
Company description

Byggmästare Anders J Ahlström Holding AB (publ)

*Published in compliance with the First North Rulebook as part of
the Company's contemplated change of business*

19 April 2018



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Certified Adviser:



IMPORTANT INFORMATION

This company description (the “**Company Description**”) is prepared by the Company, which has its B-shares listed on First North, in relation to the change of its business.

This Company Description does not constitute or form part of an offer or solicitation to purchase or subscribe for securities in any jurisdiction. This Company Description does not constitute a prospectus in accordance with applicable regulations.

Certain information contained in this Company Description, including any information on the Company’s plans or future financial or operating performance and other statements that express the Company’s management’s expectations or estimates of future performance, constitute forward-looking statements (when used in this document, the words “anticipate”, “believe”, “estimate” and “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements). Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. The Company cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Company to be materially different from the Company’s estimated future results, performance or achievements expressed or implied by those forward-looking statements.

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Financial calendar

Year-end report 2017	15 February 2018
Extraordinary general meeting	23 April 2018
Annual report 2017	23 March 2018
Annual general meeting 2018	8 May 2018
Financial report for the first quarter of 2018	15 May 2018
Financial report half year 2018	31 August 2018
Financial report for the third quarter of 2018	15 November 2018
Year-end report 2018	15 February 2019

Trading information

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

ISIN-code for the B-shares: SE0006510491

Certified Adviser: Avanza, Box 1399, 111 93 Stockholm, Sweden

Liquidity provider: Pareto Securities AB, P.O. Box 7415, SE-103 91 Stockholm, Sweden

1 LIST OF DEFINITIONS

A-shares	The shares of series A in the Company.
B-shares	The shares of series B in the Company.
Byggnads AB	Byggmästare Anders J Ahlström Byggnads AB, Reg. No. 559047-7237.
Bonds	The maximum SEK 500,000,000 senior secured callable floating rate bonds with ISIN SE0008294342 issued by Fastighets AB with a total amount outstanding, as of the date of this Company Description, of SEK 250,000,000.
Conversion Properties	The real properties Albyberget 12 and Albyberget 13 in Botkyrka Municipality.
Company	Byggmästare Anders J Ahlström Holding AB (publ), Reg. No. 556943-7774.
Company Description	This company description.
D. Carnegie	D. Carnegie & Co Aktiebolag, Reg. No. 556498-9449.
Extraordinary General Meeting	The extraordinary general meeting of the Company to be held on 23 April 2018.
Fasticon	Fasticon Kompetens Holding AB, Reg. No. 559010-0755.
Fasticon Kompetens	Fasticon Kompetens AB, Reg.No. 556739-2476.
Fasticon Support	Fasticon Support AB, Reg. No. 559033-9643.
Fastighets AB	Byggmästare Anders J Ahlström Fastighets AB (publ), Reg. No. 556734-5805.
First North	Nasdaq First North.
Group	Byggmästare Anders J Ahlström Holding AB (publ) and its direct and indirect subsidiaries.
Mitt Alby	Mitt Alby AB, Reg. No. 556931-8271.
Mitt Alby Holding	Mitt Alby Holding AB, Reg. No. 559040-9271.
Property	The real properties Albyberget 5, Albyberget 10, Albyberget 11, Albyberget 12 and Albyberget 13 in Botkyrka Municipality (Sw. <i>Botkyrka kommun</i>).
Share Purchase Agreement	The share purchase agreement, entered into between Fastighets AB and D. Carnegie in April 2018, concerning the shares in Mitt Alby and indirectly the Property.

2 BACKGROUND AND MOTIVES

2.1.1 Company background

The Company was founded by Mikael Ahlström in 2013. The Company's initial strategy was to be a socially oriented residential property company and in 2013 it acquired the Property situated in Albyberget in Botkyrka Municipality.

2.1.2 Divestment of Mitt Alby and the Property

The Company has been courted by parties interested in the Property, and in April 2018 Fastighets AB entered into the Share Purchase Agreement with D. Carnegie concerning the shares in Mitt Alby and indirectly the Property. Pursuant to the Share Purchase Agreement, D. Carnegie will acquire Mitt Alby for an underlying property value of SEK 1,673 million.

The preliminary purchase price for Mitt Alby (taking into account that Mitt Alby's outstanding loan with SBAB remains with Mitt Alby) amounts to approximately SEK 1,153, and after early redemption of the outstanding Bonds and other costs related to the transaction, the Company expect net proceeds of SEK 919 million, of which the Company will immediately reinvest approximately SEK 125 million in 1,016,000 newly issued series B-shares in D. Carnegie (implying a subscription price of SEK 122.96 per share).

Additionally, the parties have also agreed on a conditional purchase price component, if a planned and initiated co-op conversion comprising 124 residential apartments in the area is completed. The conditional purchase price component will amount to a share of the expected profit (expected to maximum SEK 60 million) from such a co-op conversion and is to be paid in cash. The Company is also provided an option to acquire back for cost price the Conversion Properties if the co-op conversion has not been completed before 31 December 2018.

Furthermore, the Company and D. Carnegie together intend to form a foundation, Stiftelsen Mitt Alby, with a SEK 10 million capital injection, for the purpose of supporting ambitious individuals, organizations and enterprises in Botkyrka in various ways, including financially.

The Company consider the divestment of Mitt Alby and the Property as constituting such a change of business of the Company that requires a general meeting approval and consequently, the Share Purchase Agreement is conditional, *inter alia*, on the approval of the Extraordinary General Meeting in the Company to be held on 23 April 2018. Subject to the fulfilment of the conditions, the transaction is expected to be closed on or around 26 April 2018.

2.1.3 Changed and developed focus of the Company's business concept

Against this background and the negotiations with D. Carnegie, the board has done a strategic review of its business following a potential divestment of Mitt Alby and the Property. As further set out in this Company Description, the board proposes to, following a resolution to divest Mitt Alby and the Property, change the Company's business of mainly acquiring, managing and developing large scale rental buildings to a new business model encompassing long-term value creation through active and engaged investments into listed and unlisted small and medium-sized companies in Sweden and the Nordics.

2.1.4 Effects on the Company's ongoing business

Following the contemplated divestment of Mitt Alby, the Company will still be the majority shareholder (60.3 per cent), of Fasticon, one of the leading suppliers of strategic competence to the real estate sector in Sweden. Acting within the real estate consultancy market, Fasticon's main focus is providing competence through primarily interim staffing and recruiting services.

Following the contemplated divestment of Mitt Alby, the Company will also still be the sole owner of Fastighets AB, which will however not conduct any business. In connection with signing of the Share Purchase Agreement,

Fastighets AB has given notice to all holders of Fastighets AB's outstanding Bonds, of exercise of its option for early redemption of the Bonds in full in accordance with the terms and conditions for the Bonds. The notice is irrevocable, but is, however, conditional on the Extraordinary General Meeting's approval of the divestment of Mitt Alby and that the divestment of Mitt Alby is completed. Provided that these conditions are fulfilled, the Bonds will be redeemed in full on 3 May 2018.

As before, the key values of the Company remain unchanged: Innovation, Commitment and Cooperation.

* * *

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, April 2018

BYGGMÄSTARE ANDERS J AHLSTRÖM HOLDING AB (publ)

The Board of Directors

3 RISK FACTORS

An investment in shares always 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 shares to fall significantly, and investors could lose all or part of their investment.

Ownership of shares is always associated with risk and holders of shares in the Company should therefore 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.

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

3.1.1 Macroeconomic factors

The Company may be active in a range of different industries. The general economic climate and prevailing market conditions can affect the Company and its investing activities. Conditions in the global capital market and the economy as a whole have an impact on the Company's business, earnings and financial position. Factors such as consumption, corporate investments, volatility and capital market sentiment, as well as inflation, affect the business and economic climate. There is a risk that a weakening of these conditions in all or some of the markets where the Company from time to time is active will entail material adverse effects on the Company's business, earnings and financial position.

3.1.2 Risk of non-payment of dividends from the companies in which the Company invests

The Company has a long-term ambition to be an active owner of the companies included in the Company's investment holding. Therefore, the Company will to some extent be dependent on dividends from a number of companies in which the Company has invested, in order to be able to finance its operations and potential future investments. The companies' ability to decide on dividends to the Company may vary from time to time and is mainly based on a number of factors such as unfunded income, financial position, cash flow, working capital requirements, investment costs or the absence of distributable funds. In case the profitability of the companies in which the Company invests significantly reduces, this could have a negative impact on the companies' ability to decide on dividends. Furthermore, the Company does not expect to hold a simple majority in all of its holdings, and will consequently not be able to control and influence the dividend resolutions of all the companies in which it has invested. The risk of non-payment of dividends from the companies could adversely impact the development of the Company's business, earnings and financial position.

3.1.3 The stock may be traded with a substance discount

According to the Company's new business object, the Company's investments may, *inter alia*, be made in both listed and unlisted companies. The share price of the Company is affected by a variety of factors, both those directly related to the Company's operations and those outside the Company's control. It is therefore a risk that the stock price of the Company may change without changing the value of the actual underlying assets. In case the Company's market capitalization is below the net asset value, *i.e.* the net of the market value of the

Company's assets excluding any liabilities, the Company's share will be traded with a so-called substance discount.

3.1.4 Risks related to the acquisition and transfer of companies

A significant portion of the Company's business consists of growth by acquisition, which either complements or broadens its existing holdings. There is a risk that the Company will not be able to identify suitable acquisition targets or complete acquisitions on acceptable terms. In addition, the implementation of corporate acquisitions is usually an exhaustive and complicated process that actualises significant costs for items such as financing, as well as financial, legal and other consultants. A considerable portion of such costs are charged to the Group even in the event that an acquisition — for different reasons — is not completed and no value is transferred to the Company. This could adversely impact the development of the Company's business, earnings and financial position.

Corporate acquisitions are also associated with considerable risks in relation to the acquired company. There is a risk that potential problems and future losses may not be discovered during the review of the target company. The target company may be subjected to, for example, customer losses, regulatory difficulties or unforeseen fees following the completion of the acquisition. This may require additional capital contributions from the Company. Integration costs may also turn out to be higher than expected or the Company may have paid more than what the acquired object is worth. It is unlikely that the Company could obtain compensation from the seller for such costs. Consequently, there is a risk that such events will not only have an adverse impact on the relevant company's business, earnings and financial position, but on the Company's business, financial position and earnings. There is also a risk of expected synergies or optimisation effects defaulting or failing to materialise or to be realised to the expected extent. Furthermore, the Company may incur liabilities from former acquisitions and divestments and future acquisitions and divestments may not realise all anticipated benefits. In case any of these risks materialise, it could have a negative impact on the Company's business, earnings and financial position.

3.1.5 Risk related to the divestment of Mitt Alby

In connection with the divestment of Mitt Alby, Fastighets AB will make certain undertakings and deliver certain warranties to the purchaser, D. Carnegie. For example, the Share Purchase Agreement includes customary legal, tax and environmental warranties and covenants concerning Mitt Alby and the Property, and also certain customized provisions especially relating to the ongoing business of the Properties and its rent roll. There is a risk that any of these warranties, covenants or provisions provided under the Share Purchase Agreement, prove to be incorrect and that the Company incur liabilities. In case any of these risks materialise, it could have a negative impact on the Company's business, earnings and financial position.

