the Equity Issue is fully subscribed.

4.13 Manager

Pareto is the sole manager of the Equity Issue and the issue under the Senior Unsecured Bond Financing. The Mandate Agreement for the Equity Issue and the Senior Unsecured Bond Financing between the Company and Pareto is available from Pareto upon request.

4.14 Liquidity provider

The Company has engaged Pareto as liquidity provider for the Company.

4.15 Governing law and dispute resolution

The Equity Issue and this Offering Memorandum are subject to Swedish law. Any disputes regarding this Equity Issue or this Offering Memorandum 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.

5 THE COMPANY AND THE TRANSACTION

5.1 The Company

The Company is a Swedish public limited liability company with corporate identification number 559135-0599, registered with the Swedish Companies Registration Office at 23 November 2017. The current registered address of the Company is P.O. Box 7415, SE-103 91 Stockholm.

The Company was established by PBM and has no previous business history. The Company will be focused on acquiring, developing and managing properties in the Nordics with reputable grocery and discount store chains as anchor tenants. The first acquisition is the Portfolio which will be acquired indirectly through the MidCo's acquisition of all the shares in the Targets. The Company will be the ultimate parent company of the Group and the direct parent company of the MidCo.

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

The articles of association of the Company are included as Appendix 1 to this Offering Memorandum and will be registered with the Swedish Companies Registration Office in connection with the registration of the Equity Issue.

The Company will be the issuer under the Senior Unsecured Bond Financing.

5.1.1 Board of Directors and the management of the Company

The duties and responsibilities of the Board of Directors follow from Swedish law and include the overall management and control of the Company. The Board of Directors is elected by the general meeting of the Company. The current Board of Directors, which will be replaced in connection with Closing (see below and section 12.4 for additional information on the candidates), consists of three members.

Interim Board of Directors and CEO

Name	Position	Joined	Number of Shares in the Company
Fredric Blommé Sekund	Chairman of the Board	Dec 2017	0
Camilla Kempe	Board Member	Dec 2017	0
Stefan Gattberg	Board Member	Dec 2017	0
Joachim Carlsson	CEO	Dec 2017	0

Source: the Company

All board members are employed by the Manager. Mr. Carlsson, the Company's current CEO, whom will be replaced in connection with Closing, is employed by the Business Manager. The new Board of Directors will be appointed at a general meeting which is proposed to be held on Closing and prior to listing of the Company. The current Board of Directors will hence be replaced following the general meeting.

The proposed Board of Directors consists of Rickard Backlund as the Chairman of the Board and Patrick Gylling and Elisabeth Norman as board members. Additional information on the proposed Board of Directors is presented under section 12.4.

Please refer to chapter 12 for additional information regarding the management of the Company.

5.2 The MidCo

The MidCo is a Swedish limited liability company with corporate identification number 559121-3284, registered with the Swedish Companies Registration Office at 10 August 2017. The current registered address of the MidCo is P.O. Box 7415, SE-103 91 Stockholm.

The MidCo was established by PBM and has no previous business history. The MidCo is the direct subsidiary to the Company, the parent company of the Targets and the purchaser under Share Purchase Agreement.

The object of the MidCo 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.

5.3 The Targets

The Targets, being Target Grocery Finland and Target Retail Finland, are two Luxembourg limited liability companies, registered with the Trade and Companies Register in Luxembourg since 22 December 2014 and 2 March 2016, respectively. The current registered address of the Targets is Rue Edward Steichen 15, 2540 Luxembourg, Luxembourg.

The object of the Targets is to acquire participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever, and manage those participations. The Targets may in particular acquire, by subscription, purchase and exchange or in any other manner, any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and, more generally, any securities and financial instruments issued by any public or private entity. The Targets may participate in the creation, development, management and control of any company or enterprise. Further they may invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin. The Targets may carry out any commercial, financial or industrial operation and any transaction with respect to real estate or movable property which, directly or indirectly, favours or relates to its corporate object.

The Targets may use any techniques, legal means and instruments to manage its investments efficiently and protect itself against credit risks, currency exchange exposure, interest rate risks and other risks.

Each Target has only one shareholder prior to the acquisition of the Transaction. Target Grocery Finland is owned by the Vendor of Target Grocery Finland and the Target Retail Finland is owned by the Vendor of Target Retail Finland.

5.4 The Subsidiaries

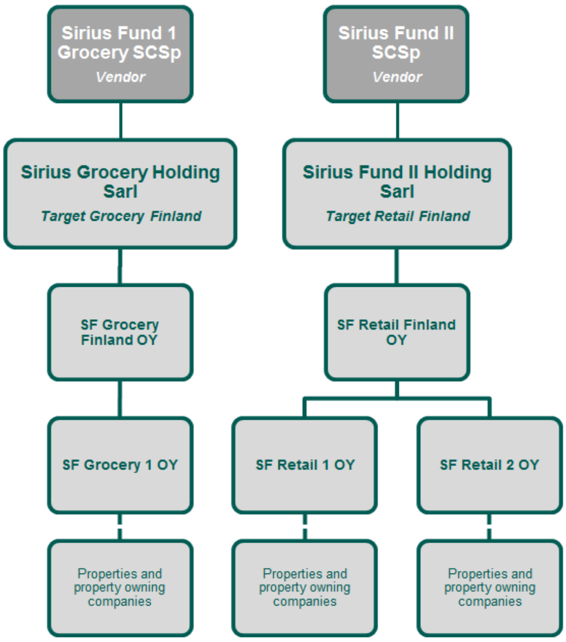
The Subsidiaries are two Finnish limited liability companies, registered with the Finnish Trade Register since 12 May 2014 and 29 October 2015, respectively. The registered address the Subsidiaries is c/o Ovenia Oy Ratamestarinkatu 7 B, 00520 Helsinki, Finland.

The object of the Subsidiaries is to acquire, sell, own, possess and lease residential, retail, office and industrial premises, properties, buildings and shares of real estate companies and housing companies entitling to possession of such premises. Further, the object of the Subsidiaries is to conduct construction and property development operations and related use, maintenance and upkeep operations. The object of the Subsidiaries is also to offer management services in relation to properties and premises. The Subsidiaries may also own, possess and trade shares and other stocks and act as investment, development and financing companies. The Subsidiaries can conduct their business operations in Finland or abroad. The Subsidiaries are directly owned by the Targets.

5.5 Transaction and Group structure

It is intended that the Transaction will be structured as an acquisition of 100% of the shares in the Targets by the Company, through the MidCo. The Targets are, through the Subsidiaries, indirect owners of the Group Companies holding the Properties. A simplified structure of the group before the Transaction is illustrated below.

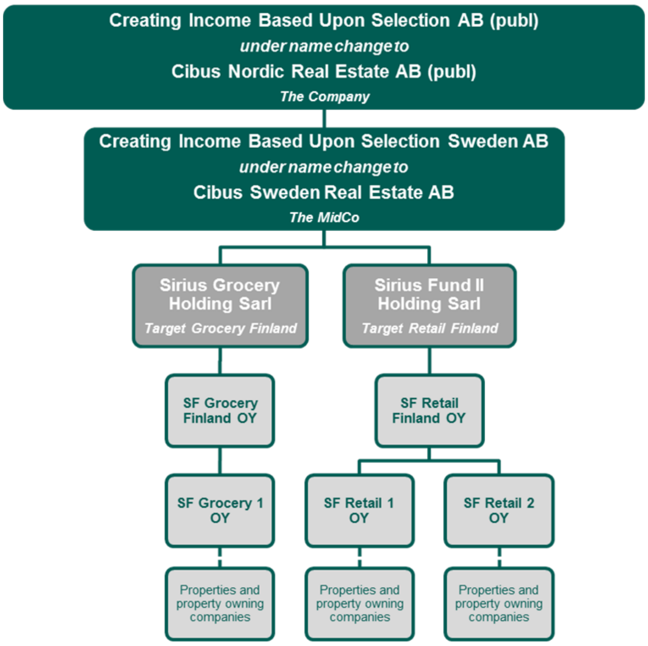
Group structure before Transaction



Source: the Vendors

The Group's structure post the Transaction is illustrated below.

Group structure post Transaction



Sources: the Company, the Vendors

The Share Purchase Agreement was entered into on 22 December 2017 and Closing is intended to occur on or about 7 March 2018. The Share Purchase Agreement has been negotiated between representatives of the Company and representatives of the Vendors. The main elements in the Share Purchase Agreement have been structured as follows:

- The acquisition is carried out by means of a transfer of 100% of the shares in the Targets
- The purchase price is based on the Agreed Portfolio Value of EUR 735,000,000 and will be paid upon Closing
- An aggregate amount of the purchase price corresponding to the amount which is to be re-invested in the Company by the Vendor Investor will be paid through the Vendor Notes to facilitate the re-investment
- The purchase price is subject to auditing and adjustment up to 60 business days after Closing
- As security for the Vendors' obligations under the Share Purchase Agreement, the Company will arrange for the W&I Insurance which the Vendors will pay the insurance-premium for up to EUR 900,000 by way of deduction of the purchase price for the shares. The insurance policy will take effect as of Closing and instead of a reduction of the purchase price, the sole remedy for the Company as a consequence of any breach of the Vendors' warranties following Closing in the Share Purchase Agreement will be a right for the Company to claim compensation from the insurer under the insurance policy. Further, insurance compensation payable for any breach of the warranties is treated as taxable income as opposed to a reduction of the purchase price under a share purchase agreement
- The obligation of the Purchaser to proceed to Closing is subject to (i) no material adverse change having occurred, (ii) the Property Management Agreement having been entered into, (iii) no material breach by the Vendors in respect of conduct of business between the 22 December 2017 and the Closing, (iv) the fundamental warranties (as defined in the Share Purchase Agreement) not having been breached, (v) the Vendors warranties in the Share Purchase Agreement not having been breached so that the aggregate value of claims by the Purchaser would be more than EUR 5,000,000 and the Vendors having decided not to cure such breach of the Vendors warranties, (vi) the Purchaser having received sufficient equity capital and bond financing to complete the purchase of the shares under the Share Purchase Agreement and (vii) the waivers of the change of control in respect of the existing financing being in full force and binding upon the financing banks
- The obligation of the Vendors to proceed to Closing is subject to (i) the Vendors warranties in the Share Purchase Agreement not having been breached so that the aggregate value of claims by the Purchaser not fully covered by the W&I Insurance would be more than EUR 5,000,000, (ii) the Purchaser having received sufficient equity capital and bond financing to complete the purchase of the shares under the Share Purchase Agreement and (iii) the waivers of the change of control in respect of the existing financing being in full force and binding upon the financing banks

The purchase price payable on Closing will be 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 Vendors and reviewed by the Targets' auditor and the Company following Closing.

The Share Purchase Agreement contains warranties regarding the Targets and the Subsidiaries, the Portfolio, the Lease Agreements, tax and insurance, collectively deemed by the Group and its legal advisors to be in line with Finnish market practice with customary limitations regarding the Vendors’ liability for breach of warranties and in respect of thresholds and time limits for making claims.

The W&I Insurance has a limit of liability of EUR 110,000,000 and an excess (threshold) of EUR 1,500,000 in the aggregate tipping to nil. Insurance compensation payable for any breach of the warranties is treated as taxable income as opposed to a reduction of the purchase price under a share purchase agreement.

6 MARKET OVERVIEW

6.1 Finnish economy

6.1.1 Macro fundamentals

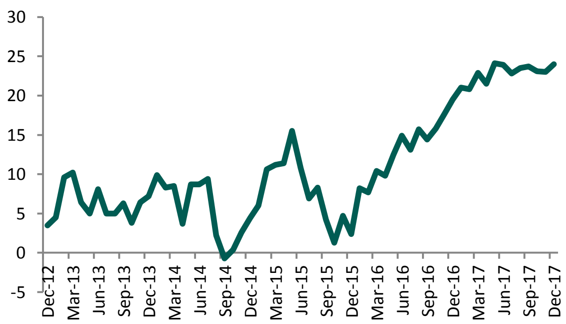
Views of the Finnish economy have improved during the last years. The estimated GDP growth of 2017 is 3.1% and the forecast of 2018 and 2019 are 2.5% and 2.0%, respectively, according to statistics from OECD. In addition, consumer confidence remains at the highest ever recorded level since the index was created in 1995 and estimated population growth in Finland is above the EU average and the country's capital, Helsinki, is at the top of the European metropolitan regions in terms of the forecasted population growth until 2030 (presented by each country in 2013). Exports have also increased with an estimated annual growth of approximately 9.0% in 2017 and around 5.7% and 5.2% in 2018 and 2019, respectively.

Employment in Finland improved in 2016, with the overall employment rate ending at close to 69% whereas the unemployment rate stood at some 8.8% and is expected to decrease to approximately 8.5% in 2017, according to Statistics Finland. The unemployment rate is expected to continue to decrease in 2018, 2019 and 2020.

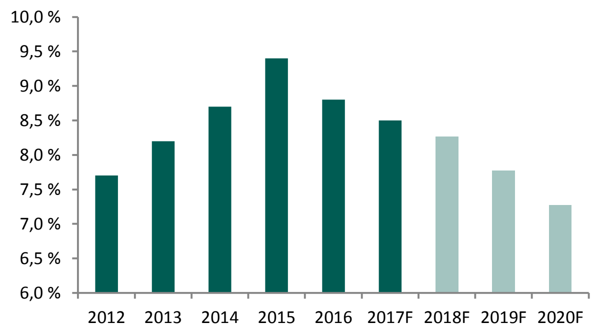
The long-term credit rating for the central government debt of Finland in 2017 was also top rated with an AA+ rating from Fitch Ratings, Aa1 from Moody's and AA+ from Standard & Poor's.

The sources of the graphs below are Statistics Finland, Bank of Finland, Federation of Finnish Financial Services, Finnish Customs and Catella Market Indicator 2017.

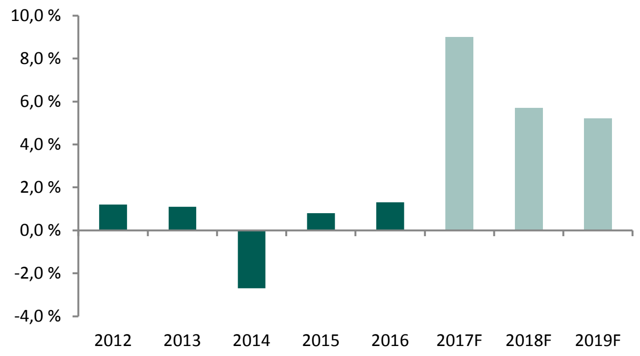
Consumer confidence at record high in Dec 2017



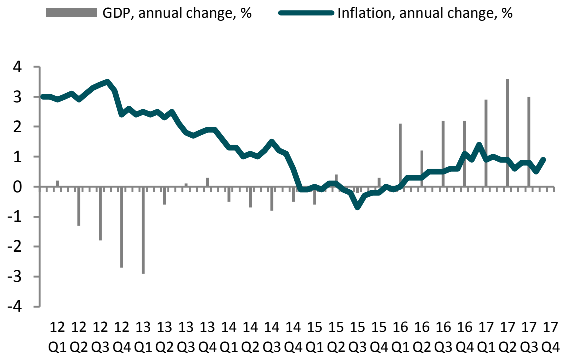
Unemployment is decreasing



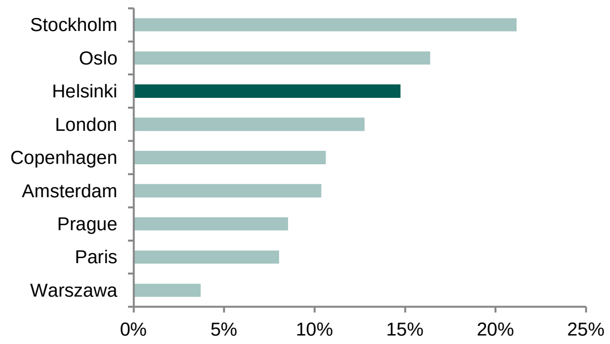
Exports have recovered (annual growth)



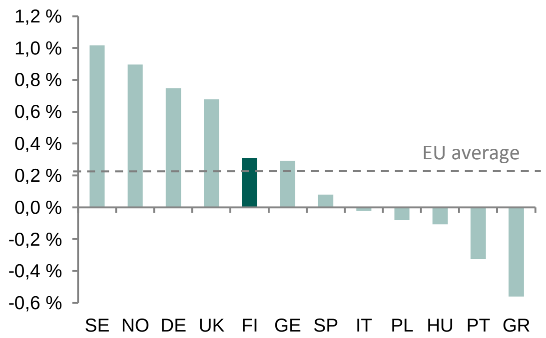
GDP is now growing and inflation is returning



Population growth forecast, selection (until 2030)



Population growth, selection, CAGR 2016-2025

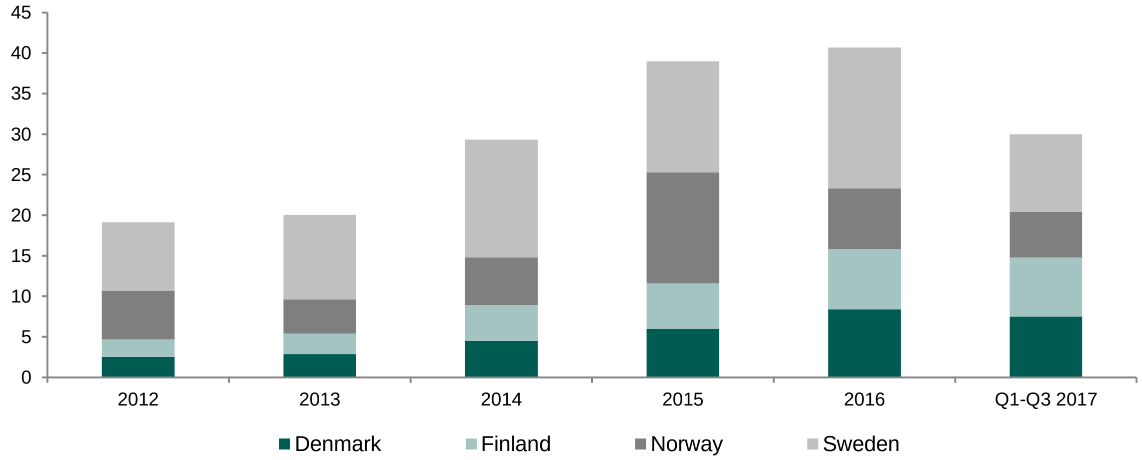


6.2 The Nordic real estate market

From an investment perspective, the Nordic real estate market proved to be active during the third quarter of 2017. The investment volume for the third quarter was EUR 9.5 billion and the accumulated volume for the first three quarters of 2017 was EUR 29.3 billion. Compared to the same period in 2016, 2017 is a record year for the Nordic region, with an increase of approximately 14%. For the second quarter of 2017 the Nordic share of the total European investment volume represented approximately 20%, which is higher than the average of the previous years.

The Nordic market is also well-represented by foreign investors. On average, the foreign share of the total Nordic transaction volume represented 39% for the second quarter of 2017 and 41% for the first half of 2017.

Nordic investment volume, EUR billion



Sources: CBRE, KTI Finland

Prime office yields in the Nordics ranges between 3.5% - 4.0%, with Finnish office yields in between. Notable is that prime offices in Sweden are not only trading at record low yields, they are also leased at record high rental levels. The equivalent on the retail side is Copenhagen, Denmark, which experiences the lowest yields and highest rents. Finnish high street on the other hand has yield expectations in line with both Norway and Sweden, but lower market rents.

Prime yield and rent per market and segment, H1 2017

Prime yields (%)	Offices	Change Q t Q	Retail – High Street	Change Q t Q
Denmark	4.00	→	3.00	↓
Finland	3.75	→	3.75	→
Norway	3.75	→	3.75	→
Sweden	3.50	→	3.75	→

Prime rent (EUR/m²/p.a.)	Offices	Change Q t Q	Retail – High Street	Change Q t Q
Denmark	242	→	2,691	→
Finland	465	→	1,940	→
Norway	451	→	2,625	→
Sweden	676	↑	2,183	↑

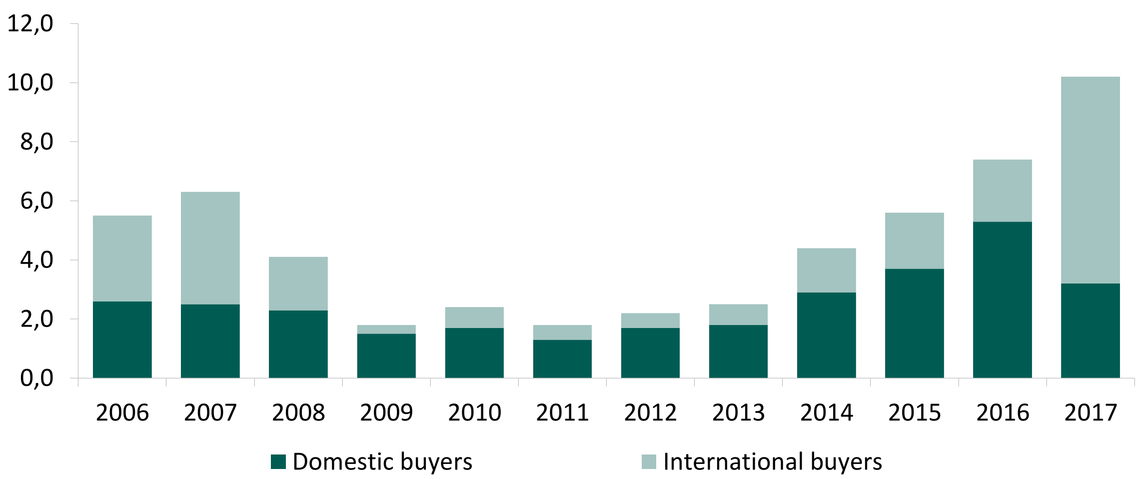
Sources: CBRE, Newsec

6.3 The Finnish real estate market

The Finnish real estate investment market has grown continuously since 2011. The transaction volume in the Finnish property market reached new annual record level of EUR 10.2 billion in 2017. The volume exceeded the former record level of 2016 by approximately 38%. The volumes of the third and fourth quarter amounted to EUR 4.8 billion and EUR 2.8 billion, respectively. These are two highest quarterly figures in Finland ever.

