
Company description

Byggmästare Anders J Ahlström Holding AB (publ)

*Published in compliance with the First North Rulebook as part of
the Company's application for listing at Nasdaq First North*

17 December 2014



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First North is an alternative marketplace operated by an exchange within the Nasdaq group. Companies on First North are not subject to the same rules as companies on the regulated main market. Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a Company on First North may therefore be higher than investing in a company on the main market. All Companies with shares traded on First North have a Certified Adviser who monitors that the rules are followed. The Exchange approves the application for admission to trading.

Certified Adviser:

 Pareto Securities

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1 LIST OF DEFINITIONS

B-shares	The shares of series B in the Company.
Bond Loan	The senior secured callable fixed rate bond loan amounting up to SEK 200 million issued by Byggmästare Anders J Ahlström Fastighets AB (publ).
BTA	Paid subscriptions shares (Sw. betalande tecknade aktier) which will be converted into B-shares.
Company	Byggmästare Anders J Ahlström Holding AB (publ), 556943-7774
Company Description	This company description.
Facilities Agreement	The facilities agreement with SBAB Bank AB.
First North	Nasdaq First North.
Group	Byggmästare Anders J Ahlström Holding AB (publ) and its subsidiaries.
Investors	Autus Invest AB, Alesco S.A, Martin Bjäringer, Hajskäret Invest AB, Geveles AB and HTS Holding AB.
Manager	Pareto Securities AB, reg. no. 556206-8956.
Million Programme	Sw. <i>miljonprogrammet</i> . The common name for a public housing programme implemented in Sweden between 1965 and 1974 to make sure everyone could have a home at a reasonable price.
Property	The property Albyberget 5 in Botkyrka Municipality.
Recent Offerings	The Offerings of 2,000,000 B-shares in one offering to institutional investors and one offering to retail investors, subscribed for in December 2014, with estimated gross proceeds of in total SEK 116 million and settlement date on or about 17 December 2014.
Shares	The Company's series B shares and series A shares.

2 THE LIABILITY STATEMENT OF THE BOARD OF DIRECTORS

We declare that, to the best of our knowledge, the information provided in the Company Description is accurate and that, to the best of our knowledge, the Company Description is not subject to any omissions that may serve to distort the picture the Company Description is to provide, and that all relevant information in the minutes of board meetings, auditors' records and other internal documents is included in the Company Description.

Stockholm, 17 December, 2014

BYGGMÄSTARE ANDERS J AHLSTRÖM HOLDING AB (publ)

The Board of Directors



Mikael Ahlström
Chairman of the Board of Directors



Charlotte Bergman
Member of the Board of Directors



Anders Hörnqvist
Member of the Board of Directors



Lars Magnusson
Member of the Board of Directors



Hidayet Tercan
Member of the Board of Directors



Marcus Trummer
Member of the Board of Directors

3 BACKGROUND AND RATIONALE

This overview should be read as an introduction to the Company Description, and is entirely subordinate to the more detailed information and attachments contained in this Company Description. Any decision to invest in B-shares shall be based on an assessment of all information in this Company Description. In particular, potential investors should carefully consider the risk factors mentioned in chapter 4, "Risk Factors".

For an explanation of definitions and terms used throughout this Company Description, see chapter 1, "List of Definitions".

3.1 General information

The Company is a socially oriented property company investing primarily in residential real estate in the greater Stockholm area. It is a Swedish public limited liability company (Sw. *publikt aktiebolag*). The Company is, through subsidiaries, the current owner of the Property Albyberget 5 (the "Property").

The Property comprises 1,302 apartments distributed among 24 buildings, as well as 942 parking spaces in Albyberget. The buildings are well maintained, erected between 1970 and 1972. The lettable area is in total 106,315 sqm, of which 102,074 sqm are residential areas. In addition, the Company owns land and building rights, the latter of which is estimated at ~13,000 sqm. Well located, ~20 km south-west of the Stockholm city centre, the Property is easily accessible by car via the E4 highway and through public transportation. There is no structural vacancy in the Property. For more information about the Property and the location of the Property, please refer to chapter 7 "The Property – Mitt Alby".

Despite the good maintenance of the buildings and the apartments, there is an upcoming need for kitchen and bathroom renovations. Such renovations will increase the standard of the apartments, and thus constitute grounds for increases in rent levels. Furthermore, property costs are expected to decrease, as an effect partly of lower costs for reparations and maintenance in apartments with e.g. newer kitchen equipment. The Company intends to renovate apartments in pace with natural tenant turnover and upon request by tenants, and expects to renovate ~30% of the total number of apartments by 2018. Hence, the operating income of renovated apartments is expected to increase. Assuming that increased rents and decreased costs increase the net operating income by SEK ~380-400 per sqm, the increased value due to the renovations amounts to SEK ~7,900-8,300 per sqm, if the same yield requirement used in the external valuation is applied. The Company assesses that the required investment expense will amount to SEK ~5,000 per sqm.

In addition to the existing buildings, the current zoning plan allows for further densification at the Property. The Company has identified four sites suitable for further development. According to the Company, it is possible to construct ~13,000 sqm of new residential buildings in accordance with the current zoning plan. The Company intends to sell the new buildings to housing co-ops. The Company assesses that the estimated market value of newly constructed housing co-op apartments at Albyberget amounts to SEK ~26,000 per sqm of residential area on a debt free basis.

3.2 Summary of financial information

The value of the current Property is SEK 970 million according to an external valuation by Savills Sweden. The value of the building rights is, according to the Company, SEK 39 million. Key financial figures include:

- Bank Loan of SEK 458.0 million (as of 2014-09-30)
- Outstanding Bond Issue of SEK 200 million
- Cash and bank of SEK 32.5 million (as of 2014-09-30)
- Expected rental income in 2014: SEK 98.1 million

- Expected Net Operating Income in 2014: SEK 52.9 million
- Expected EBITDA in 2014: SEK 49.6 million

3.3 Listing on Nasdaq First North

On 26 November 2014, the Company announced that it intended to carry out the Recent Offerings. The application periods for the Recent Offerings ended on 10 December 2014 (with respect to the retail offering) and 11 December 2014 (with respect to the institutional offering) and the board of directors of the Company resolved on allocation to the subscribers on 12 December 2014. In total, the board of directors resolved on allocation of 1,711,069 B-shares in the institutional offering and 288,931 B-shares in the retail offering, which implies that the gross proceeds from the Recent Offerings amount to SEK 116 million. The settlement date for the Recent Offerings is on 17 December 2014. When the subscribers pay for the subscribed B-shares, they receive paid subscribed shares (Sw. *betalade tecknade aktier*) ("BTA") in the Euroclear system. The BTAs will be converted into B-shares following registration of the new B-shares with the Swedish Companies Registration Office.

The Company has applied to Nasdaq Stockholm for listing of its B-shares on First North. However, since the BTAs from the Recent Offerings will not have been converted into B-shares on 19 December 2014 (the expected first day of trading), the BTAs will initially be listed, subject to Nasdaq Stockholm accepting the Company's application for listing. Following the conversion of BTA into B-shares, the B-shares will be listed on First North.

3.3.1 Reasons of the listing on Nasdaq First North

The purpose of listing the BTAs (and subsequently the B-shares) on First North is to offer shareholders a liquid second hand market for their investment, as well as inviting new investors to an innovative company in an attractive real estate market.

Based on an evaluation of the business plan including additional value increasing investments, the Company believes that it is currently an appropriate time to broaden the shareholder base and to list the Company's B-shares on First North. The Recent Offerings are expected to support the expansion and operational strategy of the Company by strengthening the Company's working capital. With the proceeds from the offerings, value increasing investments in the Property and other attractive properties can be carried out at a higher pace than what would have otherwise been possible.

The Company further expects that the listing of the B-shares will increase the public profile of the Company and its business and provide improved access to the capital market and a diversified base of shareholders. The Company believes that these factors will provide an appropriate platform for its future expansion and potential new property acquisitions.

3.4 Use of proceeds from the Recent Offerings

The total proceeds of the Recent Offerings of B-shares amounts to SEK 116 million. The proceeds will be used to fund the development and growth of the Company in accordance with the business plan. In particular, the Company intends to use the proceeds of as a platform for:

- Renovation of vacant apartments as well as per tenant request on the Property Albyberget 5. This will gradually lead to increased rents
- Densification of land currently owned by the Company – several value generation opportunities have been identified
 - Construction of residential real estate to be sold to housing co-ops within the current zoning plan

- Construction of residential real estate after changes to the current zoning plan
- Vertical expansion of existing buildings by adding two floors on the buildings after changes to the current zoning plan
- Taking part in local construction projects. The Company is discussing opportunities with developers
- New acquisitions of Million Programme (Sw. miljonprogrammet) residential properties in Sweden, with focus on the south parts of the greater Stockholm area. The Company is evaluation residential real estate investments on an on-going basis
- General corporate purpose for value creating activities

3.5 Important dates

Expected first day of trading in BTAs on First North	On or about 22 December 2014
Annual general meeting	16 April 2015
Year-end report 2014	27 February 2015
Financial report for the first quarter of 2015	29 May 2015
Financial report half year 2015	31 August 2015
Financial report for the third quarter of 2015	30 November 2015

3.6 Trading information

Short name on First North for the B-shares: AJA

ISIN-code for the B-shares: SE0006510491

ISIN-code for the BTAs: SE0006510509

The shares are registered by the Euroclear Sweden AB Central Securities Depository.

Proposed trading lot on First North: 1

Certified Adviser: Pareto Securities AB, Box 7415, SE - 103 91 Stockholm, Sweden

Liquidity Provider: Pareto Securities AB, Stortorget 13, 211 22 Malmö, Sweden

Auditor: Mikael Ikonen, Ernst & Young, Drottninggatan 73A, 111 36 Stockholm

4 RISK FACTORS

An investment in the B-shares or BTAs involves various risks. A number of factors affect, or could affect, the Company's business, both directly and indirectly. Described below, in no particular order and without claim to be exhaustive, are some of the risk factors and significant circumstances considered to be material to the Company's business and future development. The risks described below are not the only risks to which the Company and its shareholders may be exposed. Additional risks that are not currently known to the Company or that the Company currently believes are immaterial, may also adversely affect the Company's business, results of operations or financial condition. Such risks could also cause the price of the B-shares or BTAs to fall significantly, and investors could lose all or part of their investment.

In addition to this section, investors should also take into consideration the other information contained in this Company Description in its entirety and make an independent evaluation before making an investment decision. This Company Description also contains forward-looking statements that are subject to future events, risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the risks described below and elsewhere in this Company Description.

4.1 Risk related to the Company, the industry and the market

4.1.1 Macroeconomic factors

The real estate market is to a large extent affected by macroeconomic factors such as the general state of the economy (including GDP development), regional economic developments, the employment rate, production of new residential units and premises, infrastructural development, population growth, demographic developments, inflation and interest rates. The Company is particularly exposed to macroeconomic factors which affect the greater Stockholm area, since the Company currently only conducts business in the Botkyrka Municipality in this region. If one or several of these factors were to develop negatively, it could have a material negative impact on the Group's operations, earnings and financial position.

4.1.2 General political risks and risks related to society

The Company's operations are subject to general political risks and risks related to the Botkyrka Municipality in which operations are conducted, including the risk of potential local, regional or national governmental intervention, potential changes in tax regulations as well as potential political, social and economic disturbances. The housing market is subject to extensive rules and regulations, and is subject to interest from political and other actors. Furthermore, there are significant differences in the political parties' view on important policy decisions in relation to the housing market. For example, the size and occurrence of taxes, regulations regarding rental levels, the conversion of leasehold flats into tenant-owned flats, and the progress of the public housing sector's divestment of residential units. It cannot be excluded that tax rates are changed in the future or that other changes to regulation occur which affect the ownership of real estate properties, real estate transactions or the rental market. If any of the above described risks were to materialize, it could have a material negative impact on the Group's operations, earnings and financial position.

4.1.3 Property values

The market value of the Property owned by the Company is affected by a number of property-specific factors, such as rent levels, vacancy levels, operating costs, infrastructure and environmental effects of the operations. Furthermore, the market value is influenced by factors which affect the real estate market in general, including macroeconomic effects (please also refer to section 4.1.1). If the market value of the Group's property

decreases, a breach of the covenants (such as LTV covenants) of the loans owed by the Group from time to time could occur, which in turn could result in such loans being accelerated prior to maturity and consequently affecting the Group's liquidity. Furthermore, if the market value of the Group's property decreases it would have a negative impact on the Group's ability to dispose of its property, or to dispose of its property on terms and conditions acceptable to the Group. If the value of the Group's property were to decrease it could have a material negative impact on the Group's operations, earnings and financial position.

4.1.4 Housing market, rental income and conversion into housing co-op apartments

The Company's business consists of owning a residential property in Botkyrka Municipality, which means that the occupancy rate of the apartments, the contracted rent levels and the tenants' desire and ability to pay are of crucial importance for the Company's operations, earnings and financial position. Occupancy rates and rent levels are affected by, for example, the general state of economic development, national/regional and local parameters such as economic growth, employment development, population development as well as structure and infrastructural changes. If the general economic trends and developments were to be weak over time or if occupancy rates or rent levels were to decrease, irrespective of the reasons therefore, this may have a negative effect on the Company's results. The desire to pay for rental apartments is, among other things, dependent on how well a specific residential unit corresponds to the market demand, the activity on the residential market, the general price trend on rental apartments and demographic factors, such as people moving into the Stockholm region. The desire to pay for rental apartments is further affected by, among other things, the access and cost for alternative residential forms. The ability to pay for rental apartments is, among other things, dependent on the development of wages, the employment ratio, the levels of taxes and charges and other factors which generally affect the economy of households. The ability to pay for rental apartments is also affected by the statutory rules for rent levels. It cannot be excluded that changes to rules which aim to implement market prices could have a negative impact on the ability to pay.

The Company also plans to convert approximately 10% of the rental apartments into housing co-op apartments within a five-year period. The residential units will be sold to one or more residential co-operatives. Factors affecting the desire to acquire residential units as housing co-op apartments are the development of wages, the employment ratio, the levels of taxes and charges and other factors which generally affect the economy of households. The ability to pay for housing co-op apartments is also dependent on the households' ability to make interest deductions, receive loan financing, the development of interest rates for residential loans and of statutory rules, or rules applied by the banks, regarding maximum borrowings and amortizations. It cannot be excluded that changes to rules which aim to reduce households' total borrowings could be implemented, which could have a negative impact on the ability and willingness to acquire housing co-op apartments. Furthermore, it cannot be excluded that the Company may not be able to obtain necessary decisions from authorities or permits for conversion of rental apartments. Consequently, the planned divestment of residential units to residential co-operatives could be delayed or only be possible to procure at terms that are less profitable than estimated. If any of the above described factors would develop negatively, it could have a material negative impact on the Group's operations, earnings and financial position.

4.1.5 Acquisition, sale and other real property transactional related risks

The Company may in the future carry out transactions relating to real properties. All such transactions involve uncertainties and risks. Acquisitions of properties involve, for instance, uncertainty in relation to the price and the possibility to successfully dispose of all residential units, uncertainties regarding the management of tenants, unexpected costs with respect to environmental clean-up, rebuilding and the handling of technical

problems, decisions from authorities and the emergence of disputes relating to the acquisition or the condition of the real property. Such uncertainties may result in delays or increased or unexpected costs for the real properties or transactions. If the Company cannot receive compensation for residential units to an advantageous price or if claims are directed against the Company, it could result in delays of projects or increased or unexpected costs for the residential units, the properties or the transactions. If any of the above described risks would materialize, it could have a material negative impact on the Group's operations, earnings and financial position.

4.1.6 Operating and maintenance costs

Operating and maintenance costs, to some or the full extent, will be included in the Company's property management. Operational costs mainly consist of costs such as electricity, cleaning, water and heating. Some of these goods and services can only be bought from a single operator on the market, which may affect the price. To the extent that any cost increases cannot be compensated through regulation in lease agreements, or rental increases through renegotiations of lease agreements, it may have a negative impact on the Company's result. Maintenance costs include actions that are necessary to maintain the standard of a property in the long term. These expenditures are accounted for as expenses to the extent they relate to repairs and replacements of minor items. In addition to pure maintenance costs, costs for tenant adjustments normally arise. The occurrence of unforeseen and extensive renovation needs may have a material negative impact on the Group's operations, earnings and financial position.

4.1.7 Capital gain, loss and value changes

The Property as well as possible future properties will be recorded at real value in the balance sheet and any changes to the value of the properties will be accounted for in the income statement. The Company's possibilities to create capital gain by selling buildings within the Property will be affected by e.g. partly property specific factors such as how well the Company has succeeded in improving and developing the property as well as the contractual and customer structures, the vacancy rate, the rental level, operating costs and permitted usage of the property. In addition, market specific factors such as the general rent and economic situations, the local availability and demand balance, the expected rent growth, the tax situation, loan financing possibilities and yield demands all play a role in the development of property prices. Any realized as well as unrealized decrease in the valuations of the Company's properties may have a material negative impact on the Group's operations, earnings and financial position.

4.1.8 Competitive situation

The Company operates in a market that is exposed to competition. The Company's competitiveness will be dependent on the Company being able to predict future changes in the market and quickly adapt to current and future market needs. Furthermore, some competitors in the rental market are part of the public housing sector, which under certain circumstances, may give such competitors an economic advantage. The Company might be required to make significant investments or rent adjustments in order to adapt to a new competitive situation, which could negatively affect the Company's results, financial position or operations.

4.1.9 Geographical risk

As the Company currently only conducts business in Botkyrka Municipality in Stockholm, the local supply and demand of properties and thereby the Company's return on investments in properties is dependent on the development of this limited geographical market. There can be no assurances that demand will not decrease in

this market. Such a decrease could have a material negative impact on the Group's operations, earnings and financial position.

4.1.10 Reputational damage

The Company's reputation is central to its business and earnings capacity. The Company's long-term profitability is based on consumers, and other participants on the real estate market, associating the Company with positive values and good quality, particularly given the sometimes politically and socially sensitive nature of the rental market. If, for example, the Company's or any of its group companies' senior management or partners were to act in a manner that conflict with the values represented by the Company, or if the Company's real estate projects do not meet the expectations of the market and the residents, there is a risk that the Company's reputation could be damaged. Damage to the Company's reputation could have a material negative impact on the Group's operations, earnings and financial position.

4.1.11 Environmental risk

According to Swedish legislation, the party that has conducted operations which have caused contaminations is responsible for the remediation of contaminated property. If the party that has conducted the operations cannot perform or pay for the remediation of a contaminated property, the party who has acquired the property is responsible for the remediation if the party knew of, or at the time should have discovered, the contaminations. This means that claims under certain circumstances can be directed against the Company for cleaning-up or after-treatment regarding the occurrence of, or suspicion of, contamination in the ground, water areas or groundwater, in order to put the property in such condition as required by the Environmental Code. Furthermore, previous business operators may have carried out after-treatment of a property in an acceptable manner according to the usage at that point of time. As a result of changed usage to residential purposes, the requirements for the Company may be higher, which means that the Company may have costs for after-treatment and cleaning-up in order to be able to use the property as desired. If claims for remediation regarding any of the Company's properties should be put forward to the Company, this may have material negative impact on the Group's operations, earnings and financial position.

