

# Index Invest International AB (publ)

Bond-[ISIN: SE0005797537](#)

April  
2018



Private &  
Confidential

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# Important Information

Index Invest International AB (publ), the issuer of Bond–ISIN: SE0005797537.

- Seeks consent from bond holders to extend the date for repayment of the outstanding bond by an additional six (6) months. **IMPORTANT INFORMATION**
- Acceptance of limitations: The information in this presentation (the “Presentation”) is presented by Index Invest International AB (publ) (the “Company”) solely for information to Holders (as defined below) in connection with a written procedure initiated by the Company in relation to the Company’s maximum SEK 500,000,000 Senior Secured Callable Floating Rate Bonds with ISIN: SE0005797537 (the “Written Procedure” and the “Bonds”). The Company has initiated the Written Procedure in order to request the Holders’ approval of certain amendments to the terms and conditions for the Bonds as detailed in the notice for Written Procedure published on the Company’s website on this date (the “Request”). This Presentation has been distributed to certain holders of Bonds (“Holders”) in connection with the collection of irrevocable undertakings in relation to the Written Procedure.
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## **EXECUTIVE SUMMARY**

Index Invest International AB (publ), the issuer of Bond–ISIN: SE0005797537.

- Seeks consent from bond holders to extend the date for repayment of the outstanding bond by an additional six (6) months.
- The extension will allow critical transactions to close according to best terms possible.
- The bond is to be repaid in full.
- Terms are included in the Notice of written procedure

# KEY HIGHLIGHTS

## Experienced organisation and committed Shareholders

- Highly committed owners operationally active in both Sweden and the U.S.
- Significant equity stake in Index since its inception in 1998
- Management team with vast experience in real estate investments, property development and private equity

## Proven strategy for growth and large further potential

- Attractive projects in the pipeline: ~ 800+ apartments
- All Swedish development projects are located in attractive locations within the Greater Stockholm area
- Majority of projects will start construction within the next 3 years

## Disciplined capital allocation

- Keeping risks to a minimum is key to Index's business model
- Construction is mainly carried out by 3rd parties on fixed cost contracts

## Best in class sourcing & acquisition, property development and project branding

- Intelligent Acquisition
- Creative Property Development
- First-class Property Branding

## Strong project and financial track record

- Strong equity position of SEK 1.1 billion (approx. US \$ 133 million), corresponding to an equity ratio of 58%







## INDEX INVEST INTERNATIONAL AB (publ)

Index Invest was founded in 1998 and has since its inception successfully developed homes throughout the Southeastern United States as well as in Stockholm, Sweden. A developer that creates exclusive residences and at the same time delivers exceptional results.

Index has consistently developed successful projects with a reliable return through sound investment policies and innovative property development

Index Invest International AB (publ) has assets valued at 1.897 billion SEK (2017) and a Equity Ratio at 58%.

### QUICK FACTS – INDEX /Sweden

 Founded <b>1998</b>	 Employees <b>15</b>	 Current portfolio <b>≈ 802 units</b>
 Assets <b>1.897B</b>	 Equity <b>1.088 B</b>	 Equity Ratio <b>58%</b>

### MANAGEMENT



**Bjarne Borg**  
Co-founder



**Fredrik Alama**  
Co-founder



**Rickard Haraldsson**  
CEO



**Marie-Louise Alama**  
CFO

**INDEX**  
RESIDENCE /

# STATUS SWEDEN

## SOLTORNET

- *86 out of 87 apartments sold.*
- *Budget and schedule move along according plan.*

## HAVSTORNET

- *The high demand for the second Tower in Norrtälje Hamn has changed current development order.*
- *Sales start for Havstornet is now planned to April/May 2018.*

## MAGASINET

- *Due to the high demand for the second tower Havstornet, Magasinet is under development for another purpose of use.*
- *LOI signed*

## OTHER PROJECTS

- *The work with Våguset and Båthuset in Norrtälje Hamn are going according to schedule.*
- *Zoning for Kista Äng expected to be finalized 2020.*
- *Playce is out for public review.*



Magasinet

Soltornet  
Sold out

Våghuset  
site plan  
completed

Havstornet  
sales start  
planned to  
April/May  
2018

Båthuset  
site plan  
expected to be  
completed by  
Q2 2019



## HIGH RIDGE LANDING

- *Selected Broker is ARA/Newmark.*
- *SPA signed at the price level US \$ 41.9M, expected closing end of April.*
- *Index Net Proceeds approximately \$13.5M.*

