



KVALITENA

Company presentation

September 2022

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Kvalitena at a glance

Kvalitena in brief



Kvalitena, founded in 1995, is an investment company primarily focused on real estate, targeting, acquiring, and developing properties with strong cash flows



The Company is an active property owner working with acquisitions, development, repositioning, financing, management, letting and sales in order to maximise investment returns



Kvalitena has a strong track record of capital market transactions e.g., IPOs, listings and re-listings of Hembla (previously D. Carnegie & Co), Stendörren and SBB and has also completed successful exits to financial sponsors (e.g., EQT and Blackstone) and strategic buyers (e.g., NP3 and Kungsleden)

Real estate investments



Geographically diversified with an attractive portfolio with properties spread across Sweden, with key holdings in Kvalitena Fastigheter and Helenora, and the US (i.e., Texas and New Mexico)

- State of Texas AAA credit tenant
- State of New Mexico Aa2 credit tenant



Investing to create strong cash flow from high-yielding properties, with a majority of the financing stemming from fixed interest arrangements



The portfolio comprises of ~38,000 sqm of NLA in Sweden with 93% and 99% occupancy rate for Kvalitena Fastigheter and Hedvig Helenora, respectively. Meanwhile, the US portfolio consists of ~116,000 sqm located in Texas and New Mexico of which approximately 80% of the Texas public tenants

Financial investments



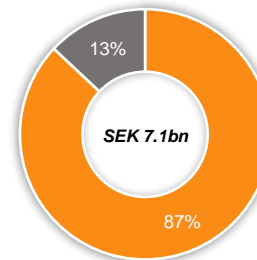
Kvalitena's strategy is to focus on investing in businesses that e.g., support real estate companies and/or companies where Kvalitena knows the company or its tenants



Total financial investments of SEK ~1,156¹ million, of which SEK 442 million are listed holdings

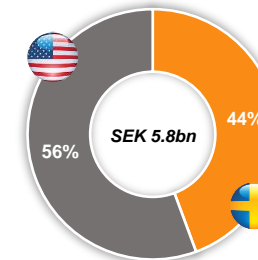


Investment portfolio breakdown



■ Real estate investments
■ Other financial investments

Geographical presence split of property book value



■ Sweden
■ United States (Texas & New Mexico)

Selected holdings



Portfolio value
SEK 7.1bn

Net LTV²
47%

ND/Equity
1.1x

Equity ratio
45%

BV of equity
SEK 3.8bn

Source: Company information. Financials as of June 2022

1) Including listed and unlisted real estate related investments of SEK 232 million





2) Total interest-bearing debt of SEK 4,164m, cash and cash equivalents of SEK 107m in relation to total assets of SEK 8,622m (as of June 2022)

3) Total assets of SEK 8,622m and subtracting net interest-bearing debt of SEK 4,057m

Recent development adding to long track record

2020









Kvalitena expands in Texas, US

-  **Q3** – Prolonged due date for bond of SEK 800m
-  **Q4** – Acquisition of 45 properties in Texas, USA, with a market value of ~USD 120m
-  **Q4** – Divestment of five commercial properties in South of Sweden
-  **Q4** – Kvalitena's subsidiary divested two properties in Stockholm

State of Texas is a AAA credit tenant






2021

Robust performance during Covid-19

-  **Q1** – Harald Pousette is appointed CEO for Kvalitena
-  **Q2** – Divestment of all shares in Svenska Samhällsfastigheter AB
-  **Q2** – Bildahl AB is divested to Bilia
-  **Q2** – 17 properties are divested to Oscar Properties
-  **Q3** – Hedvig Helenora's senior bank financing was refinanced through an extension and increase of the existing structure
-  **Q3** – Kvalitena continues its strategy to allocate more resources towards Texas, US through acquisition of three properties
-  **Q3** – Refinancing of the Texas portfolio, weighted average loan term of c. 6 years
-  **Q4** – Kvalitena sells its Klarabo shares