4.1.12 Dependency on members of management and other key personnel

The Company's future success is to a large extent dependent on the members of management and other key personnel who provide expertise, experience and commitment. Through their experience, these key persons have established good relationships with participants on the local real estate market, partners and other stakeholders. There is, however, no guarantee that the Company will be able to retain or recruit qualified personnel. If the Company is unable to retain members of management and other key personnel, or recruit new members of management or other key personnel to replace people who leave the Company, in the future, it could have material negative impact on the Group's operations, earnings and financial position.

4.1.13 Alternative Investment Fund Managers Directive

It cannot be ruled out that the Company is considered an alternative investment fund pursuant to the Alternative Investment Fund Managers Directive 2011/61/EU. If the Company were to be considered an alternative investment fund it may lead to the Company having to comply with registration, permission, reporting, organizational and other requirements, all of which could lead to costs for the Company and could have a material negative impact on the Group's operations, earnings and financial position.

4.1.14 Financing and interest rate risk

In addition to equity, the Company's has partially financed its historical acquisitions of property through loans from external creditors and interest rates are a significant cost item for the Company. Interest rate risk is defined as the risk that changes in interest rates affect the Company's interest expense. Interest expenses are mainly affected by, besides the extent of interest-bearing debt, the level of current market interest rates, credit institutions' margins and the Company's strategy regarding interest rate fixation periods. The Swedish market for interest rates is mainly affected by the expected inflation rate and The Swedish National Bank's (Sw. *Riksbanken*) repurchase rate (Sw. *reporäntan*).

Furthermore, it cannot be ruled out that the Company may acquire additional properties in the future or carry out other real estate development projects and that such projects or acquisitions may require external financing. Such real estate development projects may be delayed or affected by unexpected or increased costs as a result of factors within or outside the control of the Company. If such circumstances occur, it could result in projects not being completed before loans are due, or that such increased costs are not covered by the granted credit facilities. If the Company is not able to obtain financing with respect to acquisitions or development, extension or increase of existing financing or is only able to obtain such financing on terms that are disadvantageous, it could have a material negative impact on the Group's operations, earnings and financial position.

4.1.15 Compliance with change-of-control provisions and other covenants under the Facility Agreement and the terms of the Bond Loan

The Group's Facilities Agreement and the terms and conditions of the Bond Loan make the Group subject to a number of covenants dictating what actions the Group may and may not take. Inter alia, the Facilities Agreement and the Bond Loan contain change of control clauses, implying that changes in the current ownership structure could lead to a breach of such undertakings. The change-of-control provisions in the Facilities Agreement (as amended on 28 November 2014 following a request by Mitt Alby AB) entitle SBAB Bank AB (publ) to declare any outstanding amount under the Facilities Agreement immediately due and payable in the following cases: (i) if the Company ceases to hold (directly or indirectly) 100% of the shares in Mitt Alby AB, (ii) if anyone other than the Company gains control (directly or indirectly) of shares representing any part of the share capital or votes of Mitt Alby AB, (iii) if Autus Invest ceases to (directly or indirectly) hold shares representing at least 26% of the votes and share capital in the Company, (iv) if Autus Invest AB, Alesco S.A, Martin Bjäringer, Hajskäret Invest AB, Geveles AB and HTS Holding AB (the "Investors") cease to jointly hold shares representing at least 50% of the votes and share capital in the Company or (v) if any other person than the Investors, individually or jointly, acquire control of shares in the Company representing more than 34% of the share capital or 20% of the votes in the Company.

Should the Group breach any of the other covenants and be in default under the Facilities Agreement or the Bond Loan, the credit facility and/or the Bond Loan may be accelerated and declared due and payable. In such an event, additional financing costs may incur, and the Group may be declared bankrupt and be liquidated. Such events would have a material adverse effect on the Group's financial condition and return of the B-shares. Also, if no waiver is granted by SBAB Bank AB (publ), the Offerings could be withdrawn by the Company. In such case, no B-shares will be issued and no listing on Nasdaq First North will occur.]

Further, the shares in Byggmästare Anders J Ahlström Fastighets AB (publ) are pledged to the bondholders as security for the Bond Loan and, inter alia, the Property is pledged as security under the Facilities Agreement. All material assets of the Company are thus pledged to the Group's creditors. If the Group needs to obtain new financing there is a risk that such financing, due to the existing security arrangements, may only be obtained on terms that are disadvantageous, which could have a material negative impact on the Group's operations, earnings and financial position.

In the event of a liquidation of the Company or the Company being declared bankrupt the creditors would be entitled to payment from the pledged assets before the shareholders of the Company, which in such event may lead to an investor in the Shares not being able to recover all, or any, of its investment in the Shares.

4.1.16 Liquidity risk

Liquidity risk is the risk that the Company cannot meet its payment obligations at the maturity date without the cost for obtaining cash or cash equivalents increasing significantly. The Company will be dependent on available liquidity in order to fulfil its obligations with respect to paying operating and maintenance costs, making investments and paying interest and amortization costs related to its financing. If the Company's liquidity sources prove not to be sufficient, there is a risk that the Company only can meet its payment obligations by raising funds on terms significantly increasing its financing costs or that the Company cannot meet its payment obligations at all and as a result thereof being in default under material agreements entered into by the Company, which could have a material negative impact on the Company's operations, earnings and financial position.

4.1.17 Taxes and legislative changes

The Company's operations are affected by the tax rules in force from time to time. These rules include, *inter alia*, corporate tax, real estate tax, value added tax, rules regarding tax-free disposals of shares, other governmental or municipal taxes, interest deductions and subsidies. A change in tax laws can cause a situational change for the Company. Even legislative or legal practice changes within certain other areas, for example rental, acquisition and environmental laws can have negative consequences for the Company. If changes to legislation regarding rent, acquisitions and environmental protection were to occur, this may have a negative effect on the Company's results, financial position or operations. Although the Company's business is conducted in accordance with the Company's interpretation of applicable tax laws and regulations, and in accordance with advice from tax advisors, it cannot be excluded that the Company's interpretation is incorrect, or that such regulations change, possibly with retroactive effect. Further, future changes in applicable laws and regulations may affect the conditions of the businesses of the Company. It may in this respect be noted that in an Official Report of the Swedish Government (SOU 2014:40) published on 12 June 2014 it is proposed that, as of 1 January 2016, new rules shall be implemented in Sweden regarding, *inter alia*, limitations on deductions of interest costs and other financial costs, which hence could limit the Company's and the Group's possibility to obtain deductions in this respect. Furthermore, there are significant differences in the political parties view on the size and occurrence of taxes and subsidies. It cannot be excluded that tax rates are changed in the future or that other changes of regulations occur which affect the ownership of real estate properties or real estate transactions. If any of the above described risks would materialize, it could have a material negative impact on the Group's operations, earnings and financial position.

4.1.18 Company with limited history

The Group and its operations were established in 2013. Hence, the Company has conducted business for a relatively short period. There is limited financial, operational and other information available with which to evaluate the prospects of the Company. The Company's operations may not be profitable in the future or generate sufficient cash flow to satisfy its working capital requirements.

4.2 Risk related to the B-shares and the BTAs

4.2.1 Listing on First North

The Company has applied for listing of the Company's BTAs (and subsequently the Company's B-shares) on First North. However, it cannot be guaranteed that the BTAs (and subsequently the Company's B-shares) will fulfil all requirements and be admitted to trading on First North or that the First North listing will occur in the contemplated time schedule or at all.

To be admitted for listing on First North, the Company's BTAs (and subsequently the Company's B-shares) must meet the listing requirements of First North. If the number of shareholders in the Company proves insufficient to meet the requirements of First North, the board of directors may decide to issue new shares in the Company (in which case the Company's share capital will be increased). A new issue of shares 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.

4.2.2 The price of the B-shares could fluctuate

Before the BTAs (and subsequently the B-shares) are admitted to trading there will be no established market for trading in the BTAs (and subsequently the B-shares). If the BTAs (and subsequently the B-shares) are admitted to trading on First North the share price may still fluctuate due to changed perceptions of the Company on the capital market, other circumstances or events, such as changes to applicable laws and regulations that affect the Company's operations, or changes in the Company's results or operations. Furthermore, changes in the Company's results or prospects could, from time to time, be worse than the expectations on the capital market or among investors. The occurrence of one or several of the above factors could cause the price of the B-shares to fall below the price paid by an investor in the Offerings.

Shareholders of the Company's Shares and members of the board of directors and management team holding Shares in the Company have entered into lock-up restrictions and undertaken not to transfer any securities held as per 27 November 2014 for a period of either 180 days or 360 days after the first day of trading of the Company's shares on First North. The Company is unable to predict whether substantial amounts of securities will be sold in the market following the termination of the lock-up restrictions. Any issues or sales of substantial amounts of Shares in the public market, or the perception that such sales might occur, could result in a material adverse effect on the market price of the securities.

In addition to the other risk factors mentioned in this section, there are equity-market related risks that are beyond the Company's control. Equity markets have experienced significant price and volume fluctuations in recent years. The market prices of shares of companies have experienced fluctuations that have often been unrelated or disproportionate to the operating results of these companies. Such market fluctuations could result in added volatility in the market price of the Shares.

4.2.3 Liquidity risks

There can be no assurance as to the liquidity of the market and investors' ability to sell their BTA (or subsequently their B-shares). The liquidity for the BTA (and subsequently the B-shares) could fluctuate due to several factors. The liquidity of a trading market for the BTA (or subsequently the B-shares) may be adversely affected by a general decline in the market for similar securities. The trading market for the BTA (and subsequently the B-shares) may attract different investors and this may affect the extent to which the BTA (and subsequently the B-shares) may trade. It is possible that the market for the BTA (and subsequently the B-shares) will be subject to disruptions. Any such disruption may have a negative effect on investors. Consequently, the liquidity of the BTA (and subsequently the B-shares) is depending on changes in the market irrespective of the Company's prospects and financial performance. As a result, there can be no assurances that

there will be an active market for the BTA (or subsequently the B-shares). If no active trading in the BTA (or subsequently the B-shares) develops, an investor may not be able to resell its holding of the BTA (or subsequently the B-shares) for a satisfactory price, if at all.

4.2.4 Influence of major shareholders and differences in voting powers between A-shares and B-shares

The Company's major shareholders hold A-shares carrying voting rights 10-1 in relation to the B-shares. Consequently, the major shareholders will after the listing continue to exercise considerable influence over all matters requiring shareholder approval. These matters include the authorisation of any proposed capital increase and profit distribution, corporate mergers and sales involving all or nearly all of our assets. The holders of A-shares may also be able to exercise control over the board of directors of the Company and its wholly owned subsidiaries, thus influencing the direction of their operations and other affairs. In addition, the major shareholders have certain contractual relations with the Group as further described in the section 12.5. It cannot be ruled out that the interests of the major shareholders may conflict with the interests of other shareholders. The concentration of voting powers and share ownership in the Company could delay, postpone or prevent a change of control in the Company, impact mergers, consolidations, acquisitions or other forms of combinations, as well as distributions of profit, which may or may not be desired by other investors.

4.2.5 Ability to pay dividends

The Company's ability to pay dividends is dependent upon its future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. In addition, the Company is a holding company and is as such dependent upon the performance of other entities within the Group to enable it to make payments as they fall due, including to pay any dividends on the B-shares. The Group's operating companies are legally separate and distinct from the Company and have no obligation to pay any amounts due with respect to the Company's obligations and commitments or to make funds available for such payments. In addition, the Group's current loan facility and Bond Loan contain restriction on dividends. There can be no assurance that the Company will have sufficient distributable funds or that the Company's shareholders will resolve to pay dividends in the future.

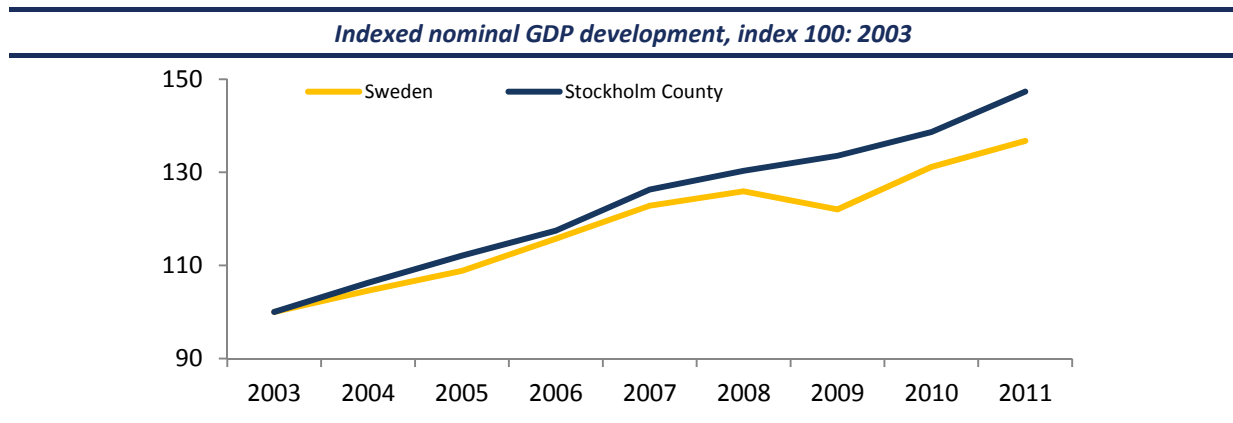
5 MARKET ENVIRONMENT

5.1 Macroeconomic factors

5.1.1 GDP development

The real estate market is strongly dependent on the macroeconomic climate. Factors such as interest rates, wage levels, unemployment levels and GDP affect the entire market. GDP is one of the most important macroeconomic factors. Sweden has had a relatively stable GDP growth in the last decade, despite the global financial turmoil of 2008-2009. The national GDP increased by 0.9% in 2012, 1.6% in 2013 and the expected growth for 2014 is 2.1%.¹ Furthermore, the International Monetary Fund has projected a GDP growth in Sweden of 2.7% in 2015 and a long-term growth of 2.4%. The relatively weak global economic climate has led to low inflation and low interest rates.

Stockholm has in recent years experienced a higher economic growth than the rest of Sweden. This is a result of an increasing population and a decreasing unemployment rate. Historically, Stockholm County has accounted for approximately 26-31% of Sweden's GDP and this figure is expected to increase in the future, as the population of Stockholm County is predicted to grow at a higher rate than the rest of Sweden. Currently, approximately 22% of the Swedish population lives in Stockholm County, a figure projected to increase to 24% by 2030.² The current growth in Stockholm, with regards to both the GDP and the employment rate, is expected to have a positive effect on the real estate market in the region.



Source: Statistics Sweden

As shown by the graph above, Stockholm County's, nominal GDP has grown by 47% from 2003 to 2011, whereas Sweden's total GDP has grown by 37% during the same period.³

5.1.2 Population development

The graph below expresses indexed population forecasts for Botkyrka Municipality, Stockholm county and Sweden. Stockholm County Administrative Board forecasts a population growth of 15% in both Botkyrka and

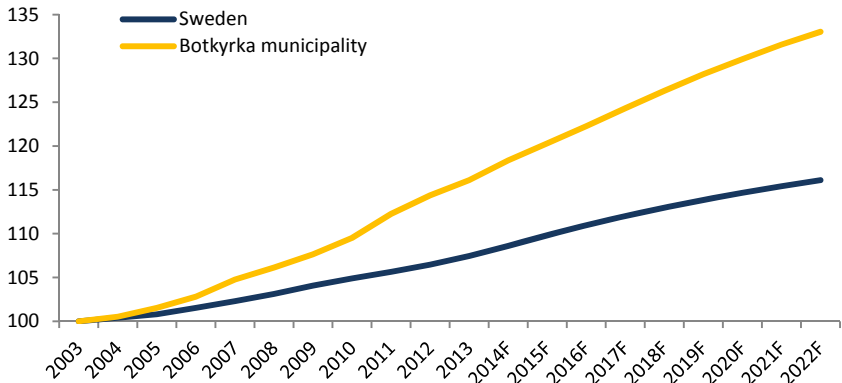
¹ The International Monetary Fund

² Statistics Sweden

³ Ibid.

Stockholm County in general until 2022.¹ The forecasted growth for Sweden in total is 8% during the same period.²

Indexed population development and forecasts, index 100: 2003



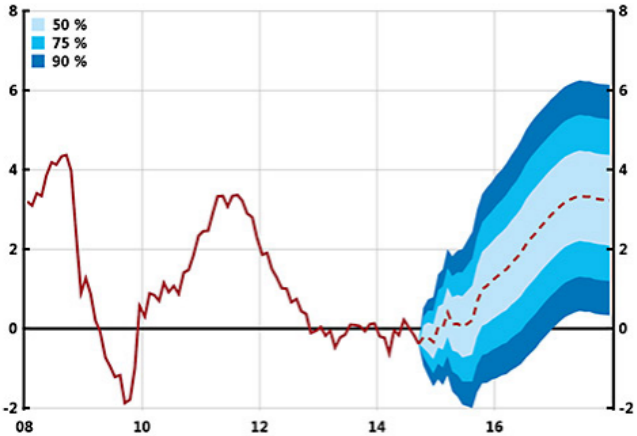
Source: Statistics Sweden, Stockholm County Administrative Board

The population in Botkyrka is forecasted to surpass 100,000 inhabitants by 2022. The total population in Stockholm County is forecasted to amount to 2,498,000 inhabitants by 2022, corresponding to a growth of 335,000 inhabitants from 2013.³

5.1.3 Inflation forecasts

Sweden has experienced declining inflation rates in recent years and despite efforts by the Swedish central bank, Sveriges Riksbank, to ease the declining trend through low Repo rates, inflation has continued to decrease. In order to avoid deflation, the Repo rate was reduced from 0.25% to 0% in October 2014. The all-time low Repo rate of 0% is expected to stimulate market consumption and have a positive effect on the Swedish real estate market. The inflation forecast provided by Sveriges Riksbank is presented below.

CPI development and forecast with uncertainty range, annual percentage change.



Source: Sveriges Riksbank, 20141028

¹ Stockholm County Administrative Board
² Statistics Sweden
³ Stockholm County Administrative Board

5.2 The Swedish rental market

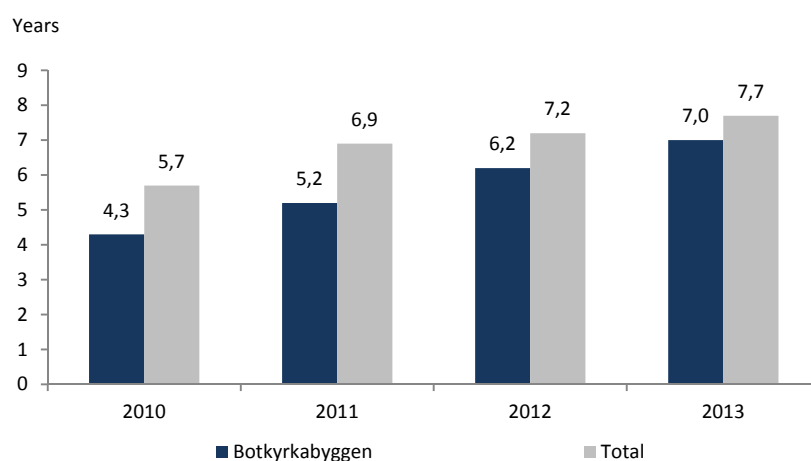
5.2.1 Demand for rental apartments in Botkyrka Municipality

Demand for rental apartments in the Stockholm region has been for many years, as a result of the high population growth. In 2013, 8,106 apartments in a region from Nyköping in the south to Uppsala in the north were intermediated by the region's residential apartment agency, Bostadsförmedlingen. The median queuing time amounted to 6-8 years.