During 2017 several new foreign investors have entered the Finnish property market. Altogether foreign investors accounted for approximately 68% of the total volume in 2017. The impact of the Sponda-transaction is a large factor in this, but there have been many other significant transactions that have contributed as well.

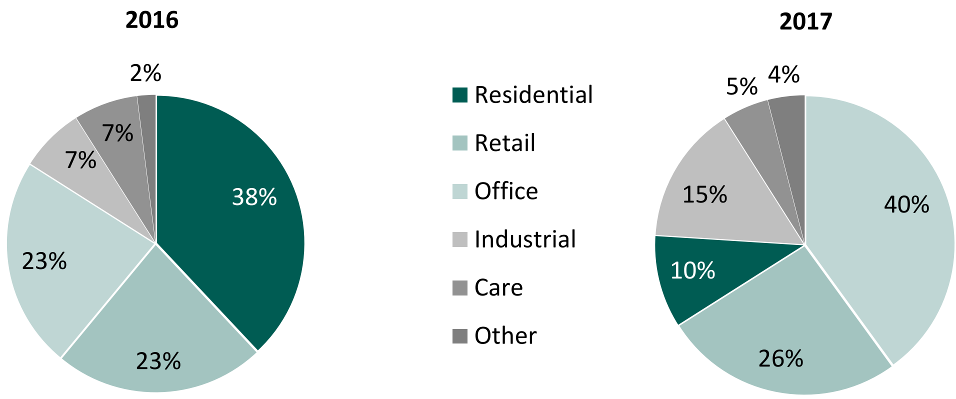
Real estate transaction volumes in Finland, EUR billion



Source: KTI Finland

Office properties were the most traded property type in 2017, accounting for approximately 40% of the total volume, to be compared with 23% in 2016. Retail, covering approximately one-fourth of the Finnish investment market, has been the second most traded property type for two consecutive years, according preliminary figures from KTI Finland.

Transaction volumes in Finland by property type



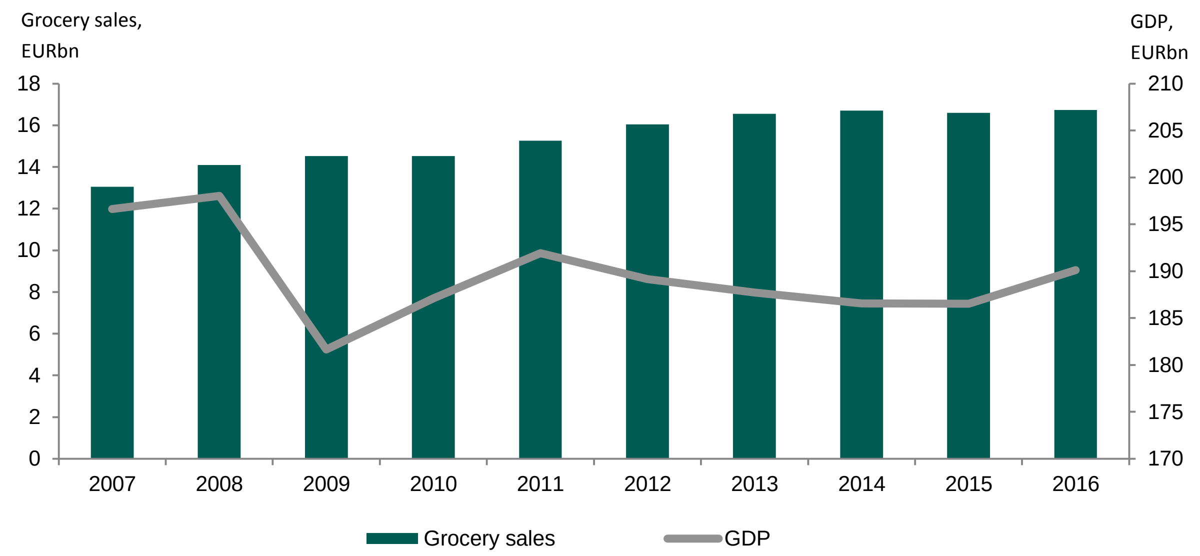
Sources: CBRE, Newsec

6.4 The Finnish grocery and discount retail market

Regardless of domestic economic changes and macro-economic worries, people will still continue to demand certain household items on a recurring basis. Food, toothpaste, soap, laundry detergent, toilet paper and paper towels are examples of items which are often in demand and considered consumer staples. These consumer staples have to be purchased somewhere, and many of those purchases occur at grocery stores or large retail chains. Grocery in general is proven to be resilient to market downturns and therefore a predictable industry.

Even though the Finnish economy has experienced downturns, especially during the latest global financial crisis in 2008/2009, the Finnish grocery sale has continued to grow, which is demonstrated in the graph below.

Finnish grocery sales – a predictable and resilient industry



Sources: Statistics Finland (GDP), Finnish Grocery Trade Association (grocery sales)

6.4.1 Finnish grocery market

Average annual retail sales growth in Finland has been 3.5% from 1996 until 2017. The Finnish grocery market is dominated by two grocery chains, S-Group and Kesko, accounting for about 85% of the Finnish grocery retail market, measured in sales of grocery goods.

Each retail company has different chains to match the local demand across the country. Both S-Group and Kesko have three large chains that contribute to each group's total revenue. The largest grocery chain in Finland, S-Group's S-market contributes to approximately 23% of the Finnish market's total grocery sales, to be compared with Kesko's largest chain (K-Supermarket), amounting to approximately 12%, according to the Finnish Grocery Trade Association.

Below is a summary of Finnish grocery sales by chain in 2016.

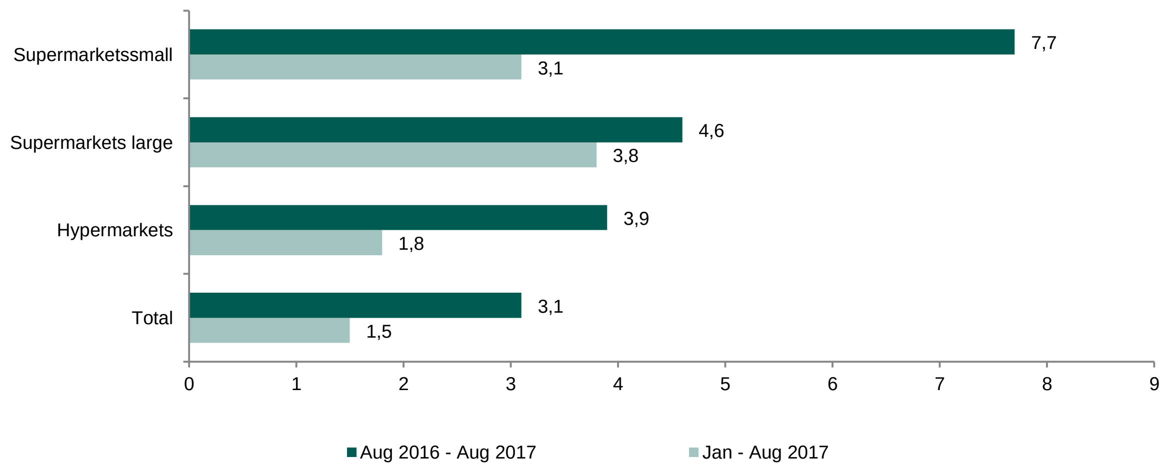
Share of grocery sales in Finland 2016

Company	Chain	Number of stores	Share of total grocery sales, %	Grocery sales, EURm
S-Group	S-Market	434	22.9%	3,839
	Prisma	64	16.0%	2,671
	Alepa and Sale	449	7.6%	1,271
	Other	88	0.7%	114
S-Group, total		**1,035**	**47.2%**	**7,895**
Kesko	K-Supermarket	228	12.2%	2,047
	K-Citymarket	80	11.8%	1,978
	K-Market	655	9.4%	1,572
	Other	485	4.3%	707
Kesko, total		**1,448**	**37.7%**	**6,304**
Lidl, total		**157**	**9.3%**	**1,551**
Other, total		**1,239**	**5.8%**	**987**
All grocery, total		**3,879**	**100.0%**	**16,737**

Sources: Trading Economics, Nielsen Finland Oy, Finnish Grocery Trade Association

The Finnish grocery segment proves that size matters. The larger store types do not only constitute the largest volume of the market, but are also top-ranked in terms of grocery sales growth. Graph below also proves that the larger stores (such as supermarkets and hypermarkets) are growing faster than the total grocery market, implying that larger stores are gaining market shares compared to smaller local stores.

Grocery sales volume change (%) by store type

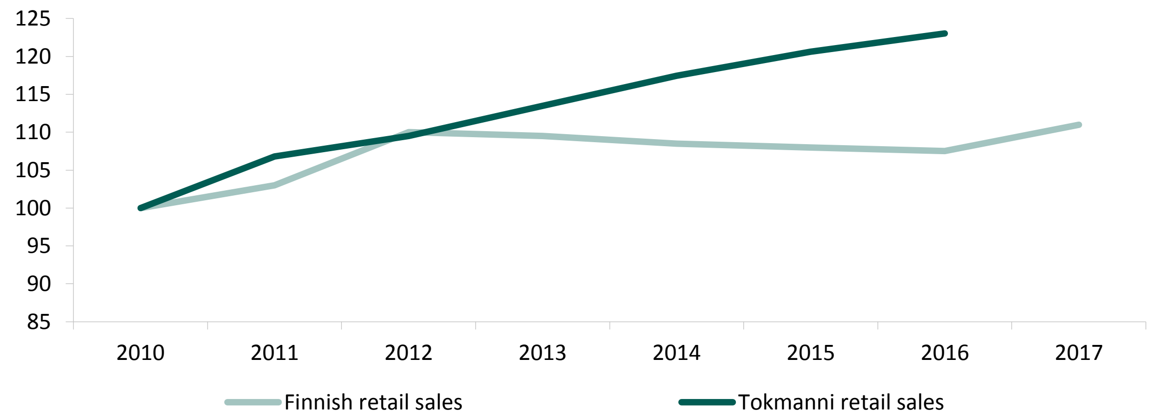


Sources: Trading Economics, Nielsen Finland Oy, Finnish Grocery Trade Association

6.4.2 Finnish discount retail market

The discount market is healthy and discount retailers are generally growing faster than the overall retail market, which is also the case for the Portfolio's second largest tenant Tokmanni (see graph below). The rising employment rate should also support further retail sales growth as more people have stable income, increasing the population's purchasing power. The improving economic situation is also supporting retail discount companies, which can be seen in the increasing retail sales in Finland, where quarterly retail sales growth figures have shown positive movement since 2016.

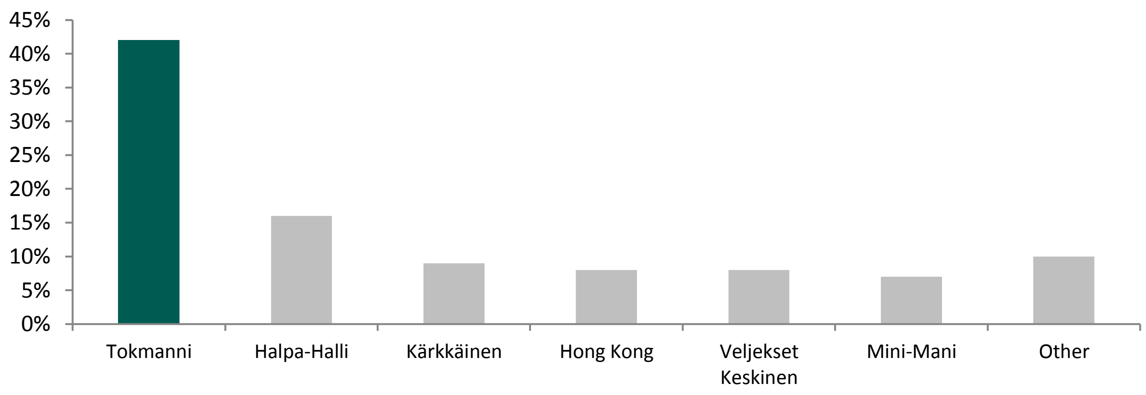
Finnish retail sales and Tokmanni sales (indexed 2010=100)



Sources: Nordea Research, Tokmanni

Tokmanni is the largest discount retailer in Finland with a market share of approximately 42%. Other Finnish discount retailers include, *inter alia*, Halpa-Halli, Kärkkäinen and Hong Kong.

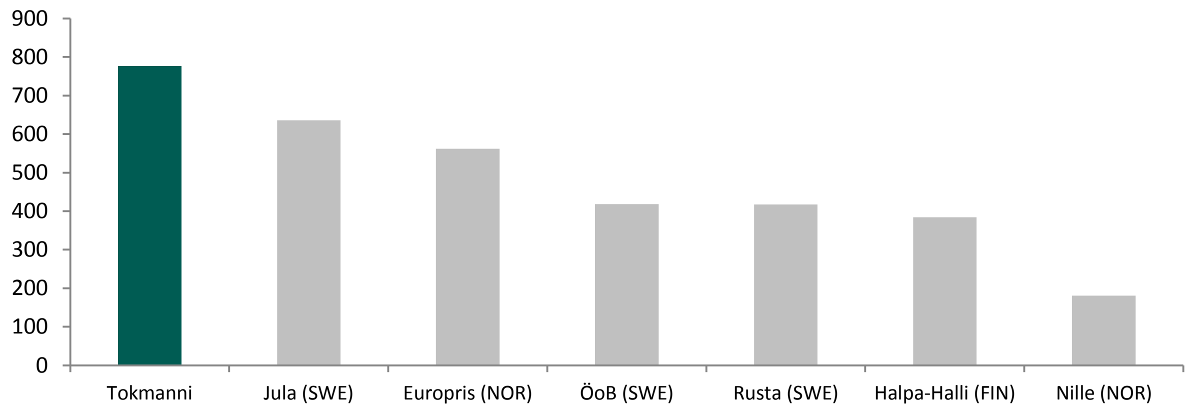
Discount retailers, market shares in Finland, number of stores



Source: Tokmanni

Tokmanni is also, in terms of net sales, the largest discount retailer in the Nordics, followed by the Swedish retailer Jula and the Norwegian retailer Europris as shown in the graph below.

Discount retailers, net sales in the Nordics, EUR million(1)



Notes: (1) Used exchange rate: approximately EUR/SEK 9.53
Source: DN Ekonomi

6.5 E-commerce and its estimated potential effect on physical retail stores

Despite previous years' strong growth of e-commerce sales, the share of the total retail sales is still relatively small in Finland. Compared to the rest of the Nordic countries, the Finnish population does not purchase items online to the same extent as its neighbouring Nordic countries. Approximately 49% of the Finnish population purchase products online, to be compared with the Nordic average of 62%, according to PostNord.

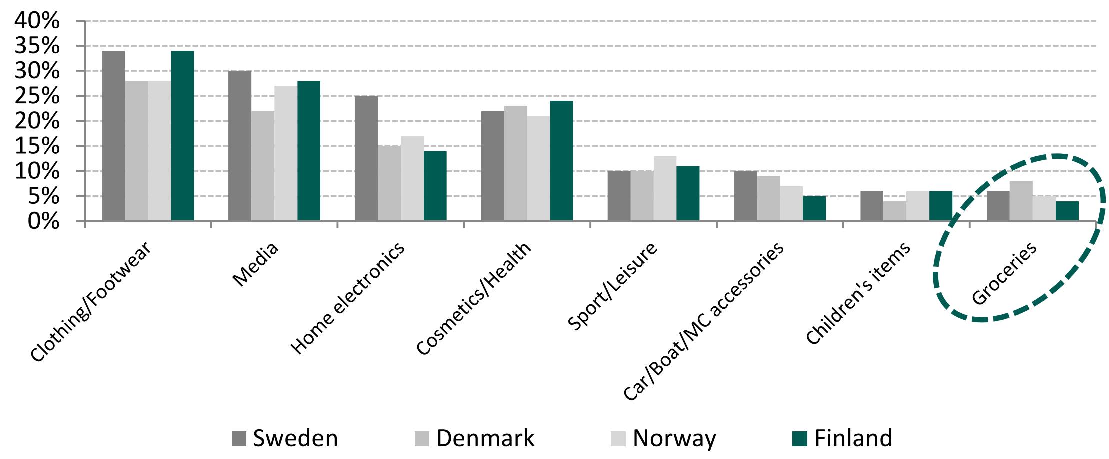
Summary of Nordic countries' e-commerce behaviour

Short facts					Nordics
Total e-commerce (EUR billon)	**3.3**	8.8	5.3	5.3	22.7
Number of consumers (million)	**1.9**	4.7	2.4	2.6	11.6
Share of population (%)	**49**	67	65	63	62
Amount/person (EUR)	**140.3**	157.7	180.2	169.1	161.8

Sources: PostNord, the Statistics Portal

Of all items sold online, the least frequent purchase is groceries with a share of only 4% in Finland, to be compared with the Nordic average of approximately 6%. The most frequent purchases in Finland are clothing and footwear (34%), followed by media products (28%).

Most frequently purchased items on the internet

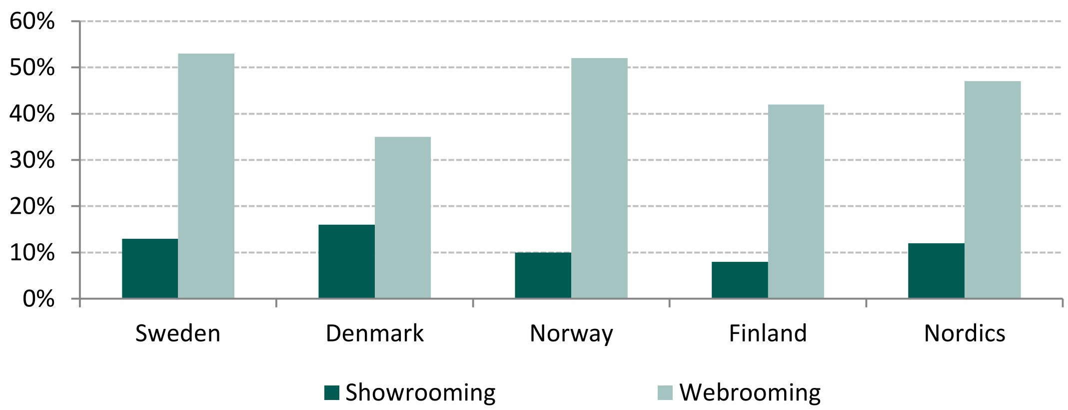


Source: PostNord

Even though grocery stores are not affected by the e-commerce growth to the same extent as, for example clothing, media and home electronics, grocery stores are likely to gain additional importance in the future as they often are used as pick-up sites. Also, people who acquire groceries online tend to collect it at a physical store, not seldom leading to additional purchases in the store.

In addition, research shows a trend towards an interplay between online stores and physical stores where retailers with physical stores are afraid that consumers will browse products in stores and then buy them online. However, research shows that the reverse behaviour is more common. In Finland, 42% of the respondents have browsed the internet before purchasing the product in a physical store, called "Webrooming", to be compared with 8% for the opposite behaviour, "Showrooming".

Showrooming vs. Webrooming

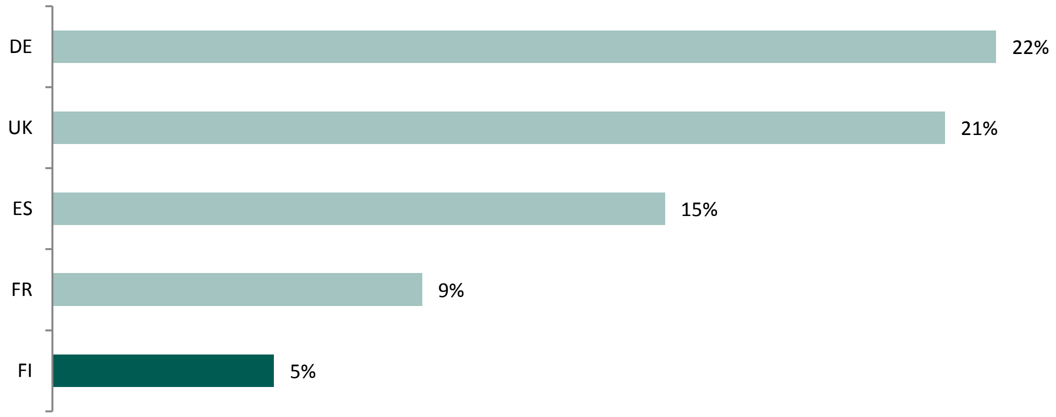


Source: PostNord

E-commerce and door-to-door delivery is also difficult to deploy in Finland due to large distances between households and severe lack of low cost labour. Large populated euro area economies are significantly more populated per square metre than the corresponding economies in the Nordics. Selection of the most dense economies include Spain (10,725), France (8,496), Germany (4,237) and UK (3,686). In contrast Finland has eight times more land per capita on average supported by the following numbers, Iceland (299,931), Norway (58,090), Finland (55,288), Sweden (41,436) and Denmark (7,404).