2022

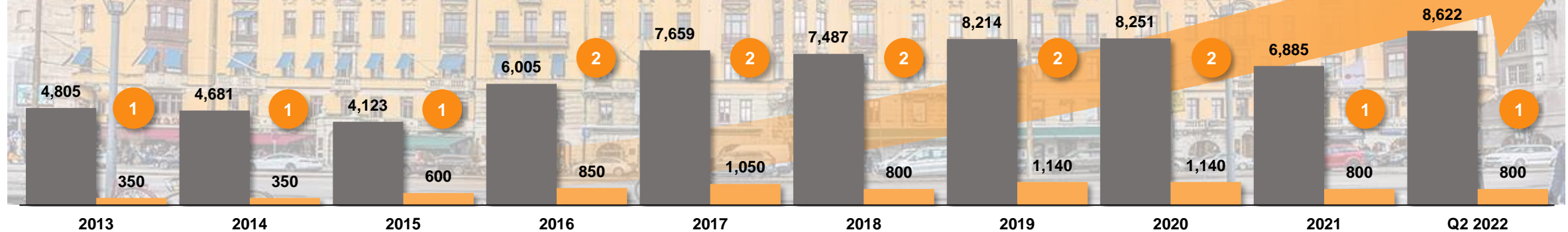
Continued expansion in the US

-  **Q1** – Kvalitena's subsidiary has acquired 42 properties in USA for ~SEK 1,200m
-  **Q1** – Refinancing of all junior bank debt of SEK 200m in subsidiary Hedvig Helenora Holding AB
-  **Q1** – Kvalitena's subsidiary Svea Real Estate Group LLC secures a new 10-year loan for its properties in New Mexico, weighted average loan term of c. 9 years
-  **Q2** – Kvalitena's subsidiary Svea Real Estate Group LLC acquires a 70% share of the Esperson Building in Houston
-  **Q2** – Kvalitena Industrier AB acquires additional 25% of Sterling Shipping from Dorco International B.V. increasing its ownership share to 50% by way of set-off against receivables

State of New Mexico is a Aa2 credit tenant

Kvalitena is a long-term participant in the Swedish bond market through five bond issues since 2013

■ Total assets
■ Outstanding bond volume
● Number of bonds outstanding



History and selected milestones



Portfolio overview



Real estate investments

- Kvalitena Fastigheter's** activities focus on properties within logistics and light industrial
- High quality properties with strong cash flows and long lease terms
- Account for approximately 6% of Kvalitena's total assets

Property value	NOI	No. of properties
535 SEKm	29 SEKm	8 #

- Hedvig Helenora** is a property holding company comprised of prime residential properties with office components in Stockholm
- The five properties have a book value of approx. SEK 2,030m and generates a rental income of SEK 48m²

Property value	NOI	No. of properties
2,030 SEKm	40 ² SEKm	5 #

- Svea Real Estate Group is Kvalitena's subsidiary in the United States which owns and operates 51 properties in Texas and 42 properties in New Mexico
- The portfolio has a NLA of ~116,000 sqm with a book value of roughly SEK 3,216m¹

Property value	NOI	No. of properties
3,216 SEKm	161 SEKm	93 #

Other real estate assets

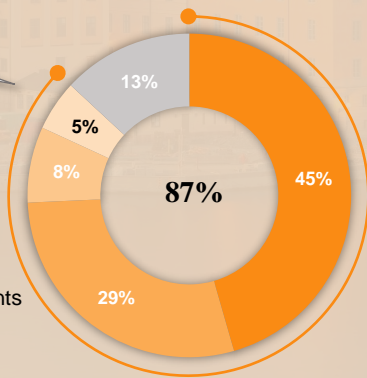
- Kvalitena has an extensive experience of capital markets and listed assets including, among others, Hembla (previously D. Carnegie), Stendörren and SBB

Selected companies

Oscar Properties

Minimum 85% of total investments p.a. is pursued within real estate

- Svea Real Estate
- Hedvig Helenora
- Kvalitena Fastigheter
- Other real estate investments



Financial investments

- Kvalitena industrier** is a subsidiary of Kvalitena with holdings within various sectors such as industrials, financial services, consumer goods and construction
- Through its experience, Kvalitena can create additional value as an owner

Selected companies

Other listed and non-listed assets

- Apart from real estate, the listed and non-listed holdings today primarily comprise of energy and consumer goods equities

Selected companies

- Maha Energy
- Fendea
- Choki
- Sterling Shipping
- Green Deer
- Other financial investments

Investment	Percentage
Maha Energy	1%
Fendea	1%
Choki	1%
Sterling Shipping	2%
Green Deer	5%
Other financial investments	87%
Total	13%

