

Summary of Kvalitena AB (publ)'s Prospectus dated 31 July 2019 for admission to trading on the Corporate Bond List of Nasdaq Stockholm of SEK 500,000,000 Senior Floating Rate Notes 2019/2022

Section 1 – Introduction and Warnings

Introduction

The securities

Senior floating rate notes with ISIN SE0012675155.

The issuer

The issuer is Kvalitena AB (publ), Reg. No. 556527-3314, a Swedish public limited liability company having its registered office in the municipality of Lidköping, Sweden, its registered address is c/o Stendörren, Strandvägen 5A, 114 51 Stockholm, Sweden, and with telephone number +46 (0)8 121 317 00. The Company's legal entity identifier (LEI) is 549300242W79G00TNO59.

Competent authority and date of approval

The Competent authority, which approved this Prospectus on 31 July 2019, is the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*), with postal address Finansinspektionen, P.O. Box 7821, 103 97 Stockholm (Sweden) and visiting address Brunnsgatan 3, 111 38 Stockholm (Sweden), and with telephone number +46 (0)8 408 980 00.

Warnings

This summary should be read as an introduction to the Prospectus;

any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor;

where a claim relating to the 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; and

civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

Section 2 – The issuer

Who is the issuer of the securities?

Domicile, legal form and relevant jurisdiction

The Company is a public limited liability company, incorporated in Sweden and governed by the laws of Sweden, including but not limited to the Swedish Companies Act (Sw. *aktiebolagslagen (2005:551)*) and the Swedish Annual Accounts Act (Sw. *årsredovisningslagen (1995:1554)*). The Company is domiciled in Lidköping, Sweden. The Company's legal entity identifier (LEI) is 549300242W79G00TNO59.

Principal activities

Kvalitena is a diversified investment company with a strategic focus on real estate investments in the greater Stockholm region and the Company's operations are mainly run through its subsidiaries and affiliated companies. The Company's business mission is to generate long-term growth and enhancement of net asset value. The Company seeks to accomplish its business mission through the application of professional investment management and active ownership, thereby enabling a high long-term risk-adjusted return. Kvalitena is an active owner working closely with management in its affiliates and partners contributing business development skills and financing expertise.

Major shareholders

Dorco International B.V. ("**Dorco**") is the largest shareholder of the Company. As per the date of this Prospectus, Dorco holds 90 per cent of the shares in the Company. Scanvik AB, Reg. No. 556705-1064 ("**Scanvik**"), owns the remaining 10 per cent of the Company's shares. Dorco is controlled by Mikael Andersson while Scanvik is controlled by Claes Wollter, member of the Board of Directors of Kvalitena.

Key managing directors

The Company's Board of Directors consists of four ordinary board members, (Ola Andersson (*chairman*), Thomas Kjessler, Seth Lieberman and Claes Wollter), appointed for the period until the end of the annual general meeting to be held in 2020. The Company's chief executive officer is Knut Pousette, its chief financial officer is Jonas Vestin and its head of transactions is Hans Lycketorp.

Auditor

The Company's auditor is presently the accounting firm Rådek AB with auditor Johan Rudengren as auditor in charge.

What is the key financial information regarding the issuer?

The selected historical financial information presented below regarding financial years 2018 and 2017 is derived from the Group's consolidated annual reports for the financial years 2018 and 2017. The Group's consolidated annual reports for the financial years 2018 and 2017 have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations from the International Financial Reporting Interpretations Committee (IFRIC), as adopted by the EU. Further, the consolidated financial statements of the Group have been prepared in accordance with Swedish law by application of the Swedish Financial Reporting Board's, RFR1 Supplementary Accounting Rules for Groups. The Company applies the same accounting principles as the Group unless otherwise is stated in the Company's annual report.

The selected historical financial information presented below regarding the period 1 January to 31 March 2019 and 2018 is derived from the Group's unaudited interim report for the first quarter of the financial year 2019 and 2018 respectively, which have been prepared in accordance with IAS 34 Interim Financial Reporting and which have not been reviewed or audited by the Group's auditors.

The Group's consolidated annual reports for the financial years 2018 and 2017 have been audited. Other than the auditing of the Group's financial statements for 2018 and 2017, the Group's auditors have not audited or reviewed any part of this Prospectus.