## MONTEREY POINTE

- *Selected Broker is CBRE.*
- *Estimated Sales price in the range of \$26.1-28.6M.*
- *Index Net Proceeds estimated to approximately \$7.0M.*

## TARPON HARBOUR

- *Selected Broker is Cushman & Wakefield.*
- *Estimated Sales price in the range of \$40.6-43M.*
- *Index Net Proceeds estimated to approximately  $\geq$ \$14.5M.*

## Silver City & New Venture Gear

- *Ongoing final tenant improvements for Briggs & Stratton Corporation, estimated to complete in March.*
- *Refinance estimated to \$8.5M.*
- *Redevelopment for the NVG site and lease-up ongoing and refinance fall 2018*

# INDEX INVEST INTERNATIONAL AB (Publ)

## Key Performance Indicators

	Oct-Dec 2017	Oct-Dec 2016	Jan-Dec 2017	Jan-Dec 2016
KSEK				
Net sales	31 379	38 629	139 726	56 381
Operating result	29 019	-3 284	80 409	162 666
Financial items, net	-212 221	16 989	-292 076	135 903
Result after tax	-178 187	7 637	-204 072	276 530
Total comprehensive income for the period	-177 581	9 482	-207 798	270 169
Total Assets	1 897 079	2 098 346	1 897 079	2 098 346
Earnings per share	-1 781,9	76,4	-2 040,7	2 765,3
Operating margin, %	92,4	-8,5	57,5	288,5
Equity Ratio %	58	65	58	65
Number of apartments in pre-development	434	545	434	545
Number of apartments under construction	368	453	368	453
Number of occupied/completed apartments during the period	59	0	162	0
Number of apartments in the portfolio	802	998	802	998

\* Performance indicators solely reflect those of Index Sweden.

## Comments

- The reorganization of Index Energy Mills Road Corporation is now completed. The assets have been purchased by Index Energy Ajax Corporation, "IEAC", a subsidiary of Index Invest International AB (publ). IEAC has assumed the debt towards Index Invest and in conjunction with the asset purchase, the value of the loan has been written-down with a total of 257 MSEK in December 2017, which had a net negative impact in financial items.

# BOND TERMS - 2014

Issuer	Index Invest International AB (publ) (previously Index Residence AB (publ))
Instrument	Senior secured bond
Security	First priority pledge over all of the shares in the issuer, the debt service account and all funds held on the account (initially the first four quarterly interest payments)
Volume	Outstanding volume of SEK 375,000,000 (framework of SEK 500,000,000)
Denomination	SEK 1,000,000. Minimum investment of SEK 1,000,000
Tenor	Four years
Coupon	STIBOR 3m + 700bps, p.a paid quarterly. STIBOR 3m floor at zero per cent
Use of proceeds	Prepayment of the existing bonds in full, property investments in the Swedish and Florida real estate market and full repayment of the outstanding principal on the existing shareholder loans 2014
Financial covenants	Maintenance test: Equity ratio of $\geq 35\%$ Incurrence test: Restricted payments (i.e dividends) not to exceed the higher of SEK 30,000,000 or an amount corresponding to fifty (50) per cent of the aggregate net profit after tax and subject to equity ratio of $\geq 40\%$ immediately following such event
Special undertakings (examples)	<ul style="list-style-type: none"><li>•Nature of business</li><li>•Disposals of assets</li><li>•Minimum liquidity (SEK 20,000,000)</li><li>•Restriction on lending and provision of guarantees (no group company shall grant any loans and/or provide any guarantees on or after the issue date)</li><li>•Restriction on incurring financial indebtedness (may only incur subsequent bonds or unsecured debt which is pari passu or subordinated, and have a longer tenor)</li></ul>
Call structure	0-24 Months: Make whole <ul style="list-style-type: none"><li>• 24-36 months: 105% of the nominal amount</li><li>• 36-42 months: 103% of the nominal amount</li><li>• 42-final maturity date: 101% of the nominal amount</li></ul>
Put option	101% upon change of control event or a listing failure
Listing	NASDAQ OMX
Trustee	Nordic Trustee & Agency AB (publ)