Note: All real estate holdings book value as of Q2 2022
1) Excluding ~SEK 61m investment in Esperson building
2) Expected earnings capacity post renovation

Transaction track-record

Successfully developed strong real estate brands

Investment



- Kvalitena established Hembla (previously D.Carnegie & Co) in 2013 primarily focused on residential real estate

- During Kvalitena's ownership, the share price had an annual average return of >30%¹



- Stendörren was established by Kvalitena in 2013 and has since the inception primarily focused on real estate assets within logistics, warehouses and industrials

- The property value almost doubled during Kvalitena's ownership, and the share price has had an annual return of >20%² since the listing



- Kvalitena was an early investor in SBB alongside through its sale of Sörmlandsporten. SBB has since its inception focused on CSP-related assets

- During Kvalitena's holding period, the value of SBB's properties increased from SEK 7.5bn to SEK 25bn

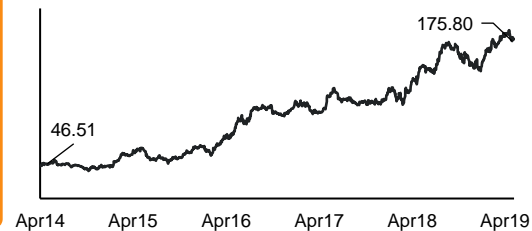


- In 2016, Kvalitena enters as a majority owner by acquiring 70% of the company. Sveavalvet primarily invested in industrials-related properties

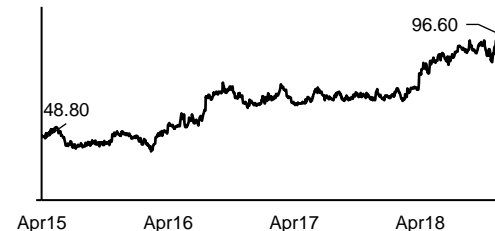
- In 2018, Kvalitena divested the properties in Sveavalvet to NP3 Fastigheter. The property value increased by 30% during Kvalitena's ownership

Background

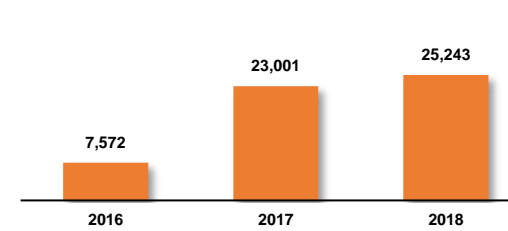
Share price development



Share price development



Property value development (SEKm)



divested to

NP3

Strategy and financial targets

Strategy, value creation, and business mission

KVALITENA

Active ownership

Significant ownership stakes in each portfolio company allow Kvalitena to drive key decisions and value-enhancement. Board representation and frequent, often daily consultation with management teams

Value accretive investment approach

Contrarian investor focusing on assets mispriced by the overall market. Focus on investments with significant "value-add" potential across all property sectors and in geographic markets well known to the team

Leveraging 25+ years experience

Over two decades of property acquisitions, development, management combined with financial expertise allow Kvalitena to leverage its experience and quickly capitalise on opportunities

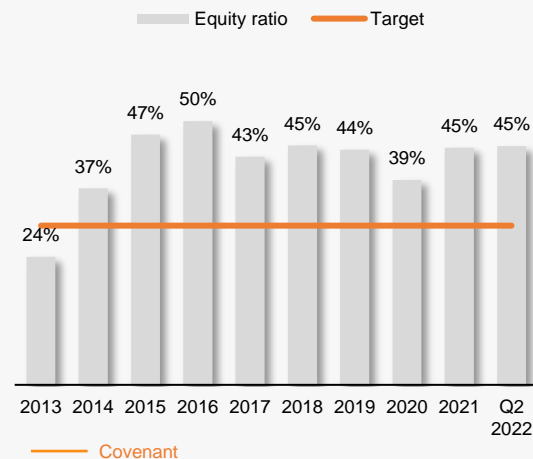


- Characteristics of other holdings**
- ✓ **Roll up** - Companies that can reinvest their cash flows with attractive returns
 - ✓ **Special situations** - Situations where Kvalitena believes that the market's view of the company is too pessimistic



