

Index Invest International AB (publ)

Bond-[ISIN: SE0005797537](#)

October
2018



Private &
Confidential

TABLE OF CONTENTS

Disclaimer	3
Executive Summary	4
Index Invest International AB (Publ)	5-7
Financial Overview	8-12
Sweden Project Details	13-16
USA Project Financials	17-18
Summary of Proposed Amendments	19-20
Liquidity Flow Chart & Timetable	21-23
Contact Details	24

Important Information

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

- Seeks consent from bond holders to inter alia 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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- Actuality: This Presentation is dated 31 October 2018. The Company cannot guarantee that there has been no change in the affairs of the Company since such date, nor does the Company intend to, or assume any obligation to, update or correct any information included in this Presentation. This Presentation may however be changed, supplemented or corrected without notification.

EXECUTIVE SUMMARY

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

- Seeks consent from bond holders to inter alia 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 on or prior to 22 May 2019.
- Fully proposed amended 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 \$ 125 million), corresponding to an equity ratio of 59%







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 1.933 billion SEK (Q2 2018) and a Equity Ratio at 59%.

QUICK FACTS – INDEX /Sweden

 Founded 1998	 Employees 15	 Current portfolio ≈ 784 units
 Assets 1.933B	 Equity 1.143 B	 Equity Ratio 59%