The average queuing time for an apartment at Botkyrka Municipality's residential housing company, AB Botkyrkabyggen amounted to ~5 years in 2013. For apartments in AB Botkyrkabyggen intermediated by Bostadsförmedlingen, the average queuing time amounted to ~7 years, an increase of ~1 year from 2012.¹

The graph below shows the average queuing time in Bostadsförmedlingen for rental apartments in Botkyrka, and the average of all rental apartments intermediated by Bostadsförmedlingen.

Average queuing time for rental apartments



Source: AB Botkyrkabyggen

AB Botkyrkabyggen owned 10,608 apartments at the end of 2013. 565 apartments were intermediated and 562 households used their apartments in a switch to another apartment. Of the total rental turnover of 1,127 apartments (9.4% of total number of apartments), 28% was rented out to other residents in AB Botkyrkabyggen, 54% to residents in the Botkyrka Municipality previously not living in an apartment rented from AB Botkyrkabyggen, and 18% was rented out to new residents previously not living in the Botkyrka Municipality.²

The long queuing time for rental apartments in the Stockholm region in general and Botkyrka Municipality in particular is proof of the high demand for rental apartments in Botkyrka Municipality.

5.2.2 Supply of rental apartments in Botkyrka Municipality

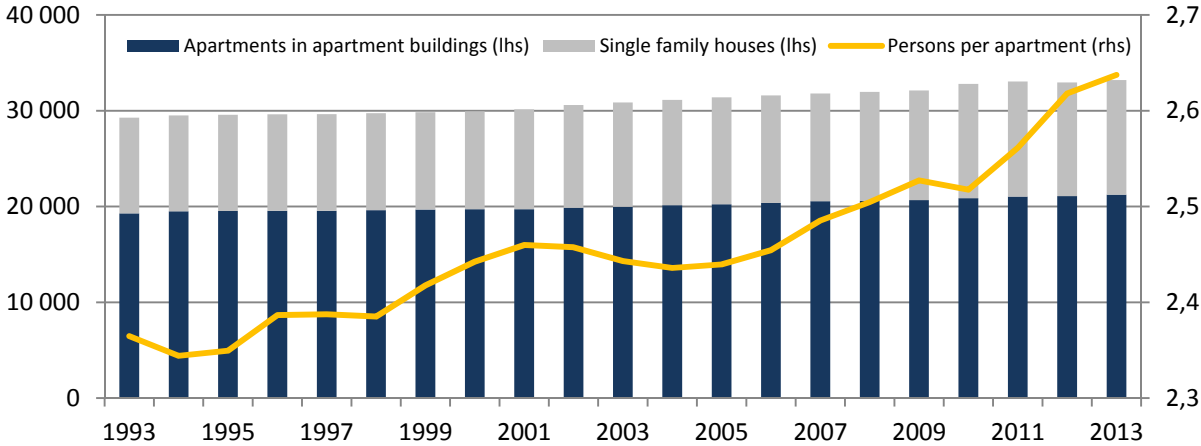
The total number of new single family homes and apartments, both rental and housing co-ops, amounted to 33,206 units by the end of 2013. Over the last 20 years, the number of units has increased with 3,931,

¹ AB Botkyrkabyggen

² AB Botkyrkabyggen

equivalent to an increase of 13%.¹ During the same period, the population in the municipality has increased by 18,355 persons; to 87,580 inhabitants by the end of 2013. This corresponds to an increase of 26% over the last 20 years.² Since the number of units has increased at a significantly slower pace than the population in the municipality, the average number of persons living in each apartment has increased, from 2.36 in 1993 to 2.63 in 2013. The development in the number of residential units in the municipality and the increase in persons per apartment is illustrated graphically below.

Number of residences and persons per apartment, Botkyrka municipality, 1993-2013



Source: Statistics Sweden

Stockholm County’s shortage of residential units amounts to ~80,000 residential units in 2014, according to the Stockholm County Administrative Board, and based on a survey among the municipalities in the county.

5.2.3 Vacancy levels in Botkyrka Municipality

Due to the extensive demand for rental apartments in the region, combined with the limited supply of rental apartments, vacancy levels have been low in Botkyrka Municipality. AB Botkyrkabyggen has reported full occupancy (100%) over the last few years and due to the expected growth of the Stockholm region, vacancy levels are expected to remain low going forward. Thus, income risk due to vacancies is expected to remain low.

5.2.4 Rent levels

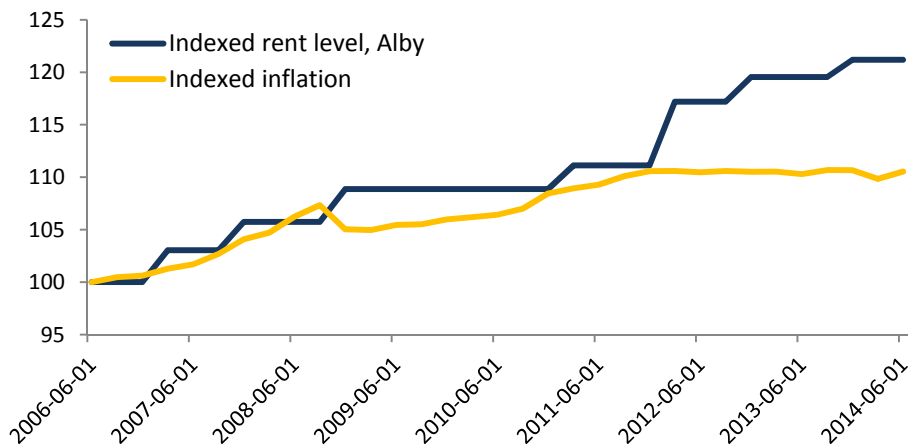
The rental price development in the market for rental residential apartments is mainly driven by changes in CPI. Rent levels are usually negotiated between property owners and The Swedish Union for Tenants (Sw. Hyresgästföreningen), and the rental market is a strictly regulated market. Rents for apartments in attractive areas may nevertheless increase faster than rents in less attractive areas.

The effect of regulation on the rental market is that rents in the Stockholm region are often held at low levels compared to what customers should be willing to pay for the apartment, which leads to a large demand in relation to the supply of rental apartments. A positive effect of this is that the vacancy risk is generally very low for rental apartments in the Stockholm region.

¹ Statistics Sweden
² Statistics Sweden

Indexed development of average rents for residential properties in the Alby area since 1 of June 2006, compared to the CPI development over the same period is shown in the graph below.

Indexed rent and CPI development



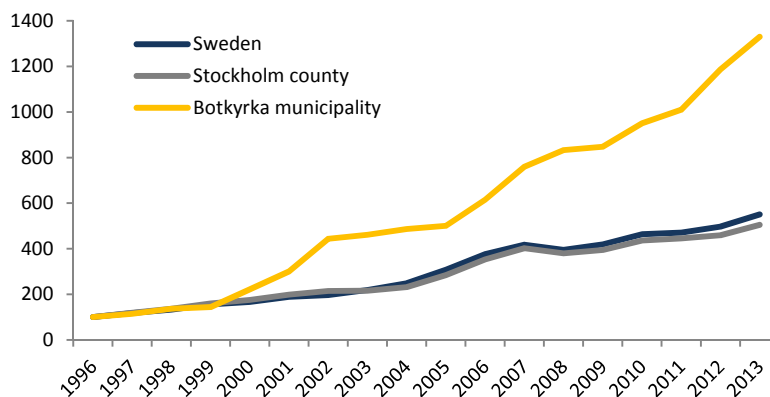
Sources: Newsec, Statistics Sweden

Average annual growth rate in rents corresponds to ~2.4% from June 2006 to June 2014. Corresponding growth in CPI amounts to ~1.3%. Thus, the per sqm rent in Alby has grown by ~1.3% more than inflation. Despite large increases in rent levels, the demand for rental apartments in Botkyrka and Alby are still extensive (refer to section 5.2.3 above).

5.2.5 Prices of housing co-op apartments

The prices of housing co-op apartments in Botkyrka municipality have increased significantly the last decades. Since 1996, the average price has increased from SEK ~1,500 per sqm to SEK ~19,400 per sqm in 2013. The total increase in average price over the period amounts to ~1,230%. As comparison, the average price in Sweden in general has increased with 450% and the average price in Stockholm County has increased with 400% over the same period. The indexed average price development is illustrated graphically below.

Indexed price development of housing co-op apartments. Index 100: 1996



Source: Svensk Mäklarstatistik

The steep increase in housing co-op prices is to a large extent an effect of the extensive demand of residential apartments in Botkyrka Municipality.

5.3 The market for residential real estate

5.3.1 Transaction volume

The average annual transaction volume of investment properties in Sweden amounted to ~SEK 100 billion during the last decade. Before the financial crisis in 2008, the breakdown between foreign and domestic investors was approximately 50/50. Since 2009, domestic investors have dominated the market, although the foreign share of the transaction volume in H1 2014 increased to almost 15%, compared to 8% in the same period last year. The low share of foreign investors in recent years is an effect of a strong currency and low yields compared to market yields in other countries. Low interest rates have also made it easier to obtain financing for Swedish investors¹.

The property market started out strong in 2014 with the highest transaction volume in January since Newsec's first records in 2005. H1 2014 ended with a total volume of almost SEK 60 billion (SEK 17 billion more than last year's transaction volume), and in June alone the transaction volume amounted to SEK 24.6 billion (compared to SEK 16.5 billion in 2013) according to Newsec. The total year-to-date transaction volume for 2014 is approximately SEK 113.2 billion².

In previous years, Swedish institutions dominated the market, but during 2014 Swedish institutions have been relatively inactive. The largest investor groups during 2014 so far have been private and listed property companies.

Constituting 30% of the total invested volume, office properties have been the dominant segment during 2014. Residential properties have been the second largest segment, contributing to ~25% of the total invested volume. Industrial/logistic property transactions represent ~19% of the transaction volume, and have been the third largest segment. The foreign interest in Swedish real estate has increased in 2014.³

5.3.2 Recent transactions

Several residential real estate transactions have been carried out throughout 2014. The eight largest are presented below.

Largest residential transactions in 2014

Date	Description	Number of properties	Buyer	Seller	Price (SEKm)	Total area (sqm)	Residential area
2014-07-04	Portfolio, Hyresbostäder i Sverige II AB	97	D. CARNEGIE & CO AB (PUBL)	BOLIGUTLEIE HOLDING II AS	6,558	725,676	88 %
2014-10-15	Portfolio, Malmö	8	AKELIUS FASTIGHETER AB	ÅBERGS DÖDSBO,ULLA	2,800	185,976	75 %
2014-08-29	Portfolio, Eskilstuna	84	VICTORIA PARK AB	FASTIGHETSAKTIEBOLAGET PAGODEN	1,720	243,113	95 %
2014-10-27	Portfolio, Norrköping	6	D. CARNEGIE & CO AB (PUBL)	SÖRMLANDSPORTEN NORRKÖPINGSBOSTÄDER AB	1,000	134,445	98 %
2014-10-15	Portfolio, Katrineholm	40	NORDHALLA FASTIGHETER AB	HEIMSTADEN AB	1,000	106,962	87 %
2014-01-16	Single property, Stockholm	1	BRF ÄRGÅNGEN	JM AB	794	16,068	97 %
2014-10-15	Two properties, Upplands Bro and Norrköping	2	DOMESTICA II	MAGNOLIA BOSTAD AB	700	24,400	100 %
2014-08-26	Portfolio, Uppsala	15	IKANO BOSTAD AB	RIKSTEM AB (PUBL)	650	25,909	79 %

Source: Datscha, as of 2014-11-06

¹ Newsec

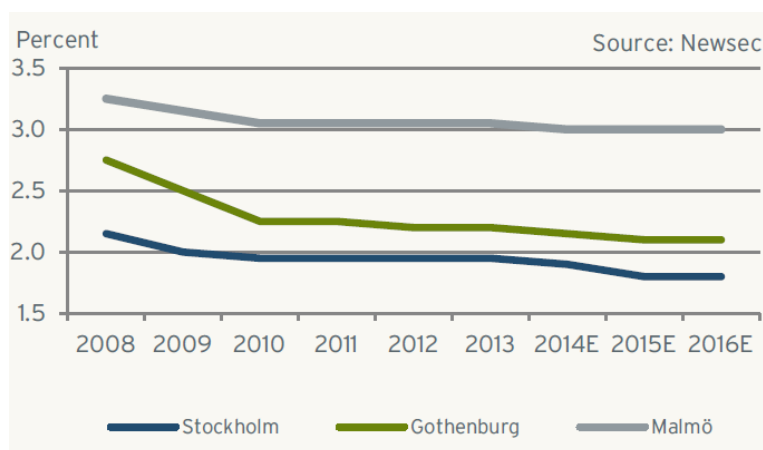
² Datscha, as per 2014-11-16

³ Newsec

5.3.3 Yield requirements

Yield requirements for residential properties have been falling in the last years. Yield requirements for prime residential properties in Stockholm, Gothenburg and Malmö are set forth below.

Prime residential yield requirements



Source: Newsec

The downward sloping trend in yield requirement for prime residential properties characterises how residential yields in general have fallen during recent years. Due to lower yield levels for prime assets, many investors have searched for higher yielding investments in secondary locations. Greater interest for non-prime residential properties has driven yield requirements down also for the non-prime residential properties, and yield spreads between prime and secondary assets have decreased, according to Newsec.

5.3.4 Other companies in the market

Large companies on the transaction market for residential properties ownership in the Stockholm region include among others Victoria Park and D. Carnegie & Co.

Victoria Park

Victoria Park has been very active on the residential property transaction market lately. Victoria Park owned 181 properties as of 30 September 2014, with a total lettable area of 613,000 sqm. The properties are located primarily in medium sized Swedish cities, Malmö as well as in Stockholm, and have a total assessed value of SEK 4,953 million. Average yield requirement in the property valuations amount to 5.3% as of 30 September 2014.¹

D. Carnegie & Co.

D. Carnegie & Co. has also been very active on the residential property transaction market lately. D. Carnegie & Co. was the buyer in the largest residential property transaction in 2014. The company acquired a portfolio of 97 properties, with a total area of ~726,000 sqm for SEK 6,558 million in July 2014. As per 30 September, 2014, D. Carnegie & Co owned properties with a total value of SEK 10,217 million. Most of the properties are located in the Stockholm region. As per 30 June, 2014, the average yield requirement in the valuations of the property portfolio amounted to 5.44%.²

¹ Victoria Park

² D. Carnegie & Co

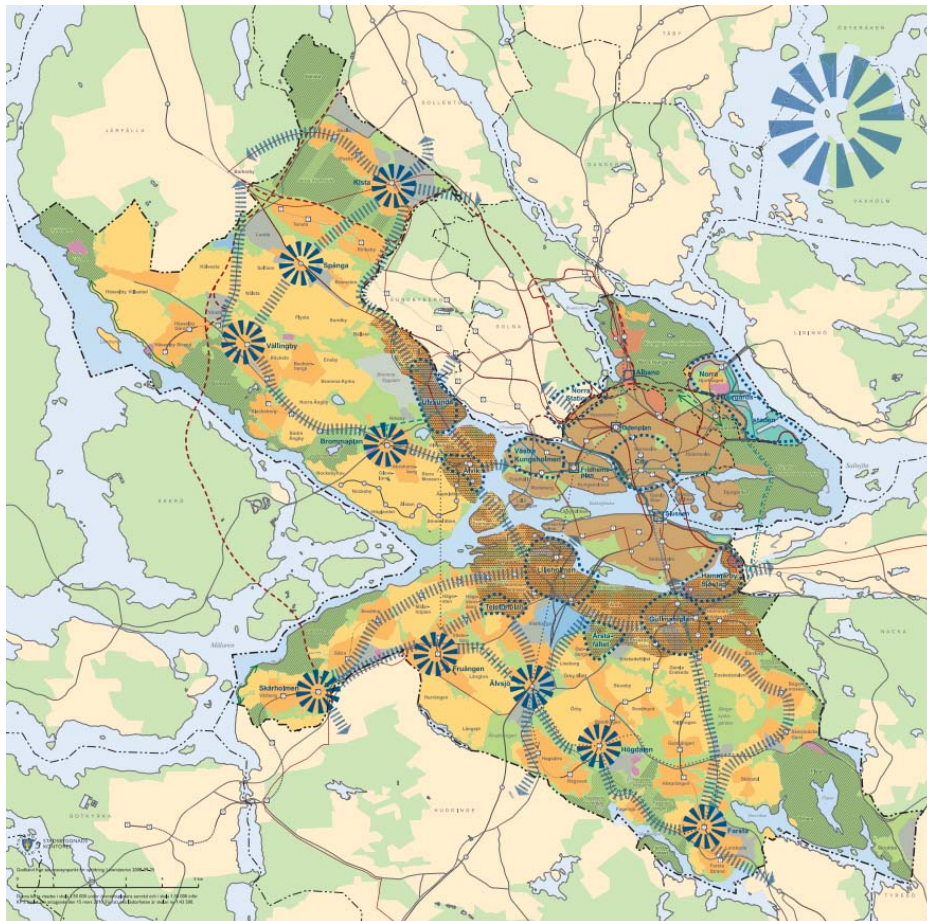
5.4 Urban development

5.4.1 Development areas

Urban development in Stockholm is an important factor in the residential real estate market in the region, since this factor affects the supply and demand in the area. Stockholm County Administrative Board estimates that the total number of residential units in the county will grow by ~30%, from current level until 2030, corresponding to an average increase of approximately 16,000 residential units per year. The average annual growth from 2005 to 2012 was 8,000 new residential units, of which single family homes contributed an average annual increase of 1,800 residential units.

In the Stockholm area, growth is expected to take place through geographic expansion and densification of the urban landscape. In the long-term perspective, the City of Stockholm plans to increase the number of expansion regions, in accordance with the municipality's comprehensive plan (Sw. kommunens översiktsplan) "The Walkable City". One of the expanding regions is Skärholmen, located northeast of the municipal boarder between Botkyrka Municipality and the city of Stockholm. The distance between Skärholmen and Alby is only ~5 km, implying that the Alby region will benefit from an expansion and densification of Skärholmen.

Map from the City of Stockholm's comprehensive plan, The Walkable City



Source: Stockholm Municipality, comprehensive plan, The Walkable City

Botkyrka Municipality's comprehensive plan also expresses a desire for further densification of a number of areas in the municipality. One of the areas marked as suitable for further densification is Alby.

Densification in the south-western areas of Stockholm Municipality and the north-eastern areas of Botkyrka Municipality, where Alby is located, is expected to benefit the attractiveness of Alby.