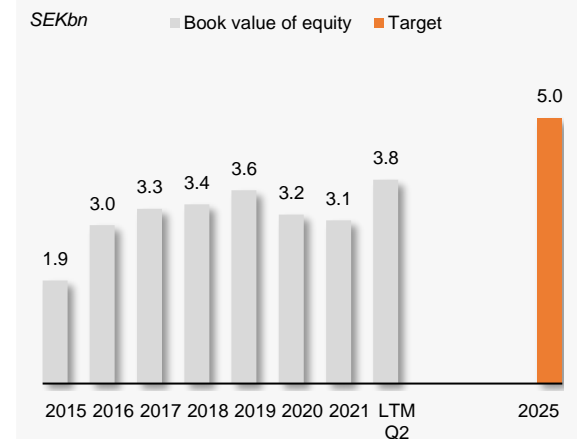
Financial targets

Equity ratio > 30%



The equity ratio shall exceed 30% (in line with existing bond's covenant) and during the last five years Kvalitena has reported an equity ratio above 30%, through strong, stable and growing cash flows and property values

Book value of equity 2025 > SEK 5bn



Kvalitena has a target of reaching SEK 5 billion in book value of equity by 2025. This will be accomplished through continuing to execute on its clear investment strategy and leverage its +25 years experience within real estate investing

Kvalitena creates value by taking an active ownership approach and leveraging its extensive experience to develop and further enhance its various holdings

Kvalitena's long-term investment strategy

Focus area	<ul style="list-style-type: none"> Directly owned prime residential, logistics & light industrial properties Invest in real estate related sub-sectors but within the teams circle of competence Co-investment and incentive asset management 	Kvalitena primarily focuses on property investments and receives incentive asset management alongside selected strategic partners. Kvalitena also deploys excess liquidity in financial investments
Investment strategy	<ul style="list-style-type: none"> Take an active ownership approach Leverage experience to acquire attractive assets at attractive prices Deliver superior risk-adjusted returns 	Kvalitena is targeting, acquiring and developing properties that deliver strong cash flows
Financial investments	Typically invests alongside local partners	Percentage of ownership will vary based on opportunities
Deal sourcing	Focus on high quality investments with strong cash flow through taking a contrarian investment approach	Focusing on its core competence – value enhancement of directly-owned properties
Portfolio split	 <p>0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%</p> <p>■ Financial investments ■ Real estate investments</p>	Investment portfolio amounting to approximately SEK 7.1 billion as of June 2022. Kvalitena's strategy is to invest >85% of its capital in real estate-related assets
Key holdings		Directly owned real estate
Incentive asset management	<p>Partnership with selected real estate owners and investors</p> 	Through Broadgate Asset Management, Kvalitena benefits from incentive asset management and has a partnership with EQT to enhance the value of properties and portfolios acquired by Kvalitena

Ownership and management

Management and key people



Harald Pousette
Chief Executive Officer

- +30 years of experience from the investment banking and real estate industry
- Previously CEO of the Collins Group, VP at Dresdner Kleinwort Wasserstein, CFO at Kvalitena
- BSc from Upsala University

Selected experience

The Collins Group Inc.
Corporate Financing • M&A Advisors



Christer Lindholm
Chief Financial Officer

- +20 years of experience as management consultant and strategic advisor
- Previously Head of Group Strategy at Forex Bank and Management Consultant at PA
- BSc from Stockholm University and MSc from KTH

Selected experience



Hans Lycketorp
Head of Transactions

- +20 years of real estate and industry experience in the US and Europe
- Previously Executive and Business Development Manager at Jones Lang LaSalle and Kvalitena
- Studies at London School of Foreign Trade

Selected experience



Board of Directors



Seth Lieberman
Chairman

- 38 years of real estate and industry experience in the US and Europe
- Investment Advisory Committee Member of EQT Real Estate Funds I + II
- Senior positions at Advanced Capital, SBB, Maha Energy UBS, Hypo Real Estate, Lehman Brothers, Credit Suisse and GE Capital
- B.A. from Tufts University



Fanny Andersson
Board member¹⁾

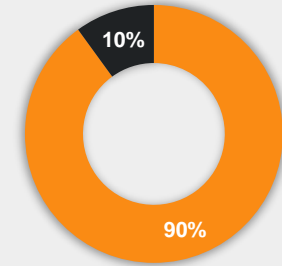
- Representing the majority owner and has been part of Kvalitena during the last years
- Studies at Arden University and Harvard Business School Online