MANAGEMENT



Bjarne Borg
Co-founder



Fredrik Alama
Co-founder



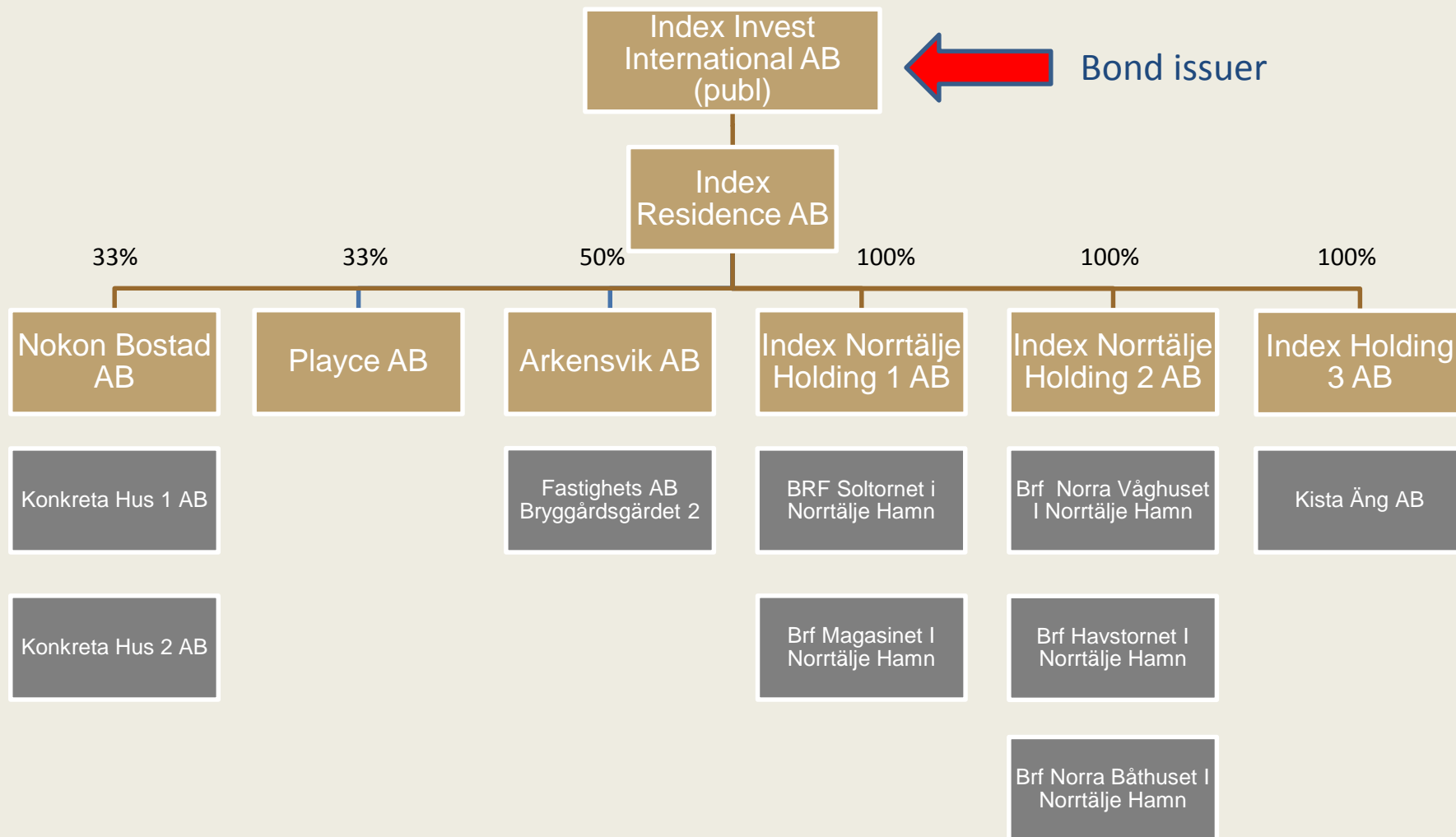
Rickard Haraldsson
CEO



Marie-Louise Alama
CFO

INDEX
RESIDENCE /

Corporate Overview



Index Invest International AB (publ)

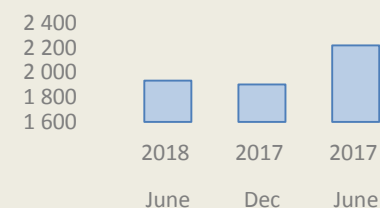
Financial Details

INDEX INVEST INTERNATIONAL AB (Publ)

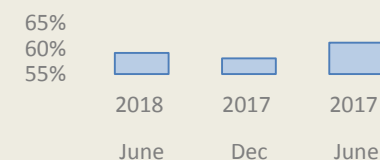
Financial Overview

KSEK	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Dec 2017
Net sales	56,646	31,294	95,260	139,726
Operating result	53,193	20,070	40,662	80,017
Financial items, net	34,858	-46,510	26,546	-292,076
Resultat after tax	77,376	-27,416	55,016	-197,445
Total comprehensive income for the period	105,007	-27,690	90,287	-201,171
Total Equity	1,143,463	1,357,343	1,143,463	1,104,951
Total Assets	1,932,778	2,219,636	1,932,778	1,903,229
Earnings per share	774	-274	550	-1,974
Operating Margin %	94	64	43	58
Equity Ratio %	59	61	59	58
Number of apartments in pre-development	297	435	297	434
Number of apartments under construction	487	445	487	368
Number of occupied/completed apartments during the period	23	39	23	162
Number of apartments in the portfolio	784	880	784	802

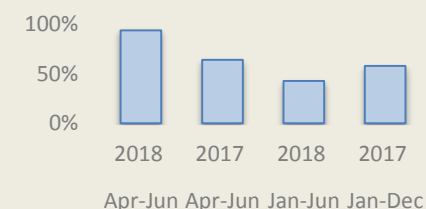
Total Assets KSEK



Equity Ratio



Operating Margin



Comments

- The reorganization of Index Energy Mills Road Corporation was completed in January 2018. 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 was written-down with a total of 257 MSEK in December 2017, which had a net negative impact in financial items.

