

*Denna kallelse till obligationsinnehavarna är endast utformad på engelska.*

Stockholm, 22 July 2016

**To the Noteholders in:**

**ISIN: SE0007666102 – Kvalitena AB (publ) maximum SEK 600,000,000 senior floating rate notes 2015/2018**

**NOTICE OF WRITTEN PROCEDURE – REQUEST TO AMEND THE TERMS AND CONDITIONS**

**This Notice of Written Procedure has been sent on 21 July 2016 to Noteholders directly registered in the debt register (Sw. *skuldbok*) kept by the CSD. If you are an authorised nominee under the Swedish Financial Instruments Accounts Act or if you otherwise are holding Notes on behalf of someone else on a Securities Account, please forward this notice to the Noteholder you represent as soon as possible. For further information, please see below under Section 7.3 (*Voting rights and authorisation*).**

Nordic Trustee & Agency AB (publ) acts as agent (the "**Agent**") for the holders of the Notes (the "**Noteholders**") in the above-mentioned note issue ISIN SE0007666102 (with an aggregated amount outstanding of SEK 600,000,000 (the "**Notes**") issued by Kvalitena AB (publ) (the "**Issuer**"). In its capacity as Agent, and as requested by the Issuer, the Agent hereby initiates a procedure in writing, whereby Noteholders can vote for or against the Issuer's requests.

All capitalised terms used herein and not otherwise defined in this notice (the "**Notice**") shall have the meanings assigned to them in the terms and conditions of the Notes (the "**Terms and Conditions**").

Noteholders participate by completing and sending the voting form, attached hereto as Schedule 1 (the "**Voting Form**"), and, if applicable, the power of attorney/authorisation, attached hereto as Schedule 2 (the "**Power of Attorney**") or other sufficient evidence, if the Notes are held in custody other than by the CSD, to the Agent. Please contact the securities firm you hold your Notes through if you do not know how your Notes are registered or if you need authorisation or other assistance to participate.

The Agent must receive the Voting Form no later than 17:00 (CEST) on 16 August 2016 either by mail, courier or email to the Agent using the contact details set out in Clause 7.7 (*Address for sending replies*) below. Votes received thereafter may be disregarded.

To be eligible to participate in the Written Procedure, a person must meet the criteria for being a Noteholder on 5 August 2016 (the "**Record Date**"). This means that the person must be registered on a Securities Account with the CSD, as a direct registered owner (Sw. *direktregistrerad ägare*) or authorised nominee (Sw. *förvaltare*) with respect to one or several Notes.

*The information in this Notice (including enclosures) is provided by the Issuer, and the Agent expressly disclaims all liability whatsoever related to this Notice.*

## **1. Introduction and Background**

### **1.1 Business update**

After the Issue Date, 29 October 2015, this Issuer has continued to develop its asset base with total assets of SEK 4.2 billion as per 31 March 2016. The equity position amounted to SEK 2.0 billion, corresponding to an equity ratio of 49 per cent, well above the minimum equity ratio of 25 per cent set out in the Terms and Conditions.

During the twelve-month period ending on 31 March 2016, Issuer's revenues amounted to SEK 360 million, dividend received from associate companies to SEK 432 million, EBIT to SEK 553 million and net profit to SEK 663 million of which SEK 329 million relates to changes in value of investment properties.

### **1.2 Development of the asset base**

Since the Issue Date of the Notes, the value of the Issuer's shareholdings in Stendörren Fastigheter AB (publ) ("**Stendörren**") and D. Carnegie & Co AB ("**D. Carnegie**"), including the proposed SEK 100 per share price for the D. Carnegie shares, has increased by approx. SEK 864 million.

