IMPORTANT INFORMATION

This prospectus and the offer is not directed at investors in the United States, Canada, Japan or Australia or other countries where participation would require additional prospectuses, registration or other measures than those pursuant to Swedish law or would conflict with regulations in that country. No shares issued by the Company have been or will be registered under the United States Securities Act of 1933, the securities laws of any state of the United States or any province in Canada. Therefore, no new shares will be issued by the Company transferred or offered for sale in the U.S. or Canada, other than in such exceptional cases that do not require registration. Neither the prospectus nor any other offering documentation may be distributed in or into any country where such distribution or offering would require additional prospectuses, registration or other measures than those pursuant to Swedish law or would conflict with regulations in that country. Applications for subscription in breach of the above may be deemed to be invalid. This prospectus is subject to Swedish law. Disputes regarding the contents of this prospectus or related legal matters shall be settled exclusively by Swedish courts.

This prospectus contains forward related information, including assumptions regarding future market conditions, operations and financial performance. Forward looking information is always subject to uncertainty because all assumptions are based on current market conditions and circumstances. Although the Board believes that the forward looking information in this prospectus is based on reasonable considerations, the actual developments, events and financial performance may be materially different from expectations. It is essential that investors are fully aware of this uncertainty and make their own assessment. Refer to the section "Risk Factors" in the Securities Note and "Business and industry related risk factors" in the registration document.
PART 1 – SUMMARY – EUROPEISKA SKOGSFONDEN 3 AB

Summaries consist of information requirements set in "points" and the numbering of sections A - E (A.1 - E.7). This summary contains all the items required in a summary of the current type of security and issuer. Because some items are not applicable to all types of prospectus, there may be gaps in the paragraph numbering. Although it is required that an item should be included in the summary of the securities and issuers, can it be that relevant information not can be given regarding the point. This information has been replaced with a short description of the item along with the mention "not applicable".

### SECTION A – INTRODUCTION AND WARNINGS

<table>
<thead>
<tr>
<th>A.1</th>
<th>Warning</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This summary should be considered as an introduction to the Prospectus and any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability may be imposed on the persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent with the other parts of the prospectus or, if not, along with other parts of the prospectus, gives relevant information to help investors when considering whether to invest in such securities.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>A.2</th>
<th>Consent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Company agrees that financial intermediaries use this prospectus for resale or final placement of securities. The period that the prospectus may be used for resale is August 12, 2013 to 31 December 2013. The prospectus shall, where appropriate, be made available in its entirety for the investor.</td>
</tr>
</tbody>
</table>

A financial intermediary using this prospectus for resale should inform potential investors about their conditions.
## SECTION B – ISSUER AND ANY WARRANTOR

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B.1</strong></td>
<td><strong>Company</strong></td>
<td>Europeiska Skogsfonden 3 AB (publ) is an unlisted public Company registered in Sweden.</td>
</tr>
<tr>
<td><strong>B.2</strong></td>
<td><strong>Domicile and legal form</strong></td>
<td>The Company was formed and registered on 2013-05-03 with firm Avstampet Dec 989 AB. No operations have been conducted since then and the Company's equity comprised share capital. The Company changed its name in June 2013 to Europeiska Skogsfonden 3 AB (publ). The Company is based in Stockholm. The Company's operations are regulated by the Companies Act (2005:551).</td>
</tr>
<tr>
<td><strong>B.3</strong></td>
<td><strong>Description of the issuer's business</strong></td>
<td>The Company's mission is to acquire and develop forest land in countries within the EU, where the purchase price is low and conditions are good to manage the forests in a cost effective way. By selling forest products and ultimately forestland yield are generated to the benefit of the shareholders of the Company. The Company competes in the market for forest land and in the local timber market. The Company intends to bring in equity capital through one or more issues of B-shares until 31 December 2013. The AGM authorized the Board until the 2014 AGM to raise capital up to the limit of the Company's Articles of Association.</td>
</tr>
<tr>
<td><strong>B.4</strong></td>
<td><strong>Description of industry trends</strong></td>
<td>Price statistics show that prices of forest land in Sweden is increasing steadily over very long periods of time. (Source: LRF Konsult). The same trend can now be found in several Eastern European countries. Price differences are still significant compared to Western Europe but the difference is rapidly decreasing. Demand for renewable natural resources is increasing. For example the use of wood fuel in heating plants and in the production of round wood has steadily increased the last 15 years. (Source: &quot;Forest Agency Official Statistics&quot;). The Company believes that the importance of forests will continue to grow as a producer and supplier of renewable energy that does not contribute to increasing the amount of greenhouse gases in the atmosphere.</td>
</tr>
</tbody>
</table>
**B.5 Group**

The Company will have both Class A shareholders and Class B shareholders. Management Company, the European Forest Management OÜ, a Company incorporated in Estonia, owns all the voting A shares and thus the parent Company of the Europeiska Skogsfonden 3 AB. Europeiska Skogsfonden 3 AB will own subsidiaries in each country where the investment takes place. The subsidiaries are 100% owned by the Europeiska Skogsfonden 3 AB.

**B.6 Notifiable persons, major shareholders, and control of the Company**

The Company is managed and administered by the European Forest Management OÜ in accordance with the Management Agreement. European Forest Management OÜ is fully responsible for the Company's management and business operations. The Management Company holds all A-shares in the Company under which the Management Company through voting A shares and Management Agreement in practice controls everything relating to the Company. Patrik Lingårđh owns the Management Company. Currently there are 2 000 000 outstanding Class A-shares owned by the European Forest Management OÜ and 0 B-shares. No B-share holder holds a part of the capital or voting rights which is notifiable in Sweden.

**B.7 Selected historical financial information**

By May 31, 2013 the Company had cash and cash equivalents of approximately 0,5 MSEK.

The Company's revenue comes mainly from cuttings. During the investment period, which is the latter part of 2013 and throughout 2014 the business is focused on the acquisition of forest land. Cuttings begin only after all the capital is invested.

**Profit and loss**

<table>
<thead>
<tr>
<th></th>
<th>2013-05-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating income</td>
<td>0</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>0</td>
</tr>
<tr>
<td>Other external expenses</td>
<td>0</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>0</td>
</tr>
</tbody>
</table>

**Balance sheet**

<table>
<thead>
<tr>
<th></th>
<th>2013-05-31</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>500 000</td>
</tr>
<tr>
<td>Equity and liabilities</td>
<td></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>500 000</td>
</tr>
<tr>
<td>Total equity</td>
<td>500 000</td>
</tr>
<tr>
<td>Total equity and liabilities</td>
<td>500 000</td>
</tr>
<tr>
<td></td>
<td>Cash Flow</td>
</tr>
<tr>
<td>-----</td>
<td>-----------</td>
</tr>
<tr>
<td></td>
<td>Cash flow from operating activities</td>
</tr>
<tr>
<td></td>
<td>Cash flow from investment activities</td>
</tr>
<tr>
<td>Financial activities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>This year’s issue</td>
</tr>
<tr>
<td></td>
<td>Cash flow from financial activities</td>
</tr>
<tr>
<td></td>
<td>Change in liquid funds</td>
</tr>
<tr>
<td></td>
<td>Cash and cash equivalents at end of year</td>
</tr>
</tbody>
</table>

B.8 Proforma
Not applicable, the Company has not established a pro forma accounting.

B.9 Profit forecast
Not applicable, the Company has not made any profit forecast.

B.10 Remarks in the audit report
Not applicable, there are no remarks in the audit report.

B.11 Inadequate working capital
Not applicable, the Company has sufficient working capital.

SECTION C – SECURITIES

<table>
<thead>
<tr>
<th>C.1</th>
<th>Type of securities</th>
<th>The issue relates to B-shares in Europeiska Skogsfonden 3 AB. Owners will be registered by Euroclear Sweden AB with an unique ISIN code.</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.2</td>
<td>Currency</td>
<td>Securities are denominated in Swedish kronor, SEK.</td>
</tr>
<tr>
<td>C.3</td>
<td>Shares that are issued and paid</td>
<td>All shares issued are fully paid. Total number of shares amounts to 2 000 000 pcs which are all class A shares. No B-shares are issued.</td>
</tr>
<tr>
<td>C.4</td>
<td>Rights associated with the securities</td>
<td>The Articles of Association states that one (1) Class A shares entitle to ten (10) votes and one (1) Class B-share entitles to one (1) vote. Upon full subscription of 400 000 shares will B-shares hold 2 percent of the votes and 16.8 percent of the total shares of the Company. The Company is fully controlled by European Forest Management OÜ through 2 000 000 voting A shares, in the current situation, equivalent to 100% of the shares and 100% of the votes. The holders of Class B-shares will have a limited influence and ability to influence decisions that may be taken by the Company's shareholders. Dividends, other rights etc. Holders of Class B-shares are entitled to dividends as of fiscal year 2014 relative to B-shares in proportion to the total share capital after the issue.</td>
</tr>
<tr>
<td>C.5</td>
<td>Any transfer restrictions</td>
<td>In accordance with the Company's Articles of Association § 8 may, at the discretion of The Company's Board of Directors, redemptions take place of all shares of series B. Otherwise there are no restrictions on the transfer of the Company's shares to another party.</td>
</tr>
<tr>
<td>C.6</td>
<td>Trading in securities</td>
<td>The Company will in late 2014 join the B-shares to an Alternative Stock Market or similar venue. The management Company will act as market maker comprising quote bid and ask prices at each trading session and guaranteeing a certain volume of trade.</td>
</tr>
<tr>
<td>C.7</td>
<td>Dividend Policy</td>
<td>The Company's objective is to distribute all or part of the profit each year.</td>
</tr>
<tr>
<td>D.1</td>
<td>Principal risks of the Company and the industry</td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>There are a number of risk factors affecting the Company's results and financial position. The most significant risks are described below, according to the Company. For a full description of all the risk and its consequences investors should carefully read the entire Prospectus with particular regard to the risks described.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Company</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Dependence on key personnel</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>A few key people own the skills and contacts necessary to implement the Company’s investments. Should one or more of these people be lost the Company risks being delayed and possibly forced to cease their investments. The return could then be adversely affected.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>The price of forest products</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Company’s ability to deliver results and thus create the basis for dividends is affected by the prices of forest products. A sharp fall in timber prices will affect harvesting volumes which affects dividends.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>The price of forest land</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The value of the Company’s assets is affected by the prices of forest properties. The sharp fall in prices reduces the value of assets which affects the Company's value negatively. A sharp decrease in the value of forest estates can mean that an investor will lose part of their invested capital.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>The industry</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Tax Risks</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Company conducts its operations in accordance with current tax laws in the countries in the EU. With any new laws and regulations, there is a risk that this will negatively affect the Company's ability to generate returns.</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Currency related risks</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Company raises money in Swedish kronor, switching to local currency for their investments and sell wood in local currency. The Company then switch back to Swedish kronor for dividends and similar. At all switching moments there are a currency risk affecting the Company's ability to return.</td>
<td></td>
</tr>
</tbody>
</table>
**SECTION E – OFFER**

<table>
<thead>
<tr>
<th>E.1</th>
<th>Income and expenses relating to the offering</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Assuming full subscription, the Company will raise a maximum of 62,4 MSEK before issue costs. Issue costs consist of a variable cost of eight (8) percent of the total investment capital, and a fixed cost of 0,5 million SEK.</td>
</tr>
</tbody>
</table>

**Management fee**
Annual management fee comprises 1,50 percent of total assets under management.

**Incentive Fees**
An incentive fee is paid to the management Company representing 10% of the increase in value over a period of maximum 7 years including 10% of the dividend amount each year.

**Summary of fees**

<table>
<thead>
<tr>
<th>If the offer is fully subscribed</th>
<th>Procent</th>
<th>Belopp, MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue costs, variable part</td>
<td>8 %</td>
<td>5,136</td>
</tr>
<tr>
<td>Issue costs, fixed part</td>
<td></td>
<td>0,5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5,636</td>
</tr>
<tr>
<td><strong>E.2</strong></td>
<td><strong>Purpose</strong></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Purpose</td>
<td>The purpose of the Offer is to give the Company an adequate capital base to finance investments in forest holdings in line with the Company’s strategy. The Company intends to increase the share capital by a maximum of 100 000 SEK.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>E.3</strong></th>
<th><strong>Terms and conditions</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>On Board meeting in June 2013 the Company’s Board of Directors decided to issue a maximum of 400,000 shares of series B. This will provide the Company with a maximum of 62.4 million SEK before issue costs, estimated at a maximum of 5,636 million SEK. The subscription price is for the initial subscription period 150 SEK and minimum subscription amount is 60 000 SEK, corresponding to 400 shares. The subscription price in the second subscription period is 152 SEK and the minimum subscription is 60 800 SEK, corresponding to 400 shares. Subscription rate in the third period is 154 SEK and minimum subscription amount is 61 600 SEK, corresponding to 400 shares. The subscription price in the fourth period is 156 SEK and the minimum subscription is 62 400 SEK, corresponding to 400 shares.</td>
</tr>
</tbody>
</table>

The issue is made for the public and runs from 12 August 2013 to 31 December 2013.

**Issue Agent / Broker**
Aqurat Fondkommission AB

**Currency**
Currency of the securities is Swedish kronor (SEK)

**The price for class B-shares**
The price is set to SEK 150 per B-share in the initial subscription period and then raised with SEK 2 of each subscription period. For the final and fourth subscription period the price is SEK 156 per B-share. The Board of Directors decides on the subscription price in connection with the decision to issue new shares. The Board then makes an assessment of the market value of the class B-shares to the value of Company assets and the ability to raise capital.

The reason for gradually increasing the price is the biological growth that occurs in the possession of forest land.
Subscription Amount
Subscription Period 1: 60 000 SEK, then optionally
Subscription Period 2: 60 800 SEK, then optionally
Subscription Period 3: 61 600 SEK, then optionally
Subscription Period 4: 62 400 SEK, then optionally

Application for subscription
Period 1 runs from 12 of August to 20 of September 2013.
Period 2 runs from 23 of September to 25 of October 2013.
Period 3 runs from 28 of October to 29 of November 2013.
Period 4 runs from 2 of December to 31 of December 2013.

The Board can decide to prolong Period 4.

Applications for subscription is done by sending the completed registration form to the Issue Agent by mail, email or fax, or leave on spot to the Issue Agent at the following address:

Agras Fondkommission AB
Box 7461
103 92 Stockholm
Tfn 08-684 05 800
Fax 08-684 05 801
E-post info@agrat.se
Visiting address Mårargatan 7, 111 22, Stockholm

The completed application form must be send to the Issue Agent no later than the last day of each application period.