In addition, as Finland has a strong welfare state agenda including high salaries for low skilled labour, it is difficult to create a profitable e-commerce platform in the country. In 2014, 15.9% of employees were low-wage earners in the euro area, with high shares observed in Germany (22.5%), United Kingdom (21.3%) and Spain (14.6%). In contrast, countries with low cost labour below 10% include Sweden (2.6%), Finland (5.3%), Denmark (8.6%) and France (8.8%). Low-wage earners are defined as employees who earn two thirds or less of national median gross hourly earnings.

Share of low-wage earners per country



Source: CIA World Factbook

7 THE PORTFOLIO

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

7.1 General overview

The Portfolio comprises of 123 relatively modern retail assets, located in growing regions across Finland. Almost two-thirds of the Portfolio is located in the Helsinki region and the southern part of Finland.

More than 90% of the total rental income of the Properties is anchored by three market leading tenants, being Kesko, Tokmanni and S-Group. The Properties are perceived to be well suited for, and of key importance, to, each of the Anchor Tenants. For more information regarding the Anchor Tenants, please refer to section 9.

The Portfolio has a total lettable area amounting to approximately 437,860 square metres.

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

Selection of pictures of the Portfolio

Source: the Vendors

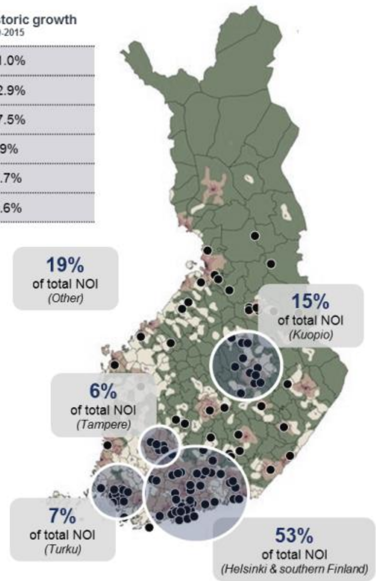
7.2 Location

The Properties are located in more than 70 different cities across Finland of which approximately two-thirds of the Portfolio is located in the southern part of the country with the largest share located in the Helsinki region. The Portfolio includes properties located in all of Finland's ten largest cities, creating a healthy platform for the Company. Finland is, as for many other developed countries, experiencing a national urbanisation where the rural areas are becoming depopulated for the benefit of the larger cities. The map below shows the locations of the Properties and as presented, almost every property is located in regions that have had a historic positive population growth, but also in regions with a positive forecast of population growth. The average annual estimated population growth between 2015 and 2025 is 0.3%, which is almost 50% more than the estimated growth for the European Union.

Location of the Properties

Regions	Population ('000) Jan. 2017	CAGR (%) 2015-2025
Finland total	**5,511**	**0.3**
EU	*511,805*	*0.2*
HMA	1,119	1.0
Tampere	228	0.7
Oulu	201	1.0
Turku	188	0.5
Jyväskylä	139	0.6
Lahti	119	0.6
Kuopio	118	0.4
Pori	85	0.1
Joensuu	76	0.4
Lappeenranta	73	0.2
Hämeenlinna	68	0.3
Vaasa	68	0.7
Rovaniemi	62	0.4
Seinäjoki	62	0.9

Region types	Historic growth 1990-2015
City centre	+21.0%
Rest of inner city	+22.9%
Adjacent suburbs	+27.5%
Suburbs	+6.9%
Countryside	-14.7%
Rural areas	-29.6%



Source: the Vendors and the Company

7.3 Key figures

The Portfolio consists of 123 assets, with a total lettable area of approximately 437,860 square metres. The total rental income for 2018, excluding supplements is estimated to approximately EUR 47.9 million (see section 10.4 for further information). Total annual Property Related Costs are estimated to approximately EUR 11.1 million. Due to the net nature of the lease agreements, approximately EUR 3.2 million of the Property Related Costs are estimated to be borne by the landlord. Of these non-recoverable costs approximately EUR 1.6 million relates to property tax and insurance, neither of which fluctuate year-by-year in any material way and approximately EUR 1.6 million are deemed as operating costs. A summary of the Portfolio's key figures is presented in the table below. For more information on the Lease Agreements, please refer to chapter 8.

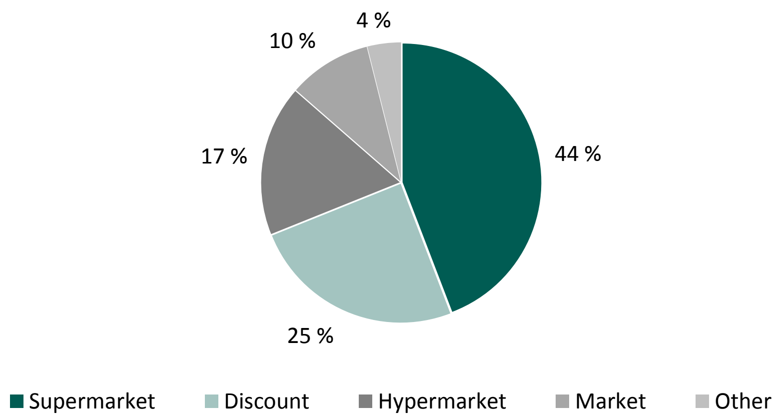
Summary of the Portfolio	
Number of properties[1]	123
Total lettable area, m²	437,857
Lettable area/property, m²	3,560
Rental income, excl. supplements, EURm	47.9
Rental income, EUR/m²[2]	115
NOI, EURm	44.8
NOI, EUR/m²[2]	108
WAULT, yrs	5.4
Vacancy rate, %	5.0
Weighted construction/renovation year	2004

Notes: (1) See List of Definitions. (2) Excluding supplements and based on occupied premises only.
Source: the Vendors

7.4 Type of stores

Approximately 85% of the Portfolio's rental income derives from large size stores (supermarkets, discount stores and hypermarkets). Approximately 44% derives from supermarkets, 25% from discount stores, 17% from hypermarkets and 10% from markets, which are smaller local stores.

Rental income by type of store

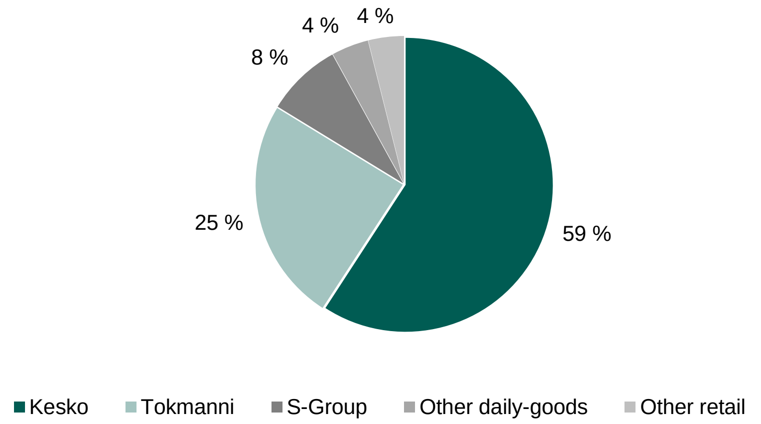


Source: the Vendors

7.5 Tenants

Almost 90% of the rental income of Portfolio's properties is anchored by Kesko, Tokmanni and S-Group. Other daily-goods tenants include Lidl and Alko and other retail tenants include tenants such as Jysk, Nordea, Lindex, KappAhl and the Finnish postal service (Posti). The graph below shows the share of each Anchor Tenant and other tenants of the Portfolio.

Rental income by type of anchor tenant

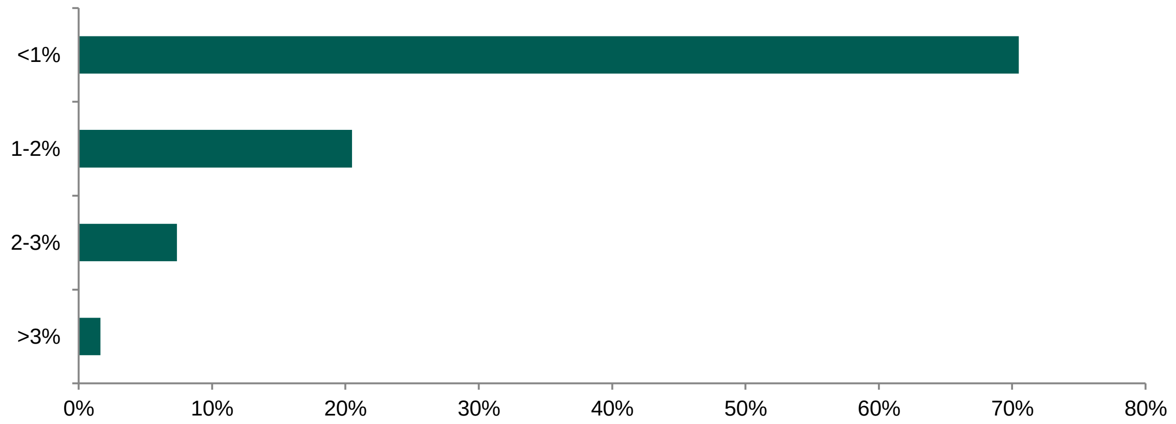


Source: the Vendors

7.6 Portfolio diversification

No single property of the Portfolio accounts for a larger share than 3.3% of the Portfolio's total rental income, which eliminates property dependency. Only eleven of the Properties cover more than 2.0% of the Portfolio's total rental income. The graph below shows that more than 70% of the Portfolio's total rental income, representing 86 properties, derives from properties with a rental value accounting for less than 1% of the Portfolio's total rental income. In contrast, only two properties, or approximately 2% of the Portfolio, account for a share of the Portfolios total rental income which is larger than 3%.

Each property's share of the Portfolio's rental income, excluding supplements



Source: the Vendors

The table below shows example of different levels of rent decreases, based on the total rental income, including current estimated rental income and estimated supplements. For example, would the Company lose 10% of its rental income, the Company would still be able to cover its interest rate cost, having an ICR of approximately 2.6x EBITDA. The Company's break-even level is at a rent decrease of close to 50%. The WAULT of approximately 5.4 years, strong tenants and a balanced lease expiry schedule (see section 8) are expected to mitigate such event. If figures below would be based on rental income excluding supplements, the Company's ability to cover its costs stretches even further.

Rent decrease sensitivity

Rent decrease	Ability to cover debt	ICR	Anchor tenant
0.0%	Yes	3.1x	
-5.0%	Yes	2.9x	
-6.5%	Yes	2.8x	S-Group's share of total rental income
-10.0%	Yes	2.6x	
-20.0%	Yes	2.2x	
-22.5%	Yes	2.1x	Tokmanni's share of total rental income
-25.0%	Yes	2.0x	
-30.0%	Yes	1.8x	
-35.0%	Yes	1.6x	
-40.0%	Yes	1.4x	
-47.5%	Yes	1.1x	Kesko's share of total rental income
-50.0%	No	1.0x	

Sources: the Company, the Vendors

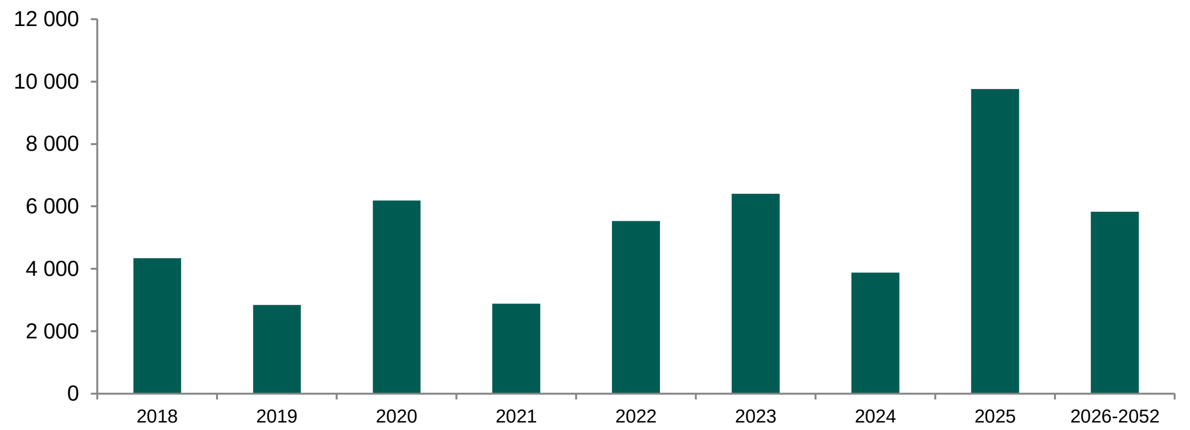
8 THE LEASE AGREEMENTS

8.1 Summary of the Lease Agreements

There are in total approximately 470 lease agreements with approximately 48% of the rental income deriving from Kesko, approximately 23% from Tokmanni and approximately 6% from S-Group. The average rent per square metre of the Portfolio, excluding supplements and based on occupied premises only, is approximately EUR 115. Almost all Lease Agreements are adjusted equivalent to changes in the CPI.

The lease expiry schedule, as presented below, is perceived to be balanced and well-distributed over the coming years.

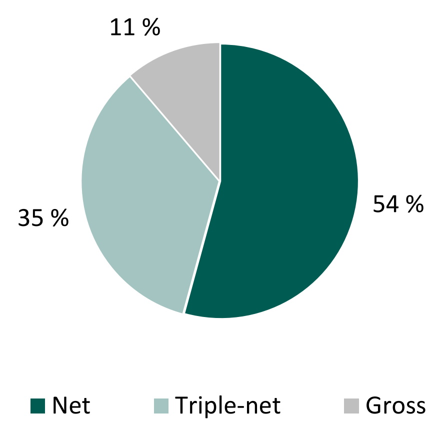
Lease expiry schedule, EUR ('000)



Source: the Vendors

Approximately 54% of the Lease Agreements are defined as Net Leases, approximately 35% as Triple-net Leases and approximately 11% as Gross Leases.

Type of lease agreements



Source: the Vendors

9 THE ANCHOR TENANTS

Unless otherwise explicitly stated, the Anchor Tenants are the sources of all information contained in this chapter.

The Portfolio is anchored by the three market leading tenants in Kesko, Tokmanni and S-Group. Two of the Anchor Tenants, S-Group and Kesko, had a market share in the Finnish grocery segment of approximately 47% and 38% respectively in 2016. Tokmanni's market share in the Finnish discount retail segment amounted to approximately 42% in 2015. Together, more than 90% of the total rental income of the Portfolio's properties is anchored by these three tenants.

9.1 Kesko

Kesko was originally founded in 1940 when four regional wholesaling companies merged. Kesko and K-retailers together forms K Group, which in total employs approximately 45,000 people with approximately 10,400 employees and approximately 1,450 stores within grocery trade.

K Group operates within three segments with the grocery trade being the largest segment with approximately 58% of the net sales in 2016. In total, K Group has approximately 2,000 stores engaged in chain operations in a total of nine countries; Finland, Sweden, Norway, Estonia, Latvia, Lithuania, Poland, Belarus and Russia.

K Group's retail sales and number of stores by operating country

Country	Retail sales, EURm	% of total	Stores
Finland	**10,100**	**81.1**	**1,921**
Sweden	355	2.9	37
Norway	828	6.6	106
Estonia	169	1.4	28
Latvia	91	0.7	12
Lithuania	417	3.3	25
Poland	114	0.9	36
Russia	287	2.3	13
Belarus	101	0.8	16
Total	**12,462**	**100%**	**2,194**

Source: Kesko

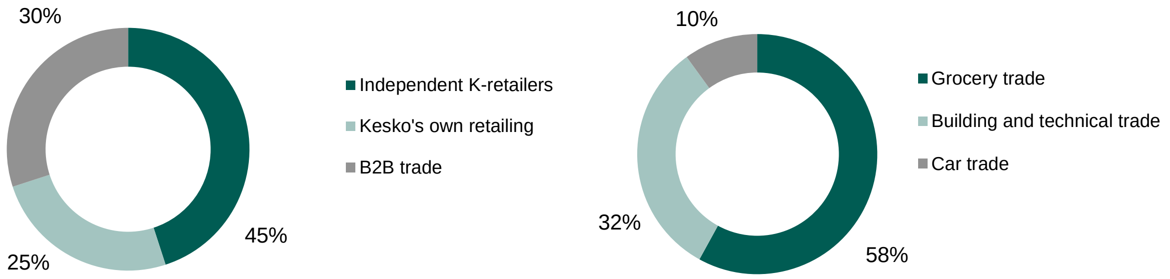
9.1.1 Kesko store types

Kesko's principal business model in the Finnish market is the chain business model, in which independent K-retailers run retail stores in Kesko's chains. Kesko has three types of stores, being the K-Citymarket, the K-Supermarket and K-Market, shortly presented below.

- K-Citymarket: Kesko's largest grocery store, a hypermarket that offers extensive selections of food, as well as items for domestic use and specialty goods (in total 81 stores as of September 2017)
- K-Supermarket: a slightly smaller market compared to the K-Citymarket (in total 231 stores as of September 2017)
- K-Market: a local neighbourhood store near its customers (in total 822 stores as of September 2017)

The acquisition of Suomen Lähikauppa, completed in April 2016, enables Kesko to offer a more extensive network of neighbourhood stores. As a result of the acquisition, all 400 Siwa and Valintatalo stores (former Suomen Lähikauppa stores), will be renewed into K-Markets.

Net sales by business model and by segment, 2016



Source:Kesko

9.1.2 Largest shareholders

The list of Kesko's largest shareholders is based on the information from its website, which in return is given by Euroclear Finland Ltd (former Finnish Central Securities Depository). To provide a correct picture of the shareholder structure, Kesko has grouped all affiliated shareholders together. Kesko's market cap amounts to approximately EUR 4.5 billion, distributed across approximately 100 million shares (A and B classes). Kesko has been listed on Helsinki stock exchange (Nasdaq) since February 1986.

Largest shareholders as of 31 December 2017

Investor	% of total shares	Monthly change
K-retailers' Association	4.1	+1.0%
Vähittäiskaupan Takaus Oy	3.5	+/-
Kruunuvuoren Satama Oy	3.4	+/-
Ilmarinen Mutual Pension Insurance Company	2.0	-3.0%
Valluga-sijoitus Oy	1.3	+/-
Foundation for Vocational Training in the Retail Trade	1.2	+1.0%
Varma Mutual Pension Insurance Company	1.1	+/-
The State Pension Fund	1.1	+/-
Oy The English Tearoom Ab	1.0	+/-
Kesko Oyj	0.6	+/-
Total	**19.3**	

Source: Kesko

9.1.3 Financial overview, full year 2016

The Kesko group presented net sales of EUR 10.2 billion in 2016, to be compared with EUR 8.7 billion in 2015, implying a year-on-year growth of more than 17%. Acquisitions and disposals excluded, net sales in local currencies grew by 1.6%. Suomen Lähikauppa Oy has been consolidated into the Kesko group as of 12 April 2016, Onninen group as of 1 June 2016 and Oy AutoCarrera Ab as of 1 December 2016. The Russian business of the grocery trade is included in the figures until 30 November 2016 and Anttila was included in the figures for the comparative period until 16 March 2015. In the grocery trade, the 12.0% net sales growth was significantly attributable to the acquisition of Suomen Lähikauppa. Net sales in local currencies, excluding Suomen Lähikauppa and the Russian business, were down 0.2%.

The profitability in the grocery segment on the other hand was good during the period. Comparable operating profit remained at the previous year's level amid an intensive reform of business operations was carried out, the acquisition of Suomen Lähikauppa was implemented and its integration into Kesko's business operations was initiated.

Selected financials of Kesko

EURm	**Kesko**	
Income statement	**2016**	**2015**
Net sales	**10,180**	**8,679**
% Growth YoY	*17.3%*	*-4.3%*
EBITDA	308	331
% Margin	*3.0%*	*3.8%*
EBIT	147	195
% Margin	*1.4%*	*2.2%*
Profit before tax	145	188
Profit for the period	**114**	**117**
Balance sheet	**2016-12-31**	**2015-12-31**
Assets		
Non-current assets	1,983	1,808
Current assets	2,425	2,331
Total assets	**4,408**	**4,139**
Equity		
Total equity	**2,126**	**2,242**
Liabilities		
Short-term liabilities	1,818	1,509
Long-term liabilities	463	388
Total equity and liabilities	**4,408**	**4,139**

Source: Kesko

9.1.4 Financial overview, Q1 – Q3 2017

Kesko's net sales in the first three quarters amounted to EUR 8.1 billion compared to the previous period of EUR 7.4 billion, an increase of approximately 9.5%. The operating profit and the comparable operating profit were EUR 268 million and EUR 216 million, respectively in January-September 2017, compared to EUR 187 million and EUR 210 million, respectively in January-September 2016. The most significant items affecting comparability were the EUR 49.6 million gain on the divestment of properties in the Baltics, the EUR 19.7 million expenses related to the conversion of the Suomen Lähikauppa chains, the gain on the divestment of the K-maatalous business of EUR 12.1 million, and the gain on the divestment of the Asko and Sotka furniture trade amounting to EUR 19.0 million.

Net sales growth was affected by both the acquisitions made in 2016 as well as the divestments made in the first half of 2017.