3.1.6 Risks related to the Company's investments

The Company may invest in various kinds of companies. Different factors, such as a changed interest rate situation, inflation or deteriorating market conditions, may affect the valuation of any holdings negatively and thus also adversely affect the Company's net asset value. The Company may also be adversely affected if the lack of liquidity in the market makes it difficult to sell any holdings or if divestments lead to a decrease in the value of the remaining holdings. These factors may also affect the cash flow and profitability of the Company's respective holdings. In case the market value of holdings declines, such holdings are sold at a loss or the cash flow and/or profits of such holdings is otherwise affected by these factors, it could have a negative impact on the Company's business, earnings and financial position.

Investments in unlisted companies may result in a higher liquidity risk since shares in these companies are not traded on any regulated marketplace or MTF. There is a risk that the Company may be forced to sell parts of its potential unlisted holdings for less than the estimated maximum value or at loss. Furthermore, investments in

unlisted companies are generally characterised by poorer financial and operational transparency and may therefore entail higher company-specific risks. Lack of liquidity or disposals with loss could have a negative impact on the Company's business, earnings and financial position.

3.1.7 Risks related to Fasticon

The Company's subsidiary, Fasticon, is a real estate consultancy company. Real estate companies as well as companies working in similar industries are facing major changes. Greater demands will be made on dealing with issues related to technologies such as environment, energy and safety as well as social issues and issues regarding competence. There is a risk that Fasticon will not be able to meet these demands, which could have a material negative impact on the Company's operations, earnings and financial position.

Fasticon usually commits to its customers that it will complete projects by a scheduled date and that the services will correspond to the requirements set out in the contracts. In case the projects are not completed by the scheduled date or in a professional manner as is required in the contract or contractual obligations are otherwise not being met, the Group may be liable to pay compensation or damages for breach of contract, incur significant additional costs or incur a loss or penalties, and payment of invoices may be delayed. Performance of projects can also be affected by a number of factors beyond the Group's control, including unavoidable delays from governmental inaction, public opposition, inability to obtain financing, weather conditions, unavailability of materials, changes in the project scope of services requested by its customers, industrial accidents, environmental hazards, labour disruptions and other factors. In case any of these risks materialise, it could have a material negative impact on the Company's operations, earnings and financial position.

3.1.8 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.

3.1.9 Changed business model

The Company intends to develop its business model following the divestment of Mitt Alby. Hence, the Company has not yet fully conducted its new business model. There is limited financial, operational and other information available with which to evaluate the prospects of the Company given its new business focus. The Company's new business may not be profitable.

3.1.10 Changes in regulatory framework

The Group's businesses may be regulated and influenced by a large number of different laws and regulations as well as different processes and decisions related to these regulations. There is a risk that the Company's interpretation of laws and regulations is incorrect or that the laws and regulations are changed in the future. Furthermore, there is a risk that the Company, its subsidiaries and/or its holdings will not be granted relevant licenses or permissions to conduct and develop its businesses in a successful way. There is also a risk that decisions can be appealed and therefore delayed substantially, as well as that the Company's ability to invest may be limited if changes in legislation and other regulations result in special requirements on the Company, its subsidiaries and/or its holdings. Any burdensome changes could have a material negative impact on the Company's operations, earnings and financial position.

3.1.11 *Financial development of the subsidiaries and holdings*

The Company will invest significant amounts in holdings. If the companies' products/services are not in demand or are not otherwise competitive, or if the implemented research and development investments do not demonstrate the intended functionality, this may result in the need to recognise impairment in the business units — as well as additional development expenditure. This would have an adverse impact on the business units' business, financial position and earnings, which could have a material adverse effect on the Group's business, earnings and financial position.

3.1.12 *Disputes*

The Company, its subsidiaries and/or its holdings may from time to time be involved in disputes. Such potential disputes may lead to expenses, adversely affect the Company's reputation and interfere with the senior management's focus on other activities. No matter the outcome of the dispute, there is a risk that this could have a material negative impact on the Company's business, earnings and financial position.

3.1.13 *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 partners and other stakeholders. There is, however, a risk that the Company will not 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, it could have material negative impact on the Company's operations, earnings and financial position.

3.1.14 *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 can have negative consequences for the Company. If changes to legislation were to occur, this may have a negative effect on the Company's operations, earnings and financial position.

On 21 March 2018, the Swedish Government announced a proposal referred to the Council on Legislation for consideration proposing important changes in the corporate taxation area. The proposal includes a general provision limiting the deductibility of net interest expenses to 30% of taxable earnings before interest, taxes, depreciation and amortization (EBITDA). Each company in a group may elect to apply a safe-harbour rule allowing a deduction of net interest expense of SEK 5,000,000 (approx. €500,000). The limitation applies on group level meaning that the total amount which may be deducted within a group under the safe-harbour rule is limited to SEK 5,000,000.

The proposal also includes, amongst other, a gradual reduction of the corporate income tax rate from 22% to 21.4% as of 2019 and to 20.6% as of 2021. The proposal has been referred to the Council on Legislation for consideration and is to be followed by a bill, which is expected to be presented by the Government during this spring.

It is proposed that most of the new provisions would enter into force on 1 January 2019 and apply on financial years commencing from the same date.

There is also a risk that the Company's interpretation of tax laws and regulations 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, its subsidiaries and/or its holdings. Furthermore,

there are significant differences in the political parties' view on the size and occurrence of taxes and subsidies. There is a risk that tax rates are changed in the future or that other changes of regulations occur.

If any of the above described risks materialise, it could have a material negative impact on the Company's operations, earnings and financial position.

3.1.15 Reputational damage

The Company's reputation as well as the reputation of its subsidiaries and/or its holdings is central to its business and earnings capacity. The Company's long-term profitability is based on consumers, and other participants on markets in which the Company invests, associating the Company with positive values and good quality. If, for example, the Company's or any of its subsidiaries' and/or its holdings' senior management or partners were to act in a manner that conflicts with the values represented by the Company, 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 Company's operations, earnings and financial position.

3.1.16 Financing and interest rate risk

In addition to equity, the Company's may from time to time finance its businesses through loans from external parties. 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, if the Company is not able to obtain financing with respect to *e.g.* acquisitions, 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 Company's operations, earnings and financial position.

3.1.17 Alternative Investment Fund Managers Directive

There is a risk that the Company is considered an alternative investment fund pursuant to the Alternative Investment Fund Managers Directive 2011/61/EU. If the Company is 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 Company's operations, earnings and financial position.

3.1.18 Competitive situation

The Company, its subsidiaries and/or its holdings operate in markets that are exposed to competition. Their competitiveness will be dependent on whether they are being able to predict future changes in the market and quickly adapt to current and future market needs. The Company might be required to make significant investments in order to adapt to a new competitive situation, which could negatively affect the Company's results, financial position or operations.

3.2 Risk related to the shares

3.2.1 Stock price development

Share-related risks and risk-taking are inevitable parts of investing in shares. Since a share investment may increase or decrease in value, there is a risk that an investor will not have its invested capital returned in full or at all. The share price may fall and a person who decides to invest in the Company's B-shares could make a loss on the sale of such shares.

The progress of the share price depends on a number of factors, of which some are company specific and others are related to the stock market in general. Such factors may also increase the volatility of the share price. It is

impossible for the Company to control all the factors that may affect its share price and, accordingly, all decisions to invest in the Company's B-shares should be preceded by a thorough research.

3.2.2 Liquidity risks

There is a risk that the market will be illiquid and that investors will not be able to sell their B-shares at a specific time or at all. The liquidity of the B-shares could fluctuate due to several factors. The liquidity of a trading market for the B-shares may be adversely affected by a general decline in the market for similar securities. The trading market for the B-shares may attract different investors and this may affect the extent to which the B-shares may be traded. It is possible that the market for the B-shares will be subject to disruptions. Any such disruption may have a negative effect on investors. Consequently, the liquidity of the B-shares is depending on changes in the market irrespective of the Company's prospects and financial performance. As a result, there is a risk that there will be no active market for the B-shares. If no active trading in the B-shares develops or if the trading ceases, an investor may not be able to sell its holding of the B-shares for a satisfactory price, or at all.

3.2.3 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 have a 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 the Company's 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 section 13.4.

There is a risk 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 not be desired by other investors.

3.2.4 Dilution as a result of future new issues

The Company may in the future acquire capital through a new issue of shares and equity-related instruments. Such issues may reduce the proportional ownership and voting share as well as the share of earnings for shareholders in the Company. Furthermore, any new issues could have a material negative impact on the Company's operations, earnings and financial position.

4 MARKET ENVIRONMENT

Following the divestment of Mitt Alby, the Company's main holding will be its subsidiary Fasticon, which is engaged on the real estate consultancy market. The Company also expects to be active on the investment market, with focus on the Swedish and Nordic markets.

4.1 Investment market

An important factor in the Company's continued development will be to carry out investments with value creation potential at reasonable cost for the Company. The Company may take an active ownership role in order to further develop the companies it has invested in and the focus will be on a long-term value creation. The Company's opportunities to carry out investments which create shareholder value are affected, *inter alia*, of the market's potential investment objects as well as the competition from other potential investors and access to investment financing.

The Company believes there will be a large number of potential companies within the Company's target group, both listed and unlisted companies, which includes companies of varying size and within a wide range of industries. The Company believes it will have a competitive advantage in having a broad target group since this will enable the Company to invest in companies at reasonable valuations even though certain industries from time to time have a low amount of acquisition targets for sale or high competition among potential buyers.

Furthermore, the Company believes that the access to investment financing is favorable and that the current low financing costs are positive for the trend in the investment market. Should, however, the financing market become significantly more restrictive in providing acquisition finance, the Company believes that the liquidity coming from the divestment of Mitt Alby will give it a strong and advantageous position compared to its competitors.

4.2 The real consultancy market

The Company's subsidiary, Fasticon, is one of the leading suppliers of strategic competence to the real estate sector of Sweden. Acting within the real estate consultancy market, Fasticon's main focus is providing competence through primarily interim staffing and recruiting. Therefore, Fasticon's, and in turn the Company's, result and financial position are affected by the situation on the consultancy market for real estate.

The Company considers the real estate consultancy market to be cyclical by nature meaning that it is vulnerable to economic downturns but may also benefit from economic downturns, for instance due to companies using interim staff as a more cost-efficient alternative to hiring employees. The real estate market is strongly dependent on the macroeconomic climate, which affects the demands of Fasticon's consultancy services. 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 4.5 per cent in 2015, 3.2 per cent in 2016 and 2.4 per cent in 2017.¹ Furthermore, the International Monetary Funds has projected a GDP growth in Sweden of 3 2.4 per cent for 2018.

¹ Statistiska centralbyrån.

5 BUSINESS OVERVIEW

The Company will after the divestment of Mitt Alby change focus of the Company's business concept and develop the Company's investment business, as described below, to generate long-term shareholder value.

Based on its strong financial position and the experience and network of the management, board and owners, the Company intends continue to develop the company group towards the small and medium-sized company investment sector in Sweden and the Nordics. The real estate consulting business Fasticon was acquired in 2015 and in connection with the divestment of Mitt Alby the Company will have a new holding – a SEK 125 million¹ shareholding in D. Carnegie. A strong financial position, with available cash of above SEK 850 million (see Section 9), will enable the development of the Company's investment business.