# LIQUIDITY FLOW CHART

Numbers and timing are management estimates, and might be subject to changes

High Ridge Landing	<ul style="list-style-type: none"><li>• LOI signed, expected Net proceeds <math>\geq 13,5M</math></li><li>• Expected closing end of April 2018</li></ul>	\$13,5m
Monterey Pointe	<ul style="list-style-type: none"><li>• Sales start initiated, expected Net proceeds <math>\geq \\$7M</math></li><li>• Closing estimated to June-July 2018</li></ul>	\$7,0m
Tarpon Harbour	<ul style="list-style-type: none"><li>• Sales start initiated, expected Net proceeds <math>\geq \\$14,5M</math></li><li>• Closing estimated to June-July 2018</li></ul>	\$14,5m
Silver City & New Venture Gear	<ul style="list-style-type: none"><li>• Final tenant improvements ongoing for Briggs &amp; Stratton Corporation, estimated to complete in March-April 2018</li><li>• Refinance loan of Silver City to \$8,5M</li><li>• Refi closing estimated May 2018</li></ul>	\$8,5m
Index Invest International AB (publ)	<ul style="list-style-type: none"><li>• Sourced from ordinary business activities in Index Invest International AB (publ), <math>\geq 10M</math></li></ul>	$\geq 10m$
Total Proceeds	<ul style="list-style-type: none"><li>• <b>Net Proceeds from sales and refinance activities, estimated to approximately \$53,5M, or 430MSEK (fx 8,0)</b></li></ul>	\$53,5m

# TIMETABLE

March

May 22nd

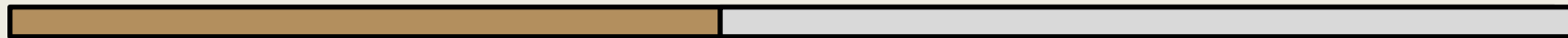
November 22nd



- Marketing and Sales process for the stabilized rental properties in Florida initiated
- Estimated closings in April-July



- Tenant improvements of Silver City & New Venture Gear
- Estimated Refinance of Silver City in May



- Sourced from ordinary business activities in Index Invest International AB (publ)



# CONTACT DETAILS

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# High Ridge Landing Overview

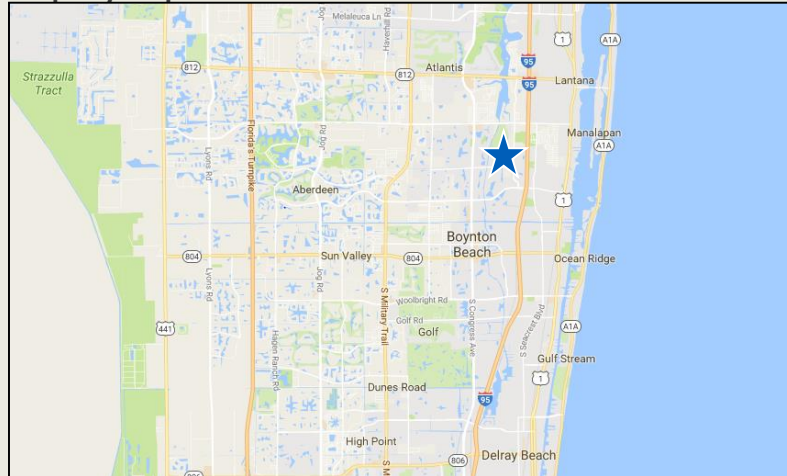
## Property Overview

High Ridge Landing is a leading luxury apartment community in Palm Beach County

- ✓ **Luxurious Unit Features:** Units feature granite counter tops, hardwood flooring, and a spacious open-floor concept
- ✓ **Ocean-Front Appeal:** Boynton boasts some of the most sought-after beaches in Florida
- ✓ **Strengthening Demographics:** The area is in the midst of a population surge and should see a corresponding increase in the potential renter segment
- ✓ **Revitalization of Downtown Boynton:** Emerging business district as well as multi-million dollar investment in the local marina is expected to have a tangible impact on development
- ✓ **Diverse Unit Mix:** 184 units dispersed across 8 buildings, including 1, 2, and 3 bedroom units ranging from 850-1250 sq. feet
- ✓ **Communal Amenities:** The 4000 sq. foot community center include club house, business center, fitness center, fitness area, and resort-style pool



## Property Map



## Property Overview

Address	3609 High Ridge Rd
Market	Boynton Beach, FL
Year Built	2016
# of Units	184
Current NOI	\$2.0M
Average Unit Size	1,049 SF
Current Occupancy	95+%
Avg. Rent / Unit	\$1,526
Rent / SF	\$1.45