#### **Notable investments and divestments since the Issue Date**

The Issuer has completed several transactions since the Issue Date, including but not limited to;

- In May and June 2016 alone, four separate investments in unlisted properties with a combined valuation of SEK 515 million, including the properties Nacka Sicklaön 38:14 and Stockholm Kornetten 2
- Divestment of 2,875,000 Class-B shares in D. Carnegie & Co AB (publ)
- Divestment of 1,125,000 Class-A shares and 3,430,000 Class-B shares in Stendörren AB (publ).
- Participated in a rights issue in the real estate company Kuststaden Fastigheter AB.
- Acquisition of 70% of the outstanding shares in the real estate company Peritas Fastigheter AB (a property portfolio consisting of 34 properties).
- Acquisition of 300,000 Class-B shares in D. Carnegie.
- Acquisition of 3,502,436 Class-B shares in the listed company Scandi Standard AB.
- Acquisition of the shares in Bromma Business Jet AB.

#### **List of assets and book value as per 31 March 2016**

<b>Holdings</b>	<b>Book value (million)</b>
<u>Listed holdings</u>	
D. Carnegie	SEK 1,065.7
Stendörren	SEK 378.8
A Group of Retail Assets Sweden AB	SEK 88.4

Scandi Standard AB	SEK 206.6
Kvalitena Danmark, (Admiral Capital)	SEK 26.3
<u>Property holdings</u>	
Kuststaden Holding AB	SEK 156.6
Gimmel Fastigheter AB	SEK 36.3
Sterner Stenhus Fastigheter AB	SEK 52.7
Investment properties	SEK 1,104.4
<u>Jointly owned property companies</u>	
Sörmlandsporten AB	SEK 82.1
<u>Other holdings</u>	
Industrial portfolio	SEK 26.2

### 1.3 Amendments of the Terms and Conditions

Real Estate funds managed by Blackstone has through Vega Holdco S. à r.l. (“Vega”) entered into a share and purchase agreement with the Issuer for the sale by the Issuer and the purchase by Vega of 75% of the Issuer's shareholding in D. Carnegie for SEK 1.18 billion in cash. Vega will also receive a power of attorney to vote on behalf of the Issuer at shareholders’ meetings in D. Carnegie, and a right of first offer for the remaining shares in D. Carnegie owned by the Issuer.

Vega has also entered into two additional share purchase agreements for the acquisition of (i) 45% of Frasdale Int. B.V's shareholding in D. Carnegie f (representing approx. 5% of the voting rights and 4% of the share capital in D. Carnegie) and receive a power of attorney to vote on behalf of, and a right of first offer for remaining 25% of Frasdale's shareholding and (ii) 100% of Svensk Bolig Holding AB's shareholding in D. Carnegie (representing approx. 10% of the voting rights and 13% of the share capital in the D. Carnegie).

All of these acquisitions and contributions are made at the same price, and are conditional on, among other things, regulatory approval being granted and the Issuer obtaining the consent of its Noteholders to dispose of its shares in D. Carnegie. If the conditions are satisfied (or, in certain circumstances, waived) Vega will be controlling a total of 53% of the voting rights in D. Carnegie. The transactions will, if completed, eventually result in Vega passing the threshold for a mandatory offer obligation.

#### Use of proceeds

Subject to the successful completion of the above mentioned transactions, the Issuer will have approx. SEK 1.18 billion in cash on its balance sheet, as compared with SEK 50.5 million as per 31 March 2016. The Issuer intends to use approx. SEK 370 million to amortise part of its existing secured and unsecured debt. In addition, the Issuer proposes subject to the successful completion of the transaction to carry out a partial redemption of its Notes of approx. SEK 100 million (see details below). These measures would lower the Issuer’s interest-bearing debt to approx. SEK 1.5 billion, compared with approx. SEK 1.97 billion as per 31 March 2016, which including cash amounts to a net interest-bearing debt of approx. SEK 790 million. The Issuer believes that this will significantly strengthen its financial position and empower the Issuer with financial flexibility going forward. As the Issuer remains an active participant and consolidator in

the Swedish real estate market, the Issuer sees ample investment opportunities going forward and is currently involved in negotiations for additional property acquisitions in the Stockholm Region with an aggregate value of approx. SEK 1 billion. Apart from its real estate portfolio, the Issuer is looking to further develop its profitable investments within Kvalitena Industries to provide diversification in its portfolio.