INDEX INVEST INTERNATIONAL AB (Publ)

Consolidated P&L

Income Statement

	2018-04-01	2017-04-01	2018-01-01	2017-01-01	2017-01-01
	2018-06-30	2017-06-30	2018-06-30	2017-06-30	2017-12-31
Operating income					
Net sales	56,165	31,294	93,844	78,993	134,555
Other operating income	481	-	1,416		5,171
Total	56,646	31,294	95,260	78,993	139,726
Operating expenses					
Purchases of goods and services	-38,797	-17,425	-63,626	-57,590	-80,098
Other external expenses	-14,105	-4,127	-39,503	-11,719	-29,386
Personnel costs	-5,225	-3,833	-10,261	-8,628	-16,651
Depreciation/amortization of property, plant and equipment and intangible fixed assets	755	-260	-4,577	-527	-1,017
Change in value of properties	28	-9	647	635	9,164
Result from participants in Group companies	30	-6,819	3,585	-6,297	-6,297
Result from participants in associated companies and joint ventures	53,861	21,249	59,137	23,467	64,576
Total operating expenses	-3,453	-11,224	-54,598	-60,659	-59,709
Operating result	53,193	20,070	40,662	18,334	80,017
Write-down of receivables	-83	0	-2,815	0	-257,149
Financial income	61,521	25,201	86,793	75,785	175,971
Financial expenses	-26,580	-71,711	-57,432	-106,897	-210,898
Financial items – net	34,858	-46,510	26,546	-31,112	-292,076
Result before tax	88,051	-26,440	67,208	-12,778	-212,059
Tax	-10,675	-976	-12,192	14,730	14,614
Result for the period	77,376	-27,416	55,016	1,952	-197,445