Please note that subscriptions are binding and cannot be withdrawn, removed or modified. In the event of multiple applications submitted by one investor only the last one will be binding.

The prospectus and subscription form can be downloaded from www.euroforest.se and www.agrat.se

If necessary, these documents can also be obtained directly from the Company by telephone: 08-566 300 25 or email: info@euroforest.se
Allocated shares
Allocation decision will be made by the Board. Investors will be notified by receiving a bill by mail. In case of oversubscription, allocation may be withheld or made with a smaller number of shares.

Subscribed and paid shares (BTAs) partial registration and delivery of shares
Payment of the shares of class B shall be done according to instructions on the bill from the Issue Agent. Payment shall be made no later than three (3) days of receipt of the bill.

Paid shares
Once payment has been done the Issue Agent deliver a "BTA" (Interim shares) to each securities account and Euroclear Sweden sends out a notice indicating the number of scheduled BTA on the securities account. Notification to investors whose holdings are registered will be in accordance with the respective nominee. As soon as the shares subscribed for have been registered in the Companies Registration Office the Issue Agent converts BTA to B-shares in the Euroclear system.

Anyone who subscribes for shares of Class B-shares must have a securities account at Euroclear or a securities account with a bank or brokerage firm, where delivery of BTA and B-shares can be made. Persons without securities account must open one of these before delivery can be made.

ISIN code
Euroclear Sweden assigns Company shares a unique ISIN code.

Investment horizon
The investment horizon for the Company is not limited in time.

Market for the B-shares / Secondary Market
B-shares in the Company will after the fundraising period be admitted to official trading on Alternativa Aktieremarknaden or similar venue.

To ensure liquidity in the market, European Forest Management OU will act as market maker for the trading of B-shares.

After the fundraising period and before the official trade is entered, investors can buy or sell the Company's B-shares through brokerage list of Alternativa Aktieremarknaden.
<table>
<thead>
<tr>
<th>E.4</th>
<th>Interests and conflicts of interest</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Company and the Management Company are separate legal entities with their converging interests. The potential conflict of interest is transfer of money from the Company to the Management Company. These transactions are regulated in an agreement, the Management Agreement. Patrik Lingårdh, which has private economic interests in the Management Company acts as a board member in both the Company and the Management Company. The other two members of the board in the Company, Almar Burvall and Carl-Henric Kuylenstierna is not partners in the Management Company. They act as detector of the relationships between the companies. The Company is signed for alone by Patrik Lingårdh besides operating activities as also can be signed by the President.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E.5</th>
<th>Names of people who sell securities or any interlocking agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not applicable, no person is selling securities and no blocking agreement exists.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E.6</th>
<th>Dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If the share issue are fully subscribed the number of B-shares will be increased by a maximum of 400,000 shares of Class B. This corresponds to a dilution of up to 16.8 percent of the shares and 2 percent of the votes in the Company.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>E.7</th>
<th>Cost for the investor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commission amounts to a maximum of 2,5 % of the amount invested.</td>
</tr>
</tbody>
</table>
PART 2 – SECURITIES NOTE – EUROPEISKA SKOGSFONDEN 3 AB

IMPORTANT INFORMATION

This prospectus and the offer is not directed at investors in the United States, Canada, Japan or Australia or other countries where participation would require additional prospectuses, registration or other measures than those pursuant to Swedish law or would conflict with regulations in that country. No shares issued by the Company have been or will be registered under the United States Securities Act of 1933, the securities laws of any state of the United States or any province in Canada. Therefore, no new shares will be issued by the Company transferred or offered for sale in the U.S. or Canada, other than in such exceptional cases that do not require registration. Neither the prospectus nor any other offering documentation may be distributed in or into any country where such distribution or offering would require additional prospectuses, registration or other measures than those pursuant to Swedish law or would conflict with regulations in that country. Applications for subscription in breach of the above may be deemed to be invalid.

This prospectus is subject to Swedish law. Disputes regarding the contents of this prospectus or related legal matters shall be settled exclusively by Swedish courts.

This prospectus contains forward related information, including assumptions regarding future market conditions, operations and financial performance. Forward looking information is always subject to uncertainty because all the assumptions are based on current market conditions and circumstances. Although the Board believes that the forward looking information in this prospectus is based on reasonable considerations, the actual developments, events and financial performance may be materially different from expectations. It is essential that investors are fully aware of this uncertainty and make their own assessment.

Refer to the section "Risk Factors related to instruments offered" in the Securities Note and "Business and industry related risk factors" in the registration document.
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<td>Information about current securities</td>
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<tr>
<td>Tax issues</td>
<td>32</td>
</tr>
</tbody>
</table>
RISK FACTORS

It is very important that potential investors examine the entire Prospectus and carefully consider the risks described below and the section entitled "Business and industry related risk factors" in the registration document and make its own analysis before making investment decisions. Investing in shares is often fraught with risk. A number of factors beyond the Company’s control may affect the Company’s results and financial position, and thus the valuation of the Company’s shares and other securities. In addition, there are a number of factors which the Company may affect in its conduct. Listed below are a number of factors that may affect the valuation of the Company’s shares and securities. These risk factors are not listed in order of priority and do not purport to be comprehensive. Additional risk factors not currently known may affect the Company's operations, performance, achievements or financial position. If in doubt, advice should be sought from qualified advisors.

The capital market in general
The risk that the value of the Company B-shares decreases is closely linked to the development of the capital market and the economy as a whole. Such factors which could adversely impact the value of the Company include rising interest rates, higher yield expectations, tax on corporate profits and dividends, wealth tax and a general worsening of the national or international economy.

B-share value
The purpose of the Company is to acquire and manage forest properties within the EU. Through an active forest management and ongoing purchase and sale of forest land yield shall be created.

After the fundraising period, B-shares is to be admitted to monthly or weekly trading on Alternativa Aktiemarknaden or equivalent official venue with a guaranteed cash up to a certain limit per trading session. The purpose of offering trading of B-shares is that investors at any time can sell or buy B-shares at a market price. Due to the fact that the Company’s B-share will be listed at an official venue, it is likely that the value of the Company's B-shares will be affected by developments in the capital market in general, to a certain extent and in a similar way as a listed share.

If the market value of the Class B-shares is less than the initial investment made by the investors, the shareholders of both series A and series B will obtain negative returns.

B-shares’ value and liquidity risk
The Class B-shares may rise or fall in value and there is no guarantee that the investment will be repaid. The Class B-shares are freely transferable and will be registered with Euroclear Sweden (formerly VPC).

The Company’s B-shares will be listed for monthly or weekly trading on Alternativa Aktiemarknaden or similar venue. The Management Company, European Forest Management OU, will ensure liquidity in trade by acting as "market maker" and at each
trading opportunity set bid and ask prices for the B-shares and guarantee a certain purchase and sales volume. The Company expects sales in the trade, in a normal market, on average, will amount to a maximum of 500 000 SEK per month.

When the financial market is tumbling, financial crises or other unpredictable events occur and the capital market in general seeking to minimize their exposure in equities the need for revenue in the Company's shares might sharply exceed the normal level. This may result in that a holder of the Company's Class B-shares cannot sell their shares at a given time.

The development of the Company's operations, the valuation of the underlying properties and expectations of the development of these properties will affect the valuation of the shares of the Company. Also the stock market in general will affect the value of B-share.

**Risk related to how the Company is controlled**
The Company is controlled by the Management Company through voting A-shares. Because of this fact, it is conceivable that there exists a risk that the class A-shareholders may have interests that may differ from the B-shareholders. Directors, with the exception of Patrik Lingårdh, are independent of the Management Company, which minimizes the risk of adverse effects on the Company's Class B-shareholders regarding conflicts of interest. In addition, the Management Company is a large B-shareholder of the Company. It cannot be excluded that the Management Company, by virtue of their voting A-shares, pushing through decisions that negatively affects the B-shareholders' interests.

**Taxes and fees**
The Company is structured to be efficient from a tax and fee perspective. Changes in applicable regulations may affect such costs, as changes may result in significant additional costs in the form of increased tax costs for the Company. In addition, the corresponding consequences follow from the application of the present regulations, for the case that the authorities adopt new practices in relation to the adaptation that the Company made to the rules. Changed rules, new practices or inadequate control of existing rules may charge the Company with unpredictable costs and thus adversely affect the value of the Company and thus the value of the Class B-shares.
DEFINITIONS

Company or Fund
Europeiska Skogsfonden 3 AB (publ.), org.nr 556930-9940

Issue
Refers to the issuance of shares of Class B

Issue Agent
Aqurat Fondkommission AB

Offer
Refers to Class B-shares under the terms described in the Summary, Securities Note and Registration Document.

EUROCLEAR
Euroclear Sweden AB (previous VPC AB)

Management Company
European Forest Management OU, a limited Company registered in Estonia with ID.nr 11591116

ISIN CODE
All securities in the Euroclear system is assigned a unique ISIN number of the international ISO standard

Management Agreement
Management and administrative agreements between the Company and the Manager, see the registration document

MSEK
Millions of Swedish Kronor

SEK
Swedish Kronor

The prospectus has been approved and registered by the Finansinspektionen in Sweden in accordance with the provisions of the Act (1991:980) on trading in financial instruments. The approval and registration does not imply that Finansinspektionen guarantees that the factual information in the prospectus is accurate or complete.

This Prospectus consists of three different parts: Summary, Securities Note and the Registration Document. If it becomes necessary to issue additional Class B-shares, a new Securities Note and Summary will be established. Registration Document is valid for twelve months from the publication.
SUMMARY OF TERMS

Issuer
Europeiska Skogsfonden 3 AB (publ.),
org. nr. 556930-9940

Eligible for subscription
Issue for the public

Securities
Class B-shares

Subscription price
Period 1: 150 SEK
Period 2: 152 SEK
Period 3: 154 SEK
Period 4: 156 SEK

Minimum subscription amount
Period 1: 60 000 SEK
Period 2: 60 800 SEK
Period 3: 61 600 SEK
Period 4: 62 400 SEK

Ownership Register
Euroclear Sweden AB
Klarabergsviadukten 63
Box 191
SE-101 23 Stockholm

ISIN CODE
SE0005365392

Issue Agent
Aqurat Fondkommission AB
Org.nr 556736-0515
Tfn 08-684 05 800
Fax 08-684 05 801
E-mail: info@aqurat.se
Postal address: Box 7461, 103 92 Stockholm
Visiting address: Målargatan 7, 111 22 Stockholm

Manager
European Forest Management OÜ

Auditor
BDO Nordic Stockholm AB

Commission
2,5 %

Management fee
1,50 percent of total assets under management,
charged per calendar year in advance.

Performance fee
10 % of dividend and 10 % of the increase of the
Company value within 7 years.
### Subscription
- Period 1 from 12 of August to 20 of September 2013.
- Period 2 from 23 of September to 25 of October 2013.
- Period 3 from 28 of October to 29 of November 2013.
- Period 4 from 2 of December to 31 of December 2013.

The Board can decide to prolong Period 4.

Applications for subscription are done by sending the completed registration form to the Issue Agent by mail, email or fax, or leave on spot to the Issue Agent.

### Prospectus and Application
The completed application form must be sent to the Issue Agent no later than the last day of each period. Please note that subscriptions are binding and cannot be withdrawn, canceled or amended.

The prospectus and subscription form can be downloaded from the European Forest Fund website, [www.euroforest.se](http://www.euroforest.se) If necessary, these documents can also be obtained in hard copy from the Company on 08566300 or 25 info@euroforest.se

### Maximum subscription amount
62 400 000 SEK

### Maximum amount of B-shares
400 000 B-aktier

### Oversubscription
If the issue is fully subscribed, the Company's Board of Directors, with the approval of the General Meeting's authorization, can emit additional B-shares. The Board is authorized to issue B-shares up to the limit of the share capital stated in the Company's Articles of Association.

### Preliminary settlement date
Settlement date for subscription applications is 1 week after the last day of each period. Settlement date can be postponed.
RESPONSIBLE PERSONS

This Securities Note has been prepared by the Board of Europeiska Skogsfonden 3 AB (publ). The following members of the Board are responsible for the information contained in this Securities Note and declares that, having taken all reasonable actions to ensure that the information in the Securities Note, the best of their knowledge, in accordance with the facts and contains no omission likely to affect the assessment of its meaning.

Stockholm in August 2013

Patrik Lingårdh      Almar Burvall      Carl Henric Kuylenstierna
Styrelseordförande  Styrelseledamot & vd  Styrelseledamot
KEY INFORMATION

Presentation of the working capital
The Company believes that the working capital is sufficient for the next twelve months and that the capital is sufficient to execute the Company’s business plan.

The Company intends to implement forest investments in accordance with the Company’s strategy and thus required the funds obtained through the Offer. In the event that the current issue is not fully subscribed, the Company's investments will be adjusted by the size of the proceeds.

The Board believes that the Company's strategy will be implemented even if the issue is not fully subscribed, but with lower investment volume. The extent of future purchases will be adjusted according to the amount actually received by the Offer.

Summary of the financial statements

Profit and loss report 2013-05-31
Operating income 0
Operating costs 0
Other external costs 0
Operating result 0
Profit of the period 0

Balance Sheet 2013-05-31
Total assets 500 000
Equity and liabilities
Equity
Capital stock 500 000
Net income 0
Total equity 500 000
Total equity and liabilities 500 000
Capitalisation and Indebtedness
The Company had on 31 May 2013, SEK 500 000 in total shareholders' equity divided into 2 000 000 Series A-shares and 0 shares of Series B, each share with a par value of 0.25 SEK. The Company's share capital shall be according to the Articles of Association be a minimum of 500 000 SEK and a maximum of 2 000 000. The intention is that the operation should only be financed with equity. The Company has no debt.