Hans Lycketorp
Board member

- +30 years experience from the financial and real estate industry
- Executive and business development at Kvalitena and Jones Lang LaSalle
- Studies at London School of Foreign Trade

Ownership structure



■ Dorco International B.V. ■ Scanvik AB

- Dorco International B.V. is controlled by Mikael Andersson (60% of the shares) while Claes Wollter's estate controls Scanvik AB
- The purpose of Dorco International is to own shares in Kvalitena and its associated companies

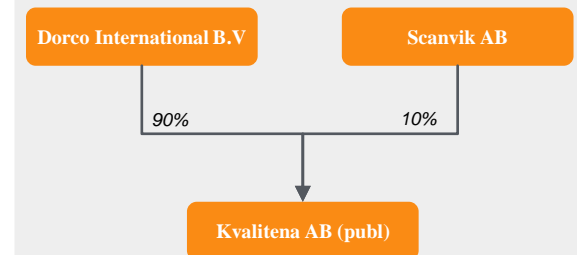
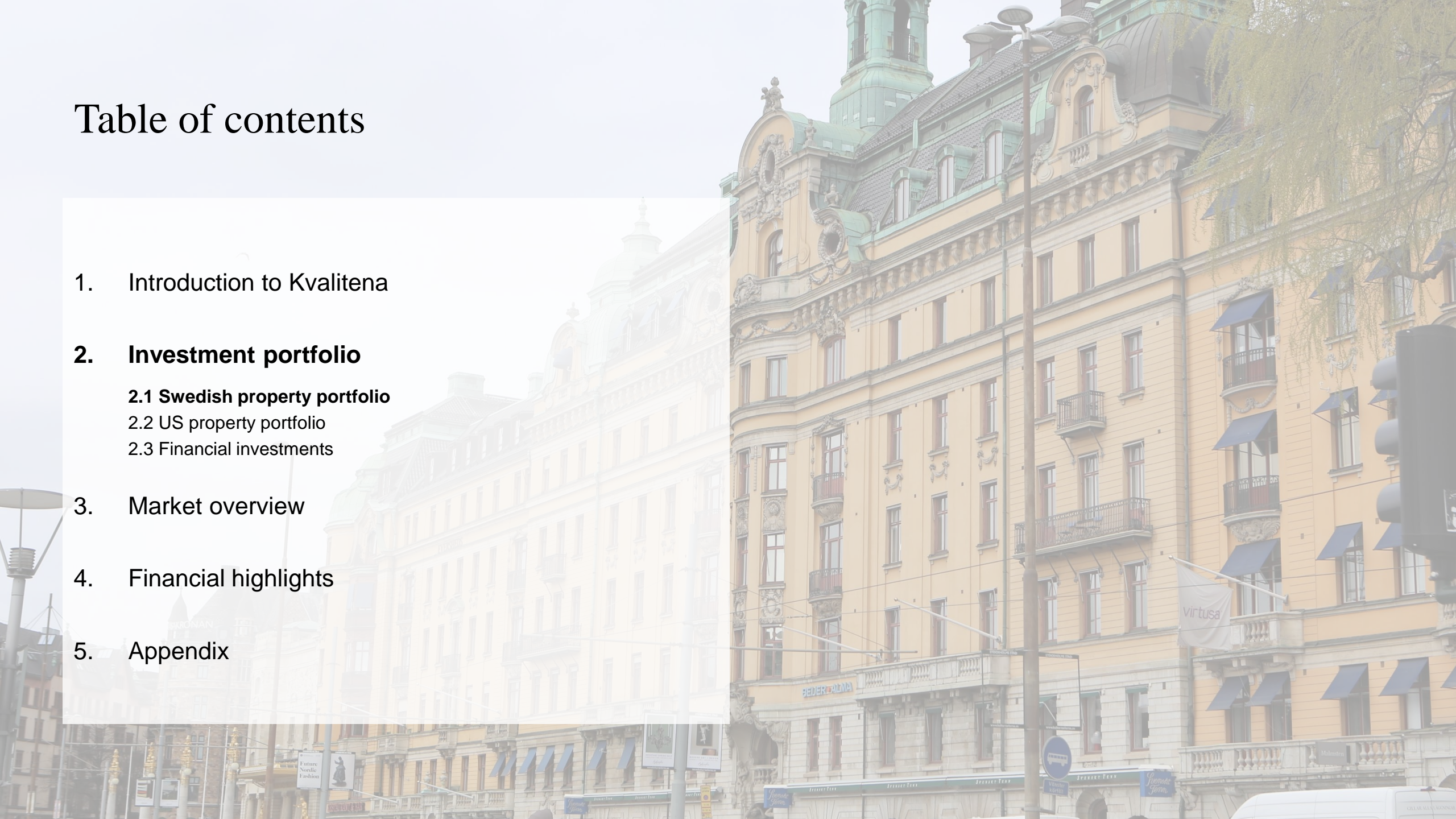