Consolidated income statement for the Group

KSEK	Jan – Dec 2018	Jan – Dec 2017	Jan – Mar 2019	Jan – Mar 2018
Operating profit/loss	49 540	332 776	-11 262	-48 379

Consolidated balance sheet for the Group

KSEK	Jan – Dec 2018	Jan – Dec 2017	Jan – Mar 2019
Net financial debt (long term debt plus short term debt minus cash)	3 851 009	4 281 025	4 776 371
Current ratio (current assets/current liabilities)	0,38	0,40	0,20
Debt to equity ratio (total liabilities/total shareholder equity)	1,22	1,33	1,40
Interest cover ratio (operating income/interest expense)	0,22	1,62	-0,25

Consolidated cash flow statement for the Group

KSEK	Jan – Dec 2018	Jan – Dec 2017	Jan – Mar 2019	Jan – Mar 2018
Cash flow from operating activities	-164 446	-100 087	-73 492	-64 253
Cash flow from financing activities	575 651	832 061	470 195	170 659

Cash flow from investing activities	-237 174	-883 337	-599 943	-110 510
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What are the key risks that are specific to the issuer?

Rental income: The risk that the rental income received by the Group declines due to decreased occupancy rates and contracted rental levels and the tenants' ability or willingness to pay rent on time.

Changes in value of the Group's properties: The risk that various factors (both property specific and market specific) causes the Group to write down the fair value of its properties.

Interest-rate risk: The risk that changes in interest rates affect the Group's interest expense, which is one of the Group's main cost items.

Section 3 – The securities

What are the main features of the securities?

Type, class and ISIN

Senior floating rate notes (debt instruments (*Sw. skuldförbindelse*) of the type set forth in Chapter 1 Section 3 of the Financial Instruments Accounts Act (*Sw. lag (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument*) due 2022 with ISIN SE0012675155.

Number of Notes, nominal amount and currency

The Notes are denominated in SEK and have a nominal amount of SEK 1,000,000 and the minimum permissible investment in relation to each issue of Notes is SEK 2,000,000. 500 Notes have been issued.

Rights attached to the Notes

Noteholders are entitled to receive Interest on the Notes on each Interest Payment Date, and repayment of the Nominal Amount together with accrued but unpaid Interest on the Final Maturity Date (being 4 December 2022). Interest is based on STIBOR 3 months plus a margin of 6.00 per cent *per annum*. If STIBOR is below zero, STIBOR will be deemed to be zero.

Nordic Trustee & Agency AB (publ), or another party replacing it, is acting as Agent for the Noteholders, in accordance with the Terms and Conditions. No Noteholder may take any individual action against the Issuer in matters relating to the Notes or the Terms and Conditions.

Status and ranking

The Notes constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer and will at all times rank *pari passu* with all direct, unconditional, unsubordinated and unsecured obligations of the Issuer without any preference among them, except those obligations which are mandatorily preferred by law and except as otherwise provided in the Finance Documents.

Transferability

The Notes are freely transferable, but the Noteholders may be subject to purchase or transfer restrictions with regard to the Notes, as applicable from time to time under local laws to which a Noteholder may be subject.

Where will the securities be traded?

An application has been made to list the Notes on the corporate bond list of Nasdaq Stockholm, which application remains subject to Nasdaq Stockholm's approval.

What are the key risks that are specific to the securities?

Risks relating to the Notes being unsecured: The Notes constitute unsecured debt obligations of the Company, which entails that in case the Company is subject to insolvency proceedings, all of the Company's secured obligations must first be satisfied, potentially leaving insufficient assets in the Company to satisfy the claims of the Noteholders.

Section 4 – Offering and admission to trading**Why is this prospectus being produced?**

This Prospectus has been prepared for the purposes of admitting the Notes to trading on the corporate bond list of Nasdaq Stockholm, in accordance with the Terms and Conditions, and there is no offer to acquire any Notes.

The Notes form part of the Company's debt financing on the capital market and this Prospectus has been prepared for the purposes of admitting the Notes to trading on the corporate bond list of Nasdaq Stockholm. The Company shall use the net proceeds from the issue of the Notes, estimated to SEK 479,775,000, for refinancing of existing debt (including the Existing Market Loan by way of exchanging Existing Notes for Notes or otherwise), debt service and general corporate purposes of the Group.

The Issuing Agent and/or its affiliates have engaged in, and may in the future engage in, investment banking and/or commercial banking or other services for the Company and the Group in the ordinary course of business. Accordingly, conflicts of interest may exist or may arise as a result of the Issuing Agent and/or its affiliates having previously engaged, or engaging in the future, in transaction with other parties, having multiple roles or carrying out other transactions for third parties with conflicting interests.