_Eget Kapital_ 2013-05-31 -

Total current liabilities
- On bail - -
- Secured - -
- Unsecured - -

Total long-term liabilities
- On bail - -
- Secured - -
- Unsecured - -

Total Equity
- Share capital 500 000 -
- Restricted reserves - -
- Free reserves - -

500 000 -

Net indebtedness

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Cash</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>B. Liquid assets</td>
<td>500 000</td>
<td>-</td>
</tr>
<tr>
<td>C. Trading securities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>D Liquidity (A+B+C)</strong></td>
<td>500 000</td>
<td>-</td>
</tr>
<tr>
<td>E. Short-term receivables</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>F. Short-term bank debt</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>G. Current portion of long term debt</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>H. Other current liabilities</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>I. Current liabilities (F+G+H)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>J. Net current debt (I-E-D)</strong></td>
<td>-</td>
<td>500 000</td>
</tr>
<tr>
<td>K. Long-term bank loans</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>L. Bonds issued</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>M. Other long-term loans</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>N. Long-term debt (K+L+M)</strong></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net indebtedness = (J+N)</strong></td>
<td>-</td>
<td>500 000</td>
</tr>
</tbody>
</table>
### Issue History

<table>
<thead>
<tr>
<th>Year</th>
<th>Transaction</th>
<th>Share Class</th>
<th>Increase of shares</th>
<th>Increase of share capital</th>
<th>Total amount of shares</th>
<th>Total share capital</th>
<th>Par value (kr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-05-06</td>
<td>Formation</td>
<td>A</td>
<td>50 000</td>
<td></td>
<td>50 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-06-10</td>
<td>New Issue</td>
<td>A</td>
<td>450 000</td>
<td>450 000</td>
<td>2 000 000</td>
<td>500 000</td>
<td>0,25</td>
</tr>
</tbody>
</table>

### Indication of involved entities and any financial or other interests

Board member Patrik Lingårdh is also a director and shareholder of European Forest Management OÜ who is the owner of all of the Company's Class A-shares. The Company has entered into Management Agreement with the Management Company who will receive management fees from the Company. The Management Agreement includes limitations for the Management Company to set up and manage companies that compete with the Company's business. Acquisition of capital and investment in forest land under the agreement may not be made during the same period of time. This means that competition between companies regarding equity and forest land is excluded.

In addition to this, there is no financial or other interest that could affect the Company or any of the persons and companies involved in the Offer. There have been no specific arrangements with major shareholders, customers, suppliers or others, pursuant to which any person elected to the Company's administrative, management or supervisory bodies or member of senior management.

### Reasons for the Offer and use of funds

The purpose of the Offer is to give the Company enough capital to fund its real estate investments in forest properties in line with the Company's strategy. The Company intends to increase the share capital by 100 000 SEK through this Offer. The equity is constitutes a base for building a portfolio of forest investments consisting of forest land in the EU.

By the time for the approval of the prospectus the Company has made no acquisitions. If the Offer is fully subscribed, the Company will be provided a maximum of 62.4 million SEK before issue costs which amounts to about 5,636 million SEK. The funds will be used for the acquisition of forest land. In the event that the Offer is not fully subscribed the investment volume will be adjusted. The amount received in the issue affects only the extent of the Company's business and the Company may adjust the number of properties that can be acquired and subsequently sold. The Board therefore considers that the Company's strategy will be implemented even if the Offer is not fully subscribed.

### Fees, costs and expenses

For the management of the Company the Management Company shall receive remuneration in accordance with what is stated below.

### Issue cost

Issue costs consist of a variable cost of eight (8) percent of the total investment capital provided to the Company as equity, or similar, plus a fixed fee of up to 500 000 SEK.
Management fee
Annual management fee comprises 1.50 percent of total assets under management and charged per calendar year in advance.

Incentive Fees
Incentive fees consist of 10 percent of the increase in value that occurs in the Company for a maximum period of 7 years. The amount is calculated as 10 percent of the increase in value of the Company's Class B-shares during a maximum period of 7 years based on the difference between the initial issue price of the Fund's Class B-shares at the start of the capitalization, and the official market rate shown for the Fund's Class B-shares on the Alternative Stock Market, or similar venue, within a period of 7 years after listing. The incentive fee may be requested not earlier than three years after the B-shares are admitted to official trading and at the latest 7 years from the first day of trading. After seven years it is no longer possible to request the incentive fee.

Incentive fees also fall out with 10 percent of the total amount of dividend paid each year.

Summary of fees
The following table intends to illustrate the amount of fees in relation to the total issue amount if the issue is fully subscribed. The table does not include incentive fees.

Issue costs are one-time costs, while the management fee will be paid annually. Fully subscribed the issue would provide the Company with 62,4 MSEK and after deduction of issue costs it remains 56,764 MSEK to invest in the Company’s operations.

<table>
<thead>
<tr>
<th>Issue costs at fully subscribed offer</th>
<th>Percentage</th>
<th>Amount, MSEK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue cost, variable</td>
<td>8%</td>
<td>5,136</td>
</tr>
<tr>
<td>Issue cost, fixed</td>
<td></td>
<td>0,5</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>5,636</td>
</tr>
</tbody>
</table>
TERMS AND CONDITIONS

General
The Company's Board of Directors decided at the Board meeting in June 2013, with the support of the General Meeting authorization by June 2013, to issue a maximum of 400,000 shares of series B. Fully subscribed the issue provides the Company with a maximum of 62,4 MSEK before issue costs. Issue costs and compensation to the Management Company according to agreement is estimated to a maximum of 5,636 MSEK. In relation to the total issued amount equivalent to approximately 8.8 percent.

The subscription price is for the first subscription period 150 SEK, in the second period 152 SEK, in the third period 154 SEK and in the fourth period 156 SEK.

Commission will be charged with a maximum of 2,5% of the amount subscribed. If the issue is fully subscribed the number of B-shares will be increased by a maximum of 400 000 pieces. This corresponds to a dilution of up to 16,8 percent of the shares and 2 percent of the votes in the Company.

Issue Agent
Issue Agent is Aqurat Fondkommission AB.

Currency
Currency of the securities is Swedish kronor (SEK).

Subscription Price
The Board has approved the subscription prices and responsible for the determination of the subscription price. The subscription price is SEK 150 per share in the initial subscription period, SEK 152 in the second period, SEK 154 in the third period and SEK 156 in the fourth. Commission fee will be charged with a maximum of 2,5 percent of the amount subscribed. There are no additional costs for the investor. A net asset valuation of the Company prior to the initial subscription period gives a value of approximately 500 000 SEK which represents the proceeds paid for the Class A-shares by the founder, European Forest Management OU.

Subscription rates in the forthcoming issues have been set at a level that is expected to match the net asset value of the Class B-shares of the Company without reduction of transaction costs. The Company’s operations are based on the existence of cash in the Company that can be used for investments according to the Company’s business plan. This implies that the shares are issued at a premium. Without issuing shares at a premium there would be no cash in the Company, and the Company would not be able to conduct any business. Given that the Company is newly established, without business history, and differs substantially from other companies with business operations, the Company has not used any established method for determining the price of the stock.
Subscription prices have been decided on the basis of historical subscription prices in Europeiska Skogsfonden 1 & 2, the current situation in the capital market, the Company's business potential and the value of the Company after the issue.

Subscription prices increases with 2 SEK per subscription period. This is motivated by the biological growth that occurs in the Company’s portfolio of forest land during the fundraising period. Together with an exponential increasing value of a growing property portfolio the Board has estimated the total value of these two factors to be about 5% over the fundraising period. Divided evenly over the subscription periods it gives an increase of 2 SEK per subscription period.

**Subscription Amount**
The minimum subscription amount in the initial subscription period is 60 000, corresponding to 400 shares, in the second period 60 800 SEK, corresponding to 400 shares, in the third period 61 600 SEK, corresponding to 400 shares, and in the fourth period 62 400 SEK, corresponding to 400 shares. Over minimum subscription amount 100 shares may be subscribed.

**Application**
Application can be made by the public during four subscription periods:

- Period 1 runs from 12 of August to 20 of September 2013.
- Period 2 runs from 23 of September to 25 of October 2013.
- Period 3 runs from 28 of October to 29 of November 2013.
- Period 4 runs from 2 of December to 31 of December 2013.

Subscription period 4 can be extended.

Applications for subscription are done by sending the completed registration form to the Issue Agent by mail, email or fax, or leave on the spot to the Agent at the following address:

Aqurat Fondkommission AB  
Box 7461  
103 92 Stockholm  
Tfn 08-684 05 800  
Fax 08-684 05 801  
E-mail: info@aqurat.se  
Visit at: Målargatan 7, 111 22, Stockholm

The completed application form must be at the Issue Agent no later than the last day of each subscription period. Please note that subscriptions are binding and cannot be withdrawn, removed or modified. In the event of multiple subscriptions submitted by one investor, only the last one will be binding.
The prospectus and subscription form can be downloaded from Europeiska Skogsfonden 3 AB website www.euroforest.se. If necessary, these documents can also be obtained in hard copy from the Company by phone: 0046 8 566 300 25 or email: info@euroforest.se.

**Commission**
Commission will be charged with a maximum of 2,5% of the amount subscribed.

**Allocation**
Allocation of shares is decided by the Board. Thereafter, investors will be notified by receiving a bill by mail. In the event of oversubscription, allotment may be withheld or made with a smaller number of shares than subscribed. Allocation is not dependent on when the subscription form is submitted. Publication of the results of the issue will be made on the Company’s website www.euroforest.se. and is expected to occur shortly after expiration date of each subscription period. Subscription of shares of series B occurs without preferential rights for existing shareholders.

**Payment**
Payment of the shares should be made according to instructions on the bill from the Issue Agent.

**Subscribed and paid shares (BTAs) partial registration and delivery of shares**
Once payment has been done the Issue Agent deliver a "BTA" (Interim shares) to each securities account and Euroclear Sweden sends out a notice indicating the number of scheduled BTA on the securities account. Notification to investors whose holdings are registered will be in accordance with the respective nominee. As soon as the shares subscribed for have been registered in the Companies Registration Office the Issue Agent converts BTA to B-shares in the Euroclear system.

Anyone who subscribes for shares of Class B must have a securities account at Euroclear or a securities account with a bank or brokerage firm, where delivery of BTA and B-shares can be made. Persons without securities account must open one of these before delivery can be made.

**ISIN code**
Euroclear Sweden assigns Company shares a unique ISIN code. At the time for the prospectus approval the Company has not yet been assigned ISIN code for its shares.

**Investment horizon**
The Company´s investments are not limited in time. The objective is to invest cash through the acquisition of forest land during the investment period. Thereafter manage forest holdings and selling and buying of forest properties. The Company strives to provide an annual dividend to the shareholders based on the profit from the business.
Market for B-shares
The Company’s B-shares are freely transferable and no limitation exists on the transfer of shares of series B. These will be registered with Euroclear Sweden AB (Euroclear).

The Company’s B-shares will, after fund raising period and completed investments, be admitted to official trading on Alternativa Aktiemarkanden or similar venue. To ensure liquidity European Forest Management OU will act as market maker through bid and ask prices at each trading session which will occur monthly. Capital and shares will be allocated to secure the trade. There is no guarantee at what price an investor can sell their B-shares or at what price it will be possible to acquire B-shares. After the fundraising period and before the official trade is entered, investors can buy or sell the Company's B-shares through brokers at Alternativa Aktiemarknaden.

The Class B-shares may be transferred only after they have been registered in Euroclear on each investor’s securities account. B-shares are registered at Euroclear Sweden as soon as the issue is completed and registered at Bolagsverket.

Counseling and coordination of the offer
This offer is coordinated by European Forest Management OÜ, a limited liability Company incorporated in Estonia with registration nr 11591116. European Forest Management OU has also acted as advisor to the Company. European Forest Management OÜ has the following address:

European Forest Management OÜ
Ruutli 4-2, Pärnu 80011, ESTONIA

Consent to financial intermediaries
The Company agrees to that financial intermediaries use this prospectus for resale or final placement of securities. The period that the prospectus may be used for resale is the 12th of August 2013 to the 31st of December 2013. The prospectus shall, where appropriate, be made available in its entirety for the investor. The Company accepts responsibility for the contents of the prospectus when financial intermediaries use this prospectus for resale or final placement of securities.

A financial intermediary that uses this prospectus for resale have to inform potential investors about their conditions.

All financial intermediaries that use this prospectus shall publish on its website that the use is consistent with the consensus and its specified conditions.

Neither the prospectus nor any other offering documentation may be distributed in or into any country where such distribution or offering would require additional prospectuses, registration or other measures than those pursuant to Swedish law or would conflict with regulations in that country.

Issue guarantee
The issue is not guaranteed.
INFORMATION - CURRENT SECURITIES

Securities
At the Board meeting in June 2013, the Board decided in accordance with authorization from Annual General Meeting in June 2013 to issue shares of series B in Europeiska Skogsfonden 3 AB (publ.). The Class B-shares will be issued pursuant to the Swedish Companies Act and be registered on a securities account. The class B-shares will not be subject to any offer made as a result of mandatory offer or redemption rights. Class B-shares are subject to redemption in accordance with the Articles of Association as further described in the "Registration Document".

Currency of the securities is in Swedish kronor (SEK).

Equity, votes, etc.
Upon full subscription of 400 000 shares of Series B at a price of 156 SEK per share, the Company will receive 62 400 000 SEK before issue costs. The share capital of the Company before the issue is 500 000 SEK. Maximum share capital after the issue can amount to 600 000. The Articles of Association gives that one (1) Class A-shares entitles to ten (10) votes and one (1) Class B-share entitles to one (1) vote. Upon full subscription of 400 000 B-shares this corresponds to 2 percent of the votes and 16,8 percent of the total shares of the Company.

The Company is controlled by European Forest Management OÜ by 2 000 000 voting A-shares, in the current situation equivalent to 100% of the shares and 100% of the votes. The Company and the Management Company has an agreement, Management Agreement, which regulates the Company's current management. The Management Agreement and the fact that the Management Company holds voting shares in the Company means that the Management Company has in practice sole discretion of the Company. The holders of Class B-shares will thus have a limited influence and ability to influence decisions that may be taken by the Company's shareholders.

Dividends, other rights, etc.
Holders of Class B-shares are entitled to dividends as of fiscal year 2014 in proportion to the total share capital after the issue. If fully subscribed, the holders of Class B-shares receive 99.2 percent of the dividend corresponding to their share of the total equity of the Company. If the Company decides on further issues of B-shares percentage of the investors participating in this offering will be reduced. However, Class B-shareholders' aggregated amount of shares in relation to the Class A-shareholders will increase.

There are no restrictions on dividends when the holder of the Class B-shares is resident abroad and proceedings before the dividend is not different from that where the shareholder is resident in Sweden.

The basis for the dividend consists of the entire Company's profit from the sale of forest products and forestry.
According to the Articles of Association, the Company may issue shares of Class A and Class B. This Offer includes only shares of class B. There are already 2,000,000 shares of class A issued. There are no shares of series B issued. The Company's Articles of Association states that Class A-shares receive a percentage equal to the total amount paid for all shares of series A divided with what total payment for all outstanding shares and class B-shares shall receive A-share equal to the total amount paid for all the shares of class B divided with the total amount paid for all shares.