## The Notes

Although the shares in D. Carnegie are not pledged as security for the Notes, the Terms and Conditions limit the possibility for the Issuer to decrease its consolidated holdings in Stendörren and D. Carnegie AB below 75% of the initial holdings (29,244,151 shares), corresponding to 21,933,113 shares.

The Issuer is therefore proposing amendments of the Terms and Conditions, enabling the Issuer to divest its D Carnegie shares to Vega.

As the Terms and Conditions include a dividend cap of the lower of 50% of previous fiscal year's net profit and SEK 30 million, the Issuer will retain a significant cash amount of approx. SEK 1.18 billion on its balance sheet after the divestment of 75 % of the D. Carnegie shares. Therefore, the Issuer proposes to amend the Terms and Conditions to allow for a one-time amortization of the Notes of SEK 100 million at a premium in line with the first call premium of the Terms and Conditions, i.e. 103% of the nominal amount. The Issuer also proposes to extend the time when at the latest its audited consolidated financial statements for each year shall be made available to the Noteholders from four months to five months. The background for this request is to allow the Issuer sufficient time to finalize the statements.

## 2. Amendments to the Terms and Conditions

### 2.1 Proposal for amendment

The Issuer hereby proposes that the Noteholders approve to amend the Terms and Conditions in accordance with the wording below:

**Section 12.1.1** ~~At the date hereof~~ *As at 18 July 2016, the Issuer owns in total 10,703,824 6,148,824 shares in Stendörren and in total 18,540,327 shares in D. Carnegie totaling in both companies 29,244,151 shares (its "Holdings") and following the transfer of the shares in D. Carnegie to Vega Holdco S. à r.l. 3,939,134 shares in D. Carnegie. During the term of the Notes* ~~From such date and for the remaining term of the Notes the Issuer shall not enter into a single transaction or series of transactions (whether related or not) and whether voluntary or involuntary to sell, transfer or otherwise dispose of more than 7,311,038 shares (constituting 25 %) of its Holdings, adjusted to reflect any reverse share split or share split, new issue of shares with pre-emption rights for the shareholders to subscribe for new shares in exchange for cash payment or payment by way of set-off, bonus issues of shares and reduction in the share capital with repayment to the shareholders).~~ *its remaining shares in D. Carnegie and in Stendörren without redeeming the Notes in full. The Issuer further undertakes during the remaining term of the Notes not to create any security interest over its shares in D. Carnegie, except for the security to be granted to Vega Holdco S. à r.l. to secure Issuer's obligations (i) not to sell its 3,939,134 shares in D. Carnegie without first having offered Vega Holdco S. à r.l. to acquire the shares and (ii) to issue a power of attorney to Vega Holdco S. à r.l. to vote for the shares at all shareholders' meetings in D. Carnegie.*

**Section 11.1.1 (a)** as soon as the same become available, but in any event within ~~four~~ **(4)** *five (5)* months after the end of each financial year its audited consolidated financial statements for that financial year

#### **Introduction of partial amortization**

**New Section 10.4** *The Issuer may on one occasion and no later than 30 September 2016 repay up to SEK 100,000,000 of the total Nominal Amount of the Notes, in which case all outstanding Notes shall be partially repaid by way of reducing the Nominal Amount of each Note pro rata. The repayment per Note shall equal the repaid percentage of the Nominal Amount (rounded down to the nearest SEK 1.00) plus (i) a premium on the repaid amount of 3.00 %, and (ii) accrued but unpaid interest on the repaid amount. The repayment shall be made by the Issuer giving not less than fifteen (15) Business Days' notice to the Noteholders and the Agent. Any such notice is irrevocable but may, at the Issuers discretion, contain one or more conditions precedent.*

### **3. Conditions**

#### **3.1 Conditions Precedent**

The Issuer acknowledges that the consent by the Noteholders to the Request is subject to the following conditions precedent:

1. That the contemplated actions, including payment of consent fee, partial amortization, the contemplated transactions and actions necessary to carry out any other action described herein, have been duly approved by the board of directors and signed by authorized signatory.
2. A duly signed certificate from the Issuer confirming that the consent to the Request, the payment of the Consent Fee and the payment of the partial amortization, will not result in a default under any outstanding debt.

