

## BACKGROUND

- Östermyra Bruk AB (publ), a subsidiary of the property company Concent Holding AB (publ), owns the two properties Patan 1 & 2 in Haparanda by the Finnish border where the large commercial property project Barents Center is under development
- Barents Center is a large scale development of about 62,500 m<sup>2</sup>, housing a local school, conference center, cinema, shopping center and office premises
- The Barents Center project has now obtained all permits including Start Permission granted 1<sup>st</sup> July 2016, and construction is expected to commence shortly. A fixed price construction contract is in place
- The ultimate parent company Concent Holding AB (publ) is listed on the Nordic Growth Market (NGM)



## THE TRANSACTION

- To refinance an existing loan facility and initiate the construction process, Östermyra Bruk AB (publ) intends to issue a 9 month secured bond issue of up to about 200 MSEK (or its equivalent in USD/NOK)
- The bond will be secured with 1st priority mortgage in the properties, shares in the holding company, Concent Holding AB (publ) and guaranteed by Concent Holding AB (publ), Quagg AB and Avalanche Capital AB
- When Barents Center is completed and fully leased out, Newsec has estimated the total value to be in the region of 1 760 MSEK. With a total construction cost of about 1 000 MSEK the forward net project value is estimated at around 760 MSEK, representing substantial value for Östermyra Bruk AB/Concent

## BARENTS CENTER

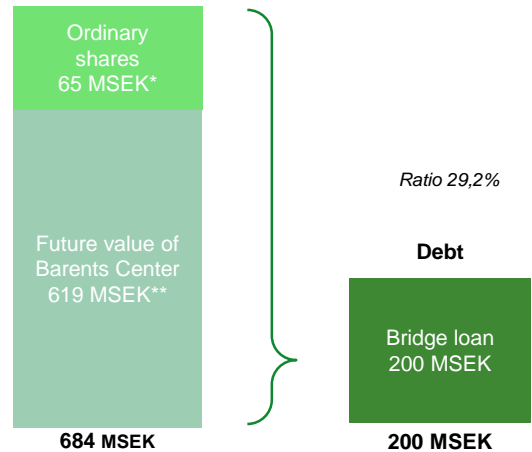
- HaparandaTornio, with more than 14 million border crossings annually, has become a leading area for cross-border shopping and trade. IKEA opened a large warehouse in 2006 which has been vital to the development of the region
- The Barents Center facility includes a multi-purpose arena, a municipal high school, cinema, conference center, office premises, a shopping center and substantial parking facilities
- The company has entered into two firm 25 year lease contract with the local municipality for about 17,500 m<sup>2</sup> of the center to house a high school and a multi-purpose arena. This represent great value for the project as it secures steady income and attract substantial interest for the commercial part of the center

## COLLATERAL

The bridge loan has the following collateral:

- ✓ 1<sup>st</sup> priority mortgage of 230 MSEK in the properties Haparanda Patan 1 & 2
- ✓ Pledge in 15 152 495 ordinary shares in Concent Holding AB (publ), valued at about 65 MSEK \*
- ✓ **Guarantees from Concent Holding AB (publ), Quagg AB and Avalanche Capital AB**
- ✓ Share pledge in Östermyra Bruk AB (publ) and Quagg AB

### Collateral (Forward looking)



\*) \* The price of the ordinary shares is determined by the last 20 trading days prior to the marketing of the loan

\*\*) The valuation is the risk-adjusted value of Barents Center when completed and fully leased out, net of construction costs, consequently, this is not the current market value of the properties and this value will not be obtained in case of an enforcement of the security unless the project has been completed and fully let (Range 491-746 MSEK).

## TERMS IN BRIEF

<b>Borrower:</b>	Östermyra Bruk AB (publ)
<b>Type:</b>	Bond
<b>Volume:</b>	200 000 000 (approx. 23.5 MUSD)
<b>Minimum investment:</b>	1 000 000 SEK/NOK / 200 000 USD
<b>Duration:</b>	9 months (-/+ 3months)
<b>Subscription period:</b>	30 August 2016 – 6 September 2016
<b>Interest:</b>	13 % p.a.
<b>Subscription fee:</b>	1,5 %
<b>Agent:</b>	Intertrust (Sweden) AB
<b>Legal advisor:</b>	Roschier Advokatbyrå AB
<b>Financial advisor:</b>	JOOL Markets AS
<b>Collateral:</b>	1 <sup>st</sup> priority mortgage, share pledges and guarantees

<b>Investment example</b>	(9 months)
<i>Investment:</i>	SEK/NOK 1 015 000*
<i>Interest received:</i>	9,75 %
<i>Total return:</i>	SEK/NOK 97 500 (eff. Rate 9,6%)
<i>Repayment:</i>	8 June, 2017

\* Subscription fee included