**Liquidation or sale of the Company**

Class A-shares shall receive A-share equal to the total amount paid for all shares of Series A divided by the total amount paid for all outstanding shares and Class B-shares shall receive A-share equal to the total amount paid for all shares of Series B divided by the total amount paid for all outstanding shares. The proceeds will be distributed equally between the shares within the same class.

Management Company holds all 2,000,000 A-shares and have paid 500,000 SEK for these shares in the founding of the Company.

**Example:**

After the sale of all the Company's assets in connection with the liquidation of the Company there is cash of 100 million SEK to be distributed to shareholders. Provided that current placement of 400,000 B-shares are fully subscribed, allocation occurs as follows:

Holders of Class A-shares 800,000 SEK corresponding to about 0.40 SEK / share of Class A.

Holders of Class B-shares 99,800,000 SEK corresponding to about 248 SEK / Class B

Shareholders have a right the Company's profits in the same way as for dividends. Upon redemption, net asset value will be calculated accordingly.

**Preferential subscription rights, etc.**

If the Company decide to issue new shares of Series A or Series B holders of shares of Series A and Series B have preferential rights to subscribe for new shares of the same class in proportion to their existing shareholdings. Shares not subscribed for with primary preferential rights shall be offered to all shareholders. If the Company issue only one kind of shares, all shareholders, regardless of whether their shares are shares of series A or series B have preferential rights to subscribe for new shares in proportion to the number of shares they own. If the Company decides to issue warrants or convertibles through cash or offset issue, shareholders have preferential rights to subscribe for warrants as if the issue concerned the shares that may be subscribed because of the warrant or right to subscribe for convertibles as if the issue concerned the shares that the convertibles may be exchanged to.

The General Meeting has the opportunity to decide on issue with deviation from the shareholders' preferential rights. For more detailed information about the securities holders preferential subscription rights, see § 7 of the Company's Articles of Association.
Redemption provisions
If the Board of Directors decides on redemption regarding all of the Company’s B-shares percentage of net asset value shall be calculated as follows. Class B-shares will receive a percentage of the net asset value equal to the total amount paid for all shares of series B divided by the total amount paid for all outstanding shares. This percentage shall then be distributed equally among all B-shares. Owners of Class B-shares reported for redemption shall be obligated to immediately after he was informed of the redemption decision, take the redemption price, or where decision from Bolagsverket or court approval is required, after he had been informed that the decision is recorded. For more detailed information about this, see § 8 of the Company’s Articles of Association.

Delution
If the issue is fully subscribed the number of B-shares will be increased by a maximum of 400 000 pieces. This corresponds to a dilution of up to 16,8 percent of the total amount of shares and 2 percent of the votes in the Company.

The Management Company, European Forest Management OU, and directors of the Company intend to subscribe in the offer. As far as the Company is aware, no individual investor is about to subscribe for more than 5% of the offer.

Conditions for fulfillment
Conditional for this offer is that no circumstances occur that according to the Board means that the offer is not feasible. Such circumstances may be of financial or political nature and concern both factors in Sweden and abroad. For example, a resolution of the euro currency could constitute such a factor as the Company will conduct business in euros. Offer may not be withdrawn after the trading of the securities has been commenced.

Issue Price
The Board decides on the issue price of each issue and the length of the issue period. The decision is preceded by an analysis of the ability to attract capital and the Company's net asset value. As the Company has no other assets than 500 000 SEK in share capital the issue price for the first offering period might be set relatively freely. Thereafter, the Board has decided on a price for each subscription period corresponding to net asset value, biological growth and the increasing value of a continuously growing portfolio of forest land.

Other
There have been no public takeover bids for the Europeiska Skogsfonden 3 AB (publ) shares during the current fiscal year.
TAX ISSUES

The Company – Europeiska Skogsfonden 3 AB (publ)
Investment in forest land is normally not depreciated because land is considered as an asset unlimited in time. The Board of Directors believes that this is also the case for Europeiska Skogsfonden 3 AB (publ). The Company intends to own forest land within the EU through local subsidiaries. The tax rate for these companies varies by country. The average corporate tax rate in the EU in 2010 was 23.8 percent, according to a survey by KPMG, with several new members in Eastern Europe at substantially lower levels. The Board has decided to assume that the Swedish tax rate applies. The Board has determined that the tax consequences for the Company will not exceed the tax rate for Swedish companies. The Company takes responsibility for withholding of tax.

Shareholders
The following is a summary of the tax implications regarding the invitation to subscribe for shares of series B in Europeiska Skogsfonden 3 AB (publ) for individuals resident for tax purposes in Sweden. The summary does not deal comprehensively with all tax consequences that may arise but should be viewed as general information only. Each investor should check the tax rules and consult their tax advisor regarding the tax consequences the offer may have on his part.

Unlisted shares
Although the Company's Class B-shares will be traded, these are likely to be defined by Swedish Tax Authorities as "unskilled shares in an unlisted Company." If the Company as a whole would be sold to a listed Company, the Company's shares are converted into listed shares, which may change the tax position of individual shareholders.

Individuals and estate
Dividend from Europeiska Skogsfonden 3 AB (publ) will be taxed as capital income and the tax rate is currently 25 percent (5/6 of 30 percent). Dividend and profit / loss must be reported on tax form R12 (Unqualified shares, unlisted companies) to benefit the lower rate of 25 percent 30 percent of listed shares). Capital losses on unlisted shares in Swedish limited liability companies are deductible to five sixths. After quotas these losses may be set off against profits of such assets and other listed securities than Swedish fixed income funds. If the capital loss on unlisted shares cannot be set off against profits five sixths of 70 percent is deducted.

Legal persons
Dividends on Series B-shares as a Swedish Company receives are tax free provided that it will be considered as business-related shares. To be business related the share has to be booked as a capital asset and;

a. The share shall not be listed on a market
b. The total voting rights of the investors all shares is at least 10%
c. The holding of the share are determined by the business carried on by the investor
Dividends within the corporate sector of unlisted shares are normally tax free. If the investing Company is an investment Company, other rules apply. Capital losses may only be deducted if an equivalent capital gain would have been raised; this means that losses on business-related shares are not deductible.

**Withholding**
Payment of dividends is not subject to withholding for Swedish taxpayers. Special tax consequences that are not described above may arise for certain categories of investors. The tax situation for individual investors depends on the circumstances of each case. All investors are advised to consult their own tax advisors for information about such special circumstances. Dividend tax and withholding tax is withheld where appropriate.
PART 3 – REGISTRATION DOCUMENT – EUROPEISKA SKOGSFONDEN 3 AB

DEFINITIONS

Company or Fund  Europeiska Skogsfonden 3 AB (publ.), org.nr 556930-9940

Issue  Refers to the issuance of shares of Class B

Issue Agent  Aqurat Fondkommission AB
Box 7461
103 92 Stockholm
Tfn 08-684 05 800
Fax 08-684 05 801
E-mail: info@aqrat.se
Visit: Målargatan 7, 111 22, Stockholm

Offer  Refers to Class B-shares under the terms described in the Summary, Securities Note and Registration Document.

EUROCLEAR  Euroclear Sweden AB (previous VPC AB)

Management Company  European Forest Management OU, a limited Company registered in Estonia with ID.nr 11591116

ISIN CODE  SE0005365392
All securities in the Euroclear system is assigned a unique ISIN number of the international ISO standard

Management Agreement  Management and administrative agreements between the Company and the Manager, see the registration document

MSEK  Millions of Swedish Kronor

SEK  Swedish Kronor

Forest products  Timber, pulpwood and biofuel
IMPORTANT INFORMATION

This prospectus has been prepared by the Board of the Europeiska Skogsfonden 3 AB who is also responsible for the content. The prospectus has been approved and registered by Finansinspektionen in accordance with the provisions of the Act (1991:980) on trading in financial instruments. The approval and registration does not imply that the Finansinspektionen guarantees that the factual information in the prospectus is accurate or complete. This prospectus consists of three parts: Abstract, Securities Note and the Registration Document.

This prospectus and the offer is not directed at investors in the United States, Canada, Japan or Australia or other countries where participation would require additional prospectuses, registration or other measures than those pursuant to Swedish law or would conflict with regulations in that country. No shares issued by the Company have been or will be registered under the United States Securities Act of 1933, the securities laws of any state of the United States or any province in Canada. Therefore, no new shares will be issued by the Company transferred or offered for sale in the U.S. or Canada, other than in such exceptional cases that do not require registration. Neither the prospectus nor any other offering documentation may be distributed in or into any country where such distribution or offering would require additional prospectuses, registration or other measures than those pursuant to Swedish law or would conflict with regulations in that country. Applications for subscription in breach of the above may be deemed to be invalid.

Dispute
This prospectus is subject to Swedish law. Disputes regarding the contents of this prospectus or related legal matters shall be settled exclusively by Swedish courts.

Forward related information
This prospectus contains forward related information, including assumptions regarding future market conditions, operations and financial performance. Forward looking information is always subject to uncertainty because all the assumptions are based on current market conditions and circumstances. Although the Board believes that the forward looking information in this prospectus is based on reasonable considerations, the actual developments, events and financial performance may be materially different from expectations. It is essential that investors are fully aware of this uncertainty and make their own assessment.

Refer to the section "Risk Factors related to instruments offered" in the Securities Note and "Business and industry related risk factors" in the Registration Document.
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RISKS

It is very important that potential investors, before making investment decisions, examine the entire Prospectus and in particular considering the risks described under "Risk Factors related to instruments offered" in the Securities Note and the risks set forth below in the Registration Document. Investing in shares is often fraught with risk. A number of factors beyond the Company's control may affect the results and financial position. In addition, there are a number of factors which the Company may affect. Listed below are a number of factors that could affect the Company's future prospects. These risk factors are not listed in order of priority and do not purport to be comprehensive. Additional risk factors not currently known or that is currently deemed immaterial may affect the Company's operations, performance, achievements or financial position. Investors should carefully consider the risk factors described together with additional information in this Prospectus and do their own analysis before deciding to subscribe for shares in the Company. If in doubt, advice should be sought from qualified advisors.

OPERATIONAL RISKS

Acquisition Risks
The Company's business is to acquire forest land within the EU and organize effective forest management on these properties. Forest properties are owned through wholly owned national subsidiaries. There are a number of risks relating to the acquisition of forest land.

a) Legal status. For all purchases of registered assets, such as woodland, there is a risk of false or forged documents which may affect the validity of a transaction. Control before purchase is always made by notary in official registers. Defects in this control are extremely rare. An invalid transaction may cause costly legal proceedings and the investment can be totally or partially lost.

b) The Seller. The Company will from time to time acquire assets owned by legal persons. There is a general risk for voting rights, debts and taxes of the acquired company that owns the land. Due Diligence before purchase is always made by legal experts and shortcomings in this control is extremely rare. Nevertheless, mistakes in this control can cause costly lawsuits, and the investment can be totally or partially lost.

c) Competing use of land. There is a risk that the forest land is not legally defined for forestry which may restrict or prevent forest management. Field inventory prior to purchase is always made to control the definition of the land. If mistakes are made regarding this control of land definition this could cause loss of revenue as well as an impairment of the asset.
d) Archaeological and historical values. If there are plans to define the land as a national park and if there are relics worthy of protection it can reduce or prevent forestry. Field inventory before purchase includes control of these aspects which means that the risk is minimized. Mistakes regarding this control may cause loss of revenue for the Company, and an impairment of the asset.

e) Natural resources. Rare animals and plants, minerals, metals and energy may restrict or deny that the land can be used for forestry. Field inventory is always made prior to purchase to identify natural resources that can cause restrictions for the forestry. The risk is thereby minimized. Mistakes regarding this control may cause loss of revenue for the Company, and an impairment of the asset.

Limited financial history and ratios
Europeiska Skogsfonden 3 AB (publ) is an unlisted public company registered in Sweden. The Company's operations are regulated by the Companies Act (2005:551). The Company was incorporated May 3, 2013 with the firm launchpad December 989 AB. The Company changed its name in June 2013 to Europeiska Skogsfonden 3 AB (publ).

An investor cannot make an assessment of the company and the opportunities and risks of an investment in the Company based on historical financial information and ratios. An investment in Class B shares represent an investment based primarily on the Company's business plan. The investment is made at an early stage and is thus associated with a significant risk.

Environmental risk
Europeiska Skogsfonden 3 AB (publ) will acquire forest land within the EU. Although the land is inventoried and classified as forest land, there is a risk that the soil holds environmentally hazardous substances not detected by field check. It may be natural substances or contaminants such as chemicals. The Company will through their own investigations before acquisition try to ensure soil conditions. However, it cannot be completely ruled out that the investigations misjudge the nature of the ground, and that this can cause unplanned expenses for the Company.

Weather and climate risk
Operations can be adversely affected by weather and climate. Unfavorable weather conditions for extended periods may affect the Company's returns. Wind- and insect damages can affect the Company's results either directly through damage to forest resources, but also indirectly by an excess of forest products in the market created as a result of storm damages or mandatory logging of extensive insect damages. In excess of forest products, there is a risk of falling prices, which in a period may affect the Company's ability to generate profits.
Important persons
Europeiska Skogsfonden 3 AB (publ) is dependent on the skills of the Management Company. A loss of several people within the team may affect the Company's ability to generate returns. It is mainly the timing of the investments and contact channels that represents the risk. Forest management is not dependent on key personnel.

Revenue related risks - the price of forest products
There is no guarantee that prices on forest products will rise in the future or that prices not will fall. In a period of falling prices for forest products harvesting volumes will be limited. This affects the Company's earnings and ability to pay dividends.

Revenue related risks - the price of forest land
The Company's total return is dependent on an increase in value of forest land assets. From a historical perspective the price for woodland has increased within EU countries with a developed market for forest products. However, there is no guarantee that prices will continue to rise in the future or that prices are not falling. Falling prices for forest properties reduces the value of assets which affects the B-share value negatively. A sharp decrease in prices for forest estates can mean that an investor will lose part of their invested capital.

Cost related risks
The Company's expenses consist primarily of personnel costs for the local organization and the cost of leasing of various types of services. Changes in the organization may involve costs for recruitment. Furthermore, an increase in salaries and pensions has a negative impact on the Company's results.