5.1 Business model

5.1.1 Business concept for the investment business

The Company intends to create long-term shareholder value through:

Investments and holdings

- Investing primarily in small and medium-sized companies in Sweden and the Nordics
- Companies that are, or have the potential to be, cash-flow positive
- A portfolio, when fully developed, of 10-15 holdings in different industries

Objectives and philosophies

- Basis in the key values of the Company: Innovation, Commitment and Cooperation
- Long-term perspective on holdings
- General business philosophy that putting customers, employees and society first goes hand-in-hand with shareholder value growth

Attitudes, tools and processes

- Investments based on active decision-making (*i.e.*, no passive asset management)
- Active and engaged shareholding in holdings
- Basis in case-by-case analyses, rather than strict models or processes, to identify attractive valuations and value creation situations

Description of the investments and holdings

The Company intends to generate value by investing primarily in small and medium-sized companies (where small company suggest a market cap of EUR 0–150 million and medium-sized company suggest a market cap of EUR 150 million–1 billion, *i.e.*, corresponding to the requirements for Nasdaq Stockholm's Small Cap and Mic Cap lists), which could also include real estate companies, in Sweden and the Nordics. Such companies may be listed or unlisted. The identification of small and medium-sized companies is based on a range where the low end requirement is that the investment may not be so small that it does not have a material effect on the value growth for the Company's shareholders and the high end requirement is that the Company is still able to have a significant influence on the value creation of the investment.

A structured approach and significant experiences in company building and long-term value creation together with a vast relevant network will be the basis for creating value for the Company's shareholders and for the holdings alike.

¹ Calculated on the basis of the Company's initial investment in D. Carnegie, *i.e.*, subscription of 1,016,000 newly issued series B-shares in D. Carnegie for a subscription price of SEK 122.96 per share.

The primary ambition is that the holdings shall be cash-flow positive already at the time of the Company's investment. However, the Company may also enter into new holdings on the assessment that there is a basis for creating cash-flow positive operations in the long term within the holding.

Once fully developed, the Company expects to have 10-15 holdings in different industries.

Description of the objectives and philosophies

For all investments, the overarching objective is to create value to shareholders, society and other stakeholders alike, building on the key values of the Company: Innovation, Commitment and Cooperation.

The long-term objective is to create a share value growth surpassing stock market's as well as comparable investment companies' general growth. The Company's general business philosophy is that putting customers, employees and society first goes hand-in-hand with shareholder value growth.

The Company's philosophy is further that a long-term perspective and active commitment is key to building successful companies. This long-term perspective should not be perceived as inertia or lack of willingness to drive change. On the contrary, given the long-term perspective on the holdings, the Company's ambition is an active ownership and willingness to drive change and adaptation.

The Company will work closely with the holdings' managements, boards and potential other shareholders to ensure long-term value creation. The nature of the Company's activities will be adapted to the needs of each holding.

Description of the attitudes, tools and processes

The collective experience and knowledge of management, board and owners are applied to the Company's strong financial position to deliver shareholder value. Structured work as well as analyses and frameworks adapted to the situation, and utilising the Company's network on all different levels, will enable efficient operations.

All investments are based on active decision-making. Furthermore, the Company is, as an active shareholder, contributing to optimal decision making. Therefore, the appointment of the board directors in the different holdings is a prioritized task. These boards in turn has as its key tasks the appointment of management as well as support and control of ongoing operations. The degree to which the Company is active in holdings may vary – for example hands-on support to management and board, appointing and evaluating the most suitable board members, and/or supporting other active owners or entrepreneurs in their work with the holding.

The basis for the active decision-making is case-by-case analysis to identify attractive valuations and value creation situations. This means that the Company strives towards efficiency in the decision-making process by adapting the underlying analyses rather than to follow a strict model or process. Also the network utilization and cooperation are important aspects in the investment analysis. Further, this means that the Company avoids investment opportunities which management are not comfortable with from an understanding and knowledge point of view. That said, the Company acknowledges that the holdings themselves under normal circumstances are the industry experts, and not the Company.

The Company has, as part of its real estate business, to be divested through Mitt Alby, developed a model for working with sustainability towards customers, employees, society and shareholders. This model, called "Mitt-modellen" will, as adapted for the different holdings and circumstances, continue to be utilized by the Company. "Mitt-modellen" is based on the view that the Company's main assets are not within its books but consists of its customers. The model is further based on four pillars: social commitment (close cooperation and adaptability), communication (perceptivity and accessibility), management (well-kept assets) and financing (innovative and long-term).

Competitive situation

The Company believes that competition regarding potential investment targets of interest to the Company will primarily come from the following local and international categories: (i) industrial companies, (ii) other investment companies, and (iii) private equity companies.

Liquidity management

The Company will have significant liquidity following the divestment of Mitt Alby. Cash will be deposited in banks with high ratings and low credit risks, taking diversification into account. During periods of time and for the purpose of long-term value creation, the board foresees that liquidity may also be invested into for instance the below mentioned asset classes:

- Government bonds
- Interest bearing bank debentures
- Listed corporate bonds
- Listed shares and related securities
- Options, short selling and stock lending

5.1.2 Real estate consultancy business

In 2015, the Company acquired Fasticon and as per today, the Company owns 60.3 per cent of Fasticon with its operating subsidiaries Fasticon Kompetens and Fasticon Support. The remaining 39.7 per cent of Fasticon are owned by key board and staff members.

Fasticon is a leading supplier in strategic competence to the real estate sector of Sweden. During the years, Fasticon has gained a broad knowledge of the real estate market and its key components. The subsidiaries of Fasticon are active in the business of strategic competence development with support services and concepts in recruitment and interim solutions. The subsidiaries have a strong brand in their respective markets and are industry leaders, with offices in Stockholm, Gothenburg and Malmö.

Fasticon's consultants are advisors and supportive specialists for companies throughout the whole real estate process, working with asset owners as well as developers. Fasticon closely follows market trends and has developed service offering catering to real estate companies needs for business support, management support and procurement.

Fasticon's ambition is, through the development of concepts and services, to help develop its customers' operations and provide a meeting place for industry actors. Fasticon's intention is to ensure continued high level of customer satisfaction.

Fasticon has under the majority ownership of the Company grown from a revenue of SEK 76.7 million (full year ending June 2015) to SEK 114.1 million (full year ending December 2017). The Company believes that the strong potential for profitable growth can be further strengthened through bolt-on acquisitions.

5.1.3 Holding in D. Carnegie

As part of the Share Purchase Agreement, the Company will upon completion of the divestment of Mitt Alby and the Properties, approximately SEK 125 million of the purchase price will be paid for by 1,016,000 newly issued series B-shares in D. Carnegie (implying a subscription price of SEK 122.96 per share).

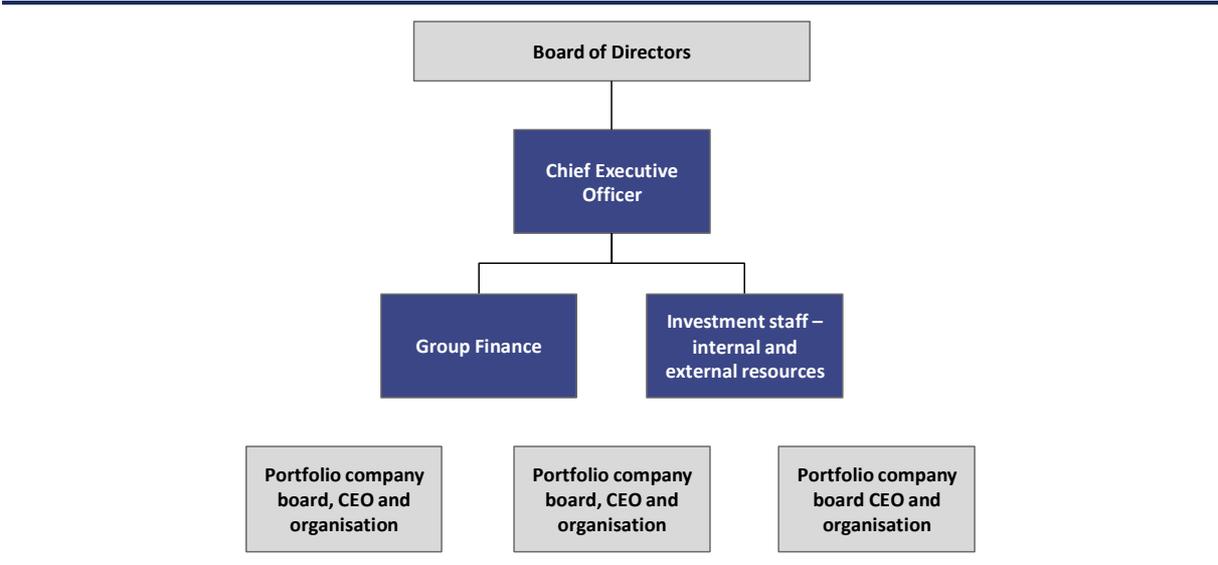
5.1.4 Residential real estate – co-op conversion

In 2017, the residents of the Conversion Properties, received an offer to convert the rental apartment properties to a housing cooperative (Sw. *bostadsrättsförening*). As part of the divestment of Mitt Alby, also the Conversion Properties are to be sold to D. Carnegie, but the Company will be entitled to an additional purchase price, pursuant to the Share Purchase Agreement, being a share of the final co-op conversion price. The Company is also provided an option to acquire back for cost price the Conversion Properties if the co-op conversion has not

been completed before 31 December 2018. In order to facilitate the co-op conversion, the Company may participate with up to 20 apartments/memberships in the housing cooperative, meaning that the Company may invest in up to 20 apartments/memberships in order to ensure that the housing cooperative attain the required number of paying members

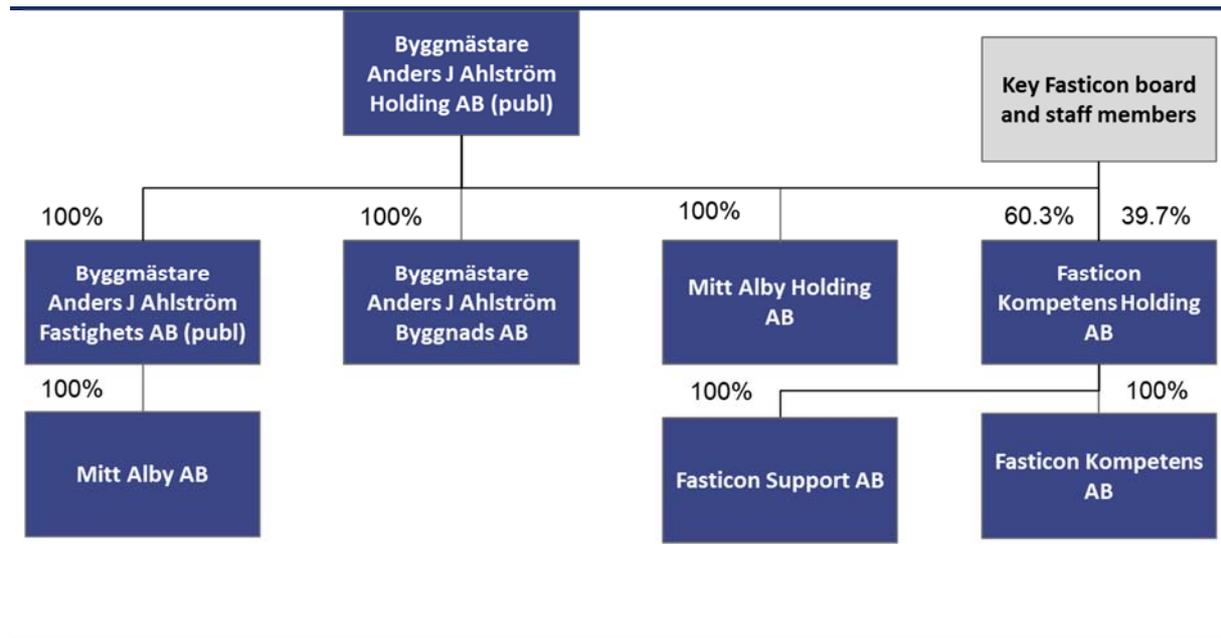
5.2 Organisation structure (following the divestment of Mitt Alby)

Following the divestment of Mitt Alby, the intention is that the Company shall have a small and efficient organisation led by CEO, Stefan Dahlbo.