# Monterey Pointe Overview

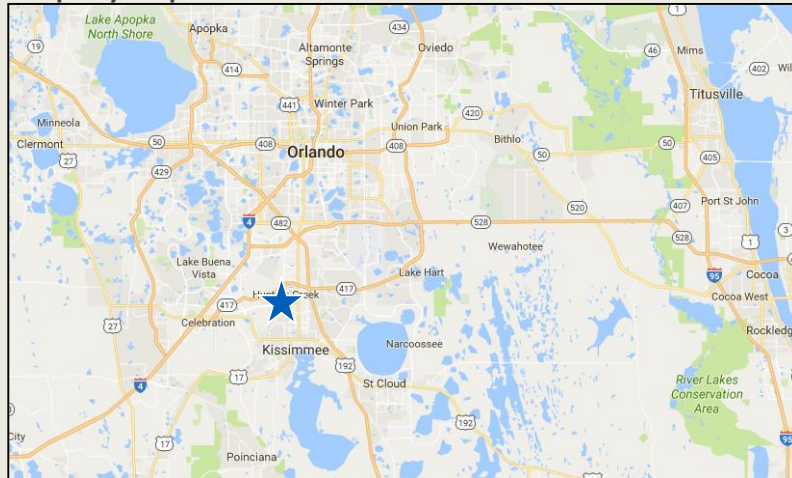
## Property Overview

A 55+ age-restricted community serving the Orlando, Florida market

- ✓ **Targeted Customer Base:** Age-restricted units promotes focused marketing efforts
- ✓ **Diverse Unit Mix:** 1 and 2 bedroom units are offered, with unit sizes varying from 740 sq. feet to 1,020 sq. feet.
- ✓ **In-Unit Luxury Features:** Units feature hardwood floors, granite countertops, and stainless steel appliances
- ✓ **Attractive Amenities:** Offerings include concierge service, fitness center, business center, and swimming pool



## Property Map



## Property Overview

Address	1400 Mowry Dr.
Market	Orlando, FL
Year Built	2016
# of Units	150
Current NOI	\$1.47M
Average Unit Size	927 SF
Current Occupancy	98%
Avg. Rent / Unit	\$1,320
Rent / SF	\$1.42



# Tarpon Harbour Overview

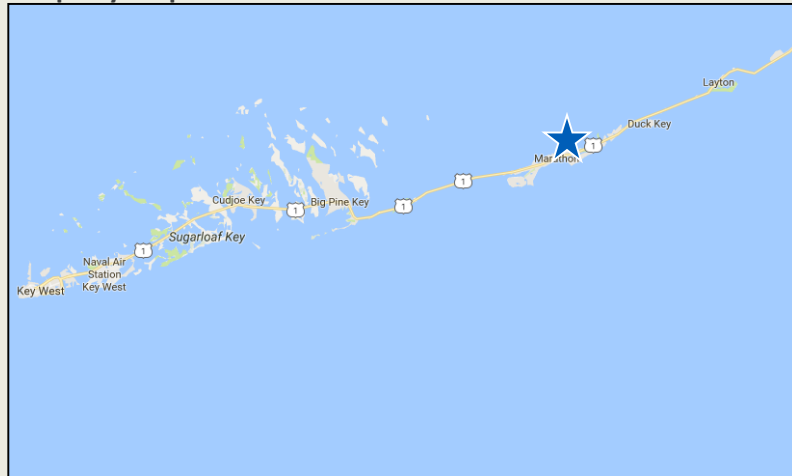
## Property Overview

*Tarpon Harbour is a Class A multifamily development consisting of 106 units, pristinely located in the Florida Keys*

- ✓ **Premier Location:** Situated in City of Marathon on the Overseas Highway, 50 miles away from Key West
- ✓ **Waterfront Amenities:** Boat slips are available to residents, in addition to access to the community's clubhouse and two swimming pools
- ✓ **Diverse Unit Mix:** Community consists of 62 two-bedroom units, and 44 three-bedroom units
- ✓ **Structurally Sound:** Designed and constructed to absorb wind speeds of up to 180mph, consistent with the highest standards of hurricane protection