The municipality has expressed an intention to allow for further development at Albyberget, by adding ~25 multi family homes and detached villas, with a total residential area of ~5,000 sqm (whereof some of those villas may be constructed on land owned by the Company. Several players view land at Albyberget as attractive. In a recent land use competition (Sw. markanvisningstävling), several constructors and real estate companies expressed their interest for further constructions of residential buildings at Albyberget. This further development is assessed by the Company to increase the attractiveness of the area. Furthermore, a four star hotel is planned in the close vicinity of the Property. The municipality's comprehensive plan indicated an intention to develop other areas of Alby, south of Albyberget, further. This will be achieved through densifications of the current development in the area, and are planned to include residential buildings in form of both apartment buildings and townhouses, and commercial buildings.

5.4.2 Yield compression

As a result of population growth in the Stockholm region, the total area that constitutes established residential areas increases and non-residential areas are transformed into residential areas. Areas that formerly were located in the outer parts of the Stockholm region may therefore be perceived as being more centrally located and the vacancy risk can be expected to decrease, since more potential tenants will be looking for rental apartments in such areas. This in turn may attract services and form a basis for improved infrastructure.

A more attractive residential area can be expected to lead to growth in rental prices over and above general inflation, due to a higher demand for rental apartments in the area. Higher demand can also be expected to lower vacancy risk should reduce the future cash flow risks of properties, which may be reflected in lower yield requirements for the area as compared to other areas unaffected by such change.

In line with the densification of the south western areas of Stockholm Municipality and the northern areas of Botkyrka Municipality, the area where the Property is located is expected to become more attractive. The area is expected to be relatively more centrally located in the Stockholm region, which can be assumed to have a positive effect on property values in the area where the Property is located.

The different changes in the market environment may all have positive effects on the property market in the Alby area. The different value increasing factors will have potential to amplify each other.

6 THE COMPANY

6.1 Background and motive

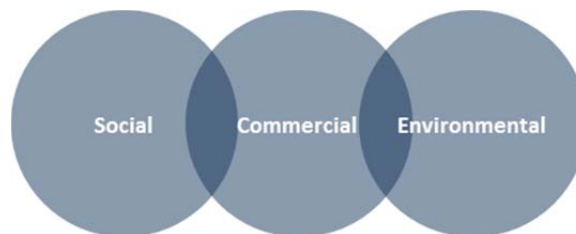
Byggmästare Anders J Ahlström Holding AB is a socially oriented property owning company with focus on value creation through improvements in living environment for its residents. Founded in 2013 by Mikael Ahlström the Company's strategy is to be a socially-oriented residential property company, initially focusing on acquiring and developing large scale rental buildings constructed in the 1960s – 1970s, buildings known as parts of the Million Programme. In June 2013 the Company entered into an agreement to acquire Botkyrka Albyberget 5 from AB Botkyrkabyggen (the municipality owned property company in Botkyrka). The acquisition was completed in November 2013.

The Property is located on Albyberget in Alby in northern Botkyrka, just south of Stockholm. The Property consists of 24 buildings, distributed over 145,032 sqm of land. Total residential area amounts to 102,074 sqm constituting over 1,302 apartments. There are 942 indoor and outdoor parking spaces. In addition, the Company owns land and building rights, the latter estimated at approximately 12 900 sqm.

The main reason for the Recent Offerings was to increase the Company's ability to capitalise on several value generating opportunities. With the share issue, value increasing investments in the Property and other attractive properties can be carried out at a higher pace than what would have otherwise been possible. Furthermore, the Company assesses that a listing of the Company's share on First North will improve the possibility to make further attractive investments in the future.

6.2 Vision

The overall vision of the Company is to make properties within the Million Programme more attractive through innovation, commitment and close collaboration with the residents. The Company seeks to contribute to a positive development of the Million Programme by employing the right resources and support as well as tools and opportunities for actively engaged residents. By taking social and environmental responsibility, sustainable commercial success for the Company and its shareholders can be achieved. The long-term objective for the Company's subsidiary Mitt Alby is to make Albyberget a positive example for other similar areas.



Academic studies, by Gunnar Blomé at Malmö Högskola, have shown that a positive interaction with, and inclusion of, residents reduces operational costs over time.

The Company believes that the right efforts, support and commitment can contribute to a positive development, in which the residents themselves are the driving force behind the changes made. Such a development will benefit all parties: the residents are more satisfied and the investment thereby increases in value.

6.3 Business model, strategy and goals

6.3.1 Business idea

A socially oriented real estate company focused on managing, developing and acquiring residential properties within the Million Programme.

6.3.2 Goals and targets

General goals

- Create and improve values through long-term management with social responsibility.
- Establish the Company as the leading socially oriented Swedish residential property owner

Financial targets

- Solidity of minimum 25%

6.3.3 Strategy

The strategy is to expand the Company based on the existing Property in Botkyrka:

- To manage and develop the property in-house
- Improve the quality of the Property and increase cash flows
- Develop building rights within existing Property
- Participate in new municipal construction projects
- Acquire additional properties in the Million Programme

6.4 Execution of the strategy

The Company's objective is to maintain the buildings to a good standard and cooperate with local organisations in order to improve the living environment. AB Botkyrkabyggen, the previous owner, has maintained the Property well and obtained a fair level of customer satisfaction.

The Company's intention is to ensure continued high level of customer satisfaction. To do this, the Company has recruited employees with key competences and experience to the area from the previous owner's staff, and people living on the Property.

To create greater value for its shareholders as well as greater diversity in housing, the Company will divest some of its current apartments to residents. Three-dimensional land parcelling will enable divestment of parts of buildings, rather than entire buildings, hence minimising the need for reallocation of residents.

Approximately 130 apartments, or about 10% of the current number of apartments, are planned to be divested to one or more housing co-ops (Sw. bostadsrättsföreningar) in the area. Conversion of up to 10% of the apartments to housing co-op apartments was promised to AB Botkyrkabyggen and Botkyrka Municipality when the Company acquired the Property. The conversion process is planned to take place over a five-year period and is consistent with the municipality's desire to create more housing forms in Botkyrka. The Company is planning, as part of the ownership transfer, to remain as a manager of the housing co-ops' properties. Furthermore, the Company does not exclude the possibility of offering services in property management to other property owners in the area.

For the purpose of improving residents' living environment and increasing the attractiveness of the area, renovations will primarily be made to the extent of the resident's preference. Current residents will get the opportunity to decide between three levels of renovation; no renovation, modest renovation or major

renovation. No luxury renovations will be carried out. However, apartments vacated by tenants will be renovated to a high standard.

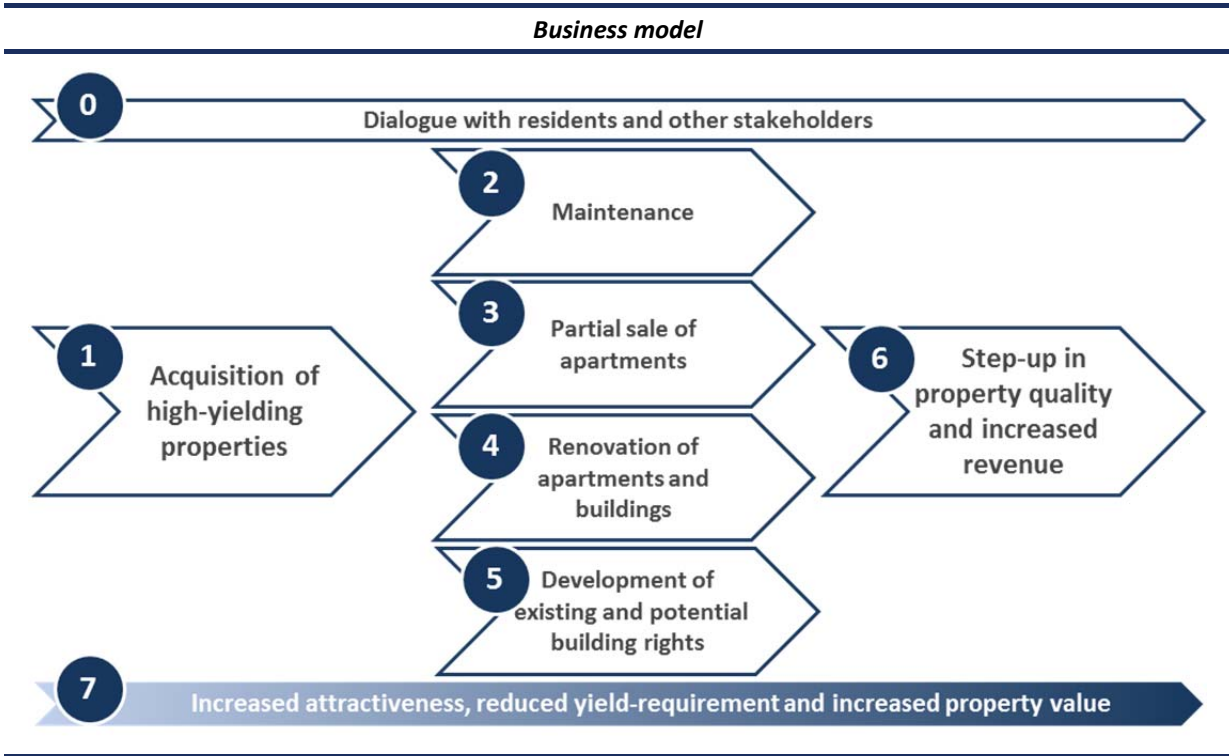
Following renovations, the Company expects to be able to increase rents and reduce costs, and thereby increase the net operating income substantially.

By continuously increasing the attractiveness of the living environment, the Property may be considered a B-rated location instead of its current C-rated location. An A-rating is for apartments in the inner city of Stockholm, B-rating is for apartments in the suburbs closest to the inner city or attractive apartments in suburbs more distant from the inner city and a C-rating is for average apartments in suburbs more distant from the inner city. The area is expected to become a more attractive living environment as ownership among residents increase as well as through cooperation with local entrepreneurs and organisations. Moreover, as living standards improve value is added throughout the process.

The maintenance of a good relationship with Botkyrka Municipality is of importance to the Company, which is generated by means of including commitment to invest in the Creative funds of the Municipality and-, supporting social entrepreneurs throughout the entire municipality.

Lastly, by combining measures to increase the standard of the Property with social and environmental efforts the area will be developed further and attractiveness may increase. Residents will, as a collective, be responsible for working together and taking care of public areas. The Company strives to actively discuss and collaborate with municipality and local entrepreneurs in order to develop the area further. The main goal is to create a dialogue between different actors, including them in the decision making and implementation process. For instance, attractiveness could be increased by developing cafés, restaurants and stores in cooperation with local entrepreneurs.

Below is a graphical illustration of the Company’s business model.



The different steps in the Company’s business model are described further below.

Step 0: Dialogue – A dialogue is initiated with residents to prepare for smooth transition and is continued as an integrated part of owning and operating the properties.

Step 1: Acquisition of high-yielding properties – By purchasing properties in C-locations and thereby with high yield-requirements, the purchase price per sqm may be kept at modest levels.

Step 2: Maintenance – Program to maintain buildings to a good standard including efforts with residents and local organizations to increase the attractiveness in living environment.

Step 3: Partial sale of apartments – Sale of apartments (10% planned in Mitt Alby) to housing co-ops to create more residential ownership forms and increase value in the remaining real estate.

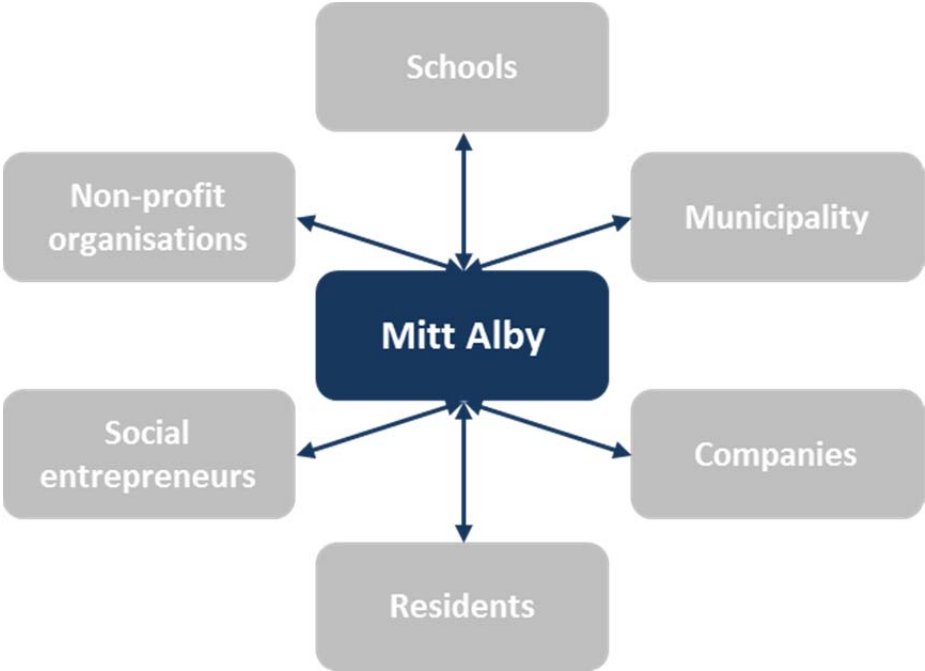
Step 4: Renovation of apartments and buildings – Planned renovations and investments in apartments are made when residents move or when agreed. The degree of renovation in the apartments is decided together with residents and will be reflected through an increase in value and higher agreed upon rent.

Step 5: Development of existing and potential building rights – Through densifications of properties, a mix of housing forms including rental apartments and housing co-op apartments can be created. This will increase the attractiveness of the area and increase the value of the Company.

Step 6: Step-up in property quality and increased revenue – Following renovations, rents will increase, leading to increased revenue and yield.

Step 7: Reduced yield-requirement and increased property value – Through continuously increasing the attractiveness in the living environment, the properties may be taken from what is considered as a C-rated location to a B-rated location. Hence, yield-requirements should decrease and property value increase.

Stakeholders in the dialogue in Alby



6.4.1 The Company's four pillars

The Company is built upon four pillars, which are presented below:

The four pillars	
Innovative communication <ul style="list-style-type: none">• Proactive communication with residents and other local stakeholders• Dialogue rather than one-way communication to understand the neighborhood• Be clear with our plans and our approach and not over-promise	Innovative operations <ul style="list-style-type: none">• Organization and management with presence in the neighborhood• Employ staff living in or close to the properties• Sophisticated IT-systems
Innovative social commitment <ul style="list-style-type: none">• Providing office space for local initiatives and social entrepreneurs• Supporting social initiatives through direct donations, investments and purchases from local organizations	Innovative financing <ul style="list-style-type: none">• Financing structure built on three levels - equity, bond and bank loan• Earnings re-invested into the Company to create value growth

Innovative communication

An effective dialogue with all stakeholders of the business is important. Clear communication with the residents about plans and approach, but also about communication with other stakeholders, municipalities, NGOs, social entrepreneurs, etc., is an important part in the operation.

Innovative operations

In order to maintain a close dialogue and direct contact with the residents, the daily management of the property is done through an office located on the Property. To further improve the efficiency of the operation, an advanced property management system has been installed. The system provides detailed statistics and information to optimise the consumption of fuel, electricity and water.

Innovative social commitment

The Company's goal is for residents to prosper and be proud of their accommodation, which will be achieved through increased social community, improved residential environment, increased sense of security and by working to increase the number of job opportunities in the area. The Company annually allocates SEK1,000,000 of the revenues to social activities in the area. Premises offered to non-profit organisations and social entrepreneurs are another way to achieve improved social engagement.

Innovative financing

The combined legal and financial structure which was established to acquire the property in Albyberget was special. It states that no dividend is distributed from Byggmästare Anders J Ahlström Fastighets AB to the Company before the Bond Loan issued in connection with the acquisition of the Property is repaid. Instead, all available liquidity is used in operations and maintenance, investment and financial costs and tax.

6.4.2 Win, win, win

The Company employs a win, win, win corporate mind-set. The different wins are elaborated below.

Win 1

Many properties built as part of the Million Programme are in need of renovations. The transaction with the public property company in Botkyrka created increased financial resources for renovations in their remaining property portfolio.

Win 2

Through innovative communication, operations, financing and social initiatives, areas are further developed together with the residents. They can enjoy an increasing attractiveness in their living environment and are also offered the opportunity to buy their apartment at an attractive price.

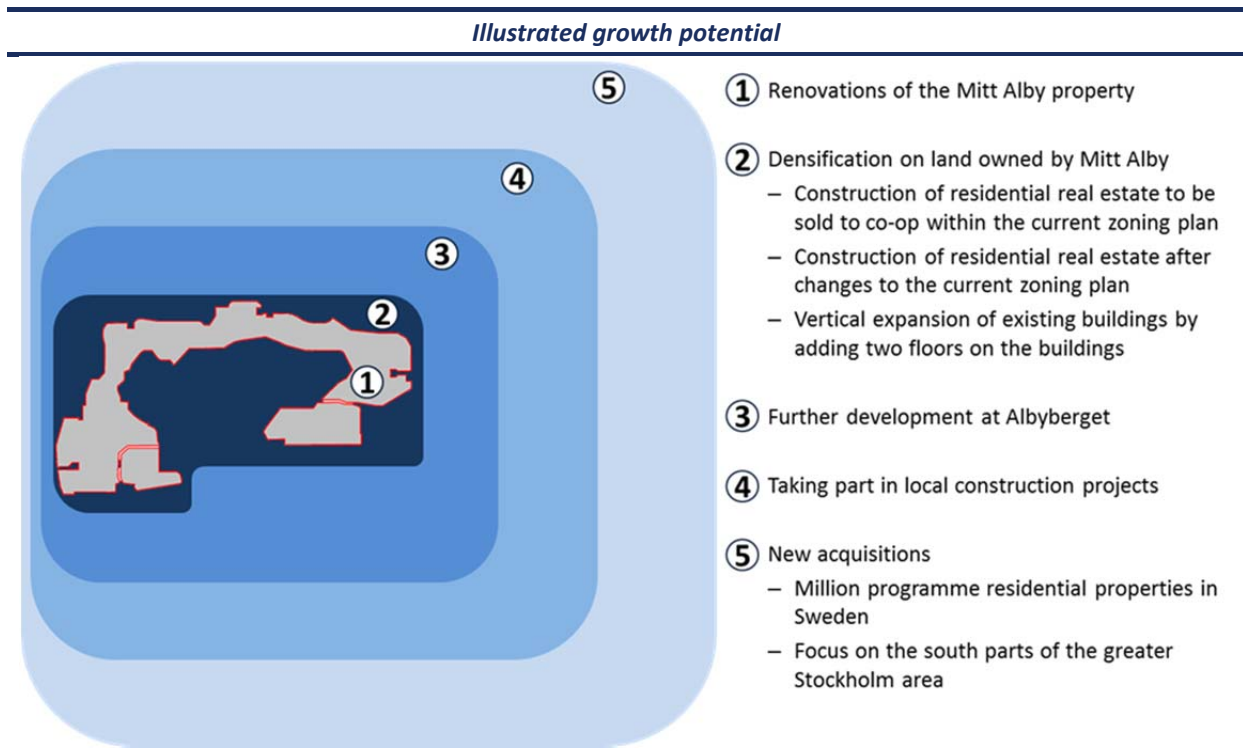
The interest in acquiring their apartment is expected by the Company to be high among current residents.