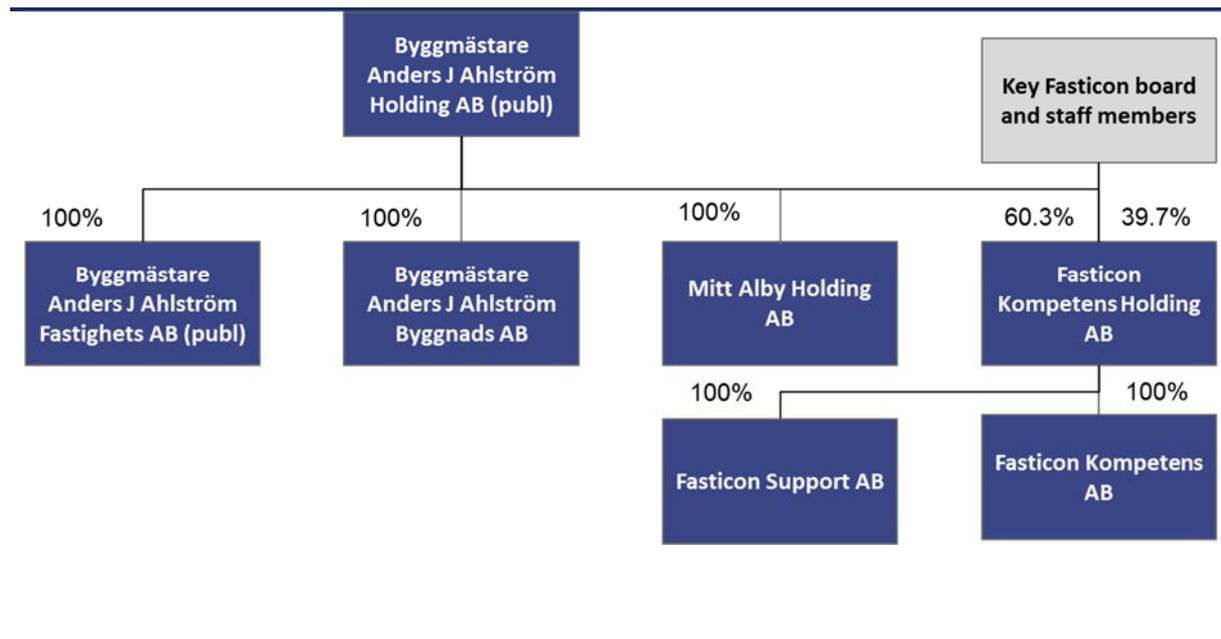


In 2017 the Company had 103 FTEs (*average full-time employees*) (2016: 72 FTEs), of which 17 FTEs were with Mitt Alby, 84 FTEs were with Fasticon and 2 FTEs are employed for group functions on Group level. Consequently, the number of FTEs of the Company will decrease with 17 FTEs following the divestment of Mitt Alby and the Property, while the number of FTEs on Fasticon and Group level is initially not expected to be affected, however, the Company expect to in the near-future strengthen the organisation to support the business model.

5.3 Current group structure



5.4 Group structure (following the divestment of Mitt Alby)



6 HISTORY

1895: The Company's predecessor is founded

The Company's predecessor, Anders J Ahlström Bygg- och Fastighetsaktiebolag was in 1895 founded by the great-grandfather of Mikael Ahlström.

2013: The Company is founded

The Company was founded in 2013, by Mikael Ahlström, founder and partner of the first Nordic private equity firm, Procuritas. The Company's business concept was based on being 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 (Sw. *miljonprogrammet*), which is the common name for a public housing programme implemented in Sweden between 1965 and 1974.

2013: Bond financing is raised

Fastighets AB issued SEK 200,000,000 senior secured callable fixed rate bonds 2013/2018 in November 2013. The Bonds were listed on the corporate bond list of Nasdaq Stockholm.

2013: The Property is acquired

As part of the Company's operations, the Group entered into an agreement to acquire the Property from AB Botkyrkabyggen (the municipality owned property company in Botkyrka) in June 2013. The acquisition was completed in November 2013.

2014: B-shares are listed on Nasdaq First North Stockholm

The Company's B-shares were listed on Nasdaq First North Stockholm (ISIN SE0006510491) on 22 December 2014.

2015: Fasticon is acquired

The Company acquired Fasticon.

2016: Bond is refinanced

Fastighets AB refinanced its bonds 2013/2018 by issuing SEK 250,000,000 senior secured callable floating rate bonds 2016/2021 on 29 April 2016 under the terms and conditions for the Bonds. The Bonds are listed on the corporate bond list of Nasdaq Stockholm.

2016: Part of Albyberget is divested

Mitt Alby completed the sale of a property of Albyberget in southern Stockholm to one of the tenants newly formed housing cooperative (Sw. *bostadsrättsförening*). The property is called Albyberget 9 with the street

addresses Tingsvägen 1-3 and is a partition (Sw. *avstyckning*) from Mitt Alby's property Albyberget 5. The purchase price amounted to MSEK 35.5 and the connection rate was 81 percent. The sale gave a profit contribution of MSEK 12.

2016: Uninhabited land is sold

During the autumn, Mitt Alby sold a smaller area of uninhabited land to Titania Fastighetsholding AB to enable the construction of new residential buildings on their adjacent land. The purchase price amounted to MSEK 2.66.

2016: Byggnads AB is founded

The Company's subsidiary Byggnads AB was founded.

2017: Fasticon Support is founded

Fasticon's subsidiary Fasticon Support was founded.

2017: Fasticon's new issue of shares and bank loan

At the annual general meeting held on 25 April 2017, the Company resolved to take part in Fasticon's new issue of shares which was carried out to board members and senior executives in Fasticon. In total, 112 shares were issued and the cash issue was amounted to MSEK 1,344. After the new issue of shares, the Company's holding in Fasticon amounts to 60.3 per cent.

2017: Focus on renovations

Investments in renovations of the apartments have been the investment focus of 2017. Alongside the investments in naturally vacant apartments, the Company has also put significant efforts into energy-saving initiatives and plumbing

2018: Divestment of Mitt Alby

In March, Fastighets AB entered into a Share Purchase Agreement with D. Carnegie concerning the divestment of Mitt Alby. The divestment is subject to general meeting approval in the Company.

The assets and liabilities in Byggnads AB will be transferred to D. Carnegie in connection with completion of the Share Purchase Agreement entered into between Fastighets AB and D. Carnegie.

In connection with the entering into of the Share Purchase Agreement, Fastighets AB issued an irrevocable notice of early redemption of its outstanding Bonds, and provided that the divestment of Mitt Alby is completed, the outstanding Bonds will be redeemed in full on 3 May 2018.

7 FINANCIAL INFORMATION

This section breaks down the Company's financial position and provides related information. The financial information reported below has been taken from the Company's financial statements for the financial years 2017 and 2016. The Company's audited, consolidated financial statement for the financial years ending 31 December 2017 and 2016 has been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, and has been audited by the Company's auditors (as stated in the audit report which is included together with the reports). Except as expressly indicated herein, no information in the Company Description has been audited or reviewed by the Company's auditor.

7.1 Key figures

Key figures	1 January 2017 31 December 2017 ¹⁾	1 January 2016 31 December 2016 ²⁾
Amounts in SEK '000, if not otherwise noted		
Real estate related key figures		
Total lettable area, sqm	105,069	105,069
Rental value per sqm, SEK (yearly value)	976	955
Property costs per sqm, SEK (yearly value)	381	370
Property value per sqm, SEK	13,800	11,897
Yield, % (yearly value)	4.2	4.8
Net operating income, %	57.2	58.3
Real estate operating margin, %	43.3	45.0
Consulting related key figures		
Consulting gross profit, %	29.3	33.0
Consulting operating margin, %	6.0	6.3
Financial key figures		
Cash flow from operating activities	21,010	22,820
Investments in properties	28,778	13,892
Interest bearing net debt	515,401	497,778
Yearly interest rate bank loan, property, %	1.3	1.4
Yearly interest rate bond loan, property, %	4.7	5.7
Yearly interest rate loan including swap, property, %	3.8	2.9
Yearly interest rate other loans, %	3.5	3.0
Yearly interest rate all loans, %	3.8	2.9
Interest coverage ratio, multiple	2.40	2.23
Debt-equity ratio, multiple	0.89	0.97
Loan-to-value ratio, property, %	48.2	51.9
Equity ratio, %	46.1	44.9

1) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2017.

2) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2016.

7.2 Group financials

7.2.1 Consolidated income statement

The consolidated income statement for the Company is presented below.

Consolidated income statement	1 January 2017 31 December 2017¹⁾	1 January 2016 31 December 2016²⁾
Amounts in SEK '000		
<u>Real estate business</u>		
Rental income	102,625	102,039
Property costs	-43,972	-42,504
Net operating income	58,653	59,535
<u>Consulting business</u>		
Net turnover	114,081	87,210
Operating costs	-80,710	-58,585
Consulting gross profit	33,371	28,625
Gross profit	92,024	88,160
Other income, net	1,535	2,121
Central administrative expenses	-49,141	-45,641
Operating profit	44,418	44,640
Unrealised value changes		
Realisation result divested/disposed properties	0	12,028
Unrealised value changes other properties	170,619	151,592
Unrealised value changes financial instruments	-12,872	-323
	157,747	163,297
Result from financial items		
Income from other financial assets and receivables	0	26
Interest rate income	85	22
Interest rate expenses	-19,084	-20,644
Swap-margin	-8,538	0
Cost early redemption bond	0	-12,618
Accrual accounting based financing costs	-2,510	-2,601
	-30,047	-35,815
Income before tax	172,117	172,122
Taxes	-40,358	-34,629
Net income	131,759	137,493

1) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2017.

2) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2016.