Comments Q2 2018

- **Net sales;** Income from project development of condominiums in Norrtälje Hamn amounting to 45,5 MSEK in Q2 2018. Revenue from IEAC 11,5 MSEK
- **Purchases of goods and service;** -24,8 MSEK reflects the cost for the project of developing condominiums in Norrtälje Hamn. -12,8 MSEK from IEAC
- **Other external expenses;** -Mainly driven from the IEAC
- **Personnel costs;** +36% compare to last year due to IEAC
- **Result from part. in associated companies and Joint ventures;** Proceeds from the sales of Brf. Södra Juvelen +54MSEK
- **Financial income;** Interest on lending +13,2 MSEK, Exchange effect +58,3 MSEK and Result from derivate instrument -10 MSEK
- **Financial expenses;** Negative exchange effect on receivables -13,3 MSEK. Interest on loans -13,3 MSEK

INDEX INVEST INTERNATIONAL AB (Publ)

Detailed Balance Sheet - Assets

SEK thousand	30/06/2018	30/06/2017	31/12/2017
ASSETS non-current			
Intangible assets			
Concessions	-	-	-
Trademark	1,071	1,495	1,283
Total intangible assets	1,071	1,495	1,283
Investment properties	33,409	32,147	32,376
Building and land	612,433	-	-
Equipment, tools, fixtures and fittings	4,404	4,728	4,600
Total property plant and equipment	650,246	36,875	36,976
Non-current financial assets			
Investments in associates	13,709	23,872	2,549
Investments in joint ventures	747	33,759	53,293
Other non-current receivable	609,969	1,601,863	506,048
Financial assets available for sale	5,000	5,000	5,000
Total non-current financial assets	629,425	1,664,494	566,890
Deferred tax assets	7,013	-	7,013
Total non-current assets	1,287,755	1,702,864	612,162
Current assets			
Residential units under development	237,745	226,381	233,104
Securities	94,966	83,865	79,043
Accounts receivables and rents receivable	14,242	27,549	11,605
Tax assets	20,028	382	15,056
Receivables from associates	75,465	95,657	54,895
Other receivables	141,020	32,750	799,044
Prepaid expenses and accrued income	8,939	827	1,085
Derivatives	-	3,620	-
Cash and cash equivalents	52,618	45,741	97,235
Non-current assets held for sale	-	-	-
Total current assets	645,023	516,772	1,291,067
TOTAL ASSETS	1,932,778	2,219,636	1,903,229

Comments

- **Investment properties 33 MSEK;** Textile Real Estate 33 MSEK. Djurgårdsbrunns Tennis 0,4 MSEK
- **Building and Land 612 MSEK;** Index Energy Ajax Corporation 611 MSEK
- **Other non-current receivables 609 MSEK;** Index Investment LLC 117 MSEK. Index Enterprise LLC 220 MSEK, Index Equity US LLC 38 MSEK, Florida Keys 56,6 MSEK and Brf Soltornet 174 MSEK
- **Residential units under development 237 MSEK;** Related to the purchase of shares in Fastighets AB Insjövasen, in order to acquire the land in Norrtälje Harbour.
- **Securities 95 MSEK,** Related to the commercial properties in USA, ONX1 and ONX 3
- **Receivables from associates 75 MSEK;** Berinne 32 MSEK, Nokon 6,7 MSEK, Arkensvik (Brf Södra Juvelen) 18 MSEK and Playce 5 MSEK
- **Other receivables 141 MSEK;** Index Apartments 116 MESEK. Expected to be repaid in full in Q3-Q4 after repayment of proceeds from sales of Monterey and Tarpon Harbor in Florida, US. Other receivables relates to Canada, Index Textile Real Estate