BUSINESS RISKS

Political decisions
Europeiska Skogsfonden 3 AB (publ) operates in EU countries in accordance with the Company's interpretation of current policy decisions. New directives or decisions with respect to forestry and real estate holdings may affect the Company's operations. Political or organizational changes within the relevant authorities may hinder, delay or prevent the Company's work. This can lead to a decrease of asset value and complicate the ongoing management which affects the company's earnings and ability to pay dividends.

Legal risk
Member countries within the EU maintain its own legal system but with major similarities due to directives from the joint decision-making bodies in the EU. Europeiska Skogsfonden 3 AB (publ) will operate in several EU member states and there is a risk that laws or interpretations of laws and regulations differ between countries which may affect the Company's operations. Major changes in EU directives can negatively affect the Company's ability to deliver returns.
Macro-economic developments
The market for forest products from the Company are mainly Europe. Prices and ability to pay is affected by the global market for forest products and bioenergy. There is no guarantee that prices will continue to rise in the future or that prices are not falling. Timber prices that falls over an extended period may negatively affect the Company's performance and ability to pay dividends.

Financial risks
Europeiska Skogsfonden 3 AB (publ) may pledge forest land assets for further increasing yield potential. The Company will then be exposed to financial risk in the form of interest rate changes. Prior to investments and after the disposal of forest land the Company will deposit cash liquidity at one or several cash accounts in Swedish banks. There is no guarantee that the Swedish bank has a liquidity position that allows payment of Europeiska Skogsfonden 3 AB's assets at a certain time. There is a risk that cash liquidity in banks can be lost and therefore negatively affect the investor.

Tax Risks
Europeiska Skogsfonden 3 AB (publ) conducts its operations in Sweden and other countries within EU in accordance with the Company's interpretation of each country's tax laws and regulations. There is a risk that this interpretation proves incorrect, or that laws and regulations change over time to the company's disadvantage.

Currency related risks
Europeiska Skogsfonden 3 AB (publ) acquires forest land in Euros or in local currency and correspondently sells forestland in Euros or local currency. The Company sells forest product in local currencies and in Euros. The Company thus generates returns in Euros or local currency. Investors who subscribe for shares of series B pays in Swedish kronor and receive dividends in Swedish kronor. This means a currency exposure for the investor. The Company may use currency hedging to protect the Company against currency fluctuations, primarily to protect the exchange rate between the time of purchase and payment. If the value of the Swedish krona decreases compared to Euros acquired forest land will increase in value and future acquisitions of forest land in Euros will be more expensive. If the value of the Swedish krona increases compared to Euros acquired forest land will decrease in value and future acquisitions of forest land in Euros will be cheaper.
RESPONSIBLE PERSONS

The Registration Document is drawn up by the Board of Europeiska Skogsfonden 3 AB (publ). Following members of the Board of Directors is responsible for the Registration Document and certify that they have taken all reasonable care to ensure that the information in the document, to the best of their knowledge, is correct and in accordance with facts and that nothing essential has been omitted.

Stockholm in August 2013

Patrik Lingårdh
Chairman

Almar Burvall
Managing Director
& Board member

Carl Henric Kuylenstierna
Board member
SUMMARY OF TERMS

Issuer
Europeiska Skogsfonden 3 AB (publ.), org. nr. 556930-9940

Eligible for subscription
Issue for the public

Securities
Class B-shares

Subscription price
Period 1: 150 SEK
Period 2: 152 SEK
Period 3: 154 SEK
Period 4: 156 SEK

Minimum subscription amount
Period 1: 60 000 SEK
Period 2: 60 800 SEK
Period 3: 61 600 SEK
Period 4: 62 400 SEK

Ownership Register
Euroclear Sweden AB
Klarabergsviadukten 63
Box 191
SE-101 23 Stockholm

ISIN CODE
SE0005365392

Issue Agent
Aqurat Fondkommission AB
Org.nr 556736-0515
Tfn 08-684 05 800
Fax 08-684 05 801
E-mail: info@aqurat.se
Postal address: Box 7461, 103 92 Stockholm
Visiting address: Målargatan 7, 111 22 Stockholm

Manager
European Forest Management OÜ

Auditor
BDO Nordic Stockholm AB

Commission
2,5 %

Management fee
1,50 percent of total assets under management, charged per calendar year in advance.

Performance fee
10 % of dividend and 10 % of the increase of the Company value within 7 years.
BUSINESS OVERVIEW

Europeiska Skogsfonden 3 AB (publ.) is an unlisted public company registered in Sweden. The Company’s operations are regulated by the Companies Act (2005:551). The Company was incorporated May 3, 2013 with the firm launchpad December 989 AB. The Company changed its name in June 2013 to Europeiska Skogsfonden 3 AB (publ). Thereafter the Company changed category from private to public company and decision was taken that the Company’s shares should be registered at Euroclear. These decisions were registered with Bolagsverket on 10th of June 2013.

Europeiska Skogsfonden 3 AB (publ) deals with investments in forest land in Europe. The business does not constitute such an investment referred to in the Act (2004:46) regarding investment funds. The structure is similar to a fund referring to that existing A-shares and newly issued Class B-shares will receive dividends in relation to the percentage of total invested equity. Operational activities of the Company are performed by European Forest Management OU through the Management Agreement under which the European Forest Management OU manages the Company's operations. European Forest Management OU is the sole owner of A-shares which means that the Management Company controls the Company.

The business is conducted by a Swedish public company, whose corporate purpose is to invest in forest land within the European Union and manage forest land due to the “Swedish model”. The Company will own subsidiaries which in turn own forest properties in order to deal with local rules regarding foreign ownership of forest land. The Company may use leverage to finance the Company’s operations.
Company information
The Company was incorporated in May 3, 2013 with the firm launchpad December 989 AB. The Company changed its name in June 2013 to Europeiska Skogsfonden 3 AB (publ). Founder is Grant Thornton Sweden AB. The seat of the Company Board is Stockholm, Sweden, and its corporate nr is 556930-9940. The Company is a public limited company incorporated in Sweden in accordance with the Companies Act.

The company's address and telephone number are:
Phone: 0046 8 566 300 25

Mission
The business concept is to acquire low priced forest land within EU countries and manage these forests in a cost effective manner. Through cutting and selling forest products together with buying and selling forest properties returns will be generated to the Company.

Purpose
The Company's purpose is to create an opportunity for institutions and individuals to invest directly into forest land in Europe. Based on the experience of a developed forestry in Sweden along with many years of experience from Europeiska Skogsfonden 1 & 2 the Management Company can offer high yield investments in forest land together with professional management of the assets.

Company structure
Europeiska Skogsfonden 3 AB (publ.) is controlled by European Forest Management OU through 2000 000 voting A shares which in current situation is equivalent to 100% of the shares and 100% of the votes. Europeiska Skogsfonden 3 AB (publ) offers potential shareholders yield in proportion to their percentage of the total invested capital. Class B shareholders' ownership is passive and with this structure "fund-like".

Investment Strategy
The Company will primarily invest in forest land in countries where prices are low and where the management has access to proven network of contacts. The best opportunities for the Company would likely be in countries from Eastern Europe.

The Board and management have extensive experience in buying and managing forest land in Sweden and in other European countries. If profitable for the company divestment of parts of properties and conversion to other types of land may occur. Acquisitions of forest land will be made through locally owned subsidiaries. The Company may also invest in units or shares of other companies, listed or unlisted, with its own large holdings of forestland.

Investments
At the time for approval of the prospectus there was no investments made.

Yield
Target yield for the Company is net 10-12 percent per year including dividend 2-5 percent annually.
Investments in forest land are characterized by low risk. The company’s performance is primarily dependent on the purchase price for forest land, the price of forest products and the increase in value of the land. The increase in value of the land is based on the increasing demand for land and the implementation of different forest management operations such as thinning, cleaning, planting and construction of forest roads.

Returns may be both positive and negative. Before making an investment, an investor must form their own opinion on above factors and what impact they may have on the Company’s return.

**Yield model**
The return consists of profit from the sale of forest products and income from sale of forest properties.

**Management and administration**
The Company is managed and administered by European Forest Management OU, which through the Management Agreement are fully responsible for the Company’s management and business operations. The Management Company also holds all A-shares in the Company under which the Management Company controls everything concerning the Company.

The Management Company as an independent legal entity has obligations to the Company stated in the Management Agreement. European Forest Management OU receives 1.5% of the company’s total assets as annual management fee. In addition there will be issue costs of 8 percent and eventually any incentive fees. Issue costs will be specified in future annual reports.

**Incentive fee**
Incentive Fees to the European Forest Management OU is calculated as 10 percent of the increase in value of the Company’s B share calculated as the difference between the initial issue price at the start of the Company’s capitalization, and the official market price of the Company’s Series B-share within seven years from the first day of trading on Alternativa Aktiemarknaden or corresponding market. Official market price is the price at which trades are made between external actors, completely independent of the Management Company, its owners and the management of the Company. The incentive fee may be requested no earlier than three years after the resumption of trading and at the latest seven years from the first day of trading. If B-shares after five years has increased by 50 SEK in value and the Management Company chooses to trigger an incentive fee in accordance with the Management Agreement is the Management Company entitled to compensation equivalent to 5 SEK per each class B share that is issued by the Company. Incentive fees also fall out with 10 percent of the total amount of dividend paid by the Company.

If no increase in value has occurred within seven years from the first day of trading or the Management Company refrain to trigger the incentive fee during this period lapse the possibility to request reimbursement.
The above example shows a biological growth of 5 % per year, the management fee of 1,5 % per year and an increase in value of 10 % per year. Incentives fee is 10 % of the increase in value. (The table is not adjusted for inflation)

Patrik Lingårдh is manager of the European Forest Management OU. Patrik Lingårdh has extensive national and international experience in acquiring forest land and operating rational forest management. The management of the company's forests are mainly conducted through chartered companies and the management company acts as buyer and coordinator of these services. Furthermore, the Management Company are responsible for contacts with investors and reporting to investors and to the public primarily through the Company's website www.euroforest.se

European Forest Management OU is also responsible for preparation of periodic reports on business development, together with other relevant information. In addition, the Management Company may assist in registration, purchase and sale of shares of series B in the Company's establishment as well as trading of the Company's shares.
Summary of fees
The table below illustrates fees payable upon the issuance of 62,4 MSEK. Note that the incentive fee is not included in the table below. Transaction costs are one-time costs, while the management fee will be paid annually. If the issue will be fully subscribed the Company will remain thus 55,8 MSEK to invest in the Company's operations.

<table>
<thead>
<tr>
<th>Fee first year</th>
<th>Percent</th>
<th>Amount</th>
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<tr>
<td>Variable issue cost</td>
<td>0,08</td>
<td>5,136</td>
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<tr>
<td>Fixed issue cost</td>
<td>0,5</td>
<td></td>
</tr>
<tr>
<td>Management fee</td>
<td>0,015</td>
<td>0,963</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>6,599</strong></td>
</tr>
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Counselors and specialists
The Company’s CEO and Board of Directors have extensive experience in business and financial operations, as well as industry-specific expertise. The company has established contacts with legal expertise and subcontractors to ensure quality in the investments and operations of the Company. Intermediaries, buyers and sellers of forest properties are sufficiently in order to avoid a one-sided dependence on any specific player. External resources are available in sufficient quantities to avoid unilateral dependence on any specific player.

Management of certain business risks
In order to reduce the Company's sensitivity to price fluctuations, the Company will adjust harvesting based on demand and price, thereby maximizing the yield at each point in time. This means that a year of low prices and weak demand cutting volumes will be reduced to a minimum to be able to harvest more when prices go up. This adaptation to the market will affect the Company's earnings in a single year.

Competition
The Company competes with other purchasers of forest properties. The trend is that the competition for acquisition of forest properties in Eastern Europe increases over time. However, this development is part of the conditions in the company's mission. Should a major change of this development occur it will affect the Company's ability to pursue its business plan.
INVESTMENT PROCESS

Europeiska Skogsfonden 3 AB (publ) buys forest land in EU countries. Countries that might be of interest should be a part of the European market for forest products, well positioned to develop the local market for forest products and good conditions for the market for forest properties. In addition to this requirement, the Company sets up a number of other control points before investing. Among other things, the legal structure needs to be efficient and understandable. The price has to be low and a separate field inventory shall be made.

**Searching for objects**
First of all forest land for sale is identified through an already established network of the Management Company.

**Investment**
After identifying interesting properties analysis are carried out followed by a final negotiation of the price. If both parties accept the price necessary agreements will be signed. When the contract is signed the process of changing ownership is started. No actions can be made on the property before ownership is changed which normally takes less than a week.

**The Swedish model**
Sweden is an old forest nation with laws and regulations designed for a long-term forest management. This is not the case in all EU countries. However, the Company intends to use and manage forests according to the same principles as in Sweden but obviously comply with local laws.
MARKET REVIEW

The Board ensures that the information regarding the market has been accurately reproduced from specified sources and no facts have been omitted which would render the given information to be inaccurate or misleading.

Forest holdings
The Company has not yet made any investments. However, the Management Company manages over 8,000 hectares of forest land owned by sister companies Europeiska Skogsfonden 1 & AB.

Forest assets in Europe
The Company’s geographical business area is Europe. Europe has well-developed industries and covers about a quarter of the world’s forest resources including the former USSR. (Source: The Global Forest Resources Assessment 2005).

FIGURE: Forest land in 1000 of hectare (Source: Forest Europe/UNECE/FAO, 2010)

The use of forest products
Raw materials from the forest can be divided into three main categories: timber for sawmills, wood for pulp and fuel for energy. These three different types of forest products are closely linked to each other. This means that demand and price changes in one category affect the others.

For example, if prices for sawmill timber increases due to demand from sawmills, the production of sawdust and pulpwod to the pulp and paper industry will also increase as a result of increased production in the sawmills but also in the forest. Correspondently
sawdust and bark to the energy sector will increase. Major players in the European forest industry sector aspire that their activities should include all these three sectors.

Major players in the pulp and paper industry is therefore often major players in the sawmill industry. The main reason for this is that the demand for timber creates large flows of raw material for the pulp and paper industry, directly from forest owners and indirectly as chips from the sawmill industry. The same development can be seen in the energy sector where forest industry companies are becoming major actors. The forest industry is a major user of electricity. According to data from the Energy Agency the industry’s electricity consumption is about 17 percent of the total electricity use in Sweden. Today 20 percent of the electricity consumption is produced internally by biofuels. The goal is to increase the internal electricity production by 2 TWh until 2020, representing an increase of 40 percent from current levels. 