Win 3

Financial stakeholders are exposed to stable residential areas with value expansion potential. By continuously increasing the attractiveness in the living environment, yield-requirements should decrease and property value increase further – which is beneficial for all stakeholders. Mitt Alby AB, owner the Group's first residential property, is projected to be cash flow positive the coming five years.

6.5 Value increase potential

The Company is evaluating several valuable growth opportunities in the coming years. The growth potential is described graphically below.

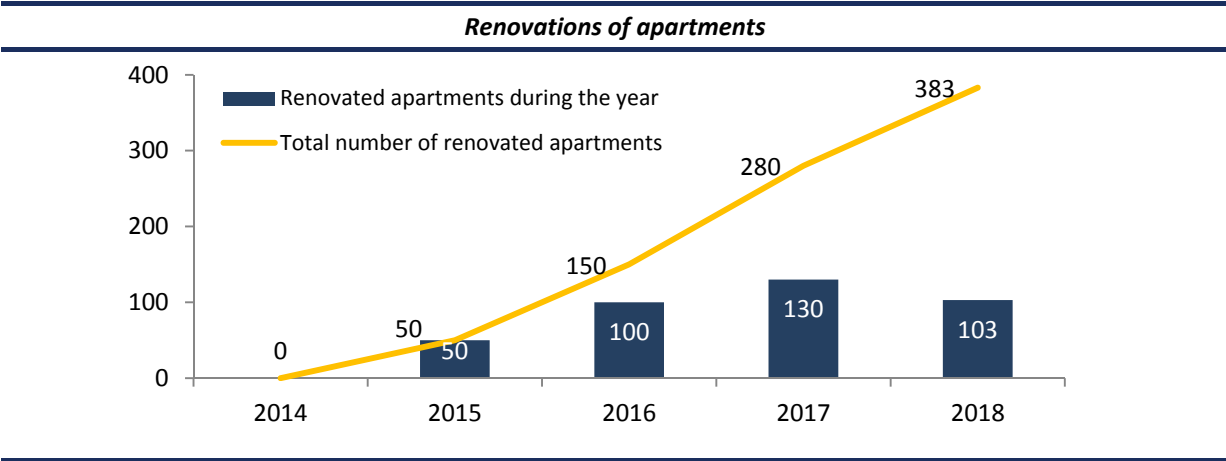


In the sections below, different growth opportunities are described further.

6.5.1 Investments in current buildings

By investing in renovations of apartments in the property, the rents in the portfolio can be increased. According to the Company, tenants have expressed interests during tenant meetings towards standard increasing renovations of apartments. Furthermore, in pace with natural tenant turnover, apartments can be renovated and thereafter rented out to a new tenant at a higher rent level. The natural tenant turnover in the area has in recent years amounted to ~80-100 apartments each year. Investments in renovations are estimated to amount to SEK ~5,000 per sqm, and rents are estimated to increase with ~40%. In addition, property costs are expected to decrease due to a lower need of reparations and maintenance after renovation.

Planned renovations in upcoming years and the total number of renovated apartments are presented below:



6.5.2 Densification of current property

The Company has identified four suitable sites for new construction at the Property, where the current zoning plan allows for further development of the land, according to the Company’s assessments. The current zoning plan gained legal force in 21 September, 2001, and was legally binding for the municipality until 31 December, 2012. Thus, the municipality may initiate a new planning process at any time, but until then, the zoning plan adopted in 2001 is valid. The Company has not received any indications from the municipality that they are planning to initiate a new planning process for the area.

The sites identified are assessed to allow for residential buildings in 8 floors, and the total land area to be built upon amounts to ~1,600 sqm. In total, ~9,700 sqm of new residential area may be constructed on the sites, according to the Company’s estimates.

The planned buildings at the four identified building sites are described in the table below.

Buildings planned to be constructed at the Property

Site	Total area (sqm)	Residential area (sqm)	Number of floors
Site 1	3,744	2,808	8
Site 2	3,224	2,418	8
Site 3	3,368	2,526	8
Site 4	2,608	1,956	8
Sum	12,944	9,708	

Locations of the planned building sites are shown in the aerial photo below.

Sites identified as suitable for new construction



An illustration of the planned building at site 1 is shown below.

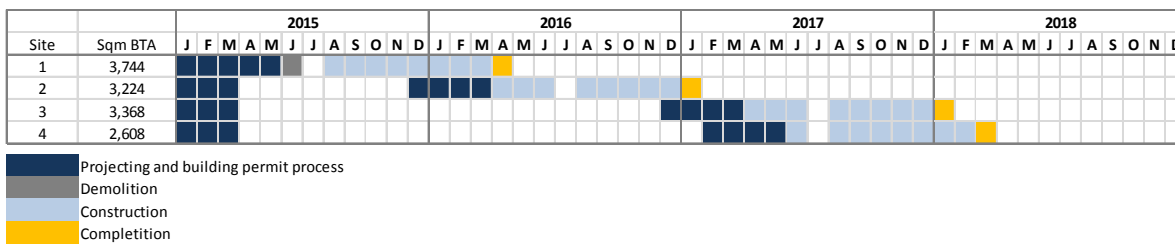
Illustration of new development at site 1



Below is an initial timeline for the construction process presented.

Timeline, construction process

Timeline construction process



The apartments in the buildings to be constructed are intended to be sold as housing co-op apartments. The Company assesses market values of newly constructed housing co-op apartments at Albyberget to amount to SEK ~26,000 per sqm residential area, including senior financing in the housing co-op.

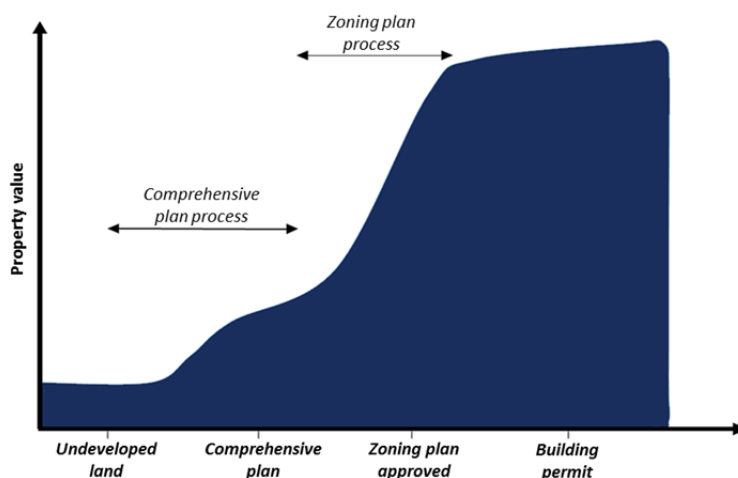
The Company also has land suitable for building residential real estate, which is not part of the current zoning plan. Significant value growth opportunities exist for instance by constructing residential buildings on top of the existing garages. This is dependent on changes to the zoning plan.

Furthermore, it may also be possible to construct more floors of apartments on top of the existing buildings. An initial technical investigation has been carried out by Bjerking AB, indicating that construction of two more floors of apartments is technically possible. This building extension is dependent on a new zoning plan allowing for higher buildings in the area.

6.5.3 Further development at Albyberget

Botkyrka Municipality has as of May 22, 2014, adopted a new comprehensive plan (Sw: översiktsplan). Alby is marked as an area for further development through densification. At and around Albyberget, there are large areas of undeveloped land, which constitutes opportunities for further residential development. The value of undeveloped land usually appreciates in step with the municipality's planning process. Below is a graphical illustration of the development of land value during the planning process.

Illustrative land value development in a city planning process



The Company has an on-going dialogue with Botkyrka Municipality, which is owner to most of the undeveloped land in and around Alby and the Property, and is investigating the opportunities for further acquisitions of both undeveloped land and properties with existing buildings.

6.5.4 Taking part in local construction projects

The Company is in discussions regarding partaking in constructions on and around Albyberget. One such opportunity could be collaborating with the developer currently negotiating for the right to build on Tingstorget, on the slope of Albyberget. Several other residential and mixed residential and commercial constructions are part of the municipality's city development plan, and could be of interest for the Company to be part of as developer, operator, etc. The city development plan shows apartment buildings, townhouses and villas.

6.5.5 Acquisitions

The primary focus is on residential real estate in the Million Programme in the south parts of the greater Stockholm area. The proximity to Albyberget provides benefits in setting up operations as well as some benefits in operating the real estate. The Company's very good relation with the Botkyrka Municipality is a strong selling point when presenting the Company to other municipalities looking to sell. The Company is scouting the market on an on-going basis and has assessed several opportunities over the year. The strict acquisition criteria make the Company a very picky investor. Through the board – with acquisitions as a recurring item on the agenda – and owners, the Company has created well established contacts with various players in the market, such as municipalities, property owners and real estate advisors, which gives a qualitative deal flow.

6.5.6 Leveraging close relationships with municipalities

The Company acquired the Property from Botkyrka Municipality's residential property company AB Botkyrkabyggen at the end of 2013. AB Botkyrkabyggen, Botkyrka Municipality and the Company have been very satisfied with the transaction. Initially, the resistance among both residents in the Property and the public in Botkyrka Municipality was extensive, but since the Company completed the transaction and became the owner of the Property, the Company experiences that most of the initial resistance has been turned, as the Company has proved to be a responsible owner. The reputation as a responsible owner is of high importance in the dialogue with both Botkyrka Municipality and with other municipalities and publicly owned residential real estate companies in future dialogues concerning real estate transactions.

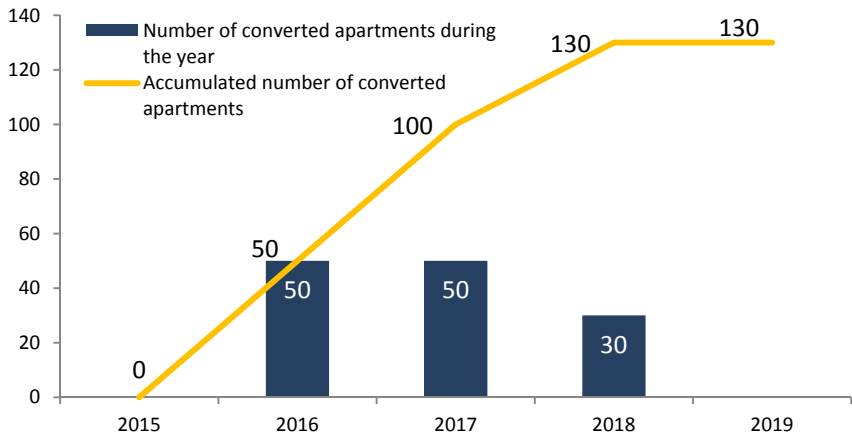
6.5.7 Divestment of apartments to housing co-ops

The Company experiences based on contacts with current residents, that the interest among current residents in the Property to acquire their apartments as housing co-op apartments is robust. According to the housing co-op conversion agency Restate, estimated market prices for housing co-op apartments of this age amount to SEK 16,000-18,000 per sqm.

Divestment of apartments is consistent with the municipality's plan to create a mix of different housing forms in the area, including both rental apartments and housing co-op apartments. The attractiveness of the area is expected to increase in step with the diversification of the number of housing forms in the area. Furthermore, ownership of apartments may increase the interest of keeping the area clean and attractive.

The graph below illustrates the Company’s intended conversions and divestments of apartments to housing co-ops.

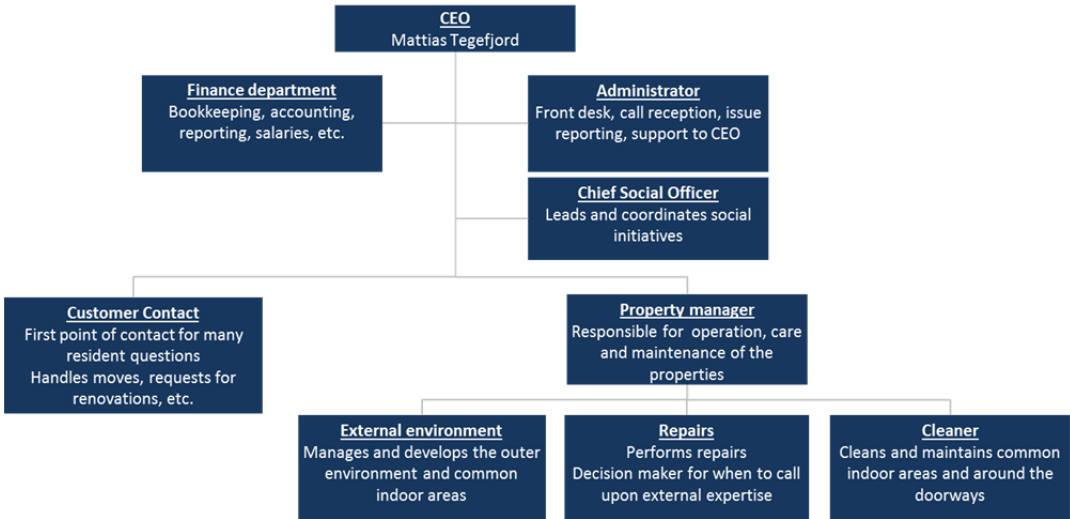
Planned divestments of apartments to housing co-ops



6.6 Organizational structure

The Company has a small and efficient organisation led by CEO, Mattias Tegefjord. Several employees have experience from the area and are familiar with the residents. In addition to the employees, the Company has a consultancy agreement with a former technical manager for AB Botkyrkabyggen. The staffs currently include 12 employees, the CEO included. All staff employed by the Company works in office premises on the Property and together they speak 14 different languages.

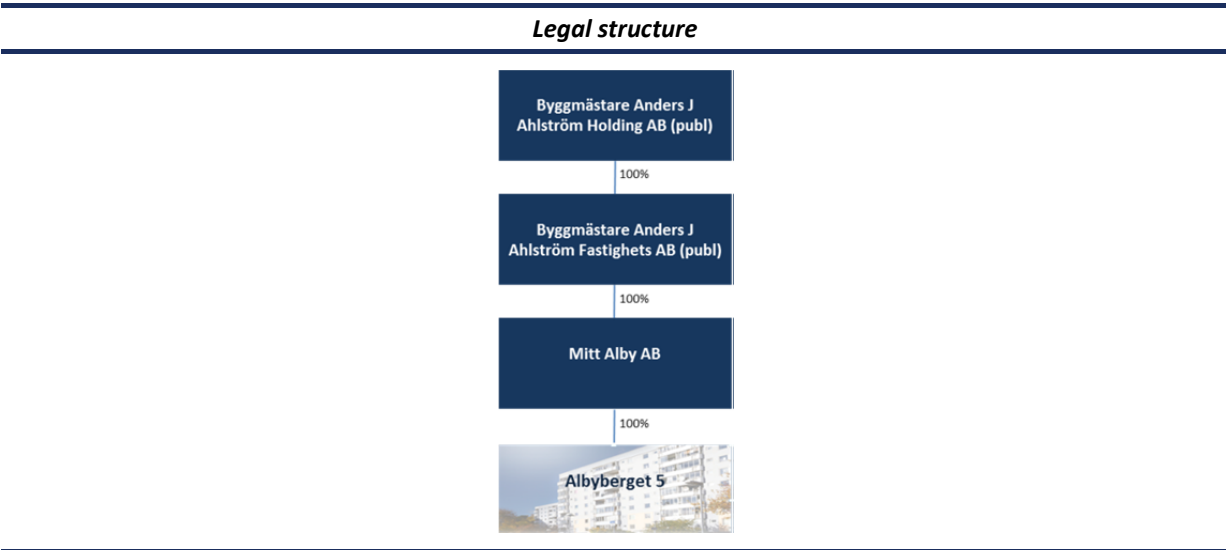
Organisation structure



6.7 Group structure

Byggmästare Anders J Ahlström Holding AB is the 100% owner of Byggmästare Anders J Ahlström Fastighets AB, which in turn is the 100% owner of Mitt Alby AB. Mitt Alby AB is the sole owner and manager of the Property Albyberget 5 in Botkyrka Municipality. The Group and its operations were established in 2013. The acquisition of the Property was completed on 21 November, 2013.




The current Group structure is presented below:



6.8 Advisory board

The Company has assembled an advisory board with in-depth knowledge of Million Programme areas in general and the Alby area in particular. The members of the advisory board are presented below.

Advisory board

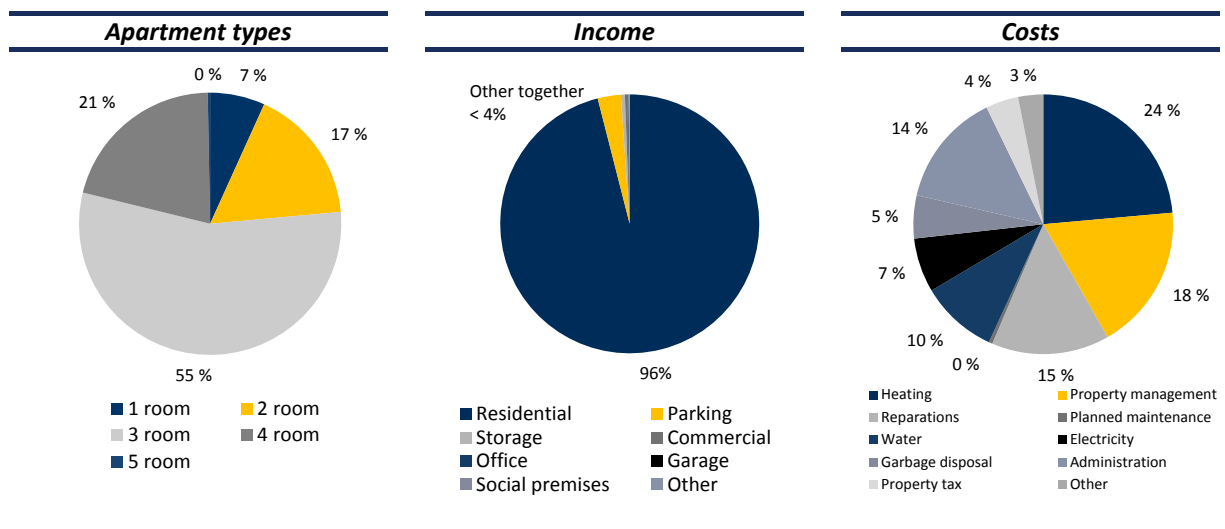
<p>Hans Lind</p>  <p>Hans Lind is professor at KTH Royal Institute of Technology, Real estate and construction management, in Stockholm, Sweden.</p> <p>He has been doing research and been published internationally in a number of real estate fields, e.g. housing markets, housing policy, property maintenance, property valuation and on construction contracts and construction productivity. He is also lecturer in a number of courses, e.g. Economics of the Built Environment and Business Cycles in Real Estate and Construction Markets in the Bachelor and Master's programme at KTH, but also in a number of courses for Doctoral Students.</p> <p>Professor Hans Lind has a long standing interest in Million Programme properties and hands-on experience on the topic.</p>	<p>Carlos Rojas</p>  <p>Carlos Rojas grew up in Botkyrka and is one of the founders and owners of Miklo, a consultancy company working with projects related to the Million Programme. Miklo develops recommendations for government organizations as well as companies through hands-on analyses. Carlos Rojas focus area for work with Miklo is the southern suburbs of Stockholm.</p> <p>Before founding Miklo, he founded Gringo, a magazine focusing on the Million Programme.</p> <p>Carlos Rojas is a well-known debater and a much sought after speaker on topics relating to the Million Programme.</p>	<p>Erik Stenberg</p>  <p>Erik Stenberg is an architect and teacher at the KTH School of Architecture in Stockholm, Sweden. During the last decade he has also been engaged in the politics of restructuring the Million Programme in Sweden.</p> <p>Erik Stenberg has redesigned apartments, organized a housing fair, and started an introductory architecture school in Tensta, one of Stockholm's largest Million Programme areas.</p>
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7 THE PROPERTY – MITT ALBY

The Company owns, through its subsidiary Mitt Alby AB, the property Albyberget 5 in Botkyrka Municipality (known as *Mitt Alby*). The property was acquired by the Group in 2013, from Botkyrka Municipality's residential real estate company AB Botkyrkabyggen. The Property comprises 1,302 apartments with a total area of 102,074 sqm. Total land area amounts 145,032 sqm. In addition, the Company owns land and building rights, with the latter estimated at ~13,000 sqm. Apartment rental income accounts for ~96% of the total income from the Property. The balance of the total income is mainly derived from parking rent.