#### **3.2 Conditions Subsequent**

1. That the Fee has been paid in accordance with Clause 5 below and that this has been confirmed to the Agent.
2. That subject to the successful completion of the sale by the Issuer of shares in D. Carnegie to Vega on or prior to 15 September 2016, the Issuer give notice to the Noteholders and the Agent that it will repay SEK 100,000,000 of the total Nominal Amount of the Notes.

### **4. Consent**

We kindly ask the Noteholders to confirm that the Noteholders, subject to Clause 3, agree to the proposal for amendments of the Terms and Conditions described in Clause 2.1 above (the "**Request**").

## **5. Consent Fee**

As a compensation to the Noteholders, the Issuer offers the Noteholders a one-time consent fee of 0,50 % (flat) of the face value of the respective Noteholders' holdings of the Notes (the "Fee"). The Fee will be payable to the Noteholders within 2 Business Days (or such longer period as may be required for technical reasons by CSD) from the expiration of the voting period in the Written Procedure (with record date at end-of-business the date of the expiration of the voting period in the Written Procedure), provided that a requisite majority of the Noteholders have approved the Request.

## **6. Non-reliance**

The Request are presented to the Noteholders by the Issuer, without any evaluation, advice or recommendations from the Agent whatsoever. No independent advisor has been appointed to review and/or analyse the Request (and its effects) from the Noteholders' perspective. The Noteholders are recommended to seek legal advice to independently evaluate whether the requests from the Issuer (and its effects) are acceptable or not.

## **7. Written Procedure**

The following instructions need to be adhered to under the Written Procedure.

### **7.1 Final date to participate in the Written Procedure**

The Agent must have received the votes by mail, courier or email to the address indicated below no later than 17:00 CEST, 16 August 2016. Votes received thereafter may be disregarded.

### **7.2 Decision procedure**

The Agent will, in its sole discretion, determine if received replies are eligible to participate under the Written Procedure as valid votes.

When a requisite majority of consents of the total Adjusted Nominal Amount have been received by the Agent, the Request shall be deemed to be adopted, even if the time period for replies in the Written Procedure has not yet expired.

Information about the decision taken under the Written Procedure will: i) be sent by notice to the Noteholders and ii) be published on the websites of a) the Issuer and b) the Agent.

A matter duly adopted under the Written Procedure will be binding for all Noteholders, irrespective of them responding in the Written Procedure or not.

### **7.3 Voting rights and authorisation**

Anyone who wishes to participate in the Written Procedure must on the Record Date in the debt register:

- (a) be registered as a direct registered owner of a Securities Account; or
- (b) be registered as authorised nominee in a Securities Account, with respect to one or several Notes.

#### **7.4 Notes registered with a nominee**

If you are not registered as a direct registered owner, but your Notes are held through a registered authorised nominee or another intermediary, you may have two different options to influence the voting for the Notes.

1. You can ask the authorised nominee or other intermediary that holds the Notes on your behalf to vote in its own name as instructed by you.
2. You can obtain a Power of Attorney (Schedule 2) from the authorised nominee or other intermediary and send in your own Voting Form based on the authorisation. If you hold your Notes through several intermediaries, you need to obtain authorisation directly from the intermediary that is registered in the debt register as bondholder of the Securities Account, or from each intermediary in the chain of bondholders, starting with the intermediary that is registered in the debt register as a Noteholder of the Securities Account as authorised nominee or direct registered owner.

Whether one or both of these options are available to you depends on the agreement between you and the authorised nominee or other intermediary that holds the Notes on your behalf (and the agreement between the intermediaries, if there are more than one).

The Agent recommends that you contact the securities firm that holds the Notes on your behalf for assistance, if you wish to participate in the Written Procedure and do not know how your Notes are registered or need authorisation or other assistance to participate.

Notes owned by a Group Company or an Affiliate does not entitle to any voting rights.

#### **7.5 Quorum**

To approve the Request, Noteholders representing at least fifty (50) per cent of the Adjusted Nominal Amount must reply to the Request under the Written Procedure in order to form a quorum.