*Source: Swedish Energy Agency.*

**Demand for forest products in Europe**

Demand for forest products and the production of round wood in Europe has increased steadily since the 1960s.

**FIGURE: World production of round wood by region**

(Source: National Board of Forestry official statistics).

![World production of round wood by region](image)

**The market for forest products**

Facts about production and prices of forest products as presented in this prospectus, intends to illustrate why the Management Company and the Company’s Board and management’s assessment of future demand for forest products will continue to be good. For bioenergy, statistics and information presented is exclusively for Sweden. The Company’s Board and
management believe that the development in Sweden in these respects can be used as an example of the likely developments in other European countries with similar conditions.

The market for forest products has been very stable over time with a natural adjustment of prices due to supply and demand. Demand for forest products is to be viewed from a global perspective and is strongly affected by the global economy for pulp and wood products. Regarding the markets for bioenergy, which is a part of the market for forest products, it is far more of a regional nature of supply and demand. The availability of forest products is mainly driven by the price but is also affected by storm damages and insect damaged forests. In some extent also affected by large forest owners requiring stable cash flows regardless of prices.

### Wood for sawmills

In recent years the production of sawn timber increased more in Europe than in the rest of the world (Source: National Board of Forestry official statistics, Table 16.7) and the Board determines that sawn timber will continue to take market share from other materials such as concrete and metal.

Reasons for assessing the Company’s management are both price-related where wood has a competitive price and that wood is a renewable resource with a strong environmental profile. Production of wood for construction requires much less energy than concrete and metal. Wood absorbs carbon while the production of concrete and metal instead emit large amounts of carbon dioxide into the environment.

The Board and management believe that the demand for timber in the EU will at least consist and that prices will remain stable.

### Pulpwood

Pulpwood is sold to the pulp and paper industry manufacturing paper which then are sold on a global market. European pulp and paper industry, with its renewable raw materials is a key player to cope with a conversion of energy systems to save the environment and climate. The industry has a unique renewable resource and a largely ecocyclic production. In recent years pulp and paper industry in Europe has increased its production of pulp and paper (Source: National Board of Forestry official statistics, Table 16.8).

The Board and management believe that the demand for pulpwood in the EU will at least consist and that prices will remain stable.

### Bioenergy

Bioenergy is about to have major economic importance and is the dominant source of renewable energy in Europe, and the trend is upward. Biofuels have been highlighted by the European Environmental Agency (Source: EEA Report 4/2008) as means to make transport greener and avoid the import of oil. Bioenergy currently accounts for a larger share of the Swedish energy than hydropower and nuclear power alone. To slow down climate change we need to use less fossil fuels, ie. oil, coal and natural gas. Forest products can then become an even more important supplier of renewable energy.
Experts believe that the use of bioenergy is a very important part of the solution to today's climate problems. The company's board and management share that view and believes that the development of bioenergy in EU countries where the Company may invest will be similar to the development we have had in Sweden.

Sales for forest products
The profit generated in the Company depends on the sale of forest products from the forest estates that the Company owns. To estimate the result of the forest management certain conditions must be established. The total volume to be harvested needs to be estimated. The distribution of final felling and thinning needs to be decided. Finally an assessment of the price has to be done. The main sales of forest products will be made from the sale of standing timber. This means that the company will define an area of forest where potential buyers can bid for the forest. The buyer then performs logging itself. The area offered is well defined and the content in the form of trees is exactly inventoried and described.

Historical price trends in forest land
Price statistics available indicates that prices of woodland in most countries in the EU have increased steadily over the past ten years. In some countries, especially young EU-members, the increase has been very strong.

The figure below shows the LRF consultant’s price statistics of property prices in Sweden since 1999. The same figure also shows the estimated curve for price developments in the Baltics. The curve for the Baltic countries is based on data from the Board of the Company.
on the basis of several years of experience from a large number of completed transactions in the Baltics.

**FIGURE: Forest land prices**
*(Source: LRF Konsult price statistics 2012 and the Company)*

Due to extensive investments the price differential compared with Swedish forest properties have been verified. At its lowest, the difference has been a fifth in a comparison with similar forests in Sweden. This means that forest properties often can be purchased for one-fifth or less of what they would cost in Sweden.

The Company believes that the price of woodland over time is increasing in all countries within the EU, and that the increase will be faster in the former Eastern European countries. This assumes that these countries have access to a market for forest products and a viable market for forest properties with minimal legal and business obstacles.

During the investment period, which is the latter part of 2013 and throughout 2014, the company will not create any revenue due to the fact that the business is focused on the acquisition of forest land.
Europeiska Skogsfonden 3 AB has both A-shares and B-shares. The Management Company, European Forest Management OU, a company incorporated in Estonia, owns all of the voting A shares and controls thereby the Company. This eliminates the risk that an investor by virtue of its ownership of the company is able to make significant deviation from the business plan established in this prospectus.
Subsidiaries
Europeiska Skogsfonden 3 AB will own subsidiaries in each country where investments are made. Investments are financed through loans from Europeiska Skogsfonden 3 AB to each subsidiary. The loans are to proceed without amortization and with market interest. The subsidiaries are 100% owned by the Company. By the time of the approval of the prospectus no subsidiaries were yet established.

SUMMARY OF OPERATIONS
AND FINANCIAL POSITION

Selected financial information
The Company was founded May 3, 2013 with the firm Avstampet December 989 AB. The Company changed its name in June 2013 to Europeiska Skogsfonden 3 AB (publ). At the date for approval of the Prospectus, the Company has not yet conducted any operations. Company's share capital is SEK 500 000 the 31st of May 2013.

The Company has applied accounting and valuation principles in accordance with the Annual Accounts Act (1995:1554) and the Accounting Standards Board BFNAR 2007:1. The company has no assets other than the share capital of 500 000.

It is the Company's business to buy and sell forest land and to execute forest operations on its own properties. Current operating income will be generated by harvesting timber and sale of forest properties. Income will be generated at the earliest after the fundraising period that ends in 2014.
Summary financial statements

**Profit and loss report** 2013-05-31
Operating income, etc. 0
Operating expenses 0
Other expenses 0
Profit 0
Profit for the period 0

**Balance Sheet** 2013-05-31
Total assets 500 000

Equity and liabilities
Equity
Share capital 500 000
Profit for the period 0
Total equity 500 000
Cash and cash equivalents 500 000

Total equity and liabilities 500 000

**Cash Flow**
By the 31st of May 2013 the amount of cash in the Company was 500 000 SEK.

**Cash Flow Analysis** 2013-05-31
Cash flow from operating activities 0
Cash flow from investment activities 0

**Financial activities**
Net new issues 500 000
Cash flow from financing activities 500 000
Change in liquid funds 500 000
Cash and cash equivalents at the end of period 500 000

The historical financial information has been reviewed and revised by the Company’s auditor.

**Financing structure**
The Company is financed by equity. There are no listed credit nor any borrowing requirements. The Company's business will be adapted to the amount of raised capital.
**Funding**
The amount of cash and cash equivalents in the Company as of 31 May 2013 was 500,000 SEK. The Company has a cash balance at the time of the prospectus approval of 500,000 SEK. The company finances its activities by equity but may use external financing in the future. There are currently no listed credits.

**Financial management**
The management of liquidity and currency risks is focused on risk minimization. No hedging is applied and cash and cash equivalents are invested in the Company's transaction accounts or in interest bearing instruments in Swedish kronor.

Swedish kronor are exchanged into local currency at the time of investment. At the sale of forest land, the local currency is exchanged for Swedish kronor when the dividend is paid.

**Significant changes in the Company’s financial position or market position**
No significant changes have occurred since the company began its operations.

**Financial Resources**
The Company was founded May the 3rd 2013 with the firm Avstampet December 989 AB. The Company changed its name in June 2013 to Europeiska Skogsfonden 3 AB (publ). The company was acquired by the European Forest Management OU in May 2013, in order to operate in accordance with this Prospectus.

The purpose of the share issue is to give the company an adequate capital base to finance forest estate investments in line with the Company’s strategy to build a real estate portfolio consisting of forest land in the EU.

Assuming that the offer is fully subscribed, the Company will raise a maximum of 64,2 MSEK before issue costs. If the offer is not fully subscribed, the Company will adjust its investments to fit the size of capital received.

**Working capital**
The Board of the Company considers current working capital to be sufficient for the next twelve months and estimates that the capital raised through this offer is sufficient to execute the Company's business plan. The Company has no financial commitments, which means that the short-term capital needs are limited.

**Tangible assets**
The company has no tangible assets at the date of approval of the Prospectus
RESEARCH AND DEVELOPMENT

The Company is not engaged in any research or development. The Company's operations are not dependent on any patents or licenses.

TREND INFORMATION

The most important factor affecting the Company's business prospects is price development for forest land within the EU of the type that the Company intends to acquire. The long-term trend is a gradual revaluation of forest land, which means a period of increasing prices for forest properties, especially in low price countries. The short term trend is a weaker market during the summer months of June through August, with recovery in the autumn of 2013. Wood prices are stable with a slight increase in autumn 2013.

The Board is not aware of any trend, uncertainty, or events that are expected to have a significant effect on the Company's business prospects for the current financial year.
ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

Board of Directors
At the Extraordinary General Meeting in May 2013, Almar Burvall was appointed Managing Director of the Company. The contract runs until further notice. The Company has not any employees.

At the same meeting following persons was elected as directors of the Company until the next Annual General Meeting:

Patrik Lingårdh, Chairman
Patrik Lingårdh is forest officer and former head of Commodities in SÖDRA Group, President of the sawmill company Baro Wood AB, and Board Member of Swedish Forest Industries Federation. 2007 he founded the forest investment company AB Custos where he was acting as executive chairman and acquired approximately 12 000 hectares of forest land in Estonia. During 2011 and 2012 Patrik acquired another 8 000 hectares in the Baltics for Europeiska Skogsfonden.

Patrik Lingårdh was born in 1967, is a Swedish citizen and resident of Sweden. Patrik Lingårdh own shares in the Company through the Management Company and intend to subscribe for additional shares in this offer.

Current engagements:
Natpec Invest AB, org nr 556719-5846, board member, owner (>10 %)
Bluehand AB, org nr 556726-4659, board member, owner (>10 %)
ÅFF Partner Group AB, Chairman, owner (>10 %)
European Forest Management OU, org nr 11591116, board member, owner (>10 %)
Europeiska Skogsfonden 1 AB (publ), org nr 556775-3354, Chairman
Europeiska Skogsfonden 2 AB (publ), org nr 556770-2922, Chairman
Europeiska Skogsfonden 3 AB (publ), org nr 556930-9940, Chairman

Earlier involvement over the past 5 years:
Custos AB, org nr 556726-4659, board member
Almar Burvall, board member and managing director

Almar Burvall has forestry education and degree in marketing. He was born in 1944 and is a Swedish citizen living in Sweden. Almar Burvall does not own any shares or options in the Company, but intend to subscribe for shares in the issue offered.

Current involvements:
Europeiska Skogsfonden 1 AB (publ), org nr 556775-3354, board member and MD
Europeiska Skogsfonden 2 AB (publ), org nr 556770-2922, board member and MD
Europeiska Skogsfonden 3 AB (publ), org nr 556930-9940, board member and MD

Involvements the latest 5 years:
Skogsbränsle Småland AB, org nr 556189-9864, Chairman
Setra Group AB, org nr 556034-8483, board member
Värendskog Aktiebolag, org nr 556552-9749, Chairman
Aktiebolaget Widtsköfle Sågverk, org nr 556232-3898, board member
Arbo AB, org nr 556067-2924, board member
Boo Forssjö AB, org nr 556647-7252, CEO
Föreningen Sveriges Skogsindustrier, org nr 802002-6061, Vice Chairman
Svenskt Näringsliv, ideell förening, org nr 802000-1858, board member
SåSy AB (Såg i Syd), org nr 556135-0017, Chairman

Carl Henric Kuylenstierna, board member

Carl Henric holds an MSc in Forestry. He was born in 1946 and is a Swedish citizen living in Sweden. Carl Henric Kuylenstierna does not own any shares or options in the Company, but intend to subscribe for shares in the issue offered.

Current involvements:
Björksund Förvaltnings Aktiebolag, org nr 556073-0037, board member
Bonnier Skog AB, org nr 556684-2752, board member
Engaholms Godsförvaltning Aktiebolag, org nr 556323-5281, board member
Gessberg Aktiebolag, org nr 556309-7533, board member
Hargs Bruk Holding Aktiebolag, org nr 556108-8773, board member
Kungliga Skogs- och Lantbruksakademien, org nr 262000-1145, board member
Riddarhuset, org nr 802002-8018, board member
Schisshyttan Aktiebolag, org nr 556260-0972, board member
Starbo Bruk Aktiebolag, org nr 556006-9840, board member
Starbo Forest Aktiebolag, org nr 556310-9809, board member
Tre Ax Aktiebolag, org nr 556579-7775, Chairman

Involvements the latest 5 years:
CEO in Skogssällskapet, orgnr 556159-7039
Stiftelsen Skogssällskapet, orgnr 857201-5546, board member
Stiftelsen Skogforsk, orgnr 817602-9786, board member
Smedjan Maskin AB, orgnr 556090-4079, board member
Malsjöbergs Gruf AB, orgnr 556013-0212, board member
Peter Berntsson, Senior Advisor
Peter Berntsson is currently a board member of Gapro within the Södra Group and by virtue of his former position as CEO for Swedwood International an advisor for IKEA Group. Peter Berntsson does not own any shares or options in the Company.

Current involvements:
Södra Interiör AB, board member
Ikea Industrial and Investment Development a/s, board member
Godbiten AB, Chairman
BJS Group AB, board member
Europeiska Skogsfonden 1 AB (publ.), org nr 556775-3354, advisor
Europeiska Skogsfonden 2 AB (publ.), org nr 556770-2922, advisor

Involvements the last 5 years:
Håkanssons Sägblad AB, Chairman
CEO Swedwood International
Europeiska Skogsfonden 1 AB och Europeiska Skogsfonden 2 AB, board member

AUDITORS

At the Extraordinary General Meeting in June 2013 Johan Pharmanson, BDO Mälardalen AB was appointed auditors of the Company (a member of FAR SRS). The auditor has no ownership interest in the Company.

Auditor address:
Johan Pharmanson. c/o BDO Mälardalen AB
Karlavägen 100, plan 5. Box 24193, 104 51 Stockholm. Tel: +46 (0)8-459 57 00.
Fax: +46 (0)8-662 50 80.