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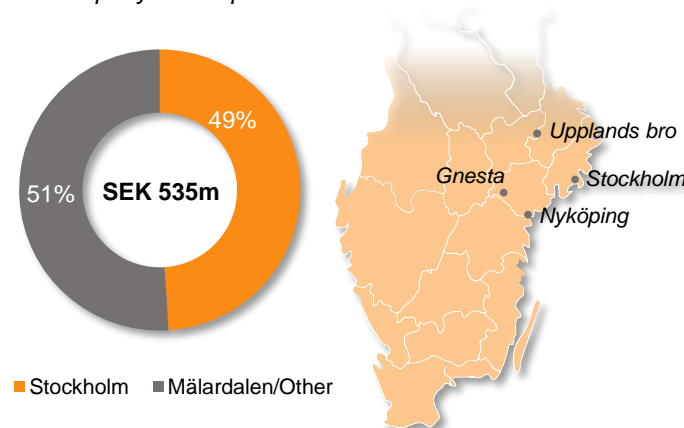
Kvalitena Fastigheter

Kvalitena Fastigheter – Logistics and light industrial properties

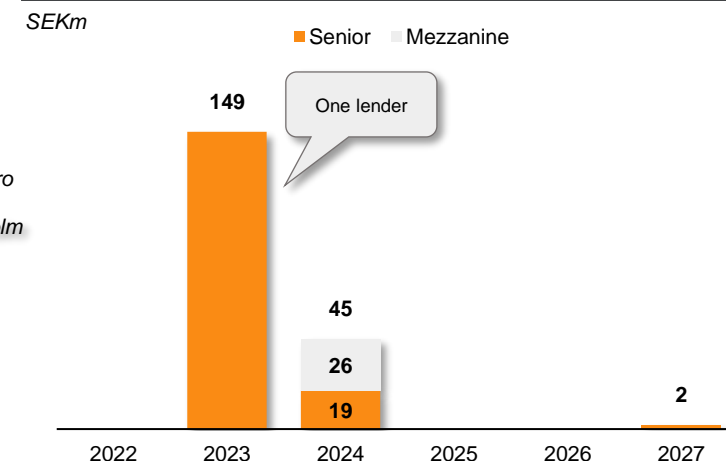
- Kvalitena Fastigheter's real estate activities are focused on properties within logistics and light industrials
- Kvalitena Fastigheter invests in high-quality properties with strong cash flows and long lease contracts where the WAULT amounts to approximately 9 years
- The portfolio consists of seven properties where a large portion of the assets are located in the Mälardalen region
- Tenants includes some of Kvalitena's other portfolio holdings such as Green Deer and Industriflyg

Portfolio overview

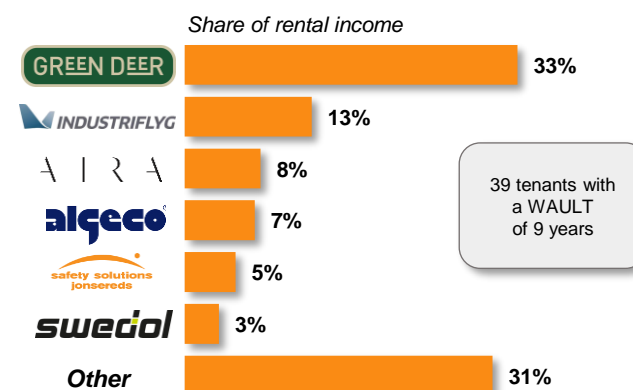
Property value split