## Property Map



## Property Overview

<b>Address</b>	6973 Overseas Highway
<b>Market</b>	Marathon Key, FL
<b>Year Built</b>	2016
<b># of Units</b>	106
<b>Current NOI</b>	\$2.2M
<b>Average Unit Size</b>	1,293 SF
<b>Current Occupancy</b>	95+%
<b>Avg. Rent / Unit</b>	\$2,512
<b>Rent / SF</b>	\$1.94

# US Brokers value estimate – Florida properties

## Eastwind-Index Portfolio Sale Broker Opinions of Value 2/16/18

Category	CBRE	ARA	CW	CBRE	ARA	CW	CBRE	CW
<i>Monterey Pointe (150 units)</i>		Stretch			Competitive		Support	
Sale Price	\$ 28,600,000	\$ 29,250,000	\$ 28,200,000	\$ 27,300,000	\$ 28,250,000	\$ 27,450,000	\$ 26,100,000	\$ 26,700,000
Price Per Unit	\$ 190,634	\$ 195,000	\$ 188,000	\$ 181,943	\$ 188,333	\$ 183,000	\$ 174,009	\$ 178,000
Price Per SF	\$ 206	\$ 203	\$ 203	\$ 196	\$ 192	\$ 197	\$ 188	\$ 192
T3 Cap Rate	4.71%	4.72%	4.79%	4.94%	5.06%	4.92%	5.16%	5.09%
FY1 Cap Rate	5.10%	5.16%	5.43%	5.34%	5.52%	5.58%	5.59%	5.58%
<i>High Ridge Landing (184 units)</i>		Stretch			Competitive		Support	
Sale Price	\$ 44,500,000	\$ 43,240,000	\$ 41,090,000	\$ 43,000,000	\$ 40,480,000	\$ 40,250,000	\$ 41,500,000	\$ 39,440,000
Price Per Unit	\$ 241,875	\$ 235,000	\$ 223,315	\$ 233,696	\$ 220,000	\$ 218,750	\$ 225,516	\$ 214,348
Price Per SF	\$ 231	\$ 224	\$ 213	\$ 223	\$ 210	\$ 209	\$ 215	\$ 204
T3 Cap Rate	4.58%	3.99%	4.06%	4.74%	4.37%	4.15%	4.91%	4.23%
FY1 Cap Rate	4.85%	4.56%	4.80%	5.31%	4.99%	4.90%	5.80%	5.00%
<i>Tarpon Harbour (106 units)</i>		Stretch			Competitive		Support	
Sale Price	\$ 47,650,000	\$ 43,460,000	\$ 42,980,000	\$ 46,000,000	\$ 40,280,000	\$ 41,750,000	\$ 44,350,000	\$ 40,590,000
Price Per Unit	\$ 449,528	\$ 410,000	\$ 405,472	\$ 433,962	\$ 380,000	\$ 393,868	\$ 418,396	\$ 382,925
Price Per SF	\$ 348	\$ 317	\$ 314	\$ 336	\$ 294	\$ 305	\$ 324	\$ 296
T3 Cap Rate	4.43%	4.15%	4.37%	4.59%	4.53%	4.50%	4.76%	4.63%
FY1 Cap Rate	4.26%	5.04%	5.09%	4.71%	5.50%	5.24%	5.20%	5.39%
Total Sales Prices	\$ 120,750,000	\$ 115,950,000	\$ 112,270,000	\$ 116,300,000	\$ 109,010,000	\$ 109,450,000	\$ 111,950,000	\$ 106,730,000
Less: Transaction Costs (2%)	\$ 2,415,000	\$ 2,319,000	\$ 2,245,400	\$ 2,326,000	\$ 2,180,200	\$ 2,189,000	\$ 2,239,000	\$ 2,134,600
Net Sales Price	\$ 118,335,000	\$ 113,631,000	\$ 110,024,600	\$ 113,974,000	\$ 106,829,800	\$ 107,261,000	\$ 109,711,000	\$ 104,595,400
Less: Debt	\$ 61,995,000	\$ 61,995,000	\$ 61,995,000	\$ 61,995,000	\$ 61,995,000	\$ 61,995,000	\$ 61,995,000	\$ 61,995,000
Net Proceeds - ROE & Cap Gains	\$ 56,340,000	\$ 51,636,000	\$ 48,029,600	\$ 51,979,000	\$ 44,834,800	\$ 45,266,000	\$ 47,716,000	\$ 42,600,400