Key performance indicators of Kesko

EURm	Q1-Q3 2017	Q1-Q3 2016
Net sales	8,058	7,415
EBITDA	369	292
EBITDA margin	*4.6%*	*3.9%*
EBIT, comparable	215.8	209.6
EBIT margin, comparable	*2.7%*	*2.8%*
EBIT	267.7	187
EBIT margin	*3.3%*	*2.5%*

Source: Kesko

9.2 Tokmanni

Tokmanni is Finland's largest discount retailer. Tokmanni's market share in Finland in 2015 was estimated to approximately 42%.

Tokmanni had 169 stores across Finland at the end of the third quarter of 2017 (168 in Q2 2017) and employs over 3,200 people in total. Tokmanni has opened seven new stores and relocated two during Q1-Q3 2017. In Tokmanni's Q3 report the company estimated to open 13 new stores and relocate two in 2017 which would increase selling space by approximately 27,000 square metres, well above its annual target, which is to increase its selling space by approximately 12,000 square metres per year. The year 2017 has been exceptionally active in new store openings due to the opportunity created by Anttila, whom went bankrupt in 2016. In 2018, the expansion pace is estimated to be at a more normalised level.

Selling space development 2016 and projections for 2017

Year and quarter	Number of new stores	Selling space increase, sqm
2016	7	7,815
2017		
Q1	*2 (1 new and 1 relocated)*	*2,590*
Q2	*6 (5 new and 1 relocated)*	*9,756*
Q3	*1*	*1,100*
Q4 (estimates)	*6*	*13,750*
Total 2017	**15 (2 relocated)**	**27,196**

Source: Tokmanni

9.2.1 *Largest shareholders*

The list of Tokmanni's largest shareholders is based on information from its website, which in return is provided by Euroclear Finland Ltd (former Finnish Central Securities Depository). To provide a correct picture of the shareholder structure, Tokmanni has grouped all affiliated shareholders together. Nordics Capital Fund VII, which previously held 15.2% of the shares in Tokmanni, sold all its shares on 12 September 2017. Nordic Capital acquired Tokmanni in 2012 and listed the company's shares on Nasdaq Helsinki stock exchange in April 2017. Tokmanni's market cap amounts to approximately EUR 440 million, distributed across approximately 59 million shares.

Largest shareholders as of 31 December 2017

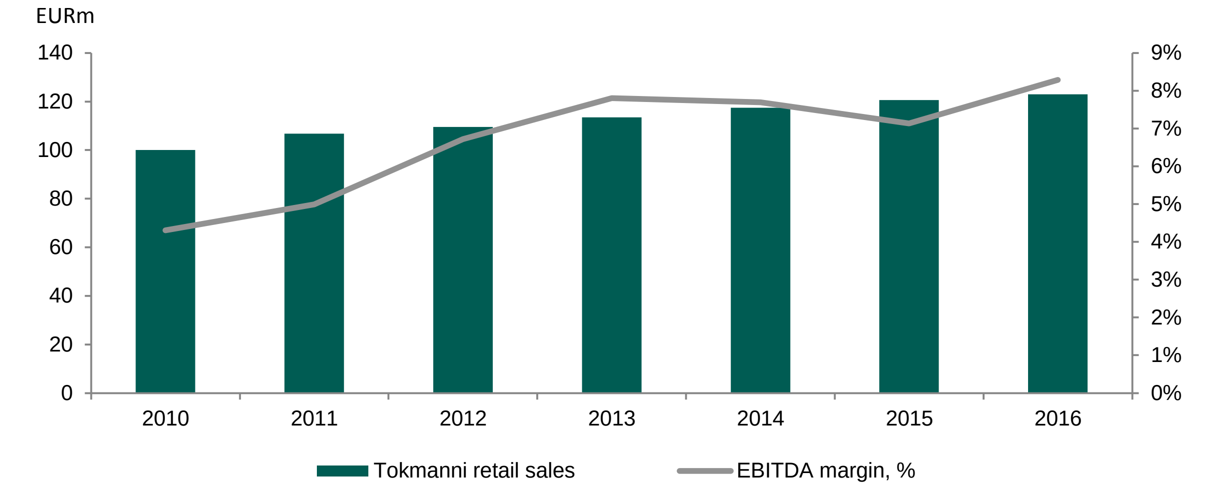
Investor	% of total shares	Monthly change
Rockers Tukku Oy	17.0	+/-
Elo Pension Company	8.1	+/-
Varma Mutual Pension Insurance Company	7.4	+/-
Nordea Pro Finland Fund	4.5	+2.4%
OP-Finland Value Fund	3.2	+/-
Nordea Nordic Small Cap Fund	2.5	+/-
Ilmarinen Mutual Pension Insurance Company	1,6	-23.8%
Fondita Nordic Small Cap Investment Fund	1.5	+/-
OP-Finland Small Firms Fund	1.4	+/-
Veritas Pension Insurance Company Ltd.	1.3	+0.1%
Total	**48.5**	

Source: Tokmanni

9.2.2 *Financial overview, full year 2016*

Revenue grew by 2.7% between 2015 and 2016 to EUR 775.8 million and EBITDA totalled EUR 64.3 million with an EBITDA and EBIT margin of 8.3% and 6.3% respectively. In the third quarter of 2016, the Finnish discount retailer Anttila went bankrupt and held a clearance with discounts of up to 80% and as Tokmanni had 70% product overlap with Anttila, this had a severe impact on Tokmanni's business. On the other hand, Nordea Equity Research estimates that Anttila's bankruptcy left EUR 100-140 million in sales for Tokmanni and other general discount retailers to take. Tokmanni's cash flow from operating activities in 2016 was EUR 62.5 million, to be compared with EUR 35 million in 2015, mainly driven by improved result and more efficient working capital management.

Tokmanni retail sales and EBITDA margin, 2010-2016



Source: Tokmanni

Below is summary of Tokmanni's financials for 2015 and 2016.

Selected financials of Tokmanni

EURm	Tokmanni	
Income statement	**2016**	**2015**
Revenue	**776**	**755**
% Growth YoY	*2.7%*	*2.9%*
EBITDA	64	54
% Margin	*8.3%*	*7.1%*
EBIT	49	39
% Margin	*6.3%*	*5.2%*
Profit before tax	34	18
Profit for the period	**27**	**15**
Balance sheet	**2016-12-31**	**2015-12-31**
Assets		
Non-current assets	228	231
Current assets	231	225
Total assets	**459**	**455**
Equity		
Total equity	**167**	**48**
Liabilities		
Short-term liabilities	108	112
Long-term liabilities	184	295
Total equity and liabilities	**459**	**455**

Source: Tokmanni

9.2.3 Financial overview, Q1 – Q3 2017

The revenue grew by approximately 1.9% in the first three quarters of 2017 compared to same period in 2016. The comparable gross margin was slightly reduced from 34.3% to 33.2% and the comparable EBITDA of EUR 26.3 million decreased from the same period in 2016 (EUR 35.5 million).

The year of 2017 was an active year regarding opening of new stores, mainly driven by the opportunity created by Anttila. The increase in stores has required much more employee input and at the same time the large number of new stores had led to an increase in operating expenses.

Key performance indicators

EURm	Q1-Q3 2017	Q1-Q3 2016
Revenue	547.9	537.6
EBITDA, comparable	26.3	35.5
EBITDA margin, comparable	*4.8%*	*6.6%*
EBITDA	23.8	36.0
EBITDA margin	*4.3%*	*6.7%*
EBIT, comparable	15.6	24.1
EBIT margin, comparable	*2.8%*	*4.5%*
EBIT	13.1	24.6
EBIT margin	*2.9%*	*4.6%*

Source: Tokmanni

9.3 S-Group

S-Group consists of 20 independent regional cooperatives together with SOK Corporation, which is owned by the cooperatives, and its subsidiaries. SOK Corporation operates as the central organisation of the cooperative enterprises and provides them with procurement, expert and support services. SOK is also responsible for the strategic guidance of S-Group and the development of the business chains.

S-Group's key business areas are in the supermarket trade (grocery trade), the department store and speciality store trade, service station store, the travel industry, hospitality business and the hardware trade.

S-Group's business is organised in nation-wide chains with more than 1,600 outlets in Finland and employs approximately 38,000 people. The group have operations in Finland, the Baltic countries and Russia.

9.3.1 S-Group's grocery trade in Finland

S-Group's key business areas are the supermarket trade (grocery trade), department stores and specialty stores, the hardware trade, service station store and fuel sales, and the travel industry and hospitality business. In addition, S-Bank offers banking services to co-op members. Individual cooperatives conduct automotive trade and agricultural trade. Below is a summary of the S-Group's grocery trade chains.

Prisma

- 64 Prisma stores in Finland
- Central locations along good transport connections

S-Market

- Approximately 430 stores
- The largest grocery chain in Finland

Sale and Alepa

- In total 449 stores around Finland
- Long opening hours

Grocery stores at ABC service station stores

- The grocery trade is conducted under the ABC-brands
- Approximately 90 service station stores includes a grocery store
- Convenient grocery shopping location for customers

S-Group's retail sales by business area

Business area	EUR million	Mainly groceries	% of total
Prisma(1)	3,451	Yes	31.3
S-Market	3,322	Yes	30.1
Sale and Alepa	978	Yes	8.9
Other supermarket trade(1)	5	Yes	0.1
Hardware trade	197	No	1.8
Service stations	1,543	No	14.0
Department store and speciality store trade	300	Yes	2.7
Travel industry and hospitality business(1)	793	No	7.2
Other	430	-	3.9
S-Group, total	**11,020**	**Yes**	**100%**

Notes: (1) Includes retail sales in the Baltic countries and St Petersburg
Sources: S-Group, SOK annual report

9.3.2 Financial overview, full year 2016

S-Group's retail sales in 2016 amounted to EUR 11 billion, showing an increase of 2.0% compared to 2015. The group had both increasing EBITDA and EBIT margins.

A total 97,028 new members joined the co-operatives in 2016. The total number of co-op members were approximately 2.3 million at the end of 2016 and the members were paid EUR 353 million in bonus rewards.

Consolidated financial statement for the S-Group is not presented to the public, hence only SOK presented herein.

Selected financials of SOK

EURm	SOK Corporation	
Income statement	**2016**	**2015**
Revenue	**7,074**	**7,038**
% Growth YoY	*0.5%*	*-3.4%*
EBITDA	99	74
% Margin	*1.4%*	*1.0%*
EBIT	37	11
% Margin	*0.5%*	*0.2%*
Profit before tax	23	9
Profit for the period	**11.6**	**0.6**
Balance sheet	**2016-12-31**	**2015-12-31**
Assets		
Non-current assets	794	680
Current assets	955	990
Total assets	**1,749**	**1,670**
Equity		
Total equity	**647**	**617**
Liabilities		
Short-term liabilities	878	858
Long-term liabilities	225	196
Total equity and liabilities	**1,749**	**1,670**

Source: SOK annual report

The S-Group companies' Pirkanmaan Osuuskauppa, Osuuskauppa Hämeenmaa, Kymen Seudun Osuuskauppa, Turun Osuuskauppa, HOK-Elanto Liiketoiminta Oy (subsidiary of Helsingin Osuuskauppa Elanto), and Osuuskauppa PeeÄssä act as tenants under certain Lease Agreements and a brief summary of each company's financials is presented below.

Pirkanmaan Osuuskauppa is the counterparty under one lease agreements, covering approximately 2,400 square metres or EUR 228,000 in rental value (equivalent to 0.5% of total rental income).

Selected financials of Pirkanmaan Osuuskauppa Group

EUR '000	Pirkanmaan Osuuskauppa Group	
Income statement	**2016**	**2015**
Revenue	**826,686**	**781,377**
% Growth YoY	*5.8%*	*-1.2%*
EBITDA	32,866	41,525
% Margin	*4.0%*	*5.3%*
EBIT	23,136	25,839
% Margin	*2.8%*	*3.3%*
Profit before tax	18,401	23,274
Profit for the period	**14,194**	**17,676**

Source: Pirkanmaan Osuuskauppa Group

Osuuskauppa Hämeenmaa is the counterparty under four lease agreements, covering approximately 2,700 square metres or EUR 350,000 in rental value (equivalent to 0.7% of total rental income).

Selected financials of Osuuskauppa Hämeenmaa Group

EUR '000	Osuuskauppa Hämeenmaa Group	
Income statement	**2016**	**2015**
Revenue	**890,420**	**876,636**
% Growth YoY	*1.6%*	*-3.0%*
EBITDA	53,580	50,563
% Margin	*6.0%*	*5.8%*
EBIT	31,002	30,675
% Margin	*3.5%*	*3.5%*
Profit before tax	27,769	27,317
Profit for the period	**21,940**	**21,195**

Source: Osuuskauppa Hämeenmaa Group

Kymen Seudun Osuuskauppa is the counterparty under six lease agreements, covering approximately 4,400 square metres or EUR 733,000 in rental value (equivalent to 1.5% of total rental income).

Selected financials of Kymen Seudun Osuuskauppa Group

EUR '000	Kymen Seudun Osuuskauppa Group	
Income statement	**2016**	**2015**
Revenue	**423,502**	**421,801**
% Growth YoY	*0.4%*	*-8.2%*
EBITDA	26,368	29,242
% Margin	*6.2%*	*6.9%*
EBIT	12,705	15,035
% Margin	*3.0%*	*3.6%*
Profit before tax	13,943	16,150
Profit for the period	**9,789**	**13,045**

Source: Kymen Seudun Osuuskauppa Group

Turun Osuuskauppa is the counterparty under seven lease agreements, covering approximately 9,200 square metres or EUR 840,000 in rental value (equivalent to 1.8% of total rental income).

Selected financials of Turun Osuuskauppa Group

EUR '000	Turun Osuuskauppa Group	
Income statement	**2016**	**2015**
Revenue	**562,629**	**557,628**
% Growth YoY	*0.9%*	*902.6%*
EBITDA	19,030	13,428
% Margin	*3.4%*	*2.4%*
EBIT	7,107	1,267
% Margin	*1.3%*	*0.2%*
Profit before tax	4,550	1,596
Profit for the period	**2,601**	**1,150**

Source: Turun Osuuskauppa Group financials

HOK-Elanto Liiketoiminta is the counterparty under three lease agreements, totalling approximately 4,600 square metres or approximately EUR 823,000 in rental value (equivalent to 1.7% of total rental income). HOK-Elanto is S-Group's largest regional trading company owned by 560,000 owners. Annual turnover amounted to almost EUR 1.9 billion in 2016 and the company employs more than 6,000 people. HOK-Elanto is the market leader in the grocery trade. In addition, HOK-Elanto is also one of the largest players in the restaurant industry in the Nordic region.

Selected financials of HOK-Elanto Liiketoiminta Oy

EUR '000	**HOK-Elanto Liiketoiminta Oy**	
Income statement	**2016**	**2015**
Revenue	**1,935,692**	**1,841,008**
% Growth YoY	*5.1%*	*-0.7%*
EBITDA	59,177	29,995
% Margin	*3.1%*	*1.6%*
EBIT	36,518	23,170
% Margin	*1.9%*	*1.3%*
Profit before tax	37,145	24,714
Profit for the period	**1,251**	**80**

Source: HOK-Elanto Liiketoiminta Oy

Osuuskauppa PeeÄssä is the counterparty under one lease agreements, covering approximately 1,650 square metres or EUR 142,000 in rental value (equivalent to 0.3% of total rental income).

Selected financials of Osuuskauppa PeeÄssä Oy

EUR '000	**Osuuskauppa PeeÄssä**	
Income statement	**2016**	**2015**
Revenue	**547,121**	**533,966**
% Growth YoY	*2.5%*	*-2.2%*
EBITDA	37,666	33,220
% Margin	*6.9%*	*6.2%*
EBIT	21,893	17,353
% Margin	*4.0%*	*3.2%*
Profit before tax	22,250	17,522
Profit for the period	**17,807**	**13,965**

Source: Osuuskauppa PeeÄssä

9.3.3 Financial overview, H1 2017

S-Group's retail sales excluding taxes in January–June were approximately EUR 5.5 billion, an increase of 2.4% compared to the same period 2016.

S-Group and Stockmann have signed an agreement for the transfer of the operations of the Stockmann department stores to the cooperatives of S-Group. A total of approximately 36,500 new members joined the cooperatives during the first half of 2017 and the total number of co-op members amounted to almost 2.3 million.

SOK Corporation's net sales in January–June 2017 were EUR 3,449 million, which is in line with the same period in 2016. SOK Corporation's operating loss was EUR -5.2 million, a decrease from previous period's EUR 13.5

million profit. The reasons behind the result being weaker compared to the previous year are the non-recurring costs related to the rundown of the supermarket trade business areas in Latvia and Lithuania, and the lower result in banking operations compared to the previous period.

Key performance indicators of SOK Corporation

EURm	Q1-Q2 2017	Q1-Q2 2016
Net sales	3,449	3,466
Operating profit	-5.2	13.5
Profit before tax	-3.9	11.3
Result for the period	-4.2	11.9

Source: SOK Corporation

9.4 Other tenants

The majority of the Properties are anchored by the Anchor Tenants. The rest of the Portfolio, anchoring approximately 8% of the assets, is shared between several other tenants. A selection of these others tenants is presented below.

Selection of other tenants

Source: the Vendors

10 FINANCIAL INFORMATION

The estimates, projections and calculations in this chapter 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 Offering Memorandum. The Company cannot guarantee the correctness of the calculations, or the quality of the figures and assumptions underlying the calculations. Some of the assumptions made will or may be changed by the Board of Directors, and accordingly the estimates may then change. Please note that the expected return is not a guarantee of actual return. Actual return is also subject to the investor's tax position and may be affected by future changes in tax legislation.

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

10.1 Transaction financing

The investment has an estimated project cost of EUR 754 million, and will include the following elements:

Project costs, rounded

Element	EUR ('000)
Agreed Portfolio Value	735,000
Arrangement and sales fee(1)	11,025
Debt financing(2)	2,463
Other start-up costs (Transaction related costs)(3)	1,800
Working capital	3,712
Total Project cost	**754,000**

Note: (1) Costs related to the Equity Issue, as described further in section 4.12 (2) Costs related to the Debt Facilities, as described further in section 10.3 (3) Other start–up costs include cost for due diligence, start-up costs for the Business Manager and others, as described further in section 4.12
Source: the Company

10.2 Key figures

Key figures, rounded

Estimated key figures	Unit	Amount/percentage
Debt Facilities	EUR million	443.0
Equity Issue	EUR million	311.0
Rental income, incl. supplements(1)	EUR million	55.9
Rental income, excl. supplements(1)	EUR million	47.9
NOI(1)	EUR million	44.8
Adjusted EBITDA (full year 2018)(1)	EUR million	41.3
Net Real Estate Yield(1)	%	6.1
Dividend Yield	%	8.0

Note: (1) Based on the Group's current earnings capacity as described further in section 10.4
Source: the Company

The Agreed Portfolio Value of EUR 735 million corresponds to an estimated Net Real Estate Yield of approximately 6.1%. It should be noted that an external market valuation of the Portfolio, performed by Newsec, implies a market value of the Portfolio of EUR 767 million.

The estimated project cost of EUR 754 million is expected to be financed as set out below:

Project financing	
Element	**EUR million**
Debt Facilities	443.0
Equity Issue	311.0
Total Financing	**754.0**

Source: the Company

10.3 Description of debt financing

The Manager has, on behalf of the Group, conducted an evaluation of debt financing options. Based on indicative terms from banks and other lenders, more detailed discussions were initiated with the current lenders of the Portfolio to amend the terms and collect the lenders' consent to any change of control event occurring due to the completion of the Transaction. The Company has also evaluated to finance the acquisition through a junior financing, which is presented in more detail below.

The main commercial terms of the Senior Secured Bank Financing are as follows:

Main terms of the Senior Secured Bank Financing

Lenders:	Bank consortium of reputable Nordic banks
Borrowers:	SF Retail 1 Oy, SF Retail 2 Oy, SF Grocery 1 Oy
Guarantor:	Certain Group Companies
Amount:	EUR 308 million
LTV:	Approximately 42%
Maturity:	Initially 5 years (2020 and 2021)
Interest rate:	EURIBOR + margin (between 1.85% – 2.25%). The Company has budgeted for a weighted all-in interest rate of 2.3%
Hedging:	SF Retail 1 Oy, SF Retail 2 Oy and SF Grocery 1 Oy have entered into interest rate cap agreements with a weighted cap strike rate (EURIBOR 3M) of approximately 0.3%
Amortisation:	Bullet
Covenants:	• Loan to Value: 70% and 65% (subject to step down to 60.50%) • Interest Cover Ratio: 2.50x - 2.00x • Debt Service Cover Ratio: 1.10x - 1.50x
Undertakings:	• In accordance with market standards, including limitations on incurrence of new financial indebtedness and payment of distributions, negative pledge and other property specific undertakings
Ownership clause:	• In accordance with market standards, following a change of control event (>50% of the votes or right to appoint the majority of the board members) or a de-listing event
Security package:	The security package includes security over mortgages in the Properties covering the full Debt Facility amount, security over the shares in certain Group Companies, security over intragroup and shareholder loans, security over insurances, security over bank accounts, security over escrow accounts, security over rights under lease agreements and security over rights under the share purchase agreement
Amendment fee:	One-time fee of 0.14% of the total loan amount (totalling EUR 438,000)

Sources: the Company, the lenders

The Manager has also, on behalf of the Company, evaluated to finance the acquisition through a bond issue and have during a pre-sound process negotiated commercial terms with a certain bond investors. As of the date of this Offering Memorandum, the terms of the Senior Unsecured Bond Financing are still under negotiation. The Company assesses the risk of failing to issue a bond to be limited. There can, however, be no assurance that the Company will succeed in issuing a bond on terms equal to or better than those outlined in the indicative terms. Should the Company prove unsuccessful in issuing a bond on the indicative terms, the Company may elect to seek external financing from other sources, which may be more expensive for the Group, or not even available at all.