7.2.2 Consolidated balance sheet

		31 December 2017 ¹⁾	31 December 2016 ²⁾
Consolidated balance sheet			
Amounts in SEK '000			
ASSETS			
Fixed assets			
	Intangible assets	25,391	25,564
	Properties	1,525,000	1,325,000
	Other tangible assets	14,641	10,325
	Other financial securities	2,620	2,620
	Financial assets	30,000	30,004
	Deferred tax receivable	4,334	1,404
	Total fixed assets	1,601,986	1,394,917
Current assets			
	Rent and other receivables	19,307	16,631
	Prepaid expenses and accrued income	4,126	5,011
	Cash and bank	202,793	170,865
	Total current assets	226,226	192,507
	TOTAL ASSETS	1,828,212	1,587,424
EQUITY AND LIABILITIES			
	Total equity	841,955	713,054
Long term liabilities			
	Bond loan	245,587	244,229
	Debt to credit institutions	486,267	425,323
	Other liabilities	3,261	3,117
	Financial derivatives	12,869	0
	Deferred tax liability	182,706	142,581
	Total long term liabilities	930,690	815,251
Short term liabilities			
	Debt to credit institutions	6,939	17,726
	Accounts payable and other liabilities	24,376	16,663
	Tax liabilities	2,044	1,256
	Prepaid rental incomes	7,358	7,578
	Accrued expenses	14,850	15,895
	Total short term liabilities	55,567	59,118
	TOTAL EQUITY AND LIABILITIES	1,828,212	1,587,424

1) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2017.

2) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2016.

7.2.3 Consolidated cash flow statement

Consolidated cash flow statement	1 January 2017 31 December 2017¹⁾	1 January 2016 31 December 2016²⁾
Amounts in SEK '000		
Operating activities		
Income before tax	172,117	172,122
Adjustment for items not included in cash flow:		
Results from divestment/disposal of properties	0	-11,847
Unrealised value changes properties	-170,619	-151,592
Unrealised value changes financial instruments	12,872	323
Unpaid interest	144	144
Cost early redemption bond	0	12,618
Depreciation and other items	4,206	3,026
Total adjustment items	-153,397	-147,327
Paid taxes	-862	-1,054
Cash flow from operating activities before changes in working capital	17,858	23,740
Change in working capital		
Increase (-) in rent and trade receivables	-2,416	-2,879
Increase (-) in other receivables	-885	1
Increase (+) in accounts payable	6,966	-386
Increase (+) in other payables	-518	2,343
Cash flow from change in working capital	3,147	-920
Cash flow from operating activities	21,005	22,820
Investment activities		
Sale of group companies	0	350
Sale of properties	0	37,350
Investments in existing properties	-28,778	-13,911
Investments in construction projects	-4,737	-3,724
Investments in intangible assets	-350	-312
Investments in other inventories	-1,360	-1,199
Acquisition of other financial assets	0	-2,620

Cash flow from investment activities	-35,229	15,934
Financial activities		
Issued equity	0	157
Issued warrants	0	3,068
Issued equity from non-controlled holdings	1,344	0
Dividend payment	-4,203	-3,711
New borrowing related to properties	57,200	250,000
Amortisation loan related to properties	-9,300	-209,300
Change in other borrowing, including factoring	1,506	-6,693
Payments in connection with new borrowing	-401	-14,789
Cash flow from financial activities	46,146	18,731
Cash flow for the period	31,927	57,485
Cash and bank, opening balance	170,865	113,380
Cash and bank, closing balance	202,793	170,865

1) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2017.

2) Derived from the Company's audited consolidated financial statements as of and for the financial year ending 31 December 2016.

7.3 Financial status

Following the divestment of Mitt Alby and the Properties, the Company expects to have a strong financial position, with available cash of above SEK 850 million (see Section 9) and outstanding interest-bearing debt of approximately SEK 10 million. However, the Company's ambition is to grow. Further, acquisitions, investments, or other opportunities might trigger the need for more capital.

The Company shall under normal circumstances not take on debt. Each of the holdings shall strive towards an optimal, stand-alone, capital structure.

7.4 Investments

7.4.1 Historical investments in tangible assets (Sw. materiella omsättningstillgångar)

Segment (Amounts in SEK '000)	1 January 2017 – 31 December 2017	1 January 2017 – 31 December 2016
Property Management	29,456	14,917
Consultancy Business	687	193
New Construction	4,737	3,604
Parent Company and the Group	0	0
Total	34,880	18,714

7.4.2 Ongoing investments

In connection with the Share Purchase Agreement, the Company have undertaken, subject to certain conditions such as the approval by the general meeting, to inject SEK 10 million into a foundation, Stiftelsen Mitt Alby. The purpose of the foundation is to support ambitious individuals, organizations and enterprises in Botkyrka in various ways, including financially.

7.5 Capital structure

7.5.1 Equity

The chart below reproduces information in consolidated equity and interest-bearing liabilities as of 31 December 2017.

Consolidated equity and liabilities

Amounts in SEK '000'000	2017-12-31	2017-12-31 <i>proforma</i> ¹⁾
Current liabilities		
Secured by collateral	7	7
Secured by surety	-	-
Unsecured credits	-	-
Total current liabilities	7	7
Non-current liabilities		
Secured by collateral	738	3
Secured by surety	-	-
Unsecured credits	-	-
Total non-current liabilities	738	3
Equity		
Share capital	1	1
Other capital contributions	195	195
Other reserves	-	-
Retained earnings including net profit	639	851
Non-controlling interests	6	6
Total equity	842	1,054

- 1) Unaudited company calculations, based on the accounts as per 31 December 2017 and the assted impact that the divestment of Mitt Alby would have (including that Mitt Alby's outstanding loan with SBAB remains with Mitt Alby, the early redemption of the outstanding Bonds, and including a SEK 125 million subscription of series B-shares in D. Carnegie).

7.5.2 Net debt

The chart below states the consolidated interest-bearing net debt as of 31 December 2017.

Consolidated net debt

Amounts in SEK '000'000	2017-12-31	2017-12-31 <i>proforma</i> ¹⁾
A) Cash and cash equivalents	203	883 ²⁾
B) Short-term financial investments	30	30
C) Marketable securities	-	125 ²⁾
D) Total liquidity (A+B+C)	233	1,038
E) Current receivables	0	0
F) Short-term bank loans	4	4
G) Current portion of non-current liabilities	-	-
H) Other current liabilities	3	3
I) Total current liabilities (F+G+H)	7	7
J) Net current debt (I-E-D)	(226)	-1,031
K) Long-term bank loans	488	3
L) Bonds issued	250	-
M) Other long-term loans	-	-
N) Total non-current liabilities (K+L+M)	738	3
O) Net debt (J+N)	512	-1,028

- 1) Unaudited company calculations, based on the accounts as per 31 December 2017 and the assted impact that the divestment of Mitt Alby would have (including that Mitt Alby's outstanding loan with SBAB remains with Mitt Alby, the early redemption of the outstanding Bonds, and including a SEK 125 million subscription of series B-shares in D. Carnegie).
- 2) Including, and taking into account, the SEK 125 million subscription of series B-shares in D. Carnegie.

7.5.3 Significant changes in equity, debt and net debt since 31 December 2017

No significant negative changes have taken place in the Group's equity, debt and net debt since 31 December 2017.

7.6 Statement of working capital

The board of the Company deems the existing working capital to be sufficient to meet the Group's needs during the coming 12-month period. In this context, working capital refers to the Group's possibility of obtaining access to cash and cash equivalents to meet its payment obligations as they fall due for payment.

8 COMMENTS ON THE FINANCIAL DEVELOPMENT

The comments below on the financial development are based on historical financial information for the 2017 and 2016 financial years. The comments apply to the Group, if not otherwise stated and the comments should be read together with the section "Financial information".

Comparison between 2017 and 2016 financial years

Income statement

Revenue during the period 1 January to 31 December 2017 amounted to MSEK 216.7, an increase of approximately 14.5% compared to MSEK 189.2 during 2016. The revenue was distributed to (i) the segment property management by MSEK 102.6, an increase of approximately 0.59% compared to MSEK 102 during 2016 and (ii) the segment of consultancy business by MSEK 114.1, an increase of approximately 30.9% compared to MSEK 87.2 during 2016. Other revenue amounted to MSEK 1.5, a decrease of approximately 28.57% compared to MSEK 2.1 during 2016, which consisted of other revenue not covered by the Group's operating segments.

The real estate business was positively affected by the index-adjusted increase of rents as well as that rents for different sorts of parking spaces was raised.

The turnover was adversely affected by the sale as per 30 May 2016 of the real property Tingsvägen 1-3, corresponding to 2% of the stock.

The vacancy rate of the property management was overall very low. All residential homes were leased at the end of 2017 and only vacancy related to turnover occurred. Virtually all parking spaces were leased. The vacancy rate of the premises was low and at the end of 2017, only a number of smaller storages remained to be leased. The demand for places to live and parking spaces was, and is, good.

The demand for the consultancy business was good, however, the gross margin was adversely affected by the fact that the mix of the business was changed during the year since the growth mainly takes place in the interim operations, which generally have a lower margin than the recruitment operation.

Balance sheet

Total equity in the Group was SEK 842.0 million (713.1) on December 31, 2017. Out of these SEK 842.0 million, SEK 6.4 million (4.0) are attributable to non-controlling interests, which consist of external shareholding in the Group's consulting operations. Shareholders' equity in the Group attributable to the Company's owners amounted to SEK 836.1 million (709.1), consisting of accrued capital after issue costs of SEK 196.5 million (196.5) as well as 2017 earnings and retained earnings of SEK 639.6 million (512.6). During the year, shareholders' equity increased with total earnings for the year reduced for paid dividend to shareholders as decided by the Annual General Meeting.

The Group's equity ratio amounted to 46.1 percent (44.9) on December 31, 2017. At that same date, the loan-to-value ratio for the property amounted to 48.2 percent (51.9). Interest-bearing loans less cash and cash equivalents totalled SEK 515.4 million (497.8) on December 31, 2017. Cash and cash equivalents consisted of cash of SEK 202.8 million (170.9) as well as SEK 30.0 million (30.0) invested in an endowment insurance (Sw. kapitalförsäkring) in Avanza Bank. Cash and cash equivalents includes funds held on an escrow account as collateral for interest rate swaps entered into during the year, in the amount of SEK 20.4 million (0.0).

Cash flow statement

Free cash flow from operating activities after changes in working capital amounted to SEK 21.0 million (22.8) for the year 2017. The reduced cash flow is mainly attributable to payments related to interest rate in the swap contracts. Investment activities generated a cash outflow of SEK -35.2 million (15.9). Previous year's cash inflow

was a result of divestment of a property to a housing cooperative. Investments in the property amounted to SEK -28.8 million (-13.9) for 2017. Cash flow from financial activities gave an inflow of cash and cash equivalents of SEK 46.1 million (18.7), corresponding to the year's new bank debt and paid-in share subscription amount, reduced by loan instalments and distributed dividends to shareholders. Overall, cash flow for the year amounted to an inflow of SEK 31.9 million (57.5).

9 PRO FORMA

On 5 April 2018 Fastighets AB entered into the Share Purchase Agreement with D. Carnegie concerning the shares in Mitt Alby AB and indirectly the Property. Pursuant to the Share Purchase Agreement, D. Carnegie will acquire Mitt Alby for an underlying property value of SEK 1,673 million.

The preliminary purchase price for Mitt Alby (taking into account that Mitt Alby's outstanding loan with SBAB remains with Mitt Alby) amounts to approximately SEK 1,153 million, and after early redemption of the outstanding Bonds and costs related to the transaction, the Company expect net proceeds of SEK 927 million, of which the Company will immediately reinvest approximately SEK 125 million in 1,016,000 newly issued series B-shares in D. Carnegie (implying a subscription price of SEK 122.96 per share). The difference between pro forma and actual net proceeds are a higher intercompany receivable of around SEK 6 million in the pro forma per 31 December 2017 and restructuring costs of SEK 1 million in net proceeds at closing.