Average queuing time for rental apartments in Botkyrka amounts to 5 years. Hence, there are no vacancies in the Property other than technical vacancy due to tenant turnover.

Below are key facts concerning apartment types, income and costs presented. Split of income and costs are based on forecasts for 2014.



7.1 Property location

The Property is located at Albyberget, in the north-eastern area of Botkyrka Municipality. The distance to central Stockholm is ~20 km. The map below shows the location of the Property in the Stockholm area.

Location in the Stockholm area



The Property is easily accessible through public transportation. Alby subway station is accessed from Albyberget and a train towards central Stockholm departs every 10 minutes during the daytime. Botkyrka Municipality is characterized by urban areas combined with closeness to nature and beautiful surroundings.

7.2 Technical description and standard

The buildings were constructed during 1970-1972, and are technically of normal to better standard for buildings built in the same time period. The apartments are highly homogeneous. The 10 most common floor layouts accounts for 56% of the total number of apartments in the buildings, ensuing efficient and standardised solutions for maintenance of the apartments. In general, the apartments are efficiently planned, which is typical for apartments constructed in the beginning of the 1970s.

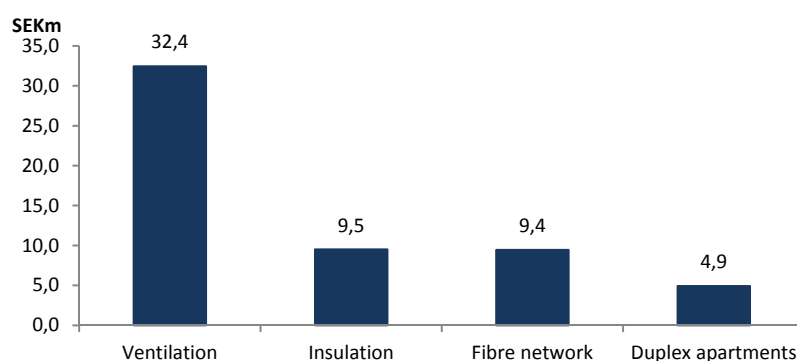
<i>Technical description of apartment components</i>	
Component	Description
Floors	Hardwood floors in living rooms, linoleum flooring in in other parts of the apartments (except bathrooms).
Walls	Walls are covered with wallpaper
Windows	Window frames are made of wood, and are, except for windows facing balconies, covered with aluminium panels on the outside to reduce maintenance.
Kitchens	Kitchens are from the construction year of the buildings. Some have been renovated with new cabinet doors. Most of the stoves are from 1993-1995, and fridges and freezers mainly from 1998-2000.
Bathrooms	Bathrooms are of varying standard. Originally, bathrooms had plastic carpets and painted weave walls. 576 bathrooms have been renovated, all of them with tiled walls and some also with tiled floors.
Fibre network	High speed fibre network (100 Mbit/sec connections).
Ventilation	Ventilation system with exhaust air in kitchens and bathrooms and supply air in bedrooms and living rooms. Since 2005, the ventilation systems in all buildings have been changed.

It is the Company's view, based on reports by technical consultants Structor and Densia as well as the board's and management's expertise, that the overall standard in the apartments is normal for this type of property. It is also the Company's view that the exterior of the buildings are better than normal for buildings of the same age.

7.2.1 Recent Investments

It is the Company's opinion that the buildings are well invested and have historically been carefully managed by the previous owner, AB Botkyrkabyggen. During 2009-2012, AB Botkyrkabyggen invested SEK ~79 million in the Property. Due to the extensive investments in previous years, the expected requirement for further investments is moderate during the coming 5-year period.

Investments during 2009-2012



7.2.2 Planned investments

In connection with the Company's acquisition of the Property, the technical consultants Structor and Densia made technical due diligences on the Property. Based on their reports, the Company estimates required investments to amount to SEK ~3.5 million on average during 2015-2018. Investments of ~SEK 24 million are planned in 2019 due to a need of renovations of bathrooms in connection with an upcoming need for replumbings in the Property. Renovations of bathrooms, as well as renovations of kitchens (which are also planned during 2015-2019), will increase the standard of the apartments, which normally constitutes for an increase in rents.

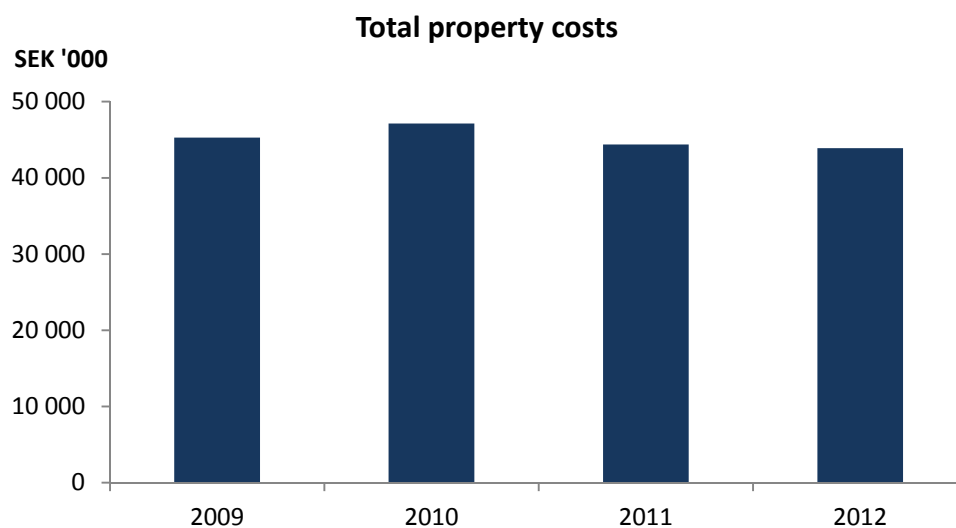
The Company is presently revising and detailing its investment plan to ensure that renovations will take place in a timely manner optimizing the return on invested capital. It is not unlikely that the outcome of the new investment plan will entail an acceleration of the investment pace. The Swedish government has in its budget proposition set aside approximately SEK 2 billion for support to property owners investing in energy efficiency renovations of "Million Programme" real estate, which is likely to benefit the Company to some extent.

7.3 Historical property costs

Historical property costs during 2009-2012 were analysed by KPMG in connection with the Group's acquisition of the Property. Historical property costs during 2013 are not available, as no carve out from AB Botkyrkabyggen's financials was made for 2013, and the Company only owned the Property during the last weeks of 2013. Average total property costs amounted to SEK 45.2 million during the 4-year period. Carve out financials from the previous owner are presented below.

Historical property costs (SEK '000)

Type of cost	2009	2010	2011	2012
Heating	-10,090	-11,668	-10,418	-10,319
Electricity	-4,395	-3,356	-3,435	-3,099
Water	-2,925	-3,759	-4,056	-4,184
Waste removal	-3,413	-2,810	-2,268	-2,488
Property management	-7,203	-8,556	-6,694	-6,308
Maintenance, standard cost	-6,379	-6,379	-6,379	-6,379
Planned maintenance	-5,316	-5,316	-5,316	-5,316
Property tax	-1,730	-1,786	-2,012	-2,094
Administration, standard cost	-2,126	-2,126	-2,126	-2,126
Bad debt	-249	-230	-519	-739
Other	-1,446	-1,149	-1,158	-839
Total property costs	-45,272	-47,135	-44,381	-43,891



Source: KPMG

7.4 Environment

According to the Municipal Office for Environment and Health (Sw. kommunens miljökontor), there are no issues regarding the environment on the property. No technical examination of the ground has been conducted.

8 FINANCIAL INFORMATION

This section breaks down the Company's financial position and provides related information. The information provided is primarily based on the Company's unaudited financial statements for the nine-month period ended 30 September 2014 and the audited full year 2013. Some of the information below has not been audited or reviewed by the Company's auditors and should be read together with the Company's unaudited condensed consolidated interim financial statements for the nine months ended 30 September 2014, which are included elsewhere in this document, and the Company's audited consolidated financial statements for 2013. Due to the Company's limited lifetime, there are no historical figures available for any earlier periods than 2013.

8.1 Key figures

<i>Key figures</i>		
Key figure	Unit	Value
Property value (as assessed by external valuation)	SEK million	970.0
Value of existing building rights (in accordance with the Q3 report)	SEK million	39.0
Initial yield in property valuation	%	4.81
Bank loan (as of 30 Sept, 2014)	SEK million	458.0
Outstanding bond (including accrued interest)	SEK million	200.0
Accrued interest of Bank Loan as of 30 September, 2014	SEK million	0.5
Accrued interest of Bond Loan as of 30 September, 2014	SEK million	2.0
Expected rental income (2014)	SEK million	98.1
Expected net operating income (2014)	SEK million	52.9
Expected EBITDA (2014)	SEK million	49.6

Source: The Company

8.2 Description of debt financing

The Company's intention is to have a capital structure with a loan to value ratio ("LTV") stabilized at ~80%. Currently, the total LTV of the Company equals 65.2%, of which SEK 458.0 million corresponds to bank financing and SEK 200.0 million related to the Bond Loan. The Company continuously evaluates alternative sources of financing for its operations and potential acquisitions. The major terms in the bank loan are presented below.

Main terms of current bank debt

Lender:	SBAB
Borrower:	Mitt Alby AB
Guarantor:	Byggmästare Anders J Ahlström Fastighets AB
Amount:	SEK 458 million
Maturity:	21 November 2018
Interest rate:	STIBOR 3M + 1.85% hedged by a cap at < ~2.20% on STIBOR 3M
Amortization:	2% per annum
Financial covenants:	<ul style="list-style-type: none">• Interest coverage ratio \geq 1.50 at all times• Solidity \geq 25%• Loan to value \leq 70% (with remedy options)
Undertakings:	<ul style="list-style-type: none">• Change of control• No additional debt and negative pledge provisions• Limitation on disposal of assets• No significant change of business• No amortization or prepayment of subordinated loan
Security package:	Security package customary for real estate property financings, including mortgage over the Property and a pledge over the shares in Mitt Alby.

The main terms of the Bond Loan are presented below.

Main terms of the Bond Loan

Issuer:	Byggmästare Anders J Ahlström Fastighets AB (publ)
Instrument:	Senior secured bond loan
Amount:	SEK 200 million
Maturity:	30 November 2018
Coupon:	8.00% fixed per annum
Amortization:	No
Financial covenants:	<ul style="list-style-type: none">• Interest coverage ratio ≥ 1.30 at all time• Total loan to value $\leq 90\%$• Loan to value on senior facility $\leq 65\%$
Undertakings:	<ul style="list-style-type: none">• Change of control• Restrictions on financial indebtedness• Negative pledge• Limitation on disposals of assets• No distribution to shareholders
Security package:	Share pledge over the issuer
Listing:	First North
Short name on FN:	AJAF 01

8.3 Financial status

The Company expects to have positive cash flow and earnings from its current operations going forward, which limits the need for additional external capital. The Company has in the first nine months of 2014 reported a total rental income of SEK 73.3 million, and a net operating income ("NOI") of SEK 40.9 million, thus resulting in a NOI margin of 55.8%. Moreover, per 30 September 2014, the Company had cash and cash equivalents amounting to SEK 30.5 million, and SEK 13.9 million of net working capital. The Company is fully financed and expects no need for additional external capital during the first 12 months following listing. However, the Company's ambition is to grow. Further acquisitions, investments, or other opportunities might trigger the need for more capital.

The Recent Offerings are expected to strengthen the Company's equity during the fourth quarter of 2014.

8.4 Group financials

8.4.1 Consolidated income statement

Consolidated income statement for the Company is presented below.

Consolidated income statement			
Figures in SEK '000	2014-07-01 - 2014-09-30	2014-01-01 - 2014-09-30	2013-09-27 - 2013-12-31
Rental income	24,545	73,329	14,939
Property costs	-7,844	-32,409	-8,946
Net operating income	16,701	40,920	5,993
Central administrative expenses	-2,513	-5,967	-2,447
Income from property management	14,188	34,953	3,546
Unrealised value changes in properties	272,453	272,453	29,070
Financial items			
Income from other financial assets and receivables	-1,359	-10,087	1,538
Financial income	6	8	23
Financial costs	-6,970	-22,723	-4,263
Net financial items	-8,323	-32,802	-2,702
Income before tax	278,318	274,604	29,914
Taxes	-61,229	-60,724	-6,355
Net income	217,089	213,880	23,559

The Company recognises investment property to fair value, in accordance with IFRS, IAS 40. Due to market valuations of the property, the Company has reported an unrealized value change of SEK 272.5 million in 2014.

8.4.2 Consolidated balance sheet

Consolidated balance sheet for the Company is presented below.

<i>Consolidated balance sheet</i>		
Consolidated balance sheet		
Figures in SEK '000	2014-09-30	2013-12-31
Assets		
Fixed assets		
Tangible fixed assets	1,015,411	735,013
Financial fixed assets	1,229	12,471
Total fixed assets	1,016,640	747,484
Current assets		
Rent receivables	645	1
Other receivables	223	0
Prepaid expenses and accrued income	3,066	252
Cash and bank	32,515	28,875
Total current assets	36,449	29,128
Total assets	1,053,089	776,612
Equity and liabilities		
Equity	319,339	105,459
Long-term liabilities		
Bond loan	192,796	192,558
Debt to credit institutions	453,117	461,152
Deferred tax liability	65,322	6,582
Total long term liabilities	711,235	660,292
Short-term liabilities		
Accounts payable	8,047	2,452
Tax liabilities	1,290	559
Other liabilities	2,279	370
Accrued expenses and prepaid income	10,899	7,480
Total short term liabilities	22,515	10,861
Total equity and liabilities	1,053,089	776,612

Total assets have increased significantly due to market fair value recognition of assets, in accordance with IFRS. Equity has increased significantly in 2014, to SEK ~319 million by 30 September, 2014. Debt has been amortized during 2014. Long term liabilities have increased due to a deferred tax liability arising from the recognition of the property to fair value. Solvency as of 30 September, 2014 amounted to ~30.3%, to be compared to 13.6% by the end of 2014.

8.4.3 Consolidated cash flow statement

Consolidated cash flow statement for the Company is presented below.

Consolidated cash flow statement			
Consolidated cash flow statement	2014-07-01 -	2014-01-01 -	2013-09-27 -
Figures in SEK '000	2014-09-30	2014-09-30	2013-12-31
Operating activities			
Income before tax	278,318	274,604	29,914
Adjustment for items not included in cash flow			
Unrealised value changes			
Investment properties	-272,453	-272,453	-29,070
Financial derivatives	1,359	10,087	-1,538
Depreciation and other items	1,132	3,850	263
Paid taxes	0	-559	0
Cash flow from operating activities before change in working capital	8,356	15,529	-431
Change in working capital			
Change in current receivables	-140	-3,681	-253
Change in current liabilities	391	9,993	9,933
Cash flow from change in working capital	251	6,312	9,680
Cash flow from operating activities	8,607	21,841	9,249
Investment activities			
Property acquisitions	0	0	-706,118
Investments in properties	0	-5,511	0
Investments in inventories	-1,300	-2,889	0
Acquisitions of financial derivatives	0	0	-9,866
Cash flow from investment activities	-1,300	-8,400	-715,984
Financial activities			
Issued equity	0	0	81,900
New borrowing	0	0	665,000
Payments in connection with new borrowing	-151	-2,826	-11,290
Amortisations of debt	-2,325	-6,975	0
Cash flow from financial activities	-2,476	-9,801	735,610
Cash flow for the period	4,831	3,640	28,875
Cash and bank, opening balance	27,684	28,875	0
Cash and bank, closing balance	32,515	32,515	28,875

The Group has generated cash flows of SEK 3.6 million in 2014 as of the end of September. Amortization of debt amounts to almost SEK 7 million during the first 9 months of the year. Cash balance in the end of the third quarter 2014 amounts to SEK ~32.5 million.

8.5 Property valuation

Savills Sweden was appointed by Mitt Alby AB to undertake a market valuation of the Property. As basis for the valuation, Mitt Alby AB delivered extensive and detailed input data. The valuation is based on a discounted cash flow analysis. The valuation has taken into account existing and future lease contracts, the costs and other factors affecting the market value of the Property. Savills has visited the Property to get a full understanding of

the location and condition, both internally and externally. Savills assesses that the market value of the Property amounts to SEK 970 million.

In an independent study by the architectural firm Spridd commissioned by the Company's Board of Directors, it is stated that there are ~13.000 sqm building rights within the Property's zoning plan. The Board of Directors has determined the value to be SEK 3.000 per sqm, or in total SEK 39 million. The valuation is based on a peer valuation.

A copy of Savills Sweden's verification of the property valuation is presented in Appendix I.

9 THE SHARES AND SHARE CAPITAL

9.1 General

Byggmästare Anders J Ahlström Holding AB (publ) is a public limited liability company, registered with the Swedish Companies Registration Office on 27 September 2007.

9.2 The shares and share capital

Pursuant to the articles of association, the Company's share capital may not be less than SEK 1,000,000 and not more than SEK 4,000,000 and the total number of shares may not be less than 5,000,000 and not more than 20,000,000. The Company has two share classes: Shares of series A and shares of series B. Shares of each class may be issued up to the maximum number of shares according to the articles of association.

The Company has issued 700 003 shares of series A and 4 299 997 shares of series B. The shares are denominated in SEK and the quota value of each share is SEK 0.20. All shares in the Company have been issued pursuant to Swedish law and have been fully paid. In addition, there are 2,000,000 BTAs outstanding.

9.3 Certain rights associated with the shares

9.3.1 Voting rights

Each share of series A entitles the holder to one vote at general meetings and each B Share entitles the holder to one-tenths (1/10) vote at general meetings. Each shareholder may cast votes representing the entire amount of shares held by the shareholder in the Company.

9.3.2 Pre-emptive rights

The articles of association contains a pre-emption clause, pursuant to which shares of series A must be offered by the purchaser for pre-emption to the current shareholders of shares of series A. Shareholders of shares of series A, who wish to use their pre-emption right, must give notice thereof in writing to the board of directors within two months from the date when the notice of the acquisition was given to the board of directors by the purchaser. Any dispute arising in connection with the pre-emption clause shall be finally settled by arbitration in accordance with the Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce. The claim shall be brought not later than two months from the date when the notice of the exercise of the pre-emption right was given to the company. For further information on the pre-emption clause in the articles of association, please refer to chapter 13 "Articles of Association".