The main indicative terms of the Senior Unsecured Bond Financing are as follows:

Main indicative terms of the Senior Unsecured Bond Financing

Lenders:	Bond investors
Issuer:	The Company
Amount:	EUR 135 million
LTV:	Approximately 60% (from 42% to 60%)
Maturity:	3.25 years
Interest rate:	EURIBOR (3 months) + Floating Rate Margin
Floating rate margin:	Expected at [●]% per annum.
Amortisation:	Bullet
Voluntary amortization:	The Company may at one occasion (being no earlier than 21 months after the issue date), amortize up to EUR 60,000,000 at 102%
Maintenance test:	• Net LTV <70% • ICR >1.75x
Incurrence test:	• Equity ratio >30% • Net LTV <65% • ICR >2.25x (distributions only)
Call structure (American):	• Callable @108% first 27 months: • Thereafter callable @ 101.50/101.00/100.00% after 27/33/36 months respectively
Undertakings:	Customary for senior unsecured bond financings, including limitations on incurrence of new financial indebtedness and payment of distributions, negative pledge and other property specific undertakings, subject to certain exemptions as further described in the terms and conditions
Ownership clause:	Put option following change of control event (>50% of the votes or right to appoint the majority of the board members) or a de-listing event
Security package:	Unsecured
Arrangement fee:	One-time fee of 1.50% of the loan amount (being in aggregate EUR 2,025,000)

Sources: the Company

Compared to the Agreed Portfolio Value of EUR 735 million, the initial LTV, including the Senior Secured Bank Financing and the Senior Unsecured Bond Financing is approximately 60%. The debt per square metre equals approximately EUR 1,000.

10.4 Current earnings capacity

The table below presents the Group's current earnings capacity on a twelve month basis as of 1 January 2018. Important to note is that the current earnings capacity is not to be considered a forecast for the next twelve months but should be seen as a hypothetical instant view of the Group's revenues and costs for a twelve month period given the below assumptions. Accordingly, the current earnings capacity should be read together with other information in this Offering Memorandum and potential investors should not pay undue attention to the current earnings capacity.

Assessment of changes in rents, vacancies, operating expenses, currencies or interest rates and other factors post 1 January 2018 have not been taken into account in the current earnings capacity, except for the by the Company known and estimated index-adjustments to the rental contracts for the next twelve months and renegotiated management contracts. Nor has the fair value development of the Portfolio and financial instruments, and future acquisitions and/or sales of properties been considered in the current earnings capacity. Based on the amount of interest bearing assets in the Group and the current interest rate levels, financial income has been set to zero in the current earnings capacity.

Current earnings capacity as of 1 January 2018

EUR millions	**1 January 2018**
Rental income	47.9
Other income	7.9
Operating expenses	-11.1
Net operating income (NOI)	**44.8**
Central administration expenses	-3.5
Financial income	0.0
Financial costs	-14.1
Income from property management	**27.1**

Source: the Company

The current earnings capacity is based on the following:

- Rental income: contracted rental income of the property portfolio as of 1 January 2018, adjusted with by the Company known and estimated index-adjustments to the rental contracts during 2018;
- Other income: budgeted income for service charges and other income for the period 1 January – 31 December 2017;
- Operating expenses: actual costs as recognised in the Targets for the period 1 January – 30 September 2017, budgeted costs for the period 1 October – 31 December 2017, adjusted for renegotiated property management contracts effective as of 1 January 2018. Property tax is included in Operating expenses;
- Central administration expenses: costs for the period 1 January – 31 December 2018 based on contract entered into for the central administration (hence the Company Costs); and
- Financial costs: financial costs related to the Senior Unsecured Bond Financing with the interest rate of 4.75% as if issued as of 1 January 2018, financial costs related to the interest bearing liabilities of EUR 308 million that will be overtaken from the Vendors in connection with the acquisition, with the fixed interest rate of 2.3% (according to current financial derivatives) as if overtaken and refinanced as of 1 January 2018 and the accrued transaction cost related to the Senior Unsecured Bond Financing.

10.5 Net indebtedness

The actual net indebtedness is presented as of 31 December 2017, as this is the most recent and reliable measure of net indebtedness. However, due to recent events in the Company, the Company's actual net indebtedness as per 31 December 2017 does not reflect a representative net indebtedness of the Group after the Transaction. Hence, net indebtedness of the Group is also presented as an adjusted net indebtedness after acquisition- and financing-related adjustments. The adjusted net indebtedness is expected to present the best estimate of the Group's net indebtedness at the consolidation date.

The actual and adjusted net indebtedness as of 31 December 2017 is presented below.

Actual and adjusted net indebtedness as of 31 December 2017

EUR millions	**Actual** as of 31 December 2017	**Adjustments** Acquisition- and finacing-related adjustments	**As adjusted** After aquisition- and financing-related adjustments
(A) Cash	0.1	5.4	5.5
(B) Cash equivalents			0.0
(C) Trading securities			0.0
(D) Liquidity (A)+(B)+(C)	**0.1**	**5.4**	**5.5**
(E) Current financial receivables		1.4	1.4
(F) Current bank debt			0.0
(G) Current portion of non current debt			0.0
(H) Other current financial debt			0.0
(I) Current financial debt (F)+(G)+(H)	**0.0**	**0.0**	**0.0**
(J) Net current financial indebtedness (I)-(E)-(D)	**-0.1**	**-6.8**	**-6.9**
(K) Non current bank debt		308.0	308.0
(L) Bond issued		133.0	133.0
(M) Other non current loans			0.0
(N) Non current financial indebtedness (K)+(L)+(M)	**0.0**	**441.0**	**441.0**
(O) Net financial indebtness (J)+(N)	**-0.1**	**434.2**	**434.1**

Source: the Company

10.5.1 Actual net indebtedness as of 31 December 2017

The first column presents the actual net indebtedness of the Company as of 31 December 2017.

10.5.2 Acquisition- and financing-related adjustments to indebtedness

The adjustments to the net indebtedness are connected to the acquisition and the related financing of the acquisition. The adjustment to cash of EUR 5.4 million includes cash in the Targets, cash that will be obtained from the Equity Issue and the Senior Unsecured Bond Financing used to raise capital for the acquisition, repayment of loans to Vendors, decided amortization of overtaken external debt and the cash consideration part of the purchase price. The adjustment to current financial receivables of EUR 1.4 million relates to overtaking of the Targets' financial receivables. The adjustment to non current bank debt of EUR 308 million relates to the external financing in the Targets to be overtaken and a decided financing-related amortization of the external financing to reach the desired non current bank debt of EUR 308 million. The adjustment to bond issued of EUR 133 million (the issue of EUR 135 million adjusted with transaction costs of EUR 2.0 million) relates to the Senior Unsecured Bond Financing, which will be used to partially finance the acquisition.

10.5.3 Adjusted net indebtedness[1]

The adjusted net indebtedness is obtained by adding the adjustments to the actual net indebtedness. The adjusted net indebtedness is expected to be the best estimate of the Group's net indebtedness at the transaction date.

[1] The adjusted net indebtedness is similar to the pro forma indebtedness as of 30 September 2017 and can be found in section 10.6.4.

10.6 Pro forma financial information

10.6.1 Background of the pro forma financial information

The Company intends to acquire the Targets on 7 March 2018 comprising of 107 Finnish subsidiaries and 2 Luxembourgian entities. The acquisition is classified as an asset deal from an accounting perspective (in contrast to a business combination), as the Transaction does only include the acquisition of the Targets' underlying assets and no transfer of employees, systems or processes, and indirectly includes the Properties. The total value of the Portfolio agreed between the Company and the Vendors amounts to EUR 735 million. The acquisition of the Targets' shares will be financed by overtaking and refinancing existing debt, and with a cash consideration of EUR 224.2 million. The cash payment will be financed by proceeds from the Senior Unsecured Bond Financing of EUR 135 million and the Equity Issue of EUR 311 million.

For the purpose of the pro forma financial information, the consideration for the shares in the Targets has been assumed to be EUR 213.3 million, which would have been the case if the purchase price was calculated based on the Targets' financial information as per 30 September 2017.

10.6.2 Purpose of the pro forma financial information

The Transaction will have a direct effect on the Group's future earnings, financial position and cash flows. Therefore, the Company has prepared a pro forma statement of financial position as of 30 September 2017 to illustrate the effect that the acquisition might have had on the Company's consolidated statement of financial position as if the (i) formation of the Company and (ii) the Transaction had been completed as of 30 September 2017.

The pro forma financial information describes a hypothetical situation and has been prepared for illustrative purposes only. The pro forma financial information does not include all of the information required for financial statements under International Financial Reporting Standards as adopted by the EU ("**IFRS**").

Moreover, the pro forma financial information may not necessarily reflect the Group's actual financial position if the acquisition had actually been completed on such earlier date and such pro forma financial information should not be considered to be indicative of Company's financial position as of any future date. Accordingly, potential investors should not pay undue attention to the pro forma financial information.

10.6.3 Basis for the pro forma financial information

Basis for preparation

The pro forma financial information is prepared based on the principles of the Prospectus Regulation 809/2004/EC.

The pro forma financial information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act. Neither the assumptions underlying the pro forma adjustments nor the resulting pro forma financial data have been audited or reviewed in accordance with U.S generally accepted auditing standards.

Accounting policies

The pro forma financial information has been prepared in accordance with the Company's accounting policies under IFRS, as described in section 10.8 in this Offering Memorandum, which are the accounting policies the Group intends to apply. New or amended accounting standards that are not applicable as of 2017 have not been considered in the pro forma financial information. Those standards might impact future financial reports of the Group.

The Targets have prepared internal reports as of 30 September 2017 based on the recognition and measurement principles of IFRS. An analysis of the differences in applying IFRS between the Company and the Targets has been performed. The result of the analysis is that no material differences have been identified.

Supporting documents

- Target Grocery Finland – internal reports as of 30 September 2017, according to IFRS
- Target Retail Finland – internal reports as of 30 September 2017, according to IFRS

Currency

The pro forma financial information is presented in EUR, which is the Company's presentation currency. The internal reports of both the Company and the Targets are presented in EUR.

Synergies and integration costs

No pro forma adjustments have been made for synergies or integration costs in the pro forma financial information.

Intra-group transactions

There has been no transactions between the Company and the Targets and hence no adjustment is needed.

10.6.4 Assumptions for the pro forma financial information

Formation of the acquiring entity

For the purpose of the pro forma financial statements, it is assumed that the Company was formed on 30 September 2017 with a share capital of EUR 60,000 and cash and cash equivalents of EUR 60,000. The share capital and cash and cash equivalents are eliminated in the pro forma balance sheet, due to a redemption of the shares in connection to the Equity Issue.

Financing of the acquisition

The total value of the Portfolio agreed between the Company and the Vendors amounts to EUR 735 million. The acquisition of the Targets' shares will be financed by overtaking and partially refinancing existing debt in the Targets and with a cash consideration. For pro forma purposes the cash consideration is assumed to be EUR 213.3 million, which would have been the case if the purchase price was calculated based on the Targets' assets and liabilities as per 30 September 2017. The cash payment was financed partly with the Senior Unsecured Bond Financing of EUR 135 million and partly through the Equity Issue of EUR 311 million. The Senior Unsecured Bond Financing is estimated to have a maturity of 3.25 years and a fixed interest rate of 4.75%.

Transaction costs

Estimated transaction costs for the Senior Unsecured Bond Financing and the Senior Secured Bank Financing amounts to EUR 2.5 million of which approximately EUR 2.0 million is related to the Senior Unsecured Bond Financing. Transaction costs for the Equity Issue is estimated to amount to approximately EUR 11.0 million.

All transaction costs related to the acquisition of the Targets have not yet been invoiced to the Company, but as of the date of this Offering Memorandum been estimated to approximately EUR 1.8 million.

Repayment of shareholder loans

In connection with the closing of the Transaction, the Targets' loans to the Vendors will be repaid. The repaid amount will include all interest and break costs and other expenses attributable to such loans and, if any, related interest rate swaps and hedging arrangements accruing until full repayment of such loans. For the purpose of the pro forma, the amount being repaid will be based on the existing debt as of 30 September 2017, which amounted to approximately EUR 199.7 million.

Tax

The adjustments relating to the Targets have been calculated using the corporate tax rate in Finland (20%). The tax effects in the pro forma financial information might differ from actual tax effects when the Transaction was executed pending on the current tax in the respective entity.

Day 1-profit

In the pro forma balance sheet the Day 1-profit and related deferred tax liability are recognised on the investment properties as if the Day 1-profit had occurred as of 30 September 2017. If the acquisitions had been completed as of 30 September 2017, the Day 1-profit and related deferred tax liability on the investment properties would not have been recognised in the balance sheet as 30 September 2017, instead the Day 1-profit and related deferred tax liability would have been recognised in the balance sheet as of 31 December 2017.

Pro forma statement of financial position as of 30 September 2017

EUR millions	Sirius Grocery Holding Sarl IFRS Unaudited	Sirius Fund II Holding Sarl IFRS Unaudited	Acquisition-related Adjustments	Notes	Financing-related Adjustments	Notes	Pro forma statement of financal position
Non current assets							
Investment properties	294.2	377.1	95.8	A, B	-		767.0
Total non current assets	**294.2**	**377.1**	**95.8**		**0.0**		**767.0**
Current assets							
Trade receivables	0.7	0.7	-		-		1.4
Deferred tax	0.1	0.1	-		-		0.2
Prepaid expenses and accrued income	0.0	1.0	-		-		1.0
Other receivables	0.0	-	-		-		0.0
Cash and cash equivalent	5.7	5.0	-		-5.2	E, F, G, H, I	5.5
Total current assets	**6.5**	**6.8**	**0.0**		**-5.2**		**8.1**
Total assets	**300.7**	**383.8**	**95.8**		**-5.2**		**775.1**
Equity and liabilities							
Equity							
Share capital	0.8	1.2	-2.0	C	0.3	E	0.3
Contributed capital	-	-	-		299.7	E	299.7
Other reserves	0.0	0.0	0.0	C	-		-
Retained earnings including current year profit/loss	64.6	54.8	-95.1	A, C	-		24.3
Total equity attributable to owners of the parent	**65.5**	**56.1**	**-97.2**		**300.0**		**324.3**
Non current liabilities							
Interest bearing liabilities	137.2	189.7	-		114.1	F, I	441.0
Deferred tax	15.4	13.7	-23.0	A	-		6.1
Total non current liabilities	**152.5**	**203.4**	**-23.0**		**114.1**		**447.1**
Current liabilities							
Shareholder loans	79.1	120.6	-		-199.7	G	-
Interest bearing liabilities	2.8	3.5	-		-6.4	I	-
Other liabilities	0.8	0.2	216.0	B, D	-213.3	H	3.7
Total current liabilities	**82.7**	**124.3**	**216.0**		**-419.3**		**3.7**
Total Liabilities	**235.2**	**327.8**	**192.9**		**-305.2**		**450.7**
Total equity and liabilities	**300.7**	**383.8**	**95.8**		**-5.2**		**775.1**

Source: the Company

10.6.5 Notes to the pro forma statement of financial position

All adjustments will have a continuous effect.

Acquisition-related adjustments

A. Valuation of properties

The investment properties had a recorded value of EUR 671.2 million in the Targets. In connection with the acquisition, the Group has obtained an external valuation by Newsec of the Portfolio amounting to EUR 767 million. The difference of approximately EUR 95.8 million is recognised as an adjustment under investment properties. The adjustment consists of two parts, one referring to the difference between the recognised value of the properties in the Targets and the identified surplus value (approximately EUR 62.6 million) obtained as the difference between the purchase price (approximately EUR 213.3 million) and the book value of equity in the Targets adjusted with the deferred tax liabilities of EUR 29.1 million (approximately EUR 150.6 million). No tax effect is recognised for this part of the adjustment based on the initial recognition exception because the acquisition is classified as an asset deal. The second part refers to the additional difference (approximately EUR 30.4 million) to the actual fair value in accordance with the external valuation of the Properties (Day-1 profit), for which a corresponding adjustment is recognised under retained earnings including current year profit/loss of approximately EUR 24.3 million and deferred tax of approximately EUR 6.1 million (based on the corporate tax rate of 20% in Finland).

B. Transaction costs

The estimated costs for the acquisition of approximately EUR 2.7 million (transaction costs of EUR 1.8 million and insurance costs related to the transaction of EUR 0.9 million) are adjusted for as an increase to investment properties and a corresponding increase to other liabilities.

C. Elimination of equity in the Targets

Approximately EUR 2.0 million, EUR 4,000 and approximately EUR 119.5 million have been eliminated from share capital, other reserves and retained earnings including current year profit/loss to reflect the elimination of equity in the Targets.

D. Cash consideration

The cash payment of approximately EUR 213.3 million will be transferred to the Vendors as part of the total consideration is recognised as an adjustment under other liabilities until payment.

Financing-related adjustments

E. Share issue

The adjustment related to the Equity Issue results in an increase in share capital of EUR 0.3 million and contributed capital of approximately EUR 299.7 million (total amount raised in the Equity Issue of EUR 311.0 million reduced with approximately EUR 11.0 million in transaction costs related to the Equity Issue).

F. Bond issue

The adjustment related to the Senior Unsecured Bond Financing results in an increase of cash of approximately EUR 133.0 million (Senior Unsecured Bond Financing of EUR 135 million reduced with approximately EUR 2.0 million in transaction costs) with a corresponding adjustment in non current Interest bearing liabilities of approximately EUR 133.0 million.

G. Shareholder loans

Loans of EUR 199.7 million in the Targets will be repaid to the Vendors in connection with the closing of the Transaction. The adjustment reduces cash and cash equivalent and current interest bearing liabilities.

H. Cash consideration

In connection with the Equity Issue and the Senior Unsecured Bond Financing, the cash consideration of approximately EUR 213.3 million described in D above will be settled.

I. Amortization of external debt

In connection to the Transaction, the Targets' interest bearing liabilities will be overtaken by the Company. Adjustments to non current interest bearing liabilities of approximately EUR 18.9 million and current interest bearing liabilities of approximately EUR 6.4 million relates to a decided amortization of the external financing overtaken by the Company to meet the decided external interest bearing bank debt of EUR 308.0 million.

10.7 Auditor's report

Deloitte.

AUDITOR'S REPORT

To the Board of Directors of Creating Income Based Upon Selection AB (publ) under name change to Cibus Nordic Real Estate AB (publ), corporate identity number 559135-0599

The Auditor's Report on Pro Forma Financial Information

We have audited the pro forma financial information set out on pages 74-78 in Creating Income Based Upon Selection AB (publ) under name change to Cibus Nordic Real Estate AB (publ) offering memorandum dated February 5, 2018.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how the acquisition of Sirius Grocery Holding Sarl and Sirius Fund II Holding Sarl might have affected the consolidated balance sheet for Creating Income Based Upon Selection AB (publ) under name change to Cibus Nordic Real Estate AB (publ) as of 30 September 2017.

The Board of Directors' responsibility

It is the Board of Directors' responsibility to prepare the pro forma financial information in accordance with the requirements of the Prospectus Regulation (EC) No 809/2004.

The auditor's responsibility

It is our responsibility to provide an opinion required by Annex II item 7 of Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or of any of its constituent elements. In particular, we do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that responsibility we have for auditor´s reports regarding historical financial information issued in the past.

Work performed

We performed our work in accordance with FAR´s Recommendation RevR 5 *Examination of Financial Information in Prospectuses*. This recommendation requires that we comply with FAR`s ethical requirements and have planned and performed the audit to obtain reasonable assurance that the financial statements are free from material misstatements. The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the Creating Income Based Upon Selection AB (publ) under name change to Cibus Nordic Real Estate AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the historical information, assessing the evidence supporting the pro forma adjustments and discussing the pro forma financial information with the management of the company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to obtain reasonable assurance that the pro forma financial information has been compiled on the basis stated on pages 74-78, and in accordance with the accounting principles applied by the company.

Other disclosures

Our work has not been carried out in accordance with auditing, assurance or other standards and practices generally accepted in other jurisdictions, including the United States of America, than in Sweden and accordingly should not be relied upon if it had been carried out in accordance with those standards and practices.

According to the Prospectus Regulation (EC) No 809/2004 pro forma financial information may only be published in respect of a) the current financial period; b) the most recently completed financial period; and/or c) the most recent interim period for which relevant unadjusted information has been or will be published or is being published in the same document. The pro forma financial information is presented for the interim period as of September 2017, which is not in accordance with the Prospectus Regulation (EC) No 809/2004.

A pro forma profit or loss statement is not included in the pro forma financial information, which is not in accordance with the European Securities and Market Authority's (ESMA) Prospectus Q&A.

Opinion

In our opinion the pro forma financial information has been properly compiled on the basis stated on pages 74-78 and in accordance with the accounting principles applied by the company.

Stockholm February 5, 2018

Deloitte AB

Signature on Swedish original

Jan Palmqvist
Authorized public accountant

10.8 Accounting policies

10.8.1 Significant accounting policies

The consolidated financial statements of the Group will be prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**") and endorsed by the European Union (EU) as well as interpretations of IFRS Interpretations Committee ("**IFRIC**").