Additionally, the parties have also agreed on a conditional purchase price component, if a planned and initiated co-op conversion comprising 124 residential apartments in the area is completed. The conditional purchase price component will amount to a share of the expected profit from such a co-op conversion and is to be paid in cash. The Company is also provided an option to acquire back for cost price the Conversion Properties if the co-op conversion has not been completed before 31 December 2018.

The Company considers the divestment of Mitt Alby and the Property as constituting such a change of business of the Company that requires a general meeting approval and consequently, the Share Purchase Agreement is conditional, inter alia, on the approval of the Extraordinary General Meeting in the Company to be held on 23 April 2018. Subject to the fulfilment of the conditions, the transaction is expected to be closed on or around 26 April 2018.

The aim of the pro forma information is to present the hypothetical impact that the divestment of Mitt Alby and indirectly the Property could have had on the Company's consolidated income statement for the financial year ended 31 December 2017 and consolidated balance sheet as per 31 December 2017 if these actions had been completed on 1 January 2017 for Income Statement and 31 December 2017 for balance sheet. The pro forma information has been based on and prepared according to the Groups accounting principles. The Company's presentation of these unaudited pro forma financial statements is for illustrative purposes only and is intended to provide information and highlight facts and, by its very nature, describes a hypothetical situation and thus does not describe the Company's actual or anticipated financial position that would have applied had these adjusted transactions taken place at the date stated above.

9.1 Comments to the proforma financials

Background

Byggmästare Anders J Ahlström Holding AB's numbers in the pro forma financials are based on the Group's audited and consolidated income statement for the fiscal year 1 January to 31 December 2017 and balance sheet per 31 December 2017. Mitt Alby's numbers in the pro forma financials are based on unaudited consolidated internal reports in accordance with IFRS for and per the fiscal year ended as of 31 December 2017. The pro forma adjustments are based on unaudited internal reports.

Assumptions

Not included in the proforma income statement is the capital gain (Sw. *reavinst*) and transaction costs from the divestment of Mitt Alby as it in the proforma is considered occurred in previous period. Neither is any interest income or cash increase from the cash that arises in connection with the divestment included. No profit or cash increase from the conditional purchase price component from conversion of co-ops is included. The Bond will be repaid in connection to closing.

Adjustments

Proforma adjustments

The share of profit and loss in other Group companies, attributable to the divestment of Mitt Alby, is deducted. These deductions consist of unrealised changes in value of interest-rate derivatives held by Fastighets AB, interest costs attributable to the divested operation, swap premium in Fastighets AB and accrued borrowing costs attributable to the divested operations as well as Group contributions. The tax in the proforma adjustment is estimated on these eliminations and calculated at 22% tax of deductible costs.

On the asset side, adjustments made for items attributable to the divestment of Mitt Alby consist of divested operations of Byggnads AB, estimated impact on deferred tax assets attributable to the divestment and also the inclusion of series B-shares in D. Carnegie received as part of the payment for the divestment of Mitt Alby

On the liabilities side, adjustments attributable to the divestment of Mitt Alby and related to Group liabilities consist of repayment of the Bonds and exercise price of interest rate derivatives in Fastighets AB. The changes also have effect on the cash in the Group.

All adjustments on both income statement and balance sheet is one time adjustments. Derivatives and Bonds will be repaid in connection to the closing of transaction. There will be no financial costs for those after that.

Profitability

The Group 2017 proforma does not show the positive effects on capital gains (Sw. *reavinst*) stemming from the divestment of Mitt Alby. By taking this into account, the Group would show a considerable net profit 2018. Also, any returns on the cash coming from the divestment of Mitt Alby is not included in the proforma. A conservative return on only the excess cash in the 2017 proforma compared to the 2017 audited financial statement shows that a positive result would be achieved in the Group already in 2018. Furthermore, if Fasticon continues to show profitable growth, the central administration and development costs in Fasticon will be more in line with a long-term sustainable level, *i.e.*, Fasticon would grow into the cost structure currently geared for growth.

9.2 Pro forma statement

Group pro forma financials after divestment of property business Byggmästare Anders J Ahlström Holding AB (publ)

	Byggmästare Anders J Ahlström Holding AB IFRS Audited 2017-01-01 2017-12-31	Divestment Mitt Alby IFRS Unaudited 2017-01-01 2017-12-31	Pro forma adjustments Unaudited 2017-01-01 2017-12-31	Pro forma Income Statement Unaudited 2017-01-01 2017-12-31
The Group Consolidated Income Statement and Consolidated Statement of Comprehensive Income (Amounts in SEK thousand)				
Operating income and direct costs				
<u>Property management</u>				
Net sales	102,625	-102,625	0	0
Property costs	-43,972	43,972	0	0
Net operating income	58,653	-58,653	0	0
<u>Consulting operations</u>				
Net sales	114,081	0	0	114,081
Consulting operations costs	-80,710	0	0	-80,710
Net consulting income	33,371	0	0	33,371
Gross profit/loss	92,024	-58,653	0	33,371
Other income, net	1,535	-237	0	1,299
Central administration and development	-49,141	12,968	0	-36,173
Operating profit/loss	44,418	-45,921	0	-1,503
Profit/loss from changes in value				
Unrealised changes in value, investment properties	170,619	-170,619	0	0
Unrealised changes in value, financial instruments	-12,872	4	12,869	0
	157,747	-170,616	12,869	0
Profit/loss from financial items				
Interest income and similar income items	85	-63	0	22
Interest costs and similar cost items	-19,084	6,794	11,786	-504
Swap premium	-8,538	0	8,538	0
Accrued borrowing costs	-2,510	1,152	1,358	0
	-30,047	7,882	21,683	-482

Profit/loss after financial items	172,117	-208,654	34,551	-1,986
<i>Appropriations:</i>				
Group contributions	0	27,500	-27,500	5) 0
Profit before tax	172,117	-181,154	7,051	-1,986
Tax for the period	-40,358	42,229	-1,531	6) 339
Profit/loss for the year	131,759	-138,926	5,520	-1,646
- Profit attributable to parent company's shareholders	130,731	-138,926	5,520	-2,675
- Profit attributable to non-controlling interests	1,028	0	0	1,028
Other comprehensive income	0	0	0	0
Total comprehensive income for the year	131,759	-138,926	5,520	-1,646
- Profit attributable to parent company's shareholders	130,731	-138,926	5,520	-2,675
- Profit attributable to non-controlling interests	1,028	0	0	1,028
Earnings per share, SEK	18.66	-19.83	0.79	-0.38
Outstanding number of shares at the end of the period, 1000	7,005	7,005	7,005	7,005
Average outstanding number of shares at the end of the period, 1000	7,005	7,005	7,005	7,005

- 1) Unrealized changes in value of interest-rate derivatives in the property management operations are eliminated.
- 2) Interest costs attributable to property management are eliminated.
Swap premium attributable to interest rate hedging in property management operations recognized in profit and loss is eliminated.
- 3) Expensed borrowing costs attributable to the property management operations are eliminated.
- 4) Group contribution from Mitt Alby remains in the Group.
- 5) Estimated nominal corporate income on tax deductible eliminations.

	Byggmästare Anders J Ahlström Holding AB IFRS Audited 2017-12-31	Divestment Mitt Alby IFRS Unaudited 2017-12-31	Pro forma adjustments Unaudited 2017-12-31	Pro forma Balance Sheet Unaudited 2017-12-31
The Group Consolidated Balance Sheet (Amounts in SEK thousand)				
ASSETS				
Non-current assets				
Intangible non-current assets	25,391	0	0	25,391
Investment properties	1,525,000	-1,525,000	0	0
Other tangible non-current assets	14,641	-4,864	-9,085 1)	691
Other securities held as non-current assets	2,620	-2,620	125,000 2)	125,000
Long-term financial investments	30,000	0	0	30,000
Deferred tax assets	4,334	-879	5,300 3)	8,755
Total non-current assets	1,601,986	-1,533,364	121,215	189,837
Current assets				
Short-term receivable, group	0	59,482	-59,482 4)	0
Rental receivables, accounts receivables and other receivables	19,307	-579	0	18,728
Prepaid expenses and accrued income	4,126	-1,958	0	2,168
Cash and cash equivalents	202,793	-121,486	801,793 5)	883,100
Total current assets	226,226	-64,541	741,311	903,996
TOTAL ASSETS	1,828,212	-1,597,905	863,527	1,093,833
EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	1,401	0	0	1,401
Additional paid-in capital	195,129	0	0	195,129
Retained earnings including profit for the year	639,068	-909,315	1,121,981 6)	851,734
- Equity attributable to parent company's shareholders	835,598	-909,315	1,121,337	1,047,619
- Equity attributable to non-controlling interests	6,357	0	0	6,357
Shareholders' equity	841,955	-909,315	1,121,981	1,054,621

Non-current liabilities				
Bonds	245,587	0	-245,587	7)
Liabilities to credit institutions	486,267	-483,274	0	2,993
Other liabilities	3,261	0	0	3,261
Derivatives	12,869	0	-12,869	8)
Deferred tax liabilities	182,706	-179,634	0	3,072
Total non-current liabilities	930,690	-662,908	-258,456	9,327
Current liabilities				
Liabilities to credit institutions	6,939	0	0	6,939
Accounts payable and other liabilities	24,376	-13,286	0	11,090
Current tax liabilities	2,044	-2,043	0	1
Prepaid rental income	7,358	-7,358	0	0
Accrued expenses	14,850	-2,995	0	11,856
Total current liabilities	55,567	-25,681	0	29,886
TOTAL EQUITY AND LIABILITIES	1,828,212	-1,597,905	863,527	1,093,833

- 1) Divested operations attributable to construction.
- 2) Shares in D Carnegie & Co AB as part of the payment of divestment of Mitt Alby.
- 3) Estimated impact on deferred tax assets of costs attributable to divestment of property management operations.
- 4) Repayment of group receivable on Mitt Alby.
- 5) Estimated impact on cash and cash equivalents due to divestment of Mitt Alby and related property management operations. Preliminary purchase price 1,152.8 million – repayment of bond and costs related to repayment of bond is estimated to -262.3 million, unrealised changes in value of interest-rate derivatives was per 17 April 2018 SEK -14.1 million, transaction related costs advisors is estimated to SEK -6.0 million, intercompany repayment at closing is estimated to SEK +59.5 million, DD commercial findings is estimated to -SEK 6.0 million, and asset transfer is estimated to SEK +3.0 million = SEK 926.8 million. Net proceeds are SEK 926.8 million, and SEK 125 million of that is invested in newly issued series B shares in D Carnegie. SEK 801.8 million is increasing cash.
- 6) Estimated impact on equity attributable to parent company's shareholders due to divestment of Mitt Alby and related property management operations. Preliminary purchase price SEK 1,152.8 million, costs mention above, and other non-cash item costs related to transaction such as asset transfer costs is estimated to SEK -30.8 million = SEK 1,122 million.
- 7) Repayment of bond loans related to property management, net of capitalized borrowing costs.
- 8) Early redemption of interest rate derivatives attributable to property management operations.

9.3 Auditor's report on the pro forma statement



Auditor's report on pro forma financial information

To the board of directors of Byggmästare Anders J Ahlström Holding AB (publ), reg. no. 556943-7774.