9.3.3 Conversion rights

The articles of association contains a conversion clause, pursuant to which shares of series A, upon the written request by the holder to the Board of Directors, may be converted into shares of series B.

9.3.4 Preferential rights to subscribe for new shares etc.

If the Company resolves to issue new shares, warrants or convertibles in a cash issue or a set-off issue, shareholders shall have preferential rights to subscribe for such securities in accordance with the provisions of the articles of association of the Company, please refer to chapter 15 “Articles of Association” for more information.

9.3.5 Rights to dividends and balances in case of liquidation

Shares of series A and shares of series B have the same priority to receive dividends and balances in case of liquidation. Resolutions regarding dividend are passed by general meetings. All shareholders registered as shareholders in the share register maintained by Euroclear on the record dates adopted by the general meeting shall be entitled to receive dividends in accordance with the general meeting’s resolution. Dividends are normally distributed to shareholders as a cash payment per share through Euroclear, but may also be paid out in a manner other than cash (in-kind dividend). If shareholders cannot be reached through Euroclear, such shareholder still retains its claim on the Company to the dividend amount, subject to a statutory limitation of ten years. Upon the expiry of the period of limitations, the dividend amount shall pass to the Company.

There are no restrictions on the right to dividends for shareholders domiciled outside Sweden. Shareholders not resident in Sweden for tax purposes must normally pay Swedish withholding tax.

9.4 Authorization to issue shares

The Board of Directors may resolve on the issue of shares, warrants or convertibles according to an authorization given by the extraordinary general meeting held on 30 October 2014, according to which the Board of Directors was authorized, during the period up to the next annual general meeting, to decide, on one or more occasions, to issue new shares, warrants or convertibles with or without preferential rights for existing shareholders and for a cash payment and/or with contribution in kind or by offsetting or in another manner subject to terms and conditions in accordance with Chapter 13, Section 7, Chapter 14 Section 9 and Chapter 15 Section 9 of the Swedish Companies Act. The issue authorization was registered with the Swedish Companies Registration Office on 10 November 2014. Any future authorizations to the Board of Directors to issue new shares, warrants or convertibles must be resolved by a general meeting in the Company.

9.5 Share capital development

The table below shows historic changes to the Company’s share capital since its foundation on 27 September 2013.

Time	Event	Change in number of shares			Number of shares after the transaction			Share capital, SEK		
		Ordinary shares	Shares of series A	Shares of series B	Ordinary shares	Shares of series A	Shares of series B	Total	Change	Total
2013-09-27	Formation	50,000	-	-	50,000	-	-	50,000	50,000	50,000
2013-11-20	New issue	350,000	-	-	400,000	-	-	400,000	350,000	400,000
2013-11-21	New issue	600,000	-	-	1,000,000	-	-	1,000,000	600,000	1,000,000
2014-11-10	New share class	-	1,000,000	-	-	1,000,000	-	1,000,000	-	1,000,000
2014-11-20	Split	-	5,000,000	-	-	5,000,000	-	5,000,000	-	1,000,000
2014-11-20	Conversion of A-shares to B-shares	-	-	4,299,997	-	700,003	4,299,997	5,000,000	-	1,000,000
	New issue of B-shares ¹	-	-	2,000,000	-	700,003	6,299,997	7,000,000	400,000	1,400,000

9.6 Ownership

The table below shows the shareholder structure post to the conversion of the recently issued BTAs to B-shares.

Shareholder structure					
Shareholders	Number of A-shares	Number of B-shares	Total number of shares	Share capital (%)	Votes (%)
Autus Invest AB	400,000	1,635,452	2,035,452	29.1	42.4
Alesco S.A.	114,722	1,050,923	1,165,645	16.7	16.5
Humle Kapitalförvaltning	0	841,935	841,935	12.0	6.3
Geveles AB	57,361	525,459	582,820	8.3	8.3
Hajskäret Invest AB	57,361	525,459	582,820	8.3	8.3
Martin Bjäringer and closely related parties	57,361	525,459	582,820	8.3	8.3
Other, including subscribers in the Recent Offerings currently holding BTAs	13,198	1,195,310	1,208,508	17.3	10.0
Total	700,003	6,299,997	7,000,000	100%	100%

9.7 Lock-up agreement

The shareholders who hold shares before the Recent Offerings have entered into customary lock-up agreements in relation to all shares and securities held by such shareholders before the Recent Offerings. Through these agreements, the holding of these persons will be bound by lock-up arrangements until the date falling 360 days (in case of management shareholders and shareholders represented in the board of directors) and 180 days (in respect of other shareholders) from the first day of trading in the B-shares on First North. The lock-up provision can be waived by the Manager.

¹ Not registered by the Swedish Companies Registration Office as per the date of the Company Description.

9.8 Dividend policy

As the Company is in an expanding phase, investments, growth and acquisitions are prioritised over dividend payments to shareholders. In the long term, the Company intends to distribute 30-50% of the net income to shareholders. The outstanding Bond Loan does not allow the Company's subsidiary Byggmästare Anders J Ahlström Fastighets AB to distribute dividends. This limits the ability of the Company to distribute dividends. The Bond Loan matures in 2018 and, accordingly, unless the Bond Loan is prepaid, the subsidiary may not distribute dividends until December 2018.

9.9 Share based incentive programmers

At the time of this Company Description, there are no share-based incentive programs in the Company.

9.10 Shareholders' agreement

The Board of Directors is not aware of any shareholder agreements or similar agreements that can lead to a change of control of the Company.

9.11 Liquidity provider

Pareto Securities will be engaged to act as liquidity provider for the B-shares after the contemplated listing.

10 BOARD OF DIRECTORS, MANAGEMENT AND OWNERS

10.1 Board of Directors

Board of Directors consists of six ordinary members, including the chairman, with no deputies. The table below shows the current members of the Board of Directors and their shareholding in the Company.



**Mikael Ahlström
(Chairman)**

Mikael Ahlström is founder and partner of the first Nordic private equity firm, Procuritas. He is also the founder of the non-profit organizations Charity Rating and Stiftelsen Chelha.

Born: 1956

Education: MBA from INSEAD and equivalent to a B.Sc. in Economics from Lund University, Lund.

Board assignments: Gram Equipment, Byggmästare Anders J Ahlström Fastighets AB (publ), Mitt Alby AB, Stiftelsen Millesgården, Stiftelsen Chelha, non-profit organization Charity Rating and previously Swedish Match, Gunnebo, Bravida and Lekolar, amongst others.

Shareholding: 380,000 A-shares and 1,553,679 B-shares (through Autus Invest AB, excl. Marcus Trummer's shareholdings through Autus Invest AB)



**Charlotte Bergman
(Board Member)**

Charlotte Bergman previously held the position as CEO of AB Strängbetong. Other previous positions include head of a business unit at KF Fastigheter and several leading positions at NCC and Swerock.

Born: 1963

Education: MSc in Industrial Engineering and Business Management from Linköping University, Linköping.

Board assignments: Byggmästare Anders J Ahlström Fastighets AB (publ), CBI Betonginstitutet AB and previously Svensk Betong Service AB, AB Strängbetong, Forsells Prefab AB and Tonful AB.

Shareholding: 611 A-shares and 5,494 B-shares



**Anders Hörnqvist
(Board Member)**

Anders Hörnqvist holds a position as Managing Director at Corner Property Partners AB. Prior to this, Mr Hörnqvist was director at The Carlyle Group real estate team, Executive Vice President and Director of Properties at Fabege, Director of Properties at Fastighets AB Storheden and Property Manager at Granit & Betong AB.

Born: 1966

Education: MSc in Real Estate Management from KTH Royal Institute of Technology in Stockholm.

Board assignments: Byggmästare Anders J Ahlström Fastighets AB (publ), AB Norrlandsinvest, Capensor Capital AB and EnergiComfort AB.

Shareholding: 1,221 A-shares and 10,989 B-shares



**Lars Magnusson
(Board Member)**

Lars Magnusson previously held the position of Director General at Statens bostadskreditnämnd (today: Boverket) and has been appointed the Government's special investigator on how a more effective planning and building permit process can be achieved.

Born: 1949

Education: MSc in Civil Engineering from KTH Royal Institute of Technology in Stockholm.

Board assignments: Byggmästare Anders J Ahlström Fastighets AB (publ), Riddargatan-Hee AB, AB Lived 1:23 and Sturekatten AB (alternate director).

Shareholding: 611 A-shares and 5,949 B-shares (through AB Riddargatan-Hee)



**Hidayet Tercan
(Board Member)**

Hidayet Tercan is an entrepreneur, lecturer and debater. Mrs Tercan is the founder of amongst others the health care staffing company Zemrete; long time interest and board assignments in several social initiatives, for instance Stiftelsen Friends and Stadsmissionen. Mrs Tercan is also a member of the jury of EY Entrepreneur of the Year.

Born: 1971

Education: Course in business management at IFL, Stockholm School of Economics and several courses in management and leadership.

Board assignments: Byggmästare Anders J Ahlström Fastighets AB (publ) and HTS Holding AB. Mrs Tercan also runs her own company Hidayet Tercan (a sole proprietorship).

Shareholding: 10,755 A-shares and 96,620 B-shares (through HTS Holding AB)



**Marcus Trummer
(Board Member)**

Marcus Trummer manages Ahlström family investments. Mr Trummer was previously a management consultant at Booz & Company and has also been working for SEB.

Born: 1980

Education: MSc in Industrial Engineering and Business Management from KTH Royal Institute of Technology in Stockholm and MSc in Business Administration and Economics from Stockholm University.

Board assignments: Byggmästare Anders J Ahlström Fastighets AB (publ), LBO Invest AB, Autus Invest AB, Gosh AB and Caloroso s.r.o. Also CEO of Curitas AB, Investmentbolaget av 1 maj 2009 AB, LBO Invest AB and PCTC Invest AB.

Shareholding: 20,000 A-shares and 81,773 B-shares (through Autus Invest AB, excl Mikael Ahlström's shareholdings through Autus Invest AB)

10.2 Management

The Company's management consists of the Chief Executive Officer and the Chief Financial Officer. The management has the overall responsibility for the Company's day-to-day operations. To a certain extent, functions outside the core business focus is outsourced where appropriate, see section "Legal and supplementary information – Service agreements".



**Mattias Tegefjord
(Chief Executive Officer)**

Mattias Tegefjord is the Chief Executive Officer of the Company. Mr Tegefjord has more than 15 years of experience within infrastructure and property management. Before joining the Company, Mr Tegefjord was business unit manager for ISS Facility Services. Prior to that, Mr Tegefjord held various positions within ISS Facility Services, KLP Fastigheter, John Mattsson and Tyréns Temaplan.

Born: 1974

Education: M.Sc. in Project Management – Logistics and Economy from KTH/Royal Institute of Technology in Stockholm.

Board assignments: Alternate director at Mitt Alby AB.

Shareholding: 2,930 B-shares



**Gösta Ericsson
(Chief Financial Officer)**

Gösta Ericsson is the Chief Financial Officer of the Group. Mr Ericsson has more than 30 years of experience within controlling and finance. Before joining the Company, Mr Ericsson worked with Group Finance for amongst others Hemsö Fastighets AB and Kungsleden Fastighets AB. Mr Ericsson is employed by the Company on a consultancy basis.

Born: 1956

Education: MSc in Business Administration and Economics from Stockholm University. Studies in Physics at KTH Royal Institute of Technology in Stockholm.

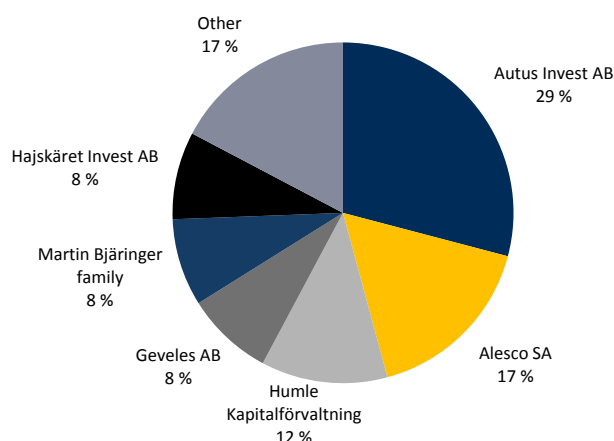
Board assignments: Gösta Ericsson & Co Corporate Advisory Aktiebolag, Erikru Aktiebolag, Geco Koncernekonomi Konc.eko AB and Erikru Handelsbolag. Alternate director at Programmera Management i Sverige AB, Sala Ortdrivaren Aktiebolag, Lookup Konsult AB and Mandrion Data Aktiebolag.

Shareholding: N/a

10.3 Owners

When the shares subscribed for in the Recent Offerings are included, Mikael Ahlström, founder and Chairman of the Company, is the largest shareholder, through Autus Invest AB owning 29.1% of the capital and 42.4% of the votes, followed by the Kari Stadigh family, with ownership of 16.7% of the capital and 16.5% of the votes through Alesco SA. Humle Kapitalförvaltning owns 12.0% of the capital and 6.3% of the votes. The C. Ehrnrooth family through Geveles AB, Martin Bjäringer (and closely related parties) and Carl Rosvall, through Hajskäret Invest AB holds 8.3% of the capital and 8.3% of the votes each. The ownership structure (including the shares subscribed for in the Recent Offerings) is illustrated graphically below.

Ownership structure (share of capital)



Owner

Presentation

Autus Invest AB/ Mikael Ahlström	See presentation in section 10.1 above.
Alesco SA/ Kari Stadigh family	CEO of Sampo group, Chairman the board of If Skadeförsäkring and member of the boards of Nordea and Nokia.
Geveles AB/ C. Ehrnrooth family	Large holdings in Caverion, Pöyry and YIT as well as other holdings within the Finnish industry.
Martin Bjäringer family	Founding partner Monterro 1, board member Björn Borg, former chairman of Protect Data and board member of i.a. Gunnebo and Pricer.
Hajskäret Invest AB/ Carl Rosvall	Founding partner Monterro 1, founder and former CEO of Protect Data, board member of Itello and former board member of Orc Software and Protect Data.

10.4 Compensations, pension and benefits

10.4.1 Board of Directors

Fees and other remuneration to the members of the Board of Directors, including the chairman, are resolved on by the annual general meeting. On the annual general meeting held on 23 April 2014, it was resolved that no remuneration or fees shall be paid to the members of the board during the period up to the next annual general meeting. The Board of Directors in Byggmästare Anders J Ahlström Fastighets AB (publ.) is however entitled to a yearly remuneration amounting to SEK 75,000, Mikael Ahlström and Marcus Trummer excluded. Autus Invest AB, through which Mikael Ahlström and Marcus Trummer own shares in the Company, charges the Company fees for management, financial and administrative services, as further described in section 12.5.

The members of the Board of Directors are not entitled to any benefits following termination of their assignments as members of the board.

10.4.2 Current employment agreements for the CEO and the CFO

Byggmästare Anders J Ahlström Fastighets AB (publ), a wholly-owned subsidiary of the Company, has entered into an employment agreement with Mattias Tegefjord (CEO of the Company and its subsidiaries) on 16 September 2013. The compensation to Mattias Tegefjord for his position as CEO in Byggmästare Anders J Ahlström Fastighets AB (publ) consists of a fixed monthly salary of SEK 85,000 as well as a bonus equal to up to two months' base salary. The notice period is mutually six months. Should Byggmästare Anders J Ahlström Fastighets AB (publ) terminate the agreement or should Mattias Tegefjord terminate the agreement on the basis of materially changed circumstances, Mattias Tegefjord is entitled to severance pay equal to six months' base salary. Mattias Tegefjord is further entitled to pension payments under his employment agreement.

The interim CFO of Mitt Alby AB (publ), Gösta Ericsson, is engaged on a consultancy basis. Under the consultancy agreement Gösta Ericsson is to provide between 8 and 20 hours of work per week, for which he is paid a consultancy fee of 1,000 SEK or 1,200 SEK per hour (depending on where the work is carried out). The consultancy agreement can be terminated by Mitt Alby AB by giving one months' notice and by Gösta Ericsson giving two months' notice and will automatically terminate on 31 March 2015.

10.5 Other information regarding the Board of Directors and the Management

There are no family ties among any members of the Board of Directors or management of the Company.

Except for Hidayet Tercan Wennerström, who was the chairman of the board of directors in Lillugglans BHSV AB, which was declared bankrupt in October 2013, none of the board members has, during the past five years, been involved in any bankruptcy, receivership or liquidation while serving as board members or members of management.

None of the current members of the Board of Directors or management has been convicted in relation to fraudulent offences during the past five years.

None of the members of the Board of Directors or management has been subject to any public incrimination and/or sanctions by statutory or regulatory authorities (including designated statutory bodies) and none of the members of the Board of Directors or management has been disqualified by a court from acting as a member of administrative, management or supervisory bodies of a company or from acting in management or otherwise from conducting the affairs of a company during the past five years.

There are no potential conflicts of interest between the members of the Board of Directors or management and the Company. All of the current members of the Board of Directors and management may have financial interests in the Company through their current holding of shares in, or their remuneration from, the Company.

10.6 Auditor

Pursuant to the Company's articles of association, the Company shall have one or two auditors, with or without any deputies. The Company's auditor is Ernst & Young AB with the authorized public accountant Mikael Ikonen as auditor-in-charge. Ernst & Young AB's office address is Drottninggatan 73A, 111 36 Stockholm. Mikael Ikonen was elected auditor of the Company at the annual general meeting held on 23 April 2014.

11 LEGAL AND SUPPLEMENTARY INFORMATION

11.1 Incorporation and legal form of business

Byggmästare Anders J Ahlström Holding (publ) is a Swedish public limited liability company with registration number 556943-7774, and its registered office is located in Stockholm, Sweden. The Company was incorporated in accordance with Swedish law on 27 September 2013 and was registered with the Swedish Companies Registration Office on the same date. The Company's legal form is governed by the Swedish Companies Act (Sw. *aktiebolagslag (2005:551)*) and the Company's shares have been issued in accordance with Swedish law.

11.2 Legal structure

The Company is the parent company of the Group which currently consists of the Company and its wholly-owned subsidiaries Byggmästare Anders J Ahlström Fastighets AB (publ) and Mitt Alby AB.

11.3 Significant agreements

11.3.1 Financial agreements

Facilities Agreement

The Company's subsidiaries have entered into a Swedish law governed facilities agreement with SBAB Bank AB (publ) (the "Facilities Agreement") whereby a term facility in the amount of SEK 465,000,000 was made available to the subsidiaries. The proceeds obtained under the Facilities Agreement have been applied towards financing the acquisition of the shares in Albyhjärtat AB (and indirectly the Property) and to refinance certain existing financial indebtedness. The loan under the Facilities Agreement is divided into three tranches and is amortized by 2% per annum. The interest rate on the loan is based on the lender's costs for the loan increased by a margin (which varies by tranche) and in some cases by the applicable STIBOR rate. Interest and amortization payments are made quarterly in January, April, July and October. The loan matures on 21 November 2018.