In addition, the Group applies the Swedish Annual Accounts Act and Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups. The Company's functional currency is Euro (EUR) which is also the Group's presentation currency. Assets and liabilities are reported at historical cost apart from investment properties that are valued at fair value. Subsidiaries are companies in which the Company has a direct or indirect controlling influence over the operational or financial position. The Company has 100% of the equity and votes in its subsidiaries. The consolidated financial statements are reported in accordance with the "acquisition method", which means that an acquisition of a subsidiary is considered a transaction in which the parent company indirectly acquires the subsidiary's assets and takes over its liabilities. From the acquisition date, the consolidated financial statement includes the acquired company's income and expenses, identifiable assets and liabilities. Intra-group transactions, receivables and liabilities between the companies within the Group are eliminated in their entirety. An acquisition can be classified as either a business combination or an asset acquisition. An acquisition that has the primary purpose to acquire a company's property, i.e. where the company's possible property management and administration are of secondary importance to the acquisition, is classified as an asset acquisition. Other company acquisitions are classified as business combinations. For asset acquisitions, no deferred tax is recorded in the acquisition. Instead, a possible tax discount reduces the acquisition value of the property, meaning that changes in value will be affected by the tax discount in the subsequent valuation.

The consolidated financial statements comprise the Company and the companies that the Company or its subsidiaries have controlling influence over. Controlling influence is obtained when the Company:

- has influence over the investment object
- is exposed to, or entitled to, variable return from its involvement in the investment object; and
- can use its influence over the investment object to affect its return

The following describes the applied significant accounting policies.

New or amended IFRS standards and new interpretations that have not yet come into force

The new and changed standards and interpretations issued by the IASB and IFRIC but which are applied for fiscal years beginning on 1 January 2018 or later have not yet been applied by the Group. The new standards which are expected to have an impact on the Group's financial statements for the period they are applied the first time are described below.

IFRS 9 Financial Instruments will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 contains new principles for how financial assets are to be classified and measured. The valuation category of financial assets is depending on the business model (purpose of holding the financial assets) and the characteristics of the contractual cash flows of the financial assets. The new standard also contains new rules for impairment of financial assets which replace the previous "incurred loss method" with a new "expected loss method". The standard does however include simplification rules for accounts receivables and lease receivables. IFRS 9 is effective for fiscal years beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers will replace IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 contains a revenue recognition model (five-step model) based on when the control of a product or service is transferred to the customer. The basic principle is that a company recognises revenue to portray the transfer of promised goods and services to customers with an amount reflecting the compensation that the company is expected to be entitled to in return for these goods or services. IFRS 15 is effective for fiscal years beginning on or after 1 January 2018.

IFRS 16 Leases will replace IAS 17 Leases. IFRS 16 implies for the lessee that almost all leases shall be reported in the statement of financial position as an asset and liability. The classification in operational and finance leases will therefore no longer be made. For lessors, IFRS 16 does not imply any actual differences compared to IAS 17. IFRS 16 applies to fiscal years beginning 1 January 2019.

Based on managements' analysis of the Group's current financial instruments, revenues and leases, the new standards will not have a material impact on the financial reports, except from changes in disclosures. The effects from the new standards on the Group's future financial reports post acquisition of the Targets has not yet been evaluated.

Segment Reporting

The Group operates only in one segment, which is fully compatible to how rental income and market values are reported to the CEO and Board of Directors. Therefore, the Group reports no operating segments.

Revenues

The Group's revenues consist mainly of rental income from operating leases (rent for provision of premises). See further below regarding lease contracts. Rental income is accrued on a straight-line basis in accordance with IAS 17. In cases where rental agreements entail reduced rent during part of the rental period, which corresponds to a higher rental rate at another time, this reduced respective increased rent is accrued over the term of the contract. Prepaid rent is reported as prepaid income and accrued expenses in the consolidated statement of financial position.

Other income

Other income, such as income related to service charges, is recognised in the consolidated statement of comprehensive income in the period to which it relates.

Financial income

Interest income is recognised in the consolidated statement of comprehensive income in the period to which it relates.

Received dividends are reported as a financial income.

Lease contracts

Finance lease contracts are agreements under which the economic risks and rewards associated with the ownership of an item are transferred from the lessor to the lessee. Other lease contracts are classified as operating leases.

The Group does not engage in any financial lease contracts.

The Group as lessor

The Group represents the lessor in respect of rental agreements relating to the Group's investment properties. The rental agreements are classified as operating leases. Leasing agreements in which the risks and benefits associated with ownership of the assets are in all material respects borne by the lessor are classified as operating leases. Rental income under operating leases are recognised on a straight-line basis over the lease term. In cases where the rental agreements for a certain period would allow a reduced rent corresponding to a higher rent at another time, this is accrued over the term of the contract.

Currency

The Company's presentation currency and functional currency is EUR. The Group's presentation currency is also EUR.

Financial expenses

Financial expenses are reported in the statement of comprehensive income in the period to which they relate.

Operating expenses

Operating expenses are expenses relating to operation, caretaking, letting, property tax, management and maintenance of the investment properties.

Central administration

Central administration is expenses for Group functions and ownership of the Group's subsidiaries.

Employee benefits

The Group has no pension plans or other additional compensation for the employees.

Tax and deferred tax

Total tax consists of current tax and deferred tax. Current tax is tax to be paid or received for the current year. This includes adjustments of current tax attributable to previous periods. Deferred tax is calculated using the "balance sheet method" based on temporary differences between reported and taxable values of assets and liabilities. A deferred tax liability is reported based on the nominal amount of the difference between the investment property's book value and taxation value and it is included in the statement of financial position. No deferred tax is reported for temporary differences in the initial recognition of an asset as it does not affect the statement of comprehensive income at the initial recognition.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Investment properties

The Group's properties are classified as investment properties. Investment properties are properties that are held for the purpose to generate rental income or value increase or a combination of these. The investment properties are initially recognised at cost which includes directly attributable expenses to the acquisition and adjustments. Subsequently, the investment properties are reported at fair value. Gains and losses attributable to changes in the value of the investment properties are reported in the profit or loss in the period in which they arise. The Group recognise investment properties at fair value. Fair value is based on an external market valuation conducted annually.

Investment properties are measured with level 3 inputs according to IFRS 13 (fair value is determined based on valuation models where significant inputs are based on non-observable data).

Additional expenses are only included in the carrying amount when it is likely that future financial benefits attributable to the item will benefit the Group and that the acquisition value can be calculated reliably. All other costs for repairs and maintenance and additional expenses are recognised in the statement of comprehensive income for the period in which they arise.

Acquisitions of investment properties are recognised when risks and rewards associated with ownership rights are transferred to the buyer.

Sales of investment properties are recognised when the risks and rewards have been transferred to the buyer. The realised change in value of properties sold is based on the difference between the fair value of the investment properties in the most recent financial statements and the price for which the investment properties have been sold.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the instrument's contractual terms. A financial asset or part of a financial asset is derecognised from the statement of financial position when the rights in the agreement are realised, is due or when the company loses control of it. A financial liability or part of a financial liability is derecognised from the statement of financial position when the obligation in the agreement is fulfilled or otherwise terminated.

Financial assets and financial liabilities which in the subsequent accounts are not valued at fair value through profit or loss, are at the initial recognition recognised at fair value with the addition or reduction of transaction costs. Financial assets and financial liabilities that in the subsequent period are recognised at fair value through profit or loss are reported at fair value at initial recognition. In the subsequent accounts, financial instruments are valued at amortised cost or at fair value based on initial categorisation according to IAS 39.

In the initial recognition, a financial asset or financial liability is categorised into one of the following categories:

Financial assets

- Fair value through profit or loss
- Loan receivables and accounts receivables
- Investments held to maturity
- Financial assets held for sale

Financial liabilities

- Fair value through profit or loss
- Other financial liabilities valued at amortised cost

The fair value of financial instruments

Derivatives used for hedging of interest rate risk are measured at fair value in the consolidated financial statements with changes in value recognised in the income statement. The Group does not apply hedge accounting.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and reported with a net amount in the statement of financial position when there is a legal right to settle and when the intention is to regulate the items with a net amount or to simultaneously realise the asset and settle the liability.

Cash and cash equivalents

Cash and cash equivalents includes cash, bank balances and other short-term liquid investments that can easily be converted into cash and are subject to an insignificant risk of changes in value.

Accounts receivables

Accounts receivables are categorised as "Loan receivables and accounts receivables" and measured at amortised cost. However, the expected maturity of accounts receivable is short, the accounting is therefore done at nominal amount without discounting. Provisions are made for receivables with an increased credit risk.

Accounts payable

Accounts payable are categorised as “Other financial liabilities” and measured at amortised cost. The expected maturity of accounts payable is short, the accounting is therefore done at nominal amount without discounting.

External financing

The Group’s external financing, including the bond, is classified as “Interest bearing liabilities” which is valued at amortised cost using the “effective interest rate method”. Any differences between the loan amount received (net after transaction costs) and repayment or amortisation of loans are recognised over the maturity of the loan.

Provisions

Provisions are reported when the Group has an existing obligation (legal or informal) as a result of an occurred event, it is likely that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

The amount allocated as a provision is the best estimate of the amount required to settle the existing obligation on the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments that are expected to be required to settle the obligation, the reported value will correspond to the present value of these payments.

Where a part or all of the amount required to settle a provision is expected to be replaced by a third party, the compensation shall be reported separately as an asset in the statement of financial position when it is almost certain that it will be obtained if the company regulates the liability and the amount can be calculated reliably.

The property tax is fully recognised as a liability when the obligation arises. Hence, if the obligation arises on 1 January, the Group reports the entire year’s liability for property tax as at 1 January. In addition, a prepaid expense of property tax is reported at the date when the obligation arises which is then accrued on a straight-line basis over the fiscal year.

Statement of cash flow

The statement of cash flow shows the Group’s changes in cash and cash equivalents during the fiscal year. The statement of cash flow has been prepared in accordance with the “indirect method”. The reported cash flow includes only transactions that have resulted in payments to and from the company.

The Parent Company’s accounting policies

The Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 2 Reporting for Legal Entities. Application of RFR 2 means that, the Company as far as possible applies all IFRS standards endorsed by the EU within the framework of the Annual Accounts Act and considers the relationship between accounting and taxation. The differences between the Company and the Group’s accounting policies are described below.

The changes to RFR 2 Reporting for Legal Entities that have entered into force and apply for the 2017/2018 fiscal year have not had any material impact on the Company’s financial reports.

Decided changes to RFR 2 that have not yet come into force

The Company has not yet begun to apply the amendments to RFR 2 Reporting for Legal Entities, which will enter into force on 1 January 2018 or later. Below are those who are expected to have an impact on the Company’s financial statements the fiscal year for which they are applied for the first time.

IFRS 9 Financial Instruments

The new standard for financial instruments deals with the classification, measurement and accounting of financial assets and liabilities. RFR 2 offers an exception to apply IFRS 9 as a legal entity, as well as rules for the reporting of financial instruments in RFR 2 to be applied by companies that choose to apply the exception. The amendment shall be applied at the same time as IFRS 9 is applied in the consolidated financial statements, i.e. for fiscal years beginning 1 January 2018 or later.

Based on managements' analysis of the Company's current financial instruments, the new amendment is not expected to have an impact on the Company's financial reports.

Financial instruments

The Company does not apply IAS 39 but a method based on historical cost under the Annual Accounts Act. The Company reports financial assets and financial liabilities when it becomes a party to the contractual terms of the financial instrument. Upon initial recognition, financial instruments are reported at historical cost which refers to the amount corresponding to the cost of acquisition of the asset added with transaction costs directly attributable to the acquisition.

At subsequent reporting periods, financial instruments that comprise current assets are valued at the lower of historical cost and net realisable value. Financial instruments constituting non-current assets are reported at historical cost less any impairments.

A financial asset or financial liability is derecognised from the balance sheet when the contractual right to the cash flow from the asset has been terminated or settled, respectively when the contractual obligation is fulfilled or terminated.

Classification and format

The Company's income statement and statement of financial position are prepared in accordance with the Annual Accounts Act's schedule. The difference between IAS 1 Presentation of Financial Statements used in the preparation of the consolidated financial statements is primarily the accounting for financial income and expenses, non-current assets, equity and the existence of provisions as a separate heading.

Subsidiaries

Shares in subsidiaries are reported at historical cost in the Company's financial statement. Acquisition related expenses for subsidiaries which are recognised in the consolidated financial statements are included as part of the historical cost for shares in subsidiaries.

Group contributions

A group contribution from a subsidiary to the Company is reported as an appropriation under the alternative rule.

Group contributions from the Company to a subsidiary are reported as an appropriation under the alternative rule.

Taxes

Untaxed reserves include deferred tax liabilities in the Company's financial statements. In the consolidated financial statements, untaxed reserves are divided between deferred tax liabilities and equity.

10.9 Dividends

Dividends to equity investors are estimated at approximately 8% per annum, calculated based on total paid-in equity of EUR 311 million. The first dividend is expected in September 2018, and dividends are projected to be paid quarterly.

Dividends are dependent on the Group’s distributable reserves and liquidity situation, and dividends may be subject to the lender's or bondholder'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.

10.10 Estimated tax residual value

The Targets’ tax residual value of the Portfolio amounts to approximately EUR 336 million. Approximately EUR 58 million of the Targets’ tax residual value is attributable to land and the rest, equalling approximately EUR 278 million, is attributable to the buildings on the Properties. The Company has assumed a tax depreciation rate of 7.0% of the depreciation base assumed to be attributable to buildings. Any discrepancies from the above could affect the Group’s financials.

11 INTEGRATION OF ESG

The basis of the Company is to ensure that the Group's common interests are managed in a sound and responsible manner. Below is a summary the ESG group within the Group.

11.1 ESG within the Group

The Company is aware that properties can have a negative impact on the environment, either through the Company's own business, but also indirectly through third parties, such as partners, suppliers and tenants. The Company will continuously and through the investment cycle strive to limit any negative impact on the environment.

The Company will work to ensure that corruption, extortion, bribery, forced labour, child labour, discrimination, or other acts contrary to law or corporate governance, shall not occur in the Group's management and any future investments.

The Company views ESG as an integral part of the value creating process and the Company continuously strives to identify ESG related opportunities and risks. In addition, the Company will strive to implement a reporting framework that will align with the corporate strategy.

Ethics and awareness are also included in the Company's value creation to avoid ethical risk and reputational damage. In addition, the Company shall always ensure that the Group follows existing laws, custom and best practices in the market.

11.1.1 The integration of ESG in the investment cycle

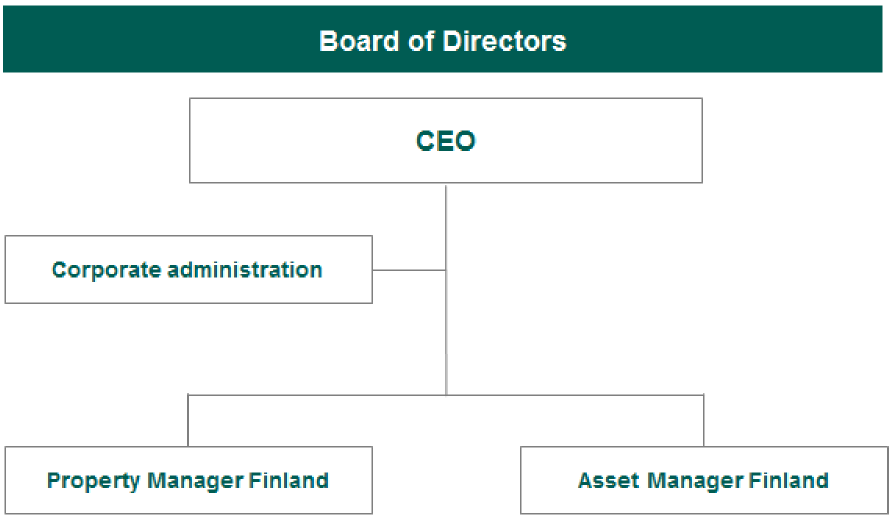
Consideration of ESG issues is an integral part when the Company acquires properties. The Company's CEO is responsible for taking into account ESG considerations when performing sourcing, due diligence and execution of any future investments. Any opportunity that is pursued will have been vetted for such issues.

12 THE MANAGEMENT OF THE COMPANY

12.1 General overview

The organisation is perceived to be equipped to enable growth into other Nordics countries, where Sweden is especially considered. The Board of Directors is responsible for the Company's strategic development. The CEO is responsible for the day-to-day operations and reporting to the Board of Directors and the Company's shareholders. The CEO is also responsible for the operational processes of the Company, as well as coordinating and managing the Group functions. Corporate administration will be handled by PBM, which will ensure that financial reporting and communication with the capital market and authorities are conducted in accordance with applicable laws and regulations. Local asset management in Finland will be managed through agreements with the Asset Manager Finland and the Property Manager Finland. The Asset Manager Finland is responsible for the development and asset management of the Company's properties in Finland and the Asset Manager Finland will also have direct dialogue and follow up on the property and financial management in Finland, which will be conducted by the Property Manager Finland. The Asset Manager Finland will invest EUR 5 million in the Company and have agreed to a two (2) year lock-up period.

Organisational structure



Source: the Company

12.2 Management in Sweden

The management in Sweden will consist of the Company's CEO and the Business Manager.

12.2.1 The CEO

Lisa Dominguez Flodin will be become the Company's CEO in connection with the Closing of the Transaction. Ms. Dominguez Flodin has long experience from the real estate sector, both from listed and unlisted environments. Below is a summary of Ms. Dominguez Flodin's current assignments and previous experiences.

Lisa Dominguez Flodin - CEO of the Company

Ownership: 3,100 shares

Ms. Dominguez Flodin has long experience from the auditing and real estate industry with management and board of directors assignments in several companies.

Previously:

- Member of the board of directors at NP3 Fastigheter AB 2014-2017, also member of the company's audit committee
- CFO and acting CEO of Cityhold Property AB
- CFO of Grön Bostad AB, London & Regional Properties and TK Development Sweden
- Head of Commercial real estate at Oscar Properties
- Mandamus and Grant Thornton
- She holds a BSc in Economics from Mid Sweden University and a MBA from San José State University

Source: the Company

Ms. Dominguez Flodin has not been convicted in fraud-related crimes, 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.

12.2.2 Agreement with the CEO

Lisa Dominguez Flodin will be hired by the Company in connection with the Closing of the Transaction. Examples of instructions for the CEO of the Company are specified below.

The CEO shall:

- support PBM with financial reporting and consolidation
- identify, suggest and execute on necessary and wanted investments/divestments and developments
- participate in lease negotiations
- conduct business plans for the properties and the Company
- oversee and follow-up on the Company’s external financing
- be investors’ primary contact regarding investor relations queries
- follow up on reports and daily work of the Business Manager, the Asset Manager Finland and the Property Manager Finland
- perform duties in accordance with applicable legislation, the articles of association, the rules of procedure of the Board of Directors, and these instructions and other guidelines and directions issued by the Board of Directors
- ensure that the Company’s accounts are maintained in accordance with applicable legislation
- ensure and monitor the appropriateness of the Company’s internal organisation and controls, as well as compliance with applicable provisions of law and generally accepted practice in the Company’s operations and management
- participate in board meetings and ensure that board members are regularly provided with the information required to enable them to monitor the Company's financial position, but also information which are to be believed as important for the Board of Directors and the Company’s shareholders
- be subject to a duty of confidentiality as regards events at board meetings and otherwise as regards information he or she has received about the Company

The CEO will be entitled to an annual salary amounting to SEK 1,200,000, excluding pension or any potential bonuses.

12.2.3 The Business Manager

The Company has entered into a Corporate Administration Agreement with PBM for corporate administration services. PBM is an affiliate company within the Pareto group and manages the portfolio of direct real estate investments arranged by Pareto. The PBM group has a team of approximately 35 people working with property, business and technical management and the team in Sweden consists of 15 people with resources across all real estate segments and services. Currently, the PBM group has SEK approximately 32 billion and approximately 1.5 million square metres under management across more than 85 companies in the Nordics.

PBM– the organisation

Source: PBM

12.2.4 The Corporate Administration Agreement

The Corporate Administration Agreement is entered into for a period of three (3) years, commencing on Closing of the Transaction. The Company has, however, a right to terminate the Corporate Administration Agreement at any time with six (6) months written notice.

The Business Manager shall receive a fee of EUR 515,000 per annum, excl. VAT in consideration for its services rendered as Business Manager. The fee shall be adjusted annually by 100% of the change in Swedish CPI, with the first such adjustment taking place in January 2019. The first adjustment shall be based on the index value as of October 2018, with reference to the index value as of October 2017. If the change in CPI is negative, no adjustment is to be done. In addition, the Business Manager shall receive a start-up fee of EUR 52,000 excl. VAT (non-recurring item).

Tasks under the Corporate Administration Agreement include, *inter alia,* the following:

- Group accounting
- Annual and quarterly financial reports of the Group
- Support CEO on investor relations and public authorities queries
- Compliance services
- Cash management and loan agreement compliance
- Tax and VAT handling and consulting services
- Board activities and handling of general meetings
- Support on restructuring, refinancing and development consulting

Any duties not specified in the agreement, or carried out after the expiry of the Corporate Administration Agreement, shall be compensated at the standard hourly rates of the Business Manager, which are currently between EUR 150 and 250, excl. VAT. Furthermore, the Business Manager shall receive consideration based on the said hourly rates for the administration of tender processes for the joint procurement of goods and services from the Business Manager's contractors. If other reporting obligations are imposed on the Business Manager by government authorities, or if there are material changes in the lease structure, the Business Manager shall be entitled to adjust fees in accordance therewith.