We have audited the pro forma financial information presented on pages 28-33 of the company description of Byggmästare Anders J Ahlström Holding AB (publ) dated April 19, 2018.

The pro forma financial information has been prepared for illustrative purposes only to provide information about how the divestment of Mitt Alby AB might have affected the consolidated statement of income of Byggmästare Anders J Ahlström Holding AB (publ) for the period January 1 — December 31, 2017 and the consolidated statement of financial position of Byggmästare Anders J Ahlström Holding as of December 31, 2017.

Responsibility of the Board of Directors

It is the responsibility of the Board of Directors to prepare the pro forma financial information based on the requirements of the Prospectus Regulation 809/2004/EC.

The Auditor's responsibility

We have been requested to provide an opinion based on Annex II Item 7 of the Prospectus Regulation 809/2004/EC. We are not responsible for expressing any other opinion on the pro forma financial information or any of its constituent elements. We do not accept any responsibility for any financial information used in the compilation of the pro forma financial information beyond that we have for auditor's reports regarding historical financial information issued in the past.

Work performed

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

We are independent of Byggmästare Anders J Ahlström Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

We planned and performed our work so as to obtain the information and explanations that we considered necessary to obtain reasonable assurance that the pro forma financial information has been properly compiled on the basis stated on pages 28-33 and that such basis is consistent with the accounting policies of the company.

Opinion

In our opinion, the pro forma financial information has been properly compiled on the basis stated on pages 28-33 of the company description; and that basis is consistent with the accounting policies of Byggmästare Anders J Ahlström Holding AB (publ).

Stockholm, April 19, 2018

Ernst & Young AB

Mikael Ikonen
Authorized Public Accountant

10 THE SHARES AND SHARE CAPITAL

10.1 General

Byggmästare Anders J Ahlström Holding AB (publ) is a public limited liability company, registered with the Swedish Companies Registration Office on 27 September 2013.

10.2 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 2,000,000. 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 6,304,736 shares of series B, total 7,004,739 shares. 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.

10.3 Certain rights associated with the shares

10.3.1 Voting rights

Each share of series A entitles the holder to one vote at general meetings and each share of series B 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.

10.3.2 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 "Articles of Association".

10.3.3 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.

10.3.4 Preferential rights to subscribe for new shares etc.

If the Company resolves to issue new 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 "Articles of Association" for more information.

10.3.5 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.

10.4 Dividend policy

As the Company is in an expanding phase, investments, growth and acquisitions are prioritised over dividend payments to shareholders. The Company hence intends to continue with restrictive dividend distributions.

Share	2017 ¹⁾	2016	2015	2014
Series A-shares	0.65 (per share) ¹⁾	0.60 (per share)	0.53 (per share)	0
Series B-shares	0.65 (per share) ¹⁾	0.60 (per share)	0.53 (per share)	0
Total	4,553,080 ¹⁾	4,202,843	3,710,873	

1) Not yet resolved upon. Dividend distribution proposed by the Board to the annual general meeting of the Company on 8 May 2018.

10.5 Ownership

Mikael Ahlström, founder and Chairman of the Board of Directors of the Company, is the largest shareholder, through Autus Invest AB owning 29.06% of the capital and 42.36% of the votes, followed by Kari Stadigh, with ownership of 16.25% of the capital and 16.32% of the votes through Alesco SA. The Martin Bjäringer family has an ownership of 9.34% of the capital and 8.8% of the votes. The C. Ehrnrooth family, through Geveles AB, and Carl Rosvall, through Hajsikäret Invest, AB hold 8.13% of the capital and 8.16% of the votes each.

The ownership structure is illustrated below.

Shareholder structure (as per 31 December 2017)					
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	29.06%	42.36%
Alesco S.A.	114,722	1,023,733	1,138,455	16.25%	16.32%
Martin Bjäringer and closely related parties	57,361	596,773	654,134	9.34%	8.80%
Geveles AB	57,361	511,865	569,226	8.13%	8.16%
Hajsikäret Invest AB	57,361	511,865	569,226	8.13%	8.16%
Humle Småbolagsfond	0	366,157	366,157	5.23%	2.75%
Staffan Rasjö	0	293,343	289,355	4.19%	2.20%
HTS Holding AB	10,755	96,620	107,375	1.53%	1.53%
Cancerfonden	0	99,516	99,516	1.42%	0.75%
					1.53%

Spartoi AB	0	74,340	74,340	1.06%	0.56%
Total of ten largest shareholders	697,560	5,209,664	5,907,224	84.33%	91.59%
Other shareholders	2,443	1,095,072	1,095,515	15.67%	8.41%
TOTAL	700,003	6,304,736	7,004,739	100%	100%

10.6 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.

10.7 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 ¹⁾	350,000	-	-	400,000	-	-	400,000	350,000	400,000
2013-11-21	New issue ²⁾	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
2014-12-18	New issue of B-shares ³⁾	-	-	2,000,000	-	700,003	6,299,997	400,000	400,000	1,400,000
2015-04-29	New issue of B-shares ⁴⁾	-	-	2,670	-	700,003	6,302,667	534	534	1,400,534
2016-05-10	New issue of B-shares ⁵⁾	-	-	2,069	-	700,003	6,304,736	413,80	413,80	1,400,947,80

- 1) Subscription price: SEK 93.46
- 2) Subscription price: SEK 81.90
- 3) Subscription price: SEK 58.00
- 4) Subscription price: SEK 58.00
- 5) Subscription price: SEK 75.75

10.8 Share based incentive programs

A total of 282,521 warrants are currently outstanding and held by current or previous senior executives and employees. The total costs for the programs during their remaining term are expected to be SEK 100,000 and mainly relate to administration of the programs.

Warrants have been issued in three separate series. Each warrant entitles the holder to subscribe for one B-Share. The warrants are subject to customary re-calculation terms.

The terms and conditions of each series of warrants is described in the table below.

Program	Exercise period	Exercise price per Share	Number of warrants	Highest increase of the share capital	Dilution²
Series 2015/2018 ¹	16 April 2018–30 April 2018	SEK 58.00	1,450	SEK 290.00	0.0207%
Series 2016/2019 ¹	16 April 2019–30 April 2019	SEK 75.75	1,071	SEK 214.20	0.0153%
Series 2016/2021	1 October 2021-15 October 2021	SEK 87.00	280,000	SEK 56,000	3.8423%
Total			282,521	SEK 56,504.20	3.8769%

¹ Share based incentive program for the Company's former Chief Executive Officer, who is no longer with the Company.

² Dilution effect of the total number of shares in the Company assuming full exercise of preceding warrant programs.

10.9 Liquidity provider

Pareto Securities AB is contracted by the Company to act as liquidity provider for the Company's listed shares.

11 BOARD OF DIRECTORS AND MANAGEMENT

11.1 Board of Directors

The Company's 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 the Founding 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.

Chairman since: 2013

Material board assignments: Chairman TPPG The Perimeter Protection Group AB, Strandbaden Svanshall Intressenter AB and Charity Rating Sverige ideell förening med firma Charity Rating Sverige, board member LBO Invest AB and Autus Invest AB..

Previous significant board assignments during the last five years (and other significant previous assignments): Chairman Procuritas Aktiebolag, board member Swedish Match AB, Gunnebo AB, Bravida AB and Lekolar AB, amongst others.

Shareholding: 400,000 A-shares and 1,635,452 B-shares (through Autus Invest AB).

Not independent in relation to the Company and its principal shareholders



**Charlotte Bergman
(Board Member)**

Charlotte Bergman is the CEO of ELU Konsult. Previous positions include CEO of AB Strängbetong, 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 member since: 2013

Material board assignments: Board member ELU Konsult Aktiebolag, FastPartner AB, Byggmästare Anders J Ahlström Fastighets AB (publ), Svevia AB, Sandbäcken Invest AB, Sandbäcken Invest Holding AB, Sandbäcken Invest Group Holding AB and Charlotte Bergman Executive AB, amongst others.

Previous significant board assignments during the last five years (and other significant previous assignments): Board member Svensk Betong Service Aktiebolag, deputy in CBI Betonginstitutet AB and Tonful AB, amongst others.

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

Independent in relation to the Company and its principal shareholders



**Lars Magnusson
(Board Member)**

Lars Magnusson previously held the position of Director General at Statens bostadskreditnämnd (today: Boverket) and has been 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 member since: 2013

Material board assignments: Board member AB Riddargatan-Hee, Byggmästare Anders J Ahlström Fastighets AB (publ) and deputy in Sturekatten AB.

Previous significant board assignments during the last five years (and other significant previous assignments): Board member AB Livered 1:23.

Shareholding: 611 A-shares and 5,494 B-shares (through AB Riddargatan-Hee).

Independent in relation to the Company and its principal shareholders



**Anders Hörnqvist
(Board Member)**

Anders Hörnqvist is the CEO of Värmdöbostäder. Prior to this he has been Managing Director at Corner Property Partners AB, director at The Carlyle Group real estate team and Executive Vice President at Fabega and Director of Properties at Wihlborgs Fastigheter.

Born: 1966

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

Board member since: 2013

Material board assignments : Chairman Corner Project Management AB, board member IQS Energi Komfort AB, Byggmästare Anders H Ahlström Fastighets AB (publ), Norstone Group AB, Getberget Invest AB, Hattens fastigheter Aktieföretag and deputy Corner PP AB, CPP Norr AB and Corner RD AB

Previous significant board assignments during the last five years (and other significant previous assignments): Chairman AB Norrlandsinvest, board member and Capensor Capital AB, amongst others.

Shareholding: 1,221 A-shares and 6,239 B-shares.

Independent in relation to the Company and its principal shareholders



**Hidayet Tercan Sidea
(Board Member)**

Hidayet Tercan Sidea is an entrepreneur, lecturer and debater. Mrs Tercan Sidea is the founder of amongst others the health care staffing company Zemrete; long time interest and board assignments in several social initiatives, for instance SOS Barnbyar.

Born: 1971

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

Board member since: 2013

Material board assignments: Board member AQ Group AB, Byggmästare Anders J Ahlström Fastighets AB (publ), HTS Holding AB, Nividas AB, Tjikko AB and Hidayet Tercan AB.

Previous significant board assignments during the last five years (and other significant previous assignments): Board member My Academy Sweden AB and Fasticon Kompetens AB, amongst others.

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

Independent in relation to the Company and its principal shareholders



**Marcus Trummer
(Board Member)**

Marcus Trummer works with investments, corporate finance and business development, through his privately held company and as an independent board member. Mr Trummer has previously managed a private investment company.

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 member since: 2013

Material board assignments: Chairman Byggmästare Anders J Ahlström Fastighets AB (publ), board member Gosh AB, Valarca AB, MATRS Advisory AB and deputy Student Competitions AB.

Previous significant board assignments during the last five years (and other significant previous assignments): Board member LBO Invest AB and Autus Invest AB, amongst others.

Shareholding: -

Not independent in relation to the Company and its principal shareholders

11.2 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.



**Stefan Dahlbo
(Chief Executive Officer)**

Stefan Dahlbo is the Chief Executive Officer of the Company. Mr Dahlbo has more than 30 years of experience with investments and the financial industry. Before joining the Company, Mr Dahlbo has, *inter alia*, been the CEO of Investment AB Öresund and Hagströmer & Qviberg AB.