FURTHER INFORMATION ABOUT DIRECTORS AND SENIOR POSITIONS

None of the Company's directors have in the last five years been convicted in relation to fraudulent offenses, been a member of the management or supervisory bodies or acted as senior manager important to ensure that the company in question possesses appropriate expertise and experience for the management of the business in companies declared bankruptcy, or that have been liquidated due to insolvency, or has undergone reconstruction, or have been the subject of accusations by government agencies or professional bodies that represent a particular profession and which is regulated by public
law, or have been disqualified by a court from acting as a member of the management or supervisory bodies. There are no family ties between the Company's directors and management.

None of the Company's directors or the management has entered into agreements implying a limitation for transfer of securities in Europeiska Skogsfonden 3 AB (publ).

None of the Company's directors or management has entered into any agreement with major shareholders, customers, suppliers or others to be elected to the Board of Europeiska Skogsfonden 3 AB (publ).

There is no agreement regarding benefits after the assignment or employment relationship has ended. There is a potential conflict of interest regarding Patrik Lingårdh due to his position as a board member of both the Company and the Management Company. This relationship is described in the section Potential conflicts of interest in the Registration Document. There are no other circumstances that would result in conflict of interest for board members in relation to the mission of Europeiska Skogsfonden 3 AB (publ).

**KEY INDIVIDUALS**

Patrik Lingårdh is considered as a key individual. He owns the Management Company which holds the Company's A shares.

**LEGAL ISSUES AND OTHER INFORMATION**

Europeiska Skogsfonden 3 AB (publ) is an unlisted public company registered in Sweden. The Company's operations are regulated by the Companies Act (2005:551). The Company was founded May 3, 2013 with the firm Avstampet December 989 AB. The Company changed its name in June 2013 to Europeiska Skogsfonden 3 AB (publ).

**Legal status**
The company was founded May 3, 2013 and was registered at Bolagsverket under the name Avstampet December 989 AB and has been a dormant company until 20 May 2013 when the company was acquired by the European Forest Management OU. The company name was changed to Europeiska Skogsfonden 3 AB (publ) and went from private to a public company. Europeiska Skogsfonden 3 AB (publ) was established as a limited company and conducts business under this form, which is governed by the Companies Act. The Company’s object is to acquire and operate forest properties within the EU and conduct related business. Europeiska Skogsfonden 3 AB (publ), corporate identity number is 556930-9940. Registered
office is in Stockholm. Head office and visiting address is Kornhamnstorg 53, 111 27, Stockholm, Sweden.

Board composition and procedure
Board members in Europeiska Skogsfonden 3 AB (publ) were elected by the EGM in May 2013. This meeting decided on the choice of the three board members, Carl Henric Kuylenstierna, Almar Burvall and Patrik Lingårdh. Patrik Lingårdh was also elected to be the Chairman of the board. At the same meeting Johan Pharmanson, BDO Mälardalen (a member of FAR SRS), was elected to be the auditors of the Company. The mandate of all the directors expires at the next Annual General Meeting, which is scheduled to take place in June 2014. A director is entitled at any time to withdraw from the engagement.

Rules of procedure
The Board follows established rules and the manager follows the instruction given by the Board. The Board has determined that in the current situation it is not appropriate to establish committees for audit and remuneration issues. These issues are addressed in the Board. The company’s auditor reports to the Board, and attend during at least one Board meeting per year. The company’s CEO is a director of the Company. The Board shall keep as many board meetings as necessary per year, one of which should be statutory.

Swedish Code of Corporate Governance
The shares in Europeiska Skogsfonden 3 AB (publ) is not listed on a regulated market and therefore is Swedish Code of Corporate Governance (the Code) not mandatory. The Company has no intention to follow the Code as long as the Company is not a listed company.

Remuneration of directors, the CEO and other senior executives
The current chairman Patrik Lingårdh, board members Carl Henric Kuylenstierna and CEO Almar Burvall do not receive any fees or remuneration from the Company. No bonus or stock option plans exist.

Employees
At the Board meeting in May 2013 Almar Burvall was appointed to be the CEO of the Company. The Company has not, nor has it ever had, any employees.

Related party transactions
None of the directors or advisors Europeiska Skogsfonden 3 AB (publ) has or has had any direct or indirect involvement in any business transaction in addition to those listed below. European Forestry Fund 3 AB (publ) has not granted any loans, guarantees or surety for or on behalf of any of the directors, management or auditors of the Company.

Related party transactions 2013
No transactions made
Potential conflicts of interest
The Company and the Management Company are separate legal entities with converging interests in the implementation of the Company's business plan. The potential conflict of interest is money transactions from the Company to the Management Company. Therefore these transactions are regulated in an agreement, the Management Agreement, which contractually binds the Company to financially compensate the Management Company. Patrik Lingårdh is a board member of the Company and also a board member of the Management Company. Patrik Lingårdh has private economic interests through his ownership in the Management Company. The other two members of the Board of Directors, Almar Burvall and Carl-Henric Kuylenstierna are not partners in the Management Company, and are thereby acting as detectors of the relationship between the companies. The Company is signed for alone by Patrik Lingårdh besides operating activities as in accordance with the Companies Act, could be signed for by the Managing Director.

The Company places high demands for transparency to shareholders by publishing current news, sending out shareholders letter and publishing financial information in the form of annual and interim reports. The Management Company may establish or operate companies other than Europeiska Skogsfonden 3 AB (publ), which provide the Company with identical activities. Hereby, there may be conflicts of interest and competition for both venture capital and investments. However, in the Management Agreement there are restrictions regarding fund raising for the same purposes during the same time period as the Company and the implementation of competing property acquisitions during the same time period as the Company.

Dividend Policy
The Company strives to distribute profit based dividend each year after the capitalization of the Company. However, there may be cyclical reasons that mean that no profit will be created in the Company. In these cases there will not be any dividend distributed.

Legal and arbitration proceedings
The Company has not been involved in any legal or arbitration proceedings since the company were formed, which has had or could have a significant impact on the Company's financial position or profitability.

FURTHER INFORMATION

Share capital
At the date of approval of the Prospectus the share capital of the Company is 500 000 SEK, corresponding to 2 000 000 A shares and 0 B shares. All Series A shares have a par value of SEK 0,25 per share. The maximum share capital in the articles of association of the Company amounts to 2,000,000 SEK, corresponding to a maximum of 8,000,000 shares. All issued shares are fully paid. Each share represents a ratio of the share capital. Neither the Company nor anyone on its behalf holds shares in the Company. No convertible or exchangeable
securities, nor securities with rights to subscribe for new securities, options conditional or unconditional commitment to issue options in respect of the equity in the Company has been issued by the Company.

**Changes in share capital**

<table>
<thead>
<tr>
<th>Year</th>
<th>Transaction</th>
<th>Share-type</th>
<th>Increase of shares</th>
<th>Increase of share capital</th>
<th>Total amount of shares</th>
<th>Total share capital</th>
<th>Par value (kr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013-05-06</td>
<td>Formation</td>
<td>A</td>
<td>50 000</td>
<td></td>
<td>50 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013-06-10</td>
<td>Issue</td>
<td>A</td>
<td>450 000</td>
<td>450 000</td>
<td>2 000 000</td>
<td>500 000</td>
<td>0.25</td>
</tr>
</tbody>
</table>

**Different classes of shares**

Under the Company's Articles of Association, the Company may issue A-shares and B-shares up to the limit of the share capital. Currently there are 2,000,000 outstanding Class A-shares owned by the European Forest Management OU. The offer includes B-shares and any future issues will be in the form of B-shares. According to The Articles of Association there are some significant differences between A-shares and B-shares. The differences are as follows:

Each A-share carries ten (10) votes and each B-share carries one (1) vote.

The dividend for A-shares shall be a percentage equal to the total amount paid for all shares of Class A divided by the total amount paid for all outstanding shares. Correspondently Class B-shares will receive a percentage equal to the total amount paid for all shares of series B divided by the total amount paid for all outstanding shares. In case of liquidation, the same principle applies.

Class B-shares are redeemable at the request of the Company. At redemption, the Series B-shares is to receive a percentage of the net asset value equal to the total amount paid for all shares of series B divided by the total amount paid for all outstanding shares. This percentage shall be distributed equally among all B-shares.

**Control over the Company**

The company is controlled by the Management Company through voting A-shares. To ensure that such control is not abused, the companies have different boards and a Management Agreement. Two out of three board members of the Company is independent in relation to the Management Company and has no interest in the Management Company. The Company or the Management Company is not aware of any agreement or other circumstances which may result in changing the control of the Company.

**Authorization to issue B shares**

At the EGM in June 2013 it was decided to authorize the Board of the Company, until the annual general meeting in 2014 and with or without preferential rights for shareholders, to issue new shares of Class B up to the limit of the share capital stated in the Articles of Association. The purpose of the authorization is to be able to raise additional venture capital. Under the current Articles of Association the total number of shares in the Company cannot exceed 8 000 000 shares.
Information from third parties and whether third parties have interests in the Company

The prospectus contains information prepared by third parties. The Company has not verified the figures, market data or other information that third parties have used in their studies. The Board takes no responsibility for the accuracy of such information in the Prospectus. No third party has, to the best of the Company’s knowledge, any interests in the Company.

The information contained in this Prospectus has been accurately reproduced and as far as the Company is aware, no facts have been omitted which would render the reproduced information to be inaccurate or misleading.

Documents available for inspection

The records of foundation and articles of association may be inspected during the period of the Prospectus validity. Inspection can be carried out at the headquarters of the Company. All reports and other documents, together with historical financial information referred to in the Prospectus is available in hard copy at the headquarters of the Company. Paper copies of the prospectus will be available free of charge at the headquarters of the Company.

Current financial reporting

The Company prepares accounting reports for the full year and interim period reports of the business.

Holdings of shares

The Company does not own any shares at the date of approval of the Prospectus that may be significant for assessment of its own assets and liabilities, financial assets or earnings.

Significant agreements

The Company has entered into a management agreement with the European Forest Management OU. The Management Company will thereby be responsible for the administrative management and business operations of the Company. The Management Company is entitled to compensation for this mission. The management agreement is fully reproduced on the following pages. At the date of approval of the Prospectus the Company has not entered into any other contracts of significance.
Management Agreement

European Forest Management OÜ, incorporated in Estonia with ID nr 11591116 (the "Management Company") and Europeiska Skogsfonden 3 AB (publ), reg. No. 556930-9940 (the "Fund") have reached the following Management Contract for the management of the Fund.

1. Background
The Fund is a Swedish limited liability company whose purpose is to invest in and manage forest properties within the EU.

The Fund instructs the Management Company to manage the financial and administrative operations of the Fund including, but not limited to, the asset portfolio and the organization and administration and to represent the Fund and monitor the interests of the Fund against third parties.

2. Assignment
The contract covers the ongoing financial and administrative management of the Fund and the procurement of services and contacts as a result of the Fund's activities to the extent required. The Management Company shall assist the Fund regarding purchase, marketing and sale of forest products and forest land and execute decisions made by the Board of the Fund.

3. Objective of the Fund's return
The objective for the investment strategy of the Fund is 10-12 percent per year in return (IRR). No assurance can be given that the target is actually reached, or even is positive. The Fund will be managed with the goal of delivering an annual dividend to shareholders, and to provide as high total return as possible.

4. Contract period
The Agreement shall enter into force upon signature and until further notice.

The parties' rights and obligations under paragraphs 9, 14 and 20 shall continue even after the termination of this Agreement. The termination of the Agreement shall not affect the rights and obligations arising prior to termination.

5. Exclusivity and completeness
The fund will be managed exclusively by the Management Company, which itself and / or by means of lateral and sub-consultants appointed in the manner described in this Agreement, shall be responsible for managing the need for the Fund.
6. Fund Management

6.1 Management and administration
The Management Company shall manage all of the affairs of the Fund as to represent the Fund and monitor the Fund’s interests in ways that are consistent with the Companies Act and other legislation. Reporting should be done according to guidelines from the Board of Directors of the Fund.

6.2 Book keeping, Financial Statements and Audit

Book keeping
The Management Company is responsible for accounting of the Fund and that accounting are in accordance with applicable laws and regulations and in compliance with generally accepted accounting principles.

Financial Statements
The Management Company prepares financial statements for the Fund and reports to the shareholders in accordance with section 6.4 below.

Audit
The Management Company is responsible for that the auditor of the Fund performs statutory audit of the Fund.

6.3 Policy regarding cash management
The Management Company shall on behalf of the Fund manage cash and cash equivalents in an effective manner, taking into account the future revenues of the Fund, future expenses, planned dividends etc. The Management Company is entitled to make short-term investments of the assets in cash management purposes under the guidelines specified by the Board of Directors. During the investment period, cash and cash equivalents should be invested according to the investment policy in accordance with section 7.1. Financial reports are done regularly as instructed by the Board of Directors. Cash and cash equivalents of the Fund must be kept separate from the cash and cash equivalents of the Management Company.

6.4 Reporting to shareholders
The Management Company shall report and provide information to shareholders regarding the financial position of the Fund through interim and audited annual reports. In addition, information is provided to shareholders regarding other important events in the company as required and according to guidelines from the Board of Directors of the Fund. The main flow of information is provided to the shareholders through the website of the Fund.

6.5 External consultants
The Management Company is after approval from the Board of Directors of the Fund entitled to appoint external consultants that are necessary for the fulfillment of the obligations under the Agreement. The Management Company shall fully bear its own costs incurred in the Management Company’s hiring of consultants and their work on issues with the Fund.
6.6 Fund Manager
The Management Company shall appoint a Fund Manager responsible for the operations of the Fund and thereby protect the interests of the Fund. The Management Company undertakes to urgently replace the Fund Manager upon a written request from the Board of Directors of the Fund.

6.7 Permission and authorization
The Management Company shall provide required information to municipalities, government agencies and other public institutions regarding the Fund. The Management Company shall ensure that such permits, etc. are held necessary for the management of the Fund pursuant to this Agreement and the activities of the Fund.

7. Portfolio and asset management

7.1 Investment strategy
The management company will follow the investment strategy of the Fund described and updated continuously in the prospectus drawn up and approved by the Swedish Finansinspektionen.

7.3 Activities after the investment period
After the investment period the operations of the Fund consists of managing forest properties including but not restricted to sale of timber, sale of forest land and related operations.

7.4 Objective of the Fund
The objective of the Fund and thereby the mission for the Management Company is to acquire forest properties on behalf of the Fund and to manage these properties in a way that annually creates conditions for distribution of dividend to shareholders of the Fund. The aim for annual dividends is 2-5 percent not to exceed fiscal year result of the Fund. Forest management includes selling of forest properties in consultation with the Board of Directors of the Fund.

After the period of raising capital the Management Company is also responsible for connecting Class B shares of the Fund to an official marketplace to give an opportunity for shareholders to buy and sell shares. However, this is only one objective and the Management Company has no responsibility in case this goal cannot be met, in whole or in part.

7.5 Property transactions
The Management Company is responsible for the implementation of acquisition, marketing and sale of forest properties. After approval and at the expense of the Fund external consultants may be hired, including brokers, commercial lawyers, tax lawyers, accountants, forestry consultants, etc. Transactions shall be made in accordance with approval from the Board of Directors of the Fund.
8. Fees and Expenses

8.1 Fees
For the management of the Fund the Management Company shall receive remuneration in accordance with what is stated below.

8.1.1 Issue costs
Issue costs comprise 8 percent of the capital provided to the Fund as equity and debt securities or equivalent. Issue costs are intended to cover the cost of the Management Company for the formation of the Fund and the cost of raising capital. Issue costs are charged in full when capital is applied Fund. Issue costs does not cover the costs of managing the share register maintained by Euroclear, fees to Finansinspektionen, advertisements, printed materials, costs for brokers, costs for ongoing administration and external marketing. Such costs are charged to the Fund in accordance with paragraph 8.2.1. Loans from banks or equivalent are not charged with the emission cost.

8.1.2 Management fee
Annual fund management fee ("Fund management fee") consisting of 1,5 percent of total assets under management. The Fund management fee is charged per calendar year in advance.

8.1.3 Incentives fee
Incentive fees are paid to the Management Company as stated below:

a. Remuneration consists of 10 percent of the increase in value that occurs in the Fund over a maximum period of 7 years. The fee is calculated as 10 percent of the increase in value of the Class B shares of the Fund during a maximum period of 7 years. The basis is the difference between the initial issue price of the B shares of the Fund at the start of the capitalization, and the official market rate set out in the Fund's Class B shares on the Alternativa aktiemarknaden, or similar venue, within a period of 7 years after listing.

The incentive fee may be requested no earlier than five years after the Fund's Class B shares are admitted to official trading and not later than seven years from the first day of trading. If there are no request of calculation and payment of the incentive fee within seven years the right to incentive fees matures.

b. Incentive fees also include 10 percent of the total amount distributed annually as dividend decided by the General Meeting.

8.2.1 Costs for the Fund
The Fund shall bear its own ongoing administrative costs of bookkeeping, accounting and auditing, reporting and information to shareholders via external resources. All costs for marketing and investor relations activities should be covered by the Fund itself. Examples of such costs include handling of shareholders maintained by Euroclear, fees of Finansinspektionen, advertisements, publications, brokers, other transaction costs, etc. The Board of Directors shall approve in advance the budget for these types of expenses. Services from the Management Company does not count as external resources.
8.4 Compensation for unexpected costs
The Management Company shall be entitled to compensation for unforeseen expenses, such as imposing or raising taxes, fees or charge which parliament, government, municipality or authority may decide for any portion of the commitments under the Agreement or increased costs due to circumstances that the Management Company did not know at the time of signing this Agreement.

9. Responsibility of the Management Company

9.1 Damages
The Management Company is only responsible for damages incurred by the Fund Management Company by acting reckless or with intent. The Management Company is responsible for losses caused by external consultants but only to the extent this is due to the Management Company in a negligent manner by providing inadequate instructions or failed to exercise control regarding these consultants.

9.2 Return
The Fund is aware that the Management Company has not provided any guarantees regarding the expected return in the management of the property portfolio.

9.3 Indemnity
Compensation may be awarded for the damage suffered by the Fund by reason of breach of this Agreement. The Management Company's total liability for damage during a fiscal year is limited to an amount equal to double the Fund management fees the same financial year as the damage occurred.

Requirements for compensation must be presented in writing no later than 3 months after the breach was discovered by the counterparty.

10. Competing funds
The Management Company also manages Europeiska Skogsfonden 1 och 2 and may establish additional funds with the same or similar approach. The Management Company shall be able to establish and run competing funds provided that the Management Company does not raise capital in competing funds under the same fundraising period and that competing funds does not invest in forest properties during the same investment period.

11. Transfer of Agreement
The rights and obligations under this Agreement may not be assigned without the parties' written consent.

12. Cancelation
In breach of this Agreement, a Party is entitled to terminate the agreement if the breach is of significant importance. The right of rescission exists in particular if one party becoming insolvent or if a significant breach is not corrected within 30 business days after a written notice.

If the Agreement are terminated the Management Company should immediately restore all material, all documents and other information related to this agreement to the Fund.
13. Confidentiality
Information that a party obtains regarding the other party, regardless of the form in which information is given, shall be confidential unless the information is common knowledge, comes to the party's knowledge from a third party and not in breach of this Agreement or if the information is required to be disclosed for legal or similar reasons, including listing agreements.

14. Publicity
The Management Company is entitled to issue press releases in which the Fund and the Management Company's name may be given. The Management Company is entitled to in other contexts promote the Fund, including its results in accordance with applicable law.

15. Notification
Unless otherwise stated, notices under this Agreement should be transferred by courier or registered mail to the parties. The notice shall be deemed to have been received:

(i) if delivered by messenger: surrender: and
(ii) if sent by registered mail, five business days after the delivery of mail.

Changes of address must be notified to the Parties respectively.

16. Invalidity
If any provision of the Agreement or portion thereof is held invalid, this does not mean that the agreement as a whole is void, but to the extent that such invalidity affect Parts replacement of or performance under the agreement shall instead equitable adjustment of contract occur.

17. Changes and addition
Additions and changes to the contract must be approved in writing by both parties.

18. Force majeure
Neither party will be liable for loss, damage or delay due to Swedish or foreign legislation, Swedish or foreign authority, acts of war, terrorism, strikes, lockout, blockade, boycott or other similar circumstance Party could not reasonably have foreseen and which consequences Party could not reasonably have avoided or overcome. The reservation in respect of strikes, lockouts, blockades and boycotts applies even if the party has taken or is the subject of such actions. If one party is prevented to fulfill this agreement due to the circumstances mentioned above fulfillment may be postponed until the obstacle has ceased.

19. Resolution of dispute
Disputes arising from this Agreement shall finally be settled by arbitration in accordance with Rules of Stockholms Handelskammares Skiljedomsinstitut. The arbitral tribunal shall consist of three arbitrators. The arbitration shall take place in Stockholm.

This Agreement is drawn up in two originals; each party has taken one each
16. Bestämmelse ogiltighet
Skulle någon bestämmelse i Avtalet, eller del därav, befinnas ogiltig skall detta inte innebära att Avtalet i dess helhet är ogiltigt, utan i den mån ogiltigheten väsentligen påverkar Parts utbyte av eller prestation enligt Avtalet skall i stället skälig jämnning av Avtalet ske.

17. Ändringar och tillägg
Tillägg och ändringar av Avtalet måste skriftligen godkännas av båda parter.

18. Force majeure
Part är fri från ansvar för förlust, skada eller försening som beror på svenskt eller utländskt lagbud, svensk eller utländsk myndighetsåtgärd, krigshändelse, terroristhändelse, strejk (såväl avtalsenlig som avtalsstridig), lockout, blockad, bojkott eller annan liknande omständighet som Part inte skäligen kunde förväntas ha räknat med och vars följer Part inte heller skäligen kunde ha undvikit eller övervunnit. Förbehållet i fråga om strejk, lockout, blockad och bojkott gäller även om Part själv vidtar eller är föremål för sådan konflikttägård.

Om hinder föreligger för Part att vidta åtgärd på grund av omständighet som anges i första stycket får åtgärden skjutas upp till dess hindret har upphört.

19. Tillämplig lag och tvistlösning

Detta Avtal har upprättats i två original, av vilka parterna har tagit var sitt.

För Europeiska Skogsfonden 3 AB (publ)

Almar Burvall
Vd och ledamot

Carl Henrik Küvenstierna
Ledamot

Patrik Lingårđh
Ordförande

För European Forest Management OÜ

Patrik Lingärđh
Ledamot
Articles of Association - Europeiska Skogsfonden 3 AB (publ) 556930-9940

§ 1 Company
The company name is Europeiska Skogsfonden 3 AB (publ).

§ 2 Registered Office
Registered office is Stockholms kommun, Stockholms län.

§ 3 Activity
The company will invest in, own, operate and sell forest properties, directly or indirectly, within the EU and to conduct related activities.

§ 4 Share capital
The share capital is not less than 500 000 SEK and a maximum of 2 000 000 SEK.

§ 5 Number of shares
The number of shares shall be not less than 2,000,000 and a maximum of 8 000 000 shares.

Shares of Class A and Class B
The number of Class A shares may be applicable to the maximum number of shares in the company. The number of Class B shares may be applicable to the maximum number of shares in the company. Class A shares are entitled to ten (10) votes and each Series B share is entitled to one (1) vote

§ 6 Profit distribution
Dividends shall be distributed as follows between share classes.

Class A shares shall receive a share equal to the total amount paid for all shares of Series A divided by the total amount paid for all outstanding shares.

Shares of Class B shall receive a share equal to the total amount paid for all the shares of class B divided by the total amount paid for all outstanding shares.

§ 7 Share issues etc
If the company, by a cash issue or offset issue decides to distribute new shares of series A and series B, the holders of shares of Series A and Series B have preferential rights to subscribe for new shares of the same class in proportion to the number of shares held by such holder. Shares not subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential right). Unless the shares offered in this way is sufficient for subscription with subsidiary preferential rights, the shares will be distributed in proportion to the number of shares previously held and, to the extent this is not possible, by lot.

The company decides to cash issue or offset issue shares of only one kind, all shareholders, regardless of whether their shares are shares of series A and series B have preferential rights to subscribe for new shares in proportion to the number of shares they own.

If the company decides to issue warrants or convertibles through a cash or offset issue, shareholders have preferential rights to subscribe for warrants as if the issue concerned the shares that may be subscribed because of the warrant or right to subscribe for convertibles as if the issue concerned the shares that the convertibles may be exchanged to.
The terms of this paragraph does not limit the ability to decide on cash or offset issue with deviation from the shareholders’ preferential rights.

The increase in share capital through a fund issue, new shares should be issued of each class in relation to the number of shares of the same class already held. In connection with this, the old shares of each class shall entitle to new shares of the same class. This does not limit the possibility of a fund issue, after necessary amendments in the articles of association, issue shares of a new class.

§ 8 Redemption Notice

Reduction of share capital, but not under the minimum capital, may be executed at the discretion of the Board of Directors through the redemption of all shares of class B. When reduction occurs, an amount corresponding to the reduction amount should be allocated to the reserve fund if the required funds are available.

Class B shares will receive a percentage of the net asset value equal to the total amount paid for all shares of series B divided by the total amount paid for all outstanding shares. This percentage shall then be distributed equally among all B shares.

Owners of Class B shares reported for redemption shall be obligated to immediately after he was informed of the redemption decision, accept the redemption price, or when the Companies Registration Office or court approval is required, after he had been informed of that the Court’s final decision is recorded.

§ 9 Directors and Auditors

The Board consists of three to five members, with a maximum of five deputies. The Company shall have one or two auditors with up to two deputy auditors or a registered accounting firm.

§ 10 Notice of General Meeting

Notice of a General Meeting shall be published in Post- och Inrikes Tidningar and on the website. Notice of summons shall be published in Dagens Nyheter. Notice of Annual General Meeting and Extraordinary General Meeting where a change in the Articles of Association is suggested shall be issued not earlier than six weeks and no later than four weeks before the meeting. Notice of any other general meeting shall be issued not earlier than six weeks and no later than two weeks before the meeting.

§ 11 Registration for the meeting

To participate in the General Meeting, shareholders must notify the company no later than 4 pm on the date specified in the notice. This may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve or New Year’s Eve and not earlier than five days before the meeting. Agents do not need to specify the number of assistants. The number of assistants or advisors shall not exceed two.

§ 12 Annual Meeting

The Annual General Meeting is held annually within six months after the end of the fiscal year. At the Annual General Meeting, the following matters shall be treated.

1. Election of Chairman of the Meeting
2. Preparation and approval of voting list
3. Approval of the agenda
4. Election of one or two minutes
5. Determination of whether the Meeting has been duly convened
6. Presentation of the annual accounts and auditors' report and, where appropriate, consolidated accounts and the consolidated audit report
7. Decision
   a. Adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet
   b. Allocation of profit or loss according to the adopted balance sheet
   c. Discharge of the directors and officers when it occurs
8. Determination of Directors fee and, where applicable, the auditors fee
9. Election of the Board and, where appropriate, firms or auditors and deputy auditors
10. Other matters to be addressed at the meeting under the Companies Act or the Articles of Association.

§ 13 Reconciliation subject
The Company's shares shall be registered in a register under the Act (1998:1479) on financial instruments. The shareholder on the record date is registered in the share register and in a control register, pursuant to Chapter 4. Act (1998:1479) on financial instruments or who is registered on a securities account pursuant to Chapter 4. § 18 paragraph 6-8 of the Act, shall be deemed to be authorized to exercise the rights set forth in Chapter 4. 39 § Companies Act (2005:551).

§ 14 Fiscal year
The fiscal year of the company shall be from 0101 to 1231.
Yttrande per den 31 Maj 2013 beträffande den historiska finansiella utvecklingen av bolaget Euroiska Skogsfonden 3 AB (publ) med organisationsnummer 556930-9940

Undertecknad redogör härmed för rubricerade bolags historiska finansiella utveckling per den 31 Maj 2013.

Sedan bolaget som ursprungligen var ett lagerbolag förvänvades av sin nuvarande ägare har aktiekapitalet om 500 000 kronor har betalats in på bolagets konto. Detta ha skett i två omgångar, dels i samband med förvärvet och dels i samband med nyemission för att öka aktiekapitalet så att bolaget har kunnat omregistreras och bli ett publikum bolag. Per den 27 Maj har undertecknad avgivit ett revisorsyttrande för byte av bolagsskatt. Bolagets tillgångar uppgår per den 31 Maj till 500 000 kronor av vilka samtliga utgörs av illkvida medel.

Inga transaktioner har påverkat resultatträkningen per den 31 Maj 2013.

Stockholm den 25 Juli 2013

BDO Mälardalen AB

Johan Pharmanson
Auktoriserad revisor