INDEX INVEST INTERNATIONAL AB (Publ)

Detailed Balance Sheet – Equity and liabilities

SEK thousand	2018-06-30	2017-06-30	2017-12-31
Equity attributable to Parent company shareholders			
Share capital	10,000	10,000	10,000
Reserves	36,013	3,737	742
Retained earnings including comprehensive income for the year	1,097,450	1,343,606	1,094,209
Non-controlling interest		-	-
Total equity	1,143,463	1,357,343	1,104,951
Non-current liabilities			
Borrowings	150,395	117,210	100,129
Bond loan	-	373,015	-
Derivatives	11,609	7,793	3,302
Other non-current liabilities	89,985	-	60,949
Deferred tax liability	59,524	49,756	55,681
Other provisions	860	65,958	1,570
Total long term-liabilites	312,373	613,732	221,631
Current liabilities			
Borrowings	8,686	3,570	18,628
Bond loan	284,625	-	374,050
Accounts payable	13,025	11,239	18,838
Invoiced but not increased income	56,962	113,068	78,381
Current tax liabilities	9,361	13,429	12,992
Derivatives	-	26,927	-
Other current liabilities	91,029	66,522	59,429
Accrued expenses and deferred income	13,254	13,806	14,329
Total current liabilities	476,942	248,561	576,647
TOTAL EQUITY AND LIABILITIES	1,932,778	2,219,636	1,903,229

Comments

- **Borrowings;** Bank loan to Index Norrtälje Holding 1 AB, 85 MSEK , BRF Våghuset 25 MSEK, Brf Havstornet 25 MSEK and other loans 15 MSEK
- **Solidity;** 59%, in Q2 2018
- **Derivatives ;** Change in fair market value during Q2, -4 MSEK
- **Other non-current liabilities;** Related to Loan facility in IEAC
- **Bond Loan;** Partial repayment of bond of 90,3 MSEK after sale of High Ridge Landing.
- **Invoiced but not earned income:** Sales of land in Norrtälje and Brf Soltornet. Income has been recognize as income in the legal entity. In the Group the income will be shown gradually as a percentage of completion
- **Other current liabilities:** Liabilities to owners 44,4 MSEK, Lantmännen 28,4 MSEK and other 14,8 MSEK

SWEDEN PROJECT DETAILS

Norrtälje Hamn



Magasinet

Soltornet
Sold out

Våghuset
site plan
completed

Havstornet
In sales and
marketing. 69
units sold.
Construction
start in
December
2018

Båthuset
site plan
expected to be
completed by
Q2 2019

Brf Soltornet

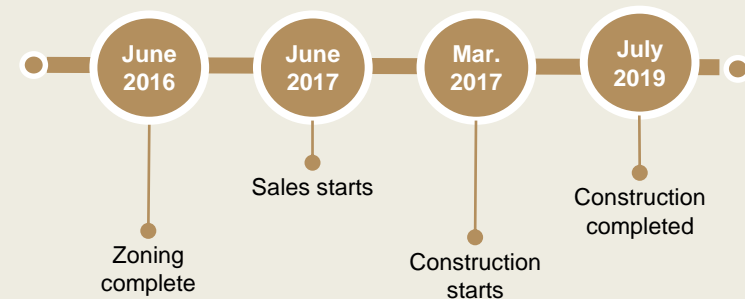
Brf Soltornet ("Soltornet) consists of 87 well designed condos located at the Harbor in Norrtälje

- Total Building area is 8,910 SQM, with a total living area of 6,780 SQM.
- Soltornet condos are sold at an average of 45 KSEK per SQM for a total of 306 MSEK. Including loan of 16 KSEK per SQM in the tenant association, total sales price amounts to 415 MSEK.
- Profit contribution >100MSEK
- As of September 2018, 84 out of 87 condos are sold.
- Project is expected to be finalized in Q3 2019
- Net proceeds ~100 MSEK in Q1 2019