The Business Manager has the right to, in sole discretion, to send the invoices in SEK instead of EUR.

12.3 Management in Finland

The local management in Finland will be managed through agreements with the Asset Manager Finland and the Property Manager Finland.

Since the vast majority of the Lease Agreements are either Net Leases or Triple-net Leases, the tenants cover the majority of all property related costs in the Portfolio, which in turn provide incentives for the tenants to optimize usage and daily maintenance. The Finnish management's experience within asset management in general and food anchored retail properties specifically should ensure an efficient management of the Portfolio.

12.3.1 The Asset Manager Finland

The Asset Manager Finland has vast experience of real estate investments, developments and lease negotiations in Finland, especially within the grocery segment. Employees at the Asset Manager Finland have been involved in most of the major grocery store transactions in Finland in various capacities. In total, the team has done more than 50 grocery-store transactions with a volume of approximately EUR 2 billion. The Asset Manager Finland was also ranked as "Best Investment manager in Finland" in Euromoney's 2016 and 2017 survey. The Asset Manager Finland has furthermore negotiated approximately 250 lease agreements with the Anchor Tenants of the Portfolio over the past 15 years.

The parent company of the Asset Manager Finland will invest EUR 5 million in the Company and have a two-year lock-up period.

The Asset Manager Finland – the organisation

Patrick Gylling
CEO

Previously:
- Partner at Sveafastigheter
- Co-founder and CEO of HGR Property Partners
- Real estate advisory at Advium
- Analyst at Morgan Stanley

- Involved in 60 real estate transactions totalling approx. EUR 3 billion during his career
- Awarded best Finnish developer and investment manager by Euromoney
- MSc in Economics & Business from Hanken School of Economics in Helsinki

Main tasks:
- Investments/divestments
- Developments

Jonas Ahlblad
CIO

Previously :
- CIO at Sveafastigheter
- Founder and Head of Leimdörfer Finland
- Real estate advisory at Advium
- PWC

- Involved in 60 real estate transactions totalling >EUR 4.3 billion during his career
- Leimdörfer became market leader in high-profile real estate transactions in Finland
- MSc in Economics & Business and a CEFA Certificate from Hanken School of Economics in Helsinki

Main tasks:
- Sourcing
- Investment/divestments
- Developments

Matti-Pekka Sävelkoski
CFO

Previously :
- Director at Sveafastigheter
- Vice President at Aareal Bank
- Finance lawyer at Nokia Corporation

- Involved in 65 real estate transactions totalling approx. EUR 1.8 billion during his career
- Key role in underwriting new loans to international real estate investors and in managing the Aareals's loan portfolio in Finland
- MSc in Economics & Business from Helsinki School of Economics and MSc in Law from University of Helsinki

Main tasks:
- Financing and structuring

Nina Cainberg
Director

Previously :
- Fund Controller at Sveafastigheter
- Investment manager at Sveafastigheter
- Analyst at HGR Property Partners

- Involved in investment analysis and asset management
- MSc in Economics and Business from the Hanken School of Economics in Helsinki

Main tasks:
- Administration
- Reporting
- Compliance

Source: the Asset Manager Finland

12.3.2 The Asset Management Agreement

The Asset Management Agreement is entered into for a period of three (3) years. The Company has, however, a right to terminate the Asset Management Agreement at any time with three (3) months written notice.

The Asset Manager Finland will be responsible for the development and asset management of the Company's properties in Finland. The Asset Manager Finland will also have direct dialogue and follow up on the property and financial management of the Portfolio, which will be conducted by the Property Manager Finland. The Asset Manager Finland is entitled to remuneration for the performance of the services under the Asset Management Agreement. The remuneration shall be 3.75% per annum of the NOI, invoiced quarterly. The amount of the remuneration to be invoiced will be based on the projected NOI for the year as set out in the budget for the Group and approved by the CEO and Board of the Company.

The Asset Manager Finland is responsible for negotiating the fees with other service providers in Finland on behalf of the Companies. The Asset Manager Finland has estimated that the ordinary total costs (that are not recoverable from the Tenants) relating to the regular management and administration of the Portfolio in Finland to be borne by the Group (the "**Ordinary Total Costs**") will not exceed EUR 2,500,000 for the first year of which the Asset Manager Finland, assuming a NOI of EUR 45,000,000 for 2018 is entitled to a remuneration of EUR 1,688,000. The rest of the Ordinary Total Costs shall be allocated to the Property Manager Finland. Tasks and remuneration to be perceived as extraordinary shall be confirmed by the CEO and if necessary also the Board of Directors of the Company. If and to the extent the Ordinary Total Costs for any year is exceeded, the fee to the Asset Manager Finland shall be decreased by the same amount.

The Asset Manager Finland undertakes to ensure that each of Patrick Gylling, Jonas Ahlblad and Matti-Pekka Sävelkoski (the "**Key Persons**") remain actively involved with the Portfolio at least until the third anniversary of the Asset Management Agreement. If the Asset Manager Finland wishes to substitute any of the Key Persons, any new person(-s) shall be proposed to the Company in writing as soon as possible, and approval of such substitution shall be at the Company's sole discretion.

As long as the Asset Management Agreement is in force, the Asset Manager Finland or any of their subsidiaries or affiliates shall not invest in grocery store or daily-goods properties in Finland or act as an advisor or asset manager for any other real estate investor investing in grocery store or daily-goods properties in Finland without prior written consent of the Company. The Asset Manager Finland or Oy Sirius Capital Partners AB may invest in or be involved in any other type of real estate investments than grocery stores or daily-goods properties during the term of the Asset Management Agreement, subject to fulfilling all of its obligation under the Asset Management Agreement.

12.3.3 The Property Manager Finland

Property and financial management of the Portfolio will be handled by the Property Manager Finland, Finland's leading provider of services in real estate asset management, property management, facility management and leasing services. The Property Manager Finland is Finland's largest and oldest operator in the industry, with over 30 years' experience in commercial real estate management and more than 70 years' experience in residential real estate management in Finland. The Property Manager Finland employs 550 property professionals in 23 locations across Finland, which ensures high property management quality. The Property Manager Finland manages approximately 72,000 residences, 19 shopping centres and over 6,000 other commercial premises.

12.3.4 The Property Management Agreement

The Property Management Agreement is as of the date of this Offering Memorandum still under negotiation, but terms are on arm's length. Below is a summary of the assessed terms.

The Property Management Agreement will be entered into until further notice with a mutual notice period of 6 months. However, the first possible day of notice is on 30 September 2020 which means the Property Management Agreement can be terminated on 31 March 2021 at the earliest. Leasing services can be terminated separately with a mutual notice period of 3 months.

The Property Manager Finland will provide financial services, leasing services and services relating to technical property management, lease administration and company administration. The Property Manager Finland will also provide services in connection with construction projects. Services relating to tenant improvement projects, energy management and environment and sustainability reporting are excluded but can be ordered separately and are subject to a separate hourly price list.

The Property Manager Finland is entitled to remuneration for the performance of the services under the Property Management Agreement. At the time of signing the Property Management Agreement, the fixed monthly service fees (for holding companies and mutual real estate companies) for services relating to asset management, leasing and lease administration, property management and financial management are calculated to amount to EUR 41,667 (excl. VAT) per month during the first 12 months, and EUR 50,000 (excl. VAT) per month for the remaining duration of the Property Management Agreement. The fixed monthly service fees (for mutual real estate companies within maintenance charges) for services relating to financial services and property management are calculated to amount to EUR 21,906.92 (excl. VAT) per month. The prices are subject to annual indexation in accordance with the Finnish consumer price index. Expansion of the Portfolio and/or changes in company structure will entail adjustment of the fixed monthly service fees since the fees are charged per entity.

The Property Manager Finland is entitled to separate fees for obtaining new tenants, negotiating new lease agreements and for renewal of lease agreements which requires extraordinary efforts from the Property Manager Finland. The Property Manager Finland manages all third party agent relations concerning the Portfolio and is responsible for possible agent fees. Any separately charged services are subject to separate hourly rates and fees.

The maximum total liability per single occurrence for the Property Manager Finland under the Property Management Agreement is EUR 250,000. The third-party liability insurance of the Property Manager Finland is required to cover damage caused by its operations or negligence up to a maximum amount of EUR 2,000,000.

The limitations of liability are not applicable to any damages caused by the Property Manager Finland's gross negligence.

12.3.5 Business strategy

The Company’s core business strategy is to maintain and preserve the Portfolio’s strong and robust cash flow through active asset management with high cost control. The Company will also strive to maintain tenants with strong creditworthiness and leading market positions. Expansion into other Nordic countries is likely and Sweden is currently viewed as a priority. To preserve the Company’s balanced, but niched portfolio strategy, the Company has decided on a clear investment strategy, which is presented at high-level below.

Creation of a balanced, but niched portfolio

Target · Selective cases · Value-add assets · No preference

Country	Finland / Sweden	Other Nordic countries	Other
Macro location	Top ten largest cities	Growing regional cities	Other
Micro location	Established micro locations with strong long-term growth	Prime properties in secondary districts	Other
Net initial yield	6.0 – 8.0%	5.0 – 6.0%	>8.0%
Type of retail	Grocery	Discount retail	Other
Investment focus	Fully let / Nearly fully let	Asset management intensive (e.g. vacancies, refurbishments)	Development

Source: the Company

12.4 The Board of Directors

The Board of Directors currently comprises three members: Fredric Blommé Sekund as Chairman of the Board and Camilla Kempe and Stefan Gattberg as board members. All board members are employed by the Manager. The current Board of Directors should be perceived as an interim board which will be replaced by a new Board of Directors at a general meeting which is proposed to be held prior to listing of the Company. The current Board of Directors will therefore be replaced following the general meeting.

The proposed Board of Directors consists of Rickard Backlund as the Chairman of the Board, Patrick Gylling, and Elisabeth Norman as board members. Each board member is briefly presented below.

Rickard Backlund - Chairman of the Board
Ownership: 5,000 shares

Mr. Backlund has long experience from the construction and real estate industry with several board assignments. Mr. Backlund is currently Chairman of the board and adviser at the listed real estate company Amasten AB, Chairman of the board of the listed company Hancap (pref. shares) and CEO of Grön Bostad AB. Mr. Backlund has experience from Nasdaq Main List and First North.

Previously:
- Chairman of the Board of the listed real estate company NP3 Fastigheter AB
- CEO of Cityhold Property AB and Group CEO of Aberdeen Property Investors
- Senior Advisor at IPD
- He holds a Master of Science in Engineering, Civil Engineering from KTH Royal Institute of Technology in Stockholm

Source: the Company

Patrick Gylling – Member of the Board
Ownership: 500,000 shares[(1)]

Mr. Gylling has played a key role in placing the Finnish real estate market on the map of global investors. Mr. Gylling has a long experience from the real estate sector in Finland and the UK and has been involved in real estate transaction totalling approximately EUR 3 billion during his career. Mr. Gylling is currently CEO of Sirius Capital Partners, the fund managing the properties subject to acquisition by Cibus.

Previously:
- Partner at Sveafastigheter
- Co-founder and CEO of HGR Property Partners
- Real estate advisory at Advium
- Analyst at Morgan Stanley
- Holds a Master of Science in Economics & Business from Hanken School of Economics in Helsinki

Notes: (1): Mr. Gylling is the CEO of the parent company of the Asset Manager Finland, which will subscribe for 500,000 shares
Source: the Company

Elisabeth Norman – Member of the Board
Ownership: 1,400 shares

Ms. Norman has 30 years of experience from the construction and real estate industry. Engaged in a number of boards, for example the listed real estate company NP3 Fastigheter AB, Bygga Bo i Pajala AB (owned by Balder and PEAB) and listed real estate company Amasten AB. Ms. Norman has experience from Nasdaq Main List and First North. Ms. Norman has also many years of experience of implementing sustainability programs.

Previously:
- Property Manager of TV4
- Partner and CEO of RSD & Shopping Centre Development
- Director at NP3 Fastigheter AB
- Director at Amasten AB
- Holds a Bachelor of Arts from Uppsala University

Source: the Company

The tasks 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 responsible for disclosure of information, reporting according to current regulations and the listing of the Company.

None of the current or proposed Board members of the Company have been convicted in fraud-related crimes, have 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 remuneration to the board members is proposed to be set to SEK 290,000 for the period up until the next annual general meeting, whereof SEK 150,000 will be distributed to Rickard Backlund in capacity of Chairman of the Board, SEK 140,000 to Elisabeth Norman in capacity of Member of the Board and SEK 0 to Patrick Gylling in capacity of Member of the Board.

12.4.1 Board members' dependency in relation to the Company

Mr. Backlund and Ms. Norman are independent in relation to the Company and its shareholders. Mr. Gylling, however, is perceived to be dependent in relation to the Company and its shareholders. Mr. Gylling is the CEO of the parent company of the Asset Manager Finland, which will invest 500,000 shares in the Company (equivalent to EUR 5 million, or approximately 1.6%, based on the subscription price of EUR 10). Mr. Gylling is also entitled to remuneration under the Asset Management Agreement accordance with section 12.3.2. In addition, the wholly-owned subsidiary of the Vendors, which prior to the Transaction was managed by the Asset Manager Finland, will invest up to EUR 100 million in the Company, equivalent to 32% of the shares of the Company, and agreed to entered into a lock-up agreement. Subsequently, Mr. Gylling should be perceived as dependent in relation to the Company and its shareholders.

Below is a summary of the board members dependency in relation to the Company and the shareholders.

Dependency in relation to the Company and its shareholders

Name	Title	Dependent in relation to the Company	Dependent in relation to the shareholders
Rickard Backlund	Chairman of the Board	No	No
Patrick Gylling	Member of the Board	Yes	Yes
Elisabeth Norman	Member of the Board	No	No

Source: the Company

13 SELLING AND TRANSFER RESTRICTIONS

13.1 General

As a consequence of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Shares offered hereby.

The Company is not taking any action to permit a public offering of the Shares in any jurisdiction. Receipt of this Offering Memorandum will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this Offering Memorandum is for information only and should not be copied or redistributed. Except as otherwise disclosed in this Offering Memorandum, if an investor receives a copy of this Offering Memorandum in any jurisdiction other than described below, the investor may not treat this Offering Memorandum as constituting an invitation or offer to it, nor should the investor in any event deal in the Shares, unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to that investor, or the Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if an investor receives a copy of this Offering Memorandum, the investor should not distribute or send the same, or transfer Shares, to any person or in or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

13.2 European economic area

In any member state of the European Economic Area (the "**EEA**") that has implemented the EU Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the EU Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**"), an offer to the public of any Shares which are the subject of the offering contemplated by this Equity Issue may not be made in that Relevant Member State, except that an offer in that Relevant Member State of any Shares may be made at any time with effect from and including the Relevant Implementation Date under the following exemptions under the EU Prospectus Directive, if they have been implemented in that Relevant Member State:

a) to legal entities which are qualified investors as defined in the EU Prospectus Directive;
b) to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive), as permitted under the EU Prospectus Directive;
c) with minimum subscription of an amount equivalent to EUR 100.000;
d) in any other circumstances falling within Article 3(2) of the EU Prospectus Directive;

provided that no such offer of Shares shall require the Company or the Manager to publish a prospectus pursuant to Article 3 of the EU Prospectus Directive or supplement a prospectus pursuant to Article 16 of the EU Prospectus Directive or any measure implementing the Prospectus Directive in a Relevant Member State and each person who initially acquires any Shares or to whom any offer is made under the Offer will be deemed to have represented, acknowledged and agreed that it is a "qualified investor" within the meaning of Article 2(1)(e) of the Prospectus Directive or that the Shares is acquired pursuant to other exemption under the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State.

The expression "EU Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

13.3 United Kingdom

This Offering Memorandum and any other material in relation to the Equity Issue described herein is only being distributed to, and is only directed at persons in the United Kingdom who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive ("qualified investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order); (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom distributions may otherwise lawfully be made (all such persons together being referred to as "**Relevant Persons**"). The Shares are only available to, and any investment or investment activity to which this Offering Memorandum relates is available only to, and will be engaged in only with, Relevant Persons. This Offering Memorandum and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Persons who are not Relevant Persons should not take any action on the basis of this Offering Memorandum and should not rely on it.

13.4 United States

The Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered or sold except: (i) within the United States to QIBs as defined in Rule 144A who are major U.S. institutional investors under Rule 15a-6 under the United States Securities Exchange Act of 1934 or in other transactions exempt from registration requirements under the U.S. Securities Act; or (ii) to certain persons outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act, and in each case, in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Accordingly, the Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any of the Shares as part of its allocation at any time other than to those it reasonably believes to be QIBs who are major U.S. institutional investors under Rule 15a-6 under the United States Securities Exchange Act of 1934 in the United States or outside of the United States in compliance with Rule 903 of Regulation S. Transfer of the Shares will be restricted and each purchaser of the Shares in the United States will be required to make certain acknowledgements, representations and agreements, as described in Exhibit 1 to the Application Form.

Any offer or sale in the United States will be made by Pareto Securities Inc., an affiliate of the Manager who is a broker-dealer registered under the U.S. Exchange Act or from the Manager pursuant to its chaperoning arrangement with Pareto Securities Inc., in accordance with Rule 15a-6 under the US Exchange Act.

In addition, until 40 days after the commencement of the Equity Issue, an offer or sale of Shares within the United States by a dealer, whether or not participating in the Equity Issue, may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act and in connection with any applicable state securities laws.

13.5 Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Offering Memorandum has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Shares or the Equity Issue may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the Equity Issue, the Company or the Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Offering Memorandum will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority FINMA (FINMA), and the offer of Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Shares.

14 DATA PROTECTION

The Manager collects, stores and processes by electronic or other means the data supplied by investors at the time of their subscription for the purpose of fulfilling the services required by the investors and complying with its legal obligations.

The data processed include the name, address and invested amount of each investor (the "**Personal Data**"). The Manager is the controller of such Personal Data.

Investors may, at their discretion, refuse to communicate the Personal Data to the Manager. In this event however the Manager may reject such investor's request to invest in the Shares.

In particular, the Personal Data supplied by investors is processed for the purpose of (i) processing investments and payments of interest to investors; (ii) complying with applicable anti-money laundering rules and other legal obligations, such as maintaining controls in respect of late trading and market timing practices. The legal grounds for processing the Personal Data for the aforementioned purposes are performance of contracts and legal obligations.

The Personal Data shall never be used for marketing purposes.

The Manager undertakes not to transfer the Personal data to any third parties except when required by law or with the prior consent of relevant investor. However, the Manager may engage other companies to process Personal Data on its behalf (data processors) but such third parties will not process any Personal Data for any purposes of its own. Such data processors may be located outside the European Economic Area (EEA), in a country that offer fewer legal rights in relation to personal data. Unless the European Commission has decided that a country ensures an adequate level of protection for personal data, the Company will ensure appropriate safeguards for the Personal Data transferred, e.g. by the use of standard data protection clauses adopted by the European Commission.

Personal Data will not be retained for periods longer than those required for the purpose of the processing, subject to legal obligations, and will thereafter be erased.

The investor has the right to request access to the Personal Data the Company has obtained regarding it ("right of access"). The investor also has the right to rectification ("right to rectification") of the Personal Data concerning it in case the data is inaccurate. If the investor requests access to its Personal Data that is being processed by automatic means, and based on the legal ground of performance of a contract, the investor may request that the data is provided in a structured, commonly used and machine-readable format, and the investor may also request that the Company, if technically feasible, transmits the data to a third party ("data portability"). The investor may also request erasure ("right to erasure") of its Personal Data, object to certain processing ("right to object") or request that the processing of its Personal Data is restricted ("right to restriction"). However, if the investor utilizes its right of erasure, objection or restriction, the Company may not be able to fulfil its legal obligations or its contractual obligations vis-à-vis the vis-à-vis. Thus, the Company may ion such case reject the investor's request to invest in the Shares. To the extent the Company has a legal obligation or other valid reasons, such as defence of legal claims or the protection of the rights of another, to process certain Personal Data, the investor´s request will not lead to any actions from the Company since the legitimate ground for processing prevails the investor´s request.

If the investor has any complaints on how its Personal Data is processed, or would like more information in any regard, the investor may contact the Company or the supervisory authority. In Sweden, the supervisory authority is the Data Protection Authority (Sw. *Datainspektionen/Integritetsskyddsmyndigheten*) but the investor can also contact any other relevant supervisory authority located, for example, where the investor has its habitual residence or at the place of alleged infringement of the investor's rights.

A request by an investor to exercise its individual rights with regards to its Personal Data or to receive more information of the processing conducted is done by contacting the Company.

Company contact details:

P.O. Box 7415, SE-103 91 Stockholm
Att: Lisa Dominguez Flodin

15 TAX

15.1 General remarks

The following is a summary of certain Swedish tax considerations that may arise for prospective investors. This summary is based on Swedish tax regulations in force. It is intended as general information only and does not purport to exhaustively address all tax issues that may arise in relation to this matter. It does, for example, not cover situations in which shares are held as current assets or held by partnerships. Neither does it address potential availability of tax treaty relief. Prospective investors should consult their own tax advisors for information regarding the appropriate tax treatment considering their own particular tax situation.

The Offering Memorandum does not address issues relating to shareholders with tax domicile abroad.

15.1.1 Non-publicly traded Shares

Swedish resident shareholders

Private individuals

Private individuals will be taxed on dividend payments as income from capital at an effective tax rate of 25%, since only 5/6 of the payment will be taxable. For shares held in an endowment insurance (Sw. *Kapitalförsäkring*) see further below.