The Property and the shares of Mitt Alby AB are pledged as security for the Facilities Agreement. The Facilities Agreement contains, inter alia, certain representations and warranties, financial covenants such as restrictions on payment of dividends to the Company's subsidiary Byggmästare Anders J Ahlström Fastighets AB and events of default.

On 28 November 2014 following a request by Mitt Alby AB, SBAB Bank AB (publ) and Mitt Alby AB entered into an addendum whereby the existing change-of-control provisions in the Facilities Agreement were replaced with provisions entitling SBAB Bank AB (publ) to declare any outstanding amount under the Facilities Agreement immediately due and payable in the following cases: (i) if the Company ceases to hold (directly or indirectly) 100% of the shares in Mitt Alby AB, (ii) if anyone other than the Company gains control (directly or indirectly) of shares representing any part of the share capital or votes of Mitt Alby AB, (iii) if Autus Invest ceases to (directly or indirectly) hold shares representing at least 26% of the votes and share capital in the Company, (iv) if Autus Invest AB, Alesco S.A, Martin Bjäringer, Hajskäret Invest AB, Geveles AB and HTS Holding AB (the "Investors") cease to jointly hold shares representing at least 50% of the votes and share capital in the Company or (v) if any other person than the Investors, individually or jointly, acquire control of shares in the Company representing more than 34% of the share capital or 20% of the votes in the Company.

Bond Loan

On 18 November 2013 Byggmästare Anders J Ahlström Fastighets AB (publ) issued a senior secured callable fixed rate Bond Loan in order to finance the acquisition of the shares in Albyhjärtat AB (and indirectly the Property) amounting to SEK 200 million. The Bond Loan has a yearly fixed rate of 8% of the Bond Loan's nominal value. The Bond Loan shall be redeemed on the maturity date, 30 November 2018, but may also be redeemed by Byggmästare Anders J Ahlström Fastighets AB (publ) prior to this date. The bonds are listed for trading on First North. The terms and conditions of the Bond Loan also include provisions which regulate situations when Nordic Trustee AB (publ), the agent of the bondholders, is entitled to declare all bonds, including accrued interest, due and payable (so called default-provisions), including if one or more persons, nor being direct or indirect shareholders in Byggmästare Anders j Ahlström Fastighets AB (publ) on the date of the bond issue, acquiring or controlling directly or indirectly, more than 50% of the voting shares in Byggmästare Anders J Ahlström Fastighets AB (publ) or obtaining the right to appoint or remove the whole or a majority of the directors of the Board of Directors of Byggmästare Anders J Ahlström Fastighets AB (publ). Nordic Trustee AB (publ) is entitled to such actions if, among other things, Byggmästare Anders J Ahlström Fastighets AB (publ) does not fulfil its covenants under the bond terms, is in default of payment or if there is a change of control in Anders J Ahlström Fastighets AB (publ).

11.4 Insurances

The Group holds corporate and property insurances which are customary for the industry it operates in. The Board of Directors is of the opinion that the Group has satisfactory insurance protection for the nature of the business carried out.

11.5 Related party transactions

The Company has entered into a consultancy agreement with Autus Invest AB, the largest shareholder of the Company. Pursuant to the agreement Autus Invest AB shall provide Mitt Alby AB with management, financial and administrative services. Autus Invest AB is entitled to a fixed fee of SEK 490,000 per annum for the services provided. The agreement is valid until further notice, and may be terminated by the either party giving three months' prior written notice.

The Company's subsidiary Mitt Alby AB has also entered into a consultancy agreement with Autus Invest AB. Pursuant to the agreement Autus Invest AB shall provide Mitt Alby AB with management, financial and administrative services. Autus Invest AB is entitled to a fixed fee of SEK 500,000 per annum for the services provided. The agreement is valid until further notice, and may be terminated by the either party giving three months' prior written notice.

11.6 Legal and arbitration proceedings

The Company is not and has not been part in any governmental, legal or arbitrational proceedings (including any such proceedings which are pending or threatened and of which the Company is aware) for the past 12 months, which may have, or have had in the recent past, significant effect on the Company's financial position or profitability.

11.7 Environmental issues

In 2014 minor amounts of polychlorinated biphenyls (PCB) were detected in certain parts of the Property. The PCB has however, as of June 2014 been, been sanitized and the Company is not aware of any further material environmental issues.

11.8 Intellectual property rights

Except for the trade names Mitt Alby, Albyhjärtat, Byggmästare Anders J Ahlström Fastighets and Byggmästare Anders J Ahlström Holding and certain domain names held by the Byggmästare Anders J Ahlström AB (publ), the Group does not have any intellectual property rights.

11.9 Information from third parties

This Company Description contains historical market data and industry forecasts relating to the market in which the Company operates. The Company has obtained this information from several sources, including industry publications and market surveys from third parties as well as publicly available information. Although the industry publications state that they are based on information obtained from several different sources and using various methods that may be deemed reliable, there can be no guarantee that the information is correct and complete. Industry forecasts are by their nature subject to considerable uncertainty, and there can be no guarantee that such forecasts will prove correct.

Information from third parties has been correctly reproduced and, as far as the Board is aware and is able to warrant through comparisons with other information published by the third party concerned, no information has been omitted in a way that would make the reproduced information incorrect or misleading.

12 TAX CONSIDERATIONS

The following is a summary of certain Swedish tax consequences for shareholders holding B-shares in the Company. The summary is based on the assumption that the B-shares in the Company will be considered "listed" (Sw. *noterade andelar*) from a tax perspective, which is the case if the B-shares are traded on First North to a sufficient extent.

The summary does not, for example, address:

- B-shares held by partnerships;
- B-shares held as current assets in business operations;
- the specific rules on tax-exempt capital gains and dividends (including non-deductibility for capital losses) in the corporate sector that may be applicable when B-shares are considered to be held for business purposes (Sw. *näringsbetingade andelar*) by the shareholder;
- the specific rules that could be applicable to holdings in companies that are, or have previously been, closely held companies (Sw. *fåmansföretag*) or B-shares acquired on the basis of such holdings;
- B-shares or other equity-related securities that are held on an "investment savings account" (Sw. *investeringssparkonto*);
- foreign companies operating business from a permanent establishment in Sweden;
- foreign companies that used to be Swedish companies;
- certain categories of taxpayers, for example, investment companies and insurance companies.

The tax treatment of each individual shareholder depends on such investor's particular circumstances. Each holder of Shares should therefore consult a tax advisor for information on the specific implications that may arise in an individual case, including the applicability and effect of foreign rules and tax treaties.

12.1 Individuals

12.1.1 Capital gains taxation

Upon the sale or other disposition of listed shares, a taxable capital gain or deductible capital loss may arise. Capital gains are taxed as income from capital at a tax rate of 30%. The capital gain or loss is calculated as the difference between the sales proceeds, after deducting sales costs, and the tax basis. The tax basis for all shares of the same class and type is calculated together in accordance with the "average cost method" (Sw. *genomsnittsmetoden*). Alternatively, shareholders may choose to use 20% of the sales proceeds, after deducting sales costs, as the tax basis for the sale of listed shares (Sw. *schablonmetoden*).

Capital losses on listed shares are fully deductible against taxable capital gains on shares and on other listed equity-related securities realized in the same year except for units in securities funds or special funds which consist solely of Swedish receivables (Sw. *räntefonder*). A capital loss on shares that cannot be offset in this way is deductible against other taxable capital income with 70% of the loss. If there is a net loss in the capital income category, a tax reduction is allowed against municipal and national income tax, as well as against real estate tax and municipal real estate charges. A tax reduction of 30% is allowed on the portion of such net loss that does not exceed SEK 100,000 and of 21% on any remaining loss. Such net loss cannot be carried forward to future fiscal years.

12.1.2 Dividends taxation

For individuals, dividends on listed shares are taxed as income from capital at a rate of 30%. A preliminary tax of 30% is generally withheld on dividends paid to individuals resident in Sweden. The preliminary tax is withheld by Euroclear Sweden or, regarding nominee-registered shares, by the Swedish nominee.

12.2 Limited liability companies

12.2.1 Capital gains and dividends

For a limited liability company, all income, including taxable capital gains and dividends, is taxed as business income at a tax rate of 22%. Capital gains and capital losses are calculated in the same manner as set forth above with respect to individuals. Deductible capital losses on shares and other equity-related securities may only be deducted against taxable capital gains on such securities. Capital losses may also be deducted against capital gains on shares and other equity-related securities in another company in the same group, provided that the companies fulfil the requirements for exchanging group contributions for tax purposes (*Sw. koncernbidragsrätt*). A capital loss that could not be utilised during a given year may be carried forward (in the limited liability company incurring the loss) and used to offset taxable capital gains on shares and other equity-related securities during subsequent fiscal years without any limitation in time.

12.3 Shareholders not tax resident in Sweden

Shareholders not tax resident in Sweden are subject to withholding tax on any dividends received from a Swedish limited liability company. The same applies to payments by a Swedish company in connection with, among other things, redemption of shares and repurchase of shares through an offer directed to all shareholders or all holders of shares of a certain kind and the liquidation of the Company. Withholding tax on dividends is levied at 30%. The withholding tax rate is however generally reduced through tax treaties. Withholding tax is normally deducted at source by Euroclear or, for nominee registered shares, by the nominee.

Shareholders not tax resident in Sweden and who are not operating a business from a permanent establishment in Sweden are normally not liable for Swedish capital gains taxation on the disposal of shares. The shareholders may, however, be subject to taxation in their country of residence. Under a specific tax rule, individuals that are not tax resident in Sweden may, however, be subject to tax in Sweden on the sale of shares if they have been resident or lived permanently in Sweden at any time during the calendar year of such disposal or during any of the preceding ten calendar years and provided that the shares were acquired when the shareholder was tax resident in Sweden. The condition that the shares must have been acquired when the shareholder was tax resident in Sweden only applies to shares in foreign companies, i.e. this condition applies to the shares in the Company. Tax treaties between Sweden and other countries may limit the applicability of this rule.

13 ARTICLES OF ASSOCIATION

The below articles of association are an in-house translation of the original Swedish language articles of association that were adopted at an extraordinary general meeting in the Company on 20 November 2014 and are currently being registered with the Swedish Companies Registration Office.

Articles of association

Byggmästare Anders J Ahlström Holding AB (publ)

§ 1 Name

The company's name is Byggmästare Anders J Ahlström Holding AB (publ). The company is a public company.

§ 2 Registered office

The company's registered office shall be situated in the municipality of Botkyrka.

§ 3 Object of the operations

The object of the company's operations is to own and manage real property and other property, as well as to carry out any other activities compatible therewith.

§ 4 Share capital

The share capital shall be not less than SEK 1,000,000 and not more than SEK 4,000,000.

§ 5 Number of shares

The number of shares shall be not less than 5,000,000 and not more than 20,000,000.

§ 6 Share classes

Two classes of shares may be issued, shares of series A and shares of series B. Each share of series A shall have one vote and each share of series B shall have one-tenth vote. Shares of series A and shares of series B may be issued up to an amount corresponding to the entire share capital.

If the company resolves to issue new shares of series A and new shares of series B, through a cash issue or an issue with payment by way of set-off, owners of shares of series A and shares of series B shall have preferential rights to subscribe for new shares of the same class pro rata to the number of shares previously held by them (primary preferential right). Shares that are not subscribed for with primary preferential rights shall be offered for subscription to all shareholders (subsidiary preferential right). If the shares thus offered are insufficient for the subscription demand pursuant to subsidiary preferential rights, the shares shall be allocated among the subscribers pro rata to the number of shares previously held and, to the extent this is not possible, by the drawing of lots.

If the company resolves to issue new shares of only one class, through a cash issue or an issue with payment by way of set-off, the shareholders shall have preferential rights to subscribe for new shares pro rata to the total number of shares previously held, notwithstanding the class of such shares.

If the company resolves to issue warrants or convertibles, through a cash issue or an issue with payment by way of set-off, the owners of ordinary shares shall have preferential rights to subscribe for warrants as if the issue related to the shares that may be subscribed for pursuant to the right of option and preferential rights to subscribe for convertibles as if the issue related to the shares that the convertibles may be converted to, respectively.

The above shall not limit the right to resolve upon a cash issue or an issue with payment by way of set-off with deviation from the shareholders' preferential rights.

In the event of an increase of the share capital by a bonus issue, new shares of each class shall be issued in relation to the number of shares of the same class already issued. In such cases, shares of a specific class carry preferential rights to new shares of the same class. This shall, however, not entail any restriction in the possibility to issue new classes of shares through a bonus issue following necessary amendments of the articles of association.

All shares have the same priority to receive dividends and balances in case of liquidation.

§ 7 Conversion clause

Shares of series A may upon request of the owner of such share be converted into shares of series B. The request for conversion shall be made in writing to the board of directors of the company, wherein the number of shares to which the request refers shall be stated. The conversion shall thereafter without delay be reported to the Swedish Companies Registration Office for registration and will be deemed to have been effected as soon as the registration is completed and it has been noted in the share register, or if the company's shares are registered in securities register, in the central securities depository register.

§ 8 The board of directors

The company's board of directors shall consist of 3 –10 directors with not more than 10 deputy directors. The board of directors is elected for the period up to the next annual general meeting.

§ 9 Auditors

The company shall have one or two auditors with or without any deputy auditors.

§ 10 Notice

Notice of a general meeting of shareholders shall be made by an announcement in the Official Gazette (*Sw. Post-och Inrikes Tidningar*) and by making the notice available on the company's website. The company shall advertise in Dagens Nyheter that notice has been made.

§ 11 Venue

Shareholders' meetings shall be held in Stockholm or in Botkyrka.

§ 12 Notification of participation in the shareholders' meeting

A shareholder that would like to participate in a general meeting shall give notice thereof to the company not later than the day set out in the notice of the general meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year's Eve and must not be earlier than the fifth weekday prior to the general meeting

Shareholders may be accompanied at a shareholders' meeting by one or two assistants, but only if the shareholder notifies the company of the number of assistants in the manner stated in the preceding paragraph.

§ 13 Annual shareholders' meeting

An annual shareholders' meeting shall be held within six months following the end of the financial year. At the annual shareholders' meeting, the following matters shall be addressed:

1. Election of a chairman of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons to verify the minutes;
5. Determination whether the meeting has been duly convened;
6. Submission of the annual report and the auditors' report and, where applicable, the consolidated financial statements and the auditors' report for the group;
7. Resolutions on
 - (a) adoption of the income statement and balance sheet and, if applicable, the consolidated income statement and the consolidated balance sheet
 - (b) the disposition of the company's profit or loss as shown in the adopted balance sheet
 - (c) discharge of liability of members of the board and the managing director
8. Determination of the number of directors and any deputy directors and auditors;

9. Determination of the fees to the directors and the auditors;
10. Election of the members of the board of directors and auditors and any deputy directors;
11. Other matters that may be brought before the meeting pursuant to the Swedish Companies Act or the articles of association.

Each shareholder may cast votes representing the entire amount of shares held by the shareholder in the Company.

§ 14 Pre-emption rights regarding shares of series A

If title to a share of series A has passed to another person, the share shall immediately by a written notice to the board of directors be offered for pre-emption to shareholders of shares of series A. In the notice, the title to the share shall be proven.

Where a share of series A has been offered for pre-emption, the board of directors shall immediately give notice thereof to the holders of shares of series A, inviting anyone who wants to exercise his pre-emption right to give notice thereof in writing to the board of directors within two months from the date when the notice of the acquisition was given to the board of directors.

If several shareholders with pre-emption rights give notice to exercise such rights, the priority among them shall be decided by drawing lots, provided, that if several shares of series A have been offered at the same time, the shares shall in the first place, and to the extent possible, be allocated among those shareholders who wish to exercise their pre-emption right, pro rata to their previous holdings of shares of series A.

The pre-emption right may comprise only part of the shares of series A offered for pre-emption.

Should the purchaser and the person given notice to exercise the pre-emption right be in dispute regarding any issue relating to the pre-emption, the person who has given notice to exercise the pre-emption right shall be entitled to, within two months from the date of the notice to the board of directors, demand arbitral proceedings in accordance with the Rules for Expedited Arbitrations of the Arbitration Institute of the Stockholm Chamber of Commerce.

Where no person in due time has declared his intent to purchase a share of series A offered for pre-emption, or should an offered share, where the pre-emption price has been duly determined, not be purchased within one month thereafter, the person who has offered the shares shall be entitled to be registered as holder of the share.

§ 15 Financial year

The company's financial year shall be 1 January - 31 December.

§ 16 CSD-provision

The company's shares shall be registered in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479).

* * *

The articles of association have been adopted at an extraordinary shareholders' meeting held on 20 November 2014.

14 DOCUMENTS INCORPORATED BY REFERENCE

Investors should inform themselves of all information that has been included in this Company Description by reference and the information to which the reference is made shall be read as part of this Company Description.

The documents below are incorporated into this Company Description by reference. Copies of this Company Description and the documents that are incorporated by reference can be obtained from the Company via email info@andersjahlstrom.se or telephone +46(0)42 21 00 08 and can be downloaded electronically from the Company's website, www.andersjahlstrom.se.

Information	Source
Audited income statements, balance sheets, notes, information about accounting principles and audit report for the financial years 2013.	Annual report 2013
Reviewed income statements, balance sheets and review report for the first nine months of 2014.	Interim report for the first nine months of 2014

15 ADDRESSES

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APPENDICES

Appendix I: Verification of property valuation



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Verification of property valuation

On behalf of Mitt Alby AB Savills Sweden has conducted a market valuation of the property Albyberget 5. The valuation date was set to October 1, 2014. The property consists of a residential complex comprising around 1,300 apartments and some minor commercial elements on Albyberget in Botkyrka municipality.

As basis for the valuation assessment Mitt Alby AB has delivered extensive and detailed input data, among others a rent roll with current rents as well as an agreement with the tenant association regarding future adjustments, copies of the larger commercial lease contracts, historical and forecasted operating- and maintenance costs and investments, technical- and environmental reports and a maintenance plan based on these reports.

The value appraisal is based on a discounted cash flow analysis, meaning that the asset value is based on the present value of the forecast cash flow as well as the residual value over a certain calculation period, namely, five years. The assumptions regarding future cash flows proceed from an analysis of:

- Current and past rents and costs
- Future development of the market/vicinity
- The general market conditions and market position of the property
- Current terms and conditions of the leases
- Market-based rental conditions at the end of the lease period
- Operating and maintenance costs in similar facilities in comparison with those in the particular facility.

The net operating income during the calculation period arising from the analysis plus a residual value at the end of the calculation period is then discounted using a computed rate of interest. The value-influencing parameters used in the valuation correspond to Savills's interpretation of how participants on the market and potential buyers would reason and work.

The target property has been visually inspected by a representative from Savills in connection with the valuation.

On request we hereby verify that according to the assessments made by Savills Sweden the market value of the aforementioned asset have a rounded off market value of 970 000 000 (nine hundred and seventy million) Swedish kronor.

Stockholm November 11, 2014
Savills Sweden

A handwritten signature in blue ink, appearing to read "Lars Rickardson".

Lars Rickardson

A handwritten signature in blue ink, appearing to read "Peter Wiman".

Peter Wiman, MRICS

By Samhällsbyggarna authorized valuers