Quick facts – Soltornet

 # Flats 87	 Capex 315 MSEK	 Equity 95 MSEK
 Senior Debt 220 MSEK	 Sales Price 415 MSEK	 Profit Contribution 100 MSEK



Brf Havstornet

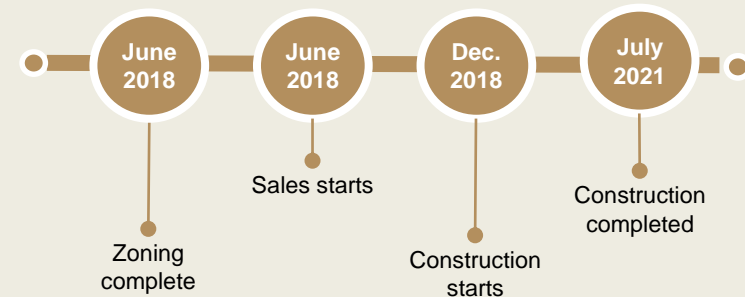
Brf Havstornet ("Havstornet") consists of 119 well designed condos located at the Harbor in Norrtälje. The building will be 72 Meters high, and the highest building in the northern Stockholm county

- Total Building area is 12,371 SQM, with a total living area of 9,048 SQM.
- Havstornet condos are sold at an average of 51 KSEK per SQM for a total of 465 MSEK. Including loan of 12 KSEK per SQM in the tenant association, total sales price amounts to 574 MSEK.
- Profit contribution >125MSEK
- Currently in marketing and sales. As of October 2018, 69 of the 119 condos are sold.
- Construction is planned to begin in December 2018
- Net proceeds ~125 MSEK in Q1 2022



Quick facts – Havstornet

 # Flats 119	 Capex 449 MSEK	 Equity 135 MSEK
 Senior Debt 314 MSEK	 Sales Price 574 MSEK	 Profit Contribution 125 MSEK



Index Enterprise LLC Project Financials

Index Enterprise LLC – REO Schedule per 2018-06-30 (USD)

Name/Location	Type	Year Built	Units	SF (Comml)	Acq. Date	% Owned	Occupancy%	As of Date	Fair Market Value "AS-IS"	External Appraisal	Total Loan	Current Equity
Marathon Ocean Housing Tarpon Harbour	MF	2016	104	531,432 Sq. Ft. 12.20 acres	2014-05-01	82%	97%	2018-06-30	40,670,000	Effective Date: Dec. 6, 2017 Fee Simple "As-Is": \$40,300,000 CW 17-48005-900673-001	21,275,903	15,903,160
Seaward Landing LLC	MF	Scheduled 2019	46	131,681 Sq Ft. 3.02 acres	2015-09-04	88%	0%	2018-06-30	2,250,000	Effective Date: Jun 19, 2018 Market Value Fee Simple \$2,250,000 10/01/19 As Complete \$12,340,000 11/01/19 As Stabilized \$12,500,000 Meridian # OMS-260585	813,544	1,256,899
Seaward Pointe LLC	SFR	Scheduled 2020	10	71,153 Sq Ft. 1.64 acres	2015-09-04	88%	0%	2018-06-30	3,850,000	Effective Date: Jun 28, 2018 Market Value Fee Simple \$4,500,000 Meridian # OMS-260585	2,199,581	1,444,116
Market Street Palm Coast	ALF	1990	64	3.88 acres	2016-02-09	50%	0%	2018-06-30	12,880,000	Effective Date: Apr 17, 2018 As Is: \$12,880,000 07/01/18 As Complete: \$16,000,000 07/01/20 As Stabilized: \$18,800,000 HealthTrust # 201880607	8,658,797	2,110,601
Viera Senior Housing	MF	2016	60	13.15 acres	2015-03-03	25%	50%	2017-09-30	17,800,000		11,052,139	1,686,965
Jupiter Harbor Office	OFF	2008	5	73,346 Sq Ft. 1.684 acres	2014-03-11	100%	100%	2018-06-30	3,600,000	Effective Date: 12/01/17 Leased Fee "As Is": \$3,600,000 Aucamp file: 17-1377	1,210,982	2,389,018
Jupiter Inlet Development	MIX	2018		68,694 Sq. Ft. 1.58 acres	2012-12-12	100%	53%	2018-06-30	6,900,000	Effective Date: 12/01/17 Leased Fee "As Is": \$6,900,000 Aucamp file: 17-1376	4,386,643	2,513,357
Florida Keys Resort	Land	1968		5,196,229 119.29 acres	2015-01-08	75%	0%	2018-06-30	18,200,000	Report Date: Feb. 21, 2017 Market "As Is": \$34,000,000 Prospective Stabilization: \$192,000,000 Under Construction CW 16-48005-900223	-	13,650,000
ONX1	IND	1964		4,891,047 Sq Ft. 112.28 acres	2012-08-07	75%	34%	2018-06-30	13,700,000	Effective Date: Dec 31, 2017 "Value As Is": \$14,200,000 IRR 159-2018-0059	5,635,911	6,048,067
ONX 3	IND	1861-1991 Renovated 2018		3,970,505 Sq. Ft. 91.15 acres	2012-11-13	50%	88%	2018-06-30	19,200,000	Effective Date: May 2, 2018 Leased Fee As Is: \$19,600,000 Stablized: #21,700,000 At Completion: \$22,000,000 CBRE # 18-047NY-1025-1	-	9,600,000
The Pointe on Westshore	MF	Scheduled 2019	444	1,004,058 Sq Ft. 23.05 acres	2017-05-05	98%	0%	2018-06-30	12,400,000	Effective Date: Sep 4, 2018 As Is Vacant Land: \$12,400,000 Market Value/Completion: \$124,800,000 Stabilization: \$130,200,000 IRR # 130-2018-0706	-	10,290,000
Commerce Pointe West Prescott St.	LAND	LAND		597,643 Sq Ft 13.72 acres	2016-04-21	100%	0%	2018-06-30	1,086,964		-	1,086,964
Total			733		0				\$152,536,964		\$55,233,500	\$67,979,148
Total in SEK (FX 8.75)									1,334,698,433		483,293,123	594,817,542
Loan to Value:											36% (first liens only)	