Born: 1959

Education: Degree of Master of Science in Business and Economics.

CEO since: 2017

Material board assignments: Chairman Svendborg Aktiebolag and Fasticon Kompetens Holding AB, board member Fasticon Kompetens AB, Nordstjernan Kredit AB, Mitt Alby AB, Fasticon Support AB, Mitt Alby Holding AB and Byggmästare Anders J Ahlström Byggnads AB.

Previous significant board assignments during the last five years (and other significant previous assignments): Chairman HQ Fonder, Klöver, Acne Studios and Swedish Tennis Association, board member Custos/Johnson Pump and Nobia, Ksnevs Sinnetsboll AB and Wermland Mechanics Group AB, amongst others.

Shareholding: 70 000 B-shares and 280 000 warrants.



**Andreas Lindenhiertha
(Chief Financial Officer)**

Andreas Lindenhiertha is the Chief Financial Officer of the Group. Mr Lindenhiertha has extensive experience in financial management. Before joining the Company, Mr Lindenhiertha has, *inter alia*, worked for Solhagagruppen as Finance Manager, Chief Accountant for Synovate Sweden and Synovate Denmark as well as CFO in Kyosho Sweden/Norway/Finland.

Born: 1979

Education: Master in Commercial & Tax Law, Jönköping International Business School.

CFO since: 2016

Material board assignments: Deputy Byggmästare Anders J Ahlström Byggnads AB, Mitt Alby AB and Mitt Alby Holding AB.

Previous significant board assignments during the last five years (and other significant previous assignments):

Board member Nytida Törngården Ekonomisk förening.

Shareholding: -

11.3 Compensations, pension and benefits

11.3.1 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 24 April 2017, it was resolved that fees amounting to SEK 95.000 per person shall be paid to the members of the board and a fee in the amount of SEK 550.000 shall be paid to the chairman of the board during the period up to the next annual general meeting.

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

11.3.2 Current employment agreements for the CEO and the CFO

The Company has entered into an employment agreement with Stefan Dahlbo (CEO) on 9 September 2016. The compensation to Stefan Dahlbo for his position as CEO in the Company consists of a fixed monthly salary of SEK 133,900 as well as a bonus up to six month's base salary. The notice period is mutually six months. In case the Company terminates the agreement, Stefan Dahlbo is entitled to severance pay equal to six months' base salary. Stefan Dahlbo is, after approval of the Company, entitled to change his salary against other benefits, provided it is cost neutral for the Company.

The CFO of the Company, Andreas Lindenharta, entered into an employment agreement with the Company on 1 March 2016. According to the employment agreement, Andreas Lindenharta is the CFO of the Group. The compensation to Andreas Lindenharta for his position as CFO in the Group consists of a fixed monthly salary of SEK 88,000 as well as an eventual un-fixed salary up to 11 per cent of the base salary. SEK 3,000 of the fixed monthly salary that remains after taxation as well as 30 percent of the eventual un-fixed salary shall be devoted to buying shares in the Company. Andreas Lindenharta is, after approval of the Company, entitled to change his salary against other benefits, provided it is cost neutral for the Company. The notice period is mutually four months.

11.4 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 Sidea, 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 members of the Board of Directors or management of the Company 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. However, Stefan Dahlbo is a member of the investment committees of Profi Fonder and Procuritas Investment.

11.5 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 Jakobsbergsgatan 24, 111 44 Stockholm. Mikael Ikonen was elected auditor of the Company at the annual general meeting held on 23 April 2014.

12 LEGAL AND SUPPLEMENTARY INFORMATION

12.1 Incorporation and legal form of business

Byggmästare Anders J Ahlström Holding (publ) is a Swedish public limited liability company with registration number 556943-7774. 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.

The Company's current registered office is in Botkyrka. However, following the divestment of Mitt Alby, the board of directors of the Company will propose to the annual general meeting 2018 to change the Company's registered office from Botkyrka to Stockholm at the next annual general meeting which will be held on 8 May 2018. The reason for this is that the Company will divest the premises for its current head office. Therefore, the shareholders consider it better to have the registered office in Stockholm, which is a larger market for investments, which is good in view of the Company's new business.

12.2 Significant agreements

12.2.1 Share Purchase Agreement with D. Carnegie concerning Mitt Alby

Fastighets AB has entered into a Share Purchase Agreement with D. Carnegie concerning the shares in Mitt Alby, and indirectly the Property. Pursuant to the Share Purchase Agreement, D. Carnegie will acquire Mitt Alby for an underlying property value of SEK 1,673 million, implying a preliminary purchase price on cash and debt free basis of approximately SEK 1,593 million. SEK 125 million of the purchase price will be paid for by 1,016,000 newly issued series B-shares in B-shares in D. Carnegie. Additionally, the Company and D. Carnegie together intend to form a foundation, Stiftelsen Mitt Alby, with a SEK 10 million capital injection, for the purpose of supporting ambitious individuals, organizations and enterprises in Botkyrka in various ways, including financially. Furthermore, the parties have also agreed on a conditional purchase price component (expected to maximum SEK 60 million), if a planned and initiated co-op conversion comprising 124 residential apartments in the area is completed by 31 December 2018 at the latest. The conditional purchase price component will amount to a share of the expected profit from such a co-op conversion and is to be paid in cash.

The agreement is conditional, *inter alia*, on the approval of the Extraordinary General Meeting in the Company to be held on 23 April 2018. The Company considers such divestment to constitute such a change of business of the Company that requires a general meeting approval.

The Share Purchase Agreement includes customary legal, tax and environmental warranties and covenants concerning Mitt Alby and the Property, and also certain customized provisions especially relating to the ongoing business of the Properties and its rent roll. The warranty period is generally 12 months after completion of the transaction.

12.2.2 Loan agreement with SBAB Bank AB (publ)

On 8 November 2013, Mitt Alby and SBAB Bank AB (publ) ("**SBAB**") entered into a loan agreement regarding a credit of a total amount of MSEK 465. However, the parties entered into a new loan agreement on 27 October 2017 regarding a credit of a total amount of MSEK 427.8, which was used to pay back the first loan from SBAB. On 13 November 2017, the parties entered into an additional agreement, according to which the existing credit under the loan agreement per den 27 October 2017 was increased with further MSEK 57.2. The terms and conditions for the loan includes certain customary undertakings and financial covenants.

The Property has been pledged in favour of SBAB for the due fulfilment of the obligations under the loan according to a pledge agreement on 28 April 2014, which was amended on 21 November 2017.

However, according to the Share Purchase Agreement between Fastighets AB and D.Carnegie, the loan agreement as well as the pledge agreement will be transferred to D.Carnegie.

12.2.3 The Bonds

Fastighets AB has issued senior secured callable floating rate bonds in a total amount of SEK 250,000,000, within a total framework amount of SEK 500,000,000. The maturity date of the Bonds is 29 April 2021. As continuing security for Fastighets AB's due and punctual fulfilment of the obligations under the terms and conditions for the Bonds, the Company has pledged to the agent for and the holders of the Bonds, as a first priority pledge, all shares in Fastighets AB. The terms and conditions for the Bonds includes certain undertakings and financial covenants, including restrictions on distributions, disposals of assets and incurrence of market loans. In connection with the entering into the Share Purchase Agreement with D. Carnegie, Fastighets AB gave notice to all holders of Bonds of exercise of its option for early redemption of the Bonds in full. The notice is irrevocable but is, however, conditional on the approval of the divestment of Mitt Alby by the Extraordinary General Meeting of the Company and that the divestment of Mitt Alby actually occurs. Provided that these conditions are fulfilled, the Bonds will be redeemed in full on 3 May 2018.

12.2.4 Loan agreement with SEB concerning Fasticon AB

In August 2017, Fasticon Kompetens and Skandinaviska Enskilda Banken ("SEB") entered into a loan agreement regarding a credit of a total amount of MSEK 4.5. In favour of SEB for the due fulfilment of the obligations under the loan according to the agreement, Fasticon Kompetens has issued a business mortgage (Sw. företagsinteckning) to the amount of MSEK 2.37 which covers all of Fasticon Kompetens' personal property (Sw. lös engendom) in Sweden in a preferred position of MSEK 8.65. The terms and conditions for the loan includes certain undertakings and financial covenant.

12.2.5 Shareholders agreements in Fasticon

There is a shareholder agreement between the majority shareholders of Fasticon, *i.e.* the Company and JG Affärskonsult AB entered into May 2015, regarding the ownership of the shares in Fasticon. The shareholder agreement includes, *inter alia*, regulations regarding financing and governance of the Fasticon group.

Furthermore, there is another shareholder agreement between all the shareholders of Fasticon, including the Company, entered into in June 2017. The shareholder agreement includes, *inter alia*, restrictions on the transfer of shares and a pre-emptive rights.

12.2.6 Swap agreement with SEB

On 20 January 2017, Fastighets AB and SEB entered into framework agreement for currency – and OTC derivate (a so-called swap arrangement). As of 31 December 2017 the swap arrangement had incurred a reserved loss for the Company of MSEK 12, and any further lowering of interest rates compared to 31 December 2018 will increase such loss an any increase of interest rates compared to 31 December 2017 will decrease such loss (or even result in a capital gain).

12.2.7 Related party transactions

Certain related-party transactions occur within the Group. Any transactions with related parties are carried out at market rates and subject to market terms and conditions. For additional information on related-party transactions, see Note 6 in the Company's annual report for the financial year 2017.

The Company, being the parent company in the Group, only carry out intra-group functions and the revenue only consist of intra-group services. During 2017 the Company have invoiced its subsidiaries SEK 2.8 million (SEK 0.56 million).

The chairman of the Board, Mikael Ahlström, and the member of the Board, Marcus Trummer, invoices through their own companies, and according to agreements, for consultative services, primarily relating to acquisitions. For 2016 this fee amounts to SEK 0.3 million concerning Mikael Ahlström and SEK 0.5 million concerning Marcus Trummer. For 2016 this aggregate sum were SEK 1.54 million (2015: SEK 1.5 million).

12.3 Insurances

The Board of Directors is of the opinion that the Company has satisfactory insurance protection for the nature of the business carried out and intended to be carried out.

12.4 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.

12.5 Intellectual property rights

Except for the trade names, Byggmästare Anders J Ahlström Holding and certain domain names held by the Company, the Group does not have any intellectual property rights.

12.6 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 of Directors 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.

13 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.

13.1 Individuals

13.1.1 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.

13.1.2 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. The company takes no responsibility for withholding of preliminary tax.

13.2 Limited liability companies

13.2.1 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%. A reduction of the corporate income tax rate is however proposed but not enacted as per March 2018. The reduction, if enacted, will imply a reduction of the tax rate to 21.4% from 2019 and 20.6% from 2021. 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.

13.3 Shareholders not tax resident in Sweden

Shareholders not tax resident in Sweden are generally 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. Should tax have been withheld for a person having right to a lower withholding tax rate or should excessive withholding tax otherwise have been withheld, a refund may be claimed in writing from the Swedish Tax Agency. Refunds may be claimed before the commencement of the fifth calendar succeeding the dividend date.

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. Tax treaties between Sweden and other countries may limit the applicability of this rule.

14 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.

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.

15 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 year 2016.	Annual report 2016.
Audited income statements, balance sheets, notes, information about accounting principles and audit report for the financial year 2017.	Annual report 2017.

16 ADDRESSES

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