A future sale or redemption of the Shares will be treated as a disposal. Capital gains and capital losses will be calculated as the difference between the sale proceeds/redemption price less expenses relating to the disposal and the acquisition cost of the Shares. The acquisition cost shall be determined in accordance with the average method (Sw. *Genomsnittsmetoden*) meaning that the actual acquisition cost for all Shares of the same series and type shall be calculated jointly.

Capital gains will be taxed as income from capital at an effective tax rate of 25%, cfr. above. No roll-over relief is available. Capital losses will be up to 5/6 deductible against capital gains on similar assets. Any remaining loss will be 70% deductible against other income from capital. An overall deficit will give rise to a tax reduction that may be utilized against tax on income from employment and business operations as well as real estate tax. A tax reduction is granted with 30% on deficits up to a total amount of EUR 100,000 and 21% on the remainder. Capital losses may not be carried forward.

Disposal of Shares held in endowment insurance will not trigger any capital gains taxation. Dividend payments will be tax exempt.

Corporations and other institutional investors

Capital gains and dividend payments will be tax exempt for Swedish limited liability companies under the Swedish participation exemption regime. There is no minimum holding period and no holding threshold. Capital losses and write-downs will be non-deductible.

Capital gains and dividend payments will further be tax exempt for Swedish institutional investors qualifying as investment funds and Swedish investors qualifying as charitable organizations. Swedish life insurance companies are not subject to Swedish income tax on dividend payments and capital gains on Shares held on behalf of the policyholders. Swedish investment companies will be taxed on dividend payments whereas capital gains will be tax exempt.

Capital losses and write-downs will be non-deductible for the above mentioned institutional investors.

Non-resident shareholders

Dividend payments to non-resident shareholders may be subject to Swedish dividend withholding tax at a rate of 30%. It should, however, be noted that substantial exceptions and reductions may apply. Non-resident companies equivalent to Swedish limited liability companies and Swedish investment fund may be exempted from Swedish dividend withholding tax by providing sufficient documentation on non-Swedish permanent residence (e.g. certificate of residence from the local tax authorities) and that such entity should be treated as its Swedish equivalent. A disposal of the Shares will generally not be taxable in Sweden for non-resident shareholders unless the Shares are allocated to a Swedish permanent establishment (in which case a non-resident shareholder should be treated as its Swedish equivalent).

The final tax rate for non-resident shareholders may also depend on the prevailing tax agreements between Sweden and other countries. Investors should consult their local tax advisors for a clarification of individual tax implications.

15.1.2 Publicly traded Shares

Swedish resident shareholders

Private individuals

Private individuals will be taxed on dividend payments as income from capital at an effective tax rate of 30%, unless the Shares are held in an investment savings account (Sw. *Investeringssparkonto*) or endowment insurance, if that is the case see further below.

A future sale or redemption of the Shares will be treated as a disposal. Capital gains and capital losses will be calculated as the difference between the sale proceeds/redemption price less expenses relating to the disposal and the acquisition cost of the Shares. The acquisition cost shall be determined in accordance with the average method (cfr section 15.1.1 (*Non-publicly traded Shares*) or the standard method (Sw. *Schablonmetoden*) under which the acquisition cost is calculated as 20% of the sale proceeds/redemption price less expenses relating to the disposal.

Capital gains will be taxed as income from capital at a tax rate of 30%. No roll-over relief is available. Capital losses will be deductible against capital gains on similar assets. Any remaining loss will be 70% deductible against other income from capital. An overall deficit will give rise to a tax reduction (cfr section 15.1.1 (*Non-publicly traded Shares*)).

Disposal of Shares held in an investment savings account or endowment insurance will not trigger any capital gains taxation. Dividend payments will be tax exempt as well.

Corporations and other institutional investors

Capital gains and dividend payments may be tax exempt for Swedish limited liability companies under the Swedish participation exemption regime provided the holding represents at least 10% of the total voting rights for all shares. Capital losses on shares covered by the participation exemption regime will be non-deductible. It may be added that a one-year holding period is required for the participation exemption to apply. Write-downs on shares held as capital assets are not deductible.

Swedish limited liability companies holding less than 10% of the voting rights will be taxed on capital gains and dividend payments at the ordinary corporate income tax rate of 22%. Capital gains and capital losses shall be calculated in accordance with the rules applicable to private individuals (cfr section 15.1.1 (*Non-publicly traded Shares*)). Shares, which due to the MTF listing disqualify for the participation exemption regime, shall be treated as acquired at fair market value upon listing.

Capital losses on shares not covered by the participation exemption regime may be offset against capital gains on similar assets. Capital losses may in certain cases be utilized against capital gains in other group companies as well. A capital loss that cannot be utilized may be carried forward and utilized against future capital gains. It may in this context be noted that the Swedish Committee on Corporate Taxation has proposed that all capital losses should be forfeited. At this point in time it is not clear if the proposed legislation will enter into force.

Capital gains and dividend payments will be tax exempt for Swedish institutional investors qualifying as investment funds and Swedish investors qualifying as charitable organizations. Swedish life insurance companies are not subject to Swedish income tax on dividend payments and capital gains on shares held on behalf of the policyholders. Swedish investment companies will be taxed on dividend payments whereas capital gains typically will be tax exempt.

Capital losses and write-downs will be non-deductible for the above mentioned institutional investors.

Non-resident shareholders

Dividend payments to non-resident shareholders may be subject to Swedish dividend withholding tax at a rate of 30%. It should, however, be noted that substantial exceptions and reductions may apply. A disposal of the Shares will generally not be taxable in Sweden for non-resident shareholders unless the Shares are allocated to a Swedish permanent establishment (in which case a non-resident shareholder should be treated as its Swedish equivalent).

The final tax rate for non-resident shareholders may also depend on the prevailing tax agreements between Sweden and other countries. Investors should consult their local tax advisors for a clarification of individual tax implications.

15.2 Taxation of the Swedish Group Companies

15.2.1 Taxation of the Company and the MidCo

Taxable income in the Swedish companies is currently subject to 22% CIT rate.

The Company and MidCo will not have any other income than income received from the Targets, in the form of either intra-group interest or dividends. In addition, F/X effects in the Company or MidCo might lead to a taxable gain or loss.

Any dividends received by the Company or MidCo from the Targets should be tax exempt under the Swedish participation exemption regime. There is no minimum holding period and no holding threshold. Interest income received by the Company and MidCo would be subject to tax.

Any capital gains on the sale of shares in the Targets should be tax exempt under the Swedish participation exemption regime under the current rules. Capital losses and write-downs on these shares will be non-deductible.

Under the current rules interest costs on external loans are fully deductible for the Company and MidCo. In addition, any interest paid by MidCo to the Company should be fully deductible. However, according to a recently presented proposal, major changes to the Swedish interest deduction rules are suggested to be implemented.

A general provision limiting the deductibility of net interest expenses to 35% of a taxable EBIT, and alternatively 25% of taxable EBITDA has been suggested. These limitations are proposed to apply on interest cost on internal as well as external debt. Net interest expenses not utilized under the EBIT or EBITDA-rules will be possible to carry forward for six years.

The new rules are proposed to apply for FYs' starting after 30 June 2018, i.e. for the Company and MidCo the new rules should apply starting from FY 19.

Target might be obligated to withhold tax (25%) upon distribution of funds to foreign investors depending on the legal form and residence state of foreign investors. In addition, Target will be obligated to withhold preliminary tax (30%) in respect of individual shareholders who are tax residents in Sweden.

15.3 Taxation of the Targets

Taxable income in the Targets is currently subject to 26.01% tax rate for the year 2018.

The Targets will not have any other income than income received from the Finnish companies, in the form of either intra-group interest or dividends. Any dividends received by the Targets should be tax exempt under the participation exemption regime.

Under the current rules interest costs on internal loans should be fully deductible for the Targets and not subject to any withholding tax.

15.4 Taxation of the Finnish Group Companies

15.4.1 Taxation in 2018

Under the current Finnish tax legislation, Finnish real estate companies and companies holding shares in real estate companies are often taxed according to the Income Tax Act (the "**ITA**") due to historical tax practice. Based on the Finnish Group Companies' corporate income tax (the "**CIT**") decisions, they should be currently taxed under the ITA.

Taxable income is subject to current 20% CIT rate. Dividends between the Finnish companies should be tax exempt under the Finnish tax legislation.

Potential tax losses incurred can be carried forward to be set off against taxable income in future years. Tax losses (except for capital losses) can be carried forward and set off against a company's taxable income for the next 10 years following the tax loss year.

According to the Finnish tax legislation, interests paid to a non-Finnish tax resident are often exempted from the Finnish withholding tax (the "**WHT**") in Finland.

The Finnish interest barrier rules regarding related party interest expenses are generally limited to business companies, i.e. companies taxed in accordance with the BITA, and the Finnish Group Companies should therefore be excluded from the scope of the interest barrier rules in 2018.

Participation exemption regarding share disposals is not currently available for the Finnish Group Companies, as the exemption on share disposals only applies to entities taxed under the BITA. Hence, disposal of shares in Finnish companies by another Finnish company is subject to current CIT rate of 20%. Write-downs of shares are generally non-tax deductible and write-ups of shares are generally exempted from the CIT in Finland.

In general, taxable income can be transferred from one group entity to another by using the Finnish group contribution scheme provided that certain requirements are met. The group contribution scheme is, however, limited to entities engages business operations, i.e. entities taxed under the BITA. As the Finnish Group companies should currently be taxed under the ITA, group contributions should not currently be available for them.

15.4.2 Potential changes in 2019

The Ministry of Finance in Finland has on 19 January 2018 published a draft proposal for changes in Finnish interest deduction restriction rules and according to the proposed changes, real estate companies and their holding companies would also be included in the scope of the new rules. Therefore, the Finnish interest barrier rules could be expected to apply to the Finnish Group companies in future. In addition, interest expenses on loans from unrelated parties would also fall within the scope of the new rules. The draft proposal is currently being commented and it should be noted that the actual Government bill might still differ from the draft proposal. The proposed changes are currently scheduled to be applied as of 2019.

A working group set by the Finnish Ministry of Finance is currently preparing also other changes to the Finnish tax legislation in addition to the interest deduction rules. Due to potential upcoming changes, the group contribution scheme might potentially be available in future for at least certain type of companies carrying out real estate business as well as their holding companies. The potential upcoming changes could be estimated to become effective at earliest from the beginning of 2019 onwards. It should be noted that by the date of this memorandum no government bill on the possible upcoming changes has been published.

15.4.3 Taxation of the Subsidiaries

The Subsidiaries' income derives mainly from the interest income received from SF Grocery 1 Oy, SF Retail 1 Oy and SF Retail 2 Oy (the " **Lower HoldCos**") and their costs comprise mainly of interest expenses to the Targets. In addition, the Subsidiaries will incur a moderate amount of administrative costs annually and collect management fees from their subsidiaries to cover the administrative costs. Profits made from these arrangements are taxed with current CIT rate of 20%. The Subsidiaries may also receive dividends from their direct subsidiaries (the Lower HoldCos) that should be tax exempt.

15.4.4 Taxation of the Finnish Lower HoldCos

The Finnish Lower HoldCos own directly and indirectly majority of the shares in 90 MRECs and 4 Finnish ordinary real estate companies (a "**REC**") (together the "**Finnish PropCos**").

In a Finnish MREC (a "**MREC**" shall, in this paragraph, unless indicated otherwise, refer to a mutual real estate company) structure a shareholder of an MREC is entitled to the possession of a specified part of real estate in accordance with the articles of association of the MREC. Consequently, it is the shareholder that operates as a lessor and receives taxable rental income directly from the tenant, not the MREC. The shareholder compensates the MREC by paying maintenance charges which are generally taxable income for MRECs and tax deductible for the shareholders. Shareholder may also pay capital charges to the MREC to cover the MREC’s interest expenses and amortization of loans. Capital charges are also typically tax deductible for the shareholder provided they are entered as income and not a capital contribution in the MREC. Due to the Finnish MREC structure, majority of the Group’s rental income derived from the Finnish real estate properties (owned by the Finnish PropCos) is received by the Lower HoldCos.

The Lower HoldCos are financed with external bank loans and IC loans from the Subsidiaries, and they have granted IC loans onwards to the PropCos. Hence, in addition to rental income as well as maintenance and capital charges, the Lower HoldCos have also annual IC interest income and both IC and external interest expenses.

The Lower HoldCos may also receive dividends from their direct subsidiaries (majority of the PropCos). Dividends received by the Lower HoldCos from their Finnish subsidiaries are tax exempt.

The Finnish group contribution scheme is currently unavailable for the Lower HoldCos. However, it should be noted that a Finnish MREC structure, where one holding company owns shares in several MRECs, could be seen as a certain type of tax consolidation, as MRECs typically record break-even results for tax purposes.

15.4.5 Taxation of the Finnish PropCos

Finnish MRECs usually operate at a break-even result, which has been generally accepted in the tax practice. In case of a REC, the real estate assets are owned and managed by the company, which operates as a lessor and receives the rental income from the tenants. Costs relating to rental activities and the real estate assets (e.g.

maintenance costs) are generally directly recorded by REC, and REC may record profits or losses for tax and accounting purposes. The shareholders of RECs receive their profit generally through dividend distributions and interest income.

The PropCos' debt financing comprise mainly IC loans from the Lower HoldCos. Interest payments on the loans are exempted from the WHT.

As the PropCos own the Finnish real estate assets, they also record depreciation on the assets. Tax depreciable assets of the companies comprise mainly buildings used for retail purposes that can therefore be depreciated with maximum of 7% annual depreciation (declining balance method). Small part of the PropCos' tax depreciable assets comprise movable non-current assets for which the maximum allowed annual depreciation is 25% (declining balance method) and long-term capitalized expenditure for which the tax depreciation is recorded with a straight-line method during at most 10 years.

The Finnish PropCos' real estate assets comprise also land areas that cannot be depreciated for tax purposes. In addition, the PropCos' have a moderate amount of connection fees that are often non-tax deductible.

Some of the PropCos hold also shares in other real estate companies. Shares cannot be depreciated or amortized, and any potential write-downs and write-ups made in respect of the shares in accounting are non-taxable. Capital gains and losses realized in potential sale of these shares would be taxable in the hands of the respective PropCos.

Tax loss carry forward rules in respect of the PropCos are same as those applied to the Upper and Lower HoldCos.

15.4.6 Finnish real estate taxation

In Finland land and buildings are subject to real estate taxation with the owner liable to paying an annual real estate tax (RET). RET is determined as a certain percentage of the real estate tax value of land and buildings. Each municipality in Finland decides the real estate tax rate for local real estate within the range set out in the tax legislation.

Retail buildings and the relating land areas are typically subject to a the general real estate tax rate which will vary between 0.93% and 2.00% of the real estate tax value in 2018. Real estate tax is a deductible expense for CIT purposes.

Real estate tax values are not directly linked to fair market values of specific real estates. However, the aggregate real estate tax value of a real estate property should not exceed fair value of the property. A certain age reduction is deducted annually from the replacement value of a building. The annual age reduction percentage varies between 1% to 10%, depending on the purpose of use and the construction material of the building. Total accrued age reduction can in general be maximum of 80% of the replacement value.

Real estate tax base of a building under construction is based on the status (i.e. completion rate) of the building on 31 December of the previous year. Real estate tax base is a proportional share of the calculated replacement value for the building in its completion. The replacement value of a building under construction is calculated in the same way as for completed buildings.

Real estate tax values are currently being updated. The updated values should correspond better to market level pricing and will be available from 2020 onwards for land areas. Updated values for buildings will be proposed later.

15.4.7 Finnish transfer taxation

The purchaser of shares in a Finnish real estate company is, in general, liable to pay the transfer tax of 2.0% of the total consideration. As regards a direct acquisition of a real estate (through asset deal), the transfer tax rate is 4.0%.

15.4.8 Finnish value added taxation

The Finnish general value added tax (VAT) rate is 24%.

Generally, VAT on real estate related costs is recoverable to the extent of a company's VAT utilization ratio. Changes in the utilization ratio impact therefore recoverability of input VAT as well as the monitoring liability of VAT on real estate investments.

As for Finnish MRECs, in case of value added taxable use/letting of the premises in MREC, both the shareholder (as the lessor) and the MREC (as the owner of real estate) need to register for VAT to be entitled to recover VAT on costs incurred. Thus, to the extent of value added taxable letting, also the maintenance charges from MREC to the shareholder and the rental fees charged to the lessee need to be considered as value added taxable.

Input VAT incurred on major real estate investments (improvements and construction costs) is subject to annual monitoring and adjustments for ten years, and the calculation regarding the real estate investments should be reported on the notes to the financial statements. The monitoring period is calculated as of the beginning of the calendar year during which the real estate investment was completed. The deducted input VAT needs to be adjusted annually to correspond to the usage of real estate in purposes which may give rise to an entitlement for an additional VAT deduction or recovery. VAT adjustment and monitoring liability of a target company is effectively transferred to a buyer in share deals.

In general, in case the rental fee is subject to VAT, this should be mentioned in the rental agreement. The rental agreement can be subject to VAT only if the lessee utilizes the premises wholly or partly in its value added taxable business activities. Accordingly, the lessor and the owner of real estate are entitled to register for VAT for the letting of real estate only if the rental fee is value added taxable. If the premises that are leased with VAT are taken into non-taxable use by the lessee or sub-lessee, there is a possibility that the real estate company would be liable to adjust and refund VAT deducted on maintenance costs as well as construction and major improvement costs of real estate. However, it is possible to include a VAT clause in the rental agreement stating that the lessee is obliged to indemnify the lessor for all the damages caused by the non-taxable use of the premises by the lessee or sub-lessee.

APPENDICIES

Appendix 1: Articles of association of the Company

§ 1 Firma / *Name of the Company*

Bolagets firma är Creating Income Based Upon Selection AB (publ). Bolaget är publikt.

The name of the company is Creating Income Based Upon Selection AB (publ). The company is a public limited company.

§ 2 Säte / *Registered office*

Styrelsen ska ha sitt säte i Stockholms kommun.

The registered office of the company is situated in Stockholm.

§ 3 Verksamhet / *Objectives of the company*

Bolaget ska direkt eller indirekt äga och förvalta fast egendom vars huvudsakliga inriktning är handel samt bedriva därmed förenlig verksamhet.

The company shall directly or indirectly own and manage fixed property which primary orientation is trade and conduct business related thereto.

§ 4 Aktiekapital / *Share capital*

Aktiekapitalet skall utgöra lägst 250 000 euro och högst 1 000 000 euro.

The share capital shall be not less than EUR 250,000 and not more than EUR 1,000,000.

§ 5 Antalet aktier/ *Shares*

Antalet aktier skall vara lägst 25 000 000 och högst 100 000 000.

The number of shares shall be not less than 25,000,000 and not more than 100,000,000.

§ 6 Styrelse / *The board of directors*

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

The board of directors shall comprise of not less than 3 and not more than 10 members with a maximum of 10 alternate members.

§ 7 Revisor / *Auditor*

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

For the review of the company's annual report and the administration of the board of directors and the CEO, at least one and at most two auditors or one registered accounting firm shall be appointed.

§ 8 Kallelse till bolagsstämma / *Notice to general meeting*

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

Notice to attend general meetings shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and be kept available on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

§ 9 Ärenden på årsstämman / *Annual general meeting*

På årsstämma ska följande ärenden förekomma:

The following matters shall be addressed at the annual general meeting:

1. Val av ordförande vid stämman.
   Election of a chairman of the meeting.
2. Upprättande och godkännande av röstlängd.
   Preparation and approval of the voting register.
3. Val av en eller flera justeringsmän.
   Election of one or more persons to attest the minutes.
4. Prövning om stämman blivit behörigen sammankallad.
   Determination of whether the meeting was duly convened.
5. Godkänna förslag till dagordning.
   Approval of the proposed agenda.
6. Framläggande av årsredovisning och revisionsberättelse samt i förekommande fall koncernredovisning och koncernrevisionsberättelse.
   Presentation of the annual report and auditor's report and, where applicable, the consolidated financial statements and auditor's report for the group.
7. Beslut angående:
   Resolutions regarding:
   a. Fastställelse av resultaträkning och balansräkning samt i förekommande fall koncernresultaträkning och koncernbalansräkning;
      Adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
   b. Dispositioner beträffande bolagets vinst eller förlust enligt den fastställda balansräkningen samt i förekommande fall den fastställda koncernbalansräkningen;
      Allocation of the company's profit and loss according to the adopted balance sheet and, when applicable, the adopted consolidated balance sheet;
   c. Ansvarsfrihet åt styrelsens ledamöter och verkställande direktören, när sådan finns.
      Discharge from liability for board members and the managing director, where applicable.
8. Fastställande av arvoden åt styrelse och revisor.
   Determination of fees for the board of directors and the auditors.
9. Val av:
   Election of:

a. Styrelse och eventuella styrelsesuppleanter;
   Board member and any alternate members;
b. Revisorer och eventuella revisionssuppleanter när så skall ske.
   Auditors and alternates when applicable.

10. Annat ärende, som ankommer på stämman enligt aktiebolagslagen (2005:551) eller bolagsordningen.
    Any other business incumbent on the meeting according to the Companies Act or the articles of association.

§ 10 Räkenskapsår / *Financial year*

Bolagets räkenskapsår skall omfatta perioden 1/7 – 30/6.

The Company's financial year shall cover the period between 1 July and 30 June.

§ 11 Avstämningsförbehåll / *Central security depository clause*

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

The Company’s shares shall be registered with a central security depository register, pursuant to the Swedish financial instruments accounts act (SFS 1998:1479).