Summary of proposed amendments

Summary of proposed amendments in Index Invest International AB (publ) outstanding bond loan

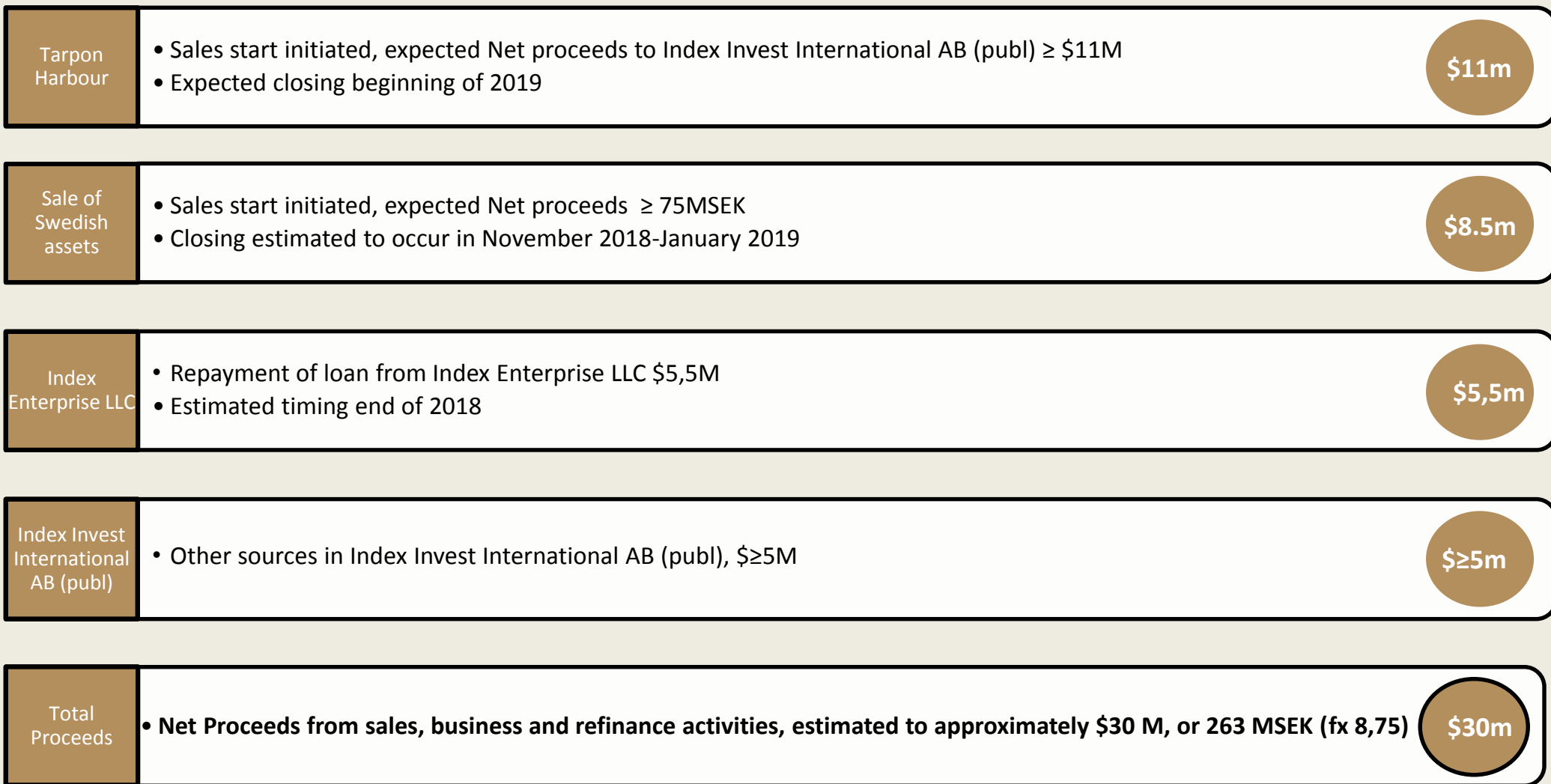
Amendments to the terms and conditions

- The company has on 24 October 2018 sent notice regarding a bondholders' meeting by way of written procedure in order to inter alia extend the term of the bonds with 6 months which implies that the final maturity date will be 22 May 2019. At the final maturity date the bonds will be redeemed at an amount of 104.00% together with accrued but unpaid interest.
- In addition to extend the term of the bonds, it is proposed that the company shall have the possibility to at any time partially repay bonds, provided that the total amount at each occasion is not less than SEK 50,000,000. Such amortizations are made to a premium of 104.00%.
- It is proposed that the interest rate is increased from 3 months Stibor plus 7.00% to 3 months Stibor plus 9.50% per annum from 22 November 2018 to 22 May 2019.
- If the company chooses to redeem all bonds in full prior to the final maturity date but after 22 November 2018, the bonds will be redeemed at 104.00% together with accrued but unpaid interest.
- The company will still have the obligation to partially repay bonds should the company receive proceeds from the property project in Florida, USA. In the terms and conditions of the bonds this is defined as "Property Project Proceeds". Amortizations relating to Property Project Proceeds is made to a premium of 104.00%.
- The company will still have the possibility to repay the bonds in full as per the existing final maturity date being 22 November 2018. If the bonds are redeemed in full on 22 November 2018, the bonds will be redeemed at a premium of 103.00% together with accrued but unpaid interest.

Liquidity and time table

LIQUIDITY FLOW CHART

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



TIMETABLE

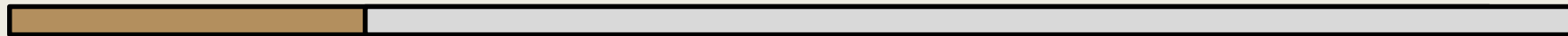
November 22nd 2018

February 22nd 2019

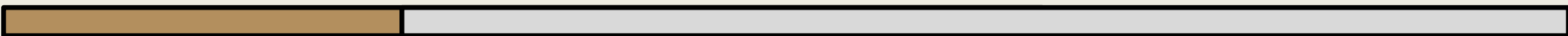
May 22nd 2019



- Repayment of loan from Index Enterprise LLC. Net proceeds used to partial repayment of bond ~ \$5.5M



- Sale of Swedish assets. Net proceeds used to partial repayment of bond ~\$8.5M



- Sale of Tarpon Harbour in Florida, USA. Net proceeds used to partial repayment of bond ~\$11M



- Sourced from refinancing and ordinary business activities in Index Invest International AB (publ) ~ \$5M



- Repayment in full if any outstanding bond



CONTACT DETAILS

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