If a quorum does not exist, the Agent shall, in accordance with the Terms and Conditions, initiate a second Written Procedure, provided that the relevant proposal has not been withdrawn by the Issuer. No quorum requirement will apply to such second Written Procedure.

#### **7.6 Majority**

Two thirds (2/3) of the Adjusted Nominal Amount for which Noteholders reply under the Written Procedure must consent to the Request.

## 7.7 Address for sending replies

Return the Voting Form, Schedule 1, and, if applicable, the Power of Attorney/Authorisation in Schedule 2 or other sufficient evidence, if the Notes are held in custody other than the CSD, by regular mail, scanned copy by e-mail, or by courier to:

### By regular mail:

Nordic Trustee & Agency AB (publ)  
Attn: Written Procedure / Kvalitena AB (publ)  
P.O. Box 7329  
S-103 90 Stockholm

### By courier:

Nordic Trustee & Agency AB  
Attn: Written Procedure / Kvalitena AB (publ)  
Kungsgatan 35  
111 56 Stockholm

### By email:

E-mail: [mail@nordictrustee.se](mailto:mail@nordictrustee.se)

## 8. FURTHER INFORMATION

For further questions to the Agent, regarding the administration of the Written Procedure, please contact the Agent at [mail@nordictrustee.se](mailto:mail@nordictrustee.se) or +46 8 783 79 00.

For further questions to the Issuer, regarding the Request, please contact the Issuer at [knut.pousette@kvalitena.se](mailto:knut.pousette@kvalitena.se) or +46 8 545 875 45.

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**Stockholm** 21 July 2016

**NORDIC TRUSTEE & AGENCY AB (PUBL)**

**As Agent**

<b>Schedule 1</b>	Voting Form
<b>Schedule 2</b>	Power of Attorney/Authorisation



# VOTING FORM

## Schedule 1

for the procedure in writing for Kvalitena AB's (publ) maximum SEK 600,000,000 senior floating rate notes 2015/2018, ISIN: SE0007666102 (the "Notes")

The undersigned Noteholder, alternatively custodian or authorised person/entity (as appropriate) vote (the "Voting Person") on behalf of the Noteholder specified below as follows.

**For** the Request

**Against** the Request

Name of the Voting Person: \_\_\_\_\_

Voting Person's reg.no/id.no  
and country of incorporation/domicile: \_\_\_\_\_

Account number at Euroclear Sweden:  
(if applicable) \_\_\_\_\_

Account number at custodian:  
(if applicable) \_\_\_\_\_

Nominal Amount voted for: \_\_\_\_\_

Please observe that only one vote per voting form is allowed.

Day time telephone number, e-mail address, and contact person:

.....

Place, date:

.....  
Name in print

.....  
Name in print

.....  
Signature

.....  
Signature

# POWER OF ATTORNEY/AUTHORISATION

## Schedule 2

for the procedure in writing for Kvalitena AB's (publ) maximum SEK 600,000,000 senior floating rate notes 2015/2018, ISIN: SE0007666102 (the "Notes")

**NOTE:** This power of attorney/authorisation document shall be filled out if the custodian, person/entity voting is not direct registered on the Securities Account with Euroclear Sweden.

Name of person/entity that is authorised to vote:

\_\_\_\_\_

Nominal Amount the person/entity is authorised to vote for:

\_\_\_\_\_

Person or entity confirming the authority above:

\_\_\_\_\_

I hereby confirm that the person/entity specified above has the right to vote for the Nominal Amount set out above.

I represent an aggregate Nominal Amount of: \_\_\_\_\_

I am:

- Registered as authorised nominee in the Securities Account
- Registered as direct registered owner in the Securities Account
- Other intermediary and hold the Notes through (specify below) (and I am authorised through the attached authorisation document):

\_\_\_\_\_

- Beneficial/ultimate owner of the Notes (and I am authorised through the attached authorisation document)

Place, date: \_\_\_\_\_

Signature: \_\_\_\_\_ Name in print: \_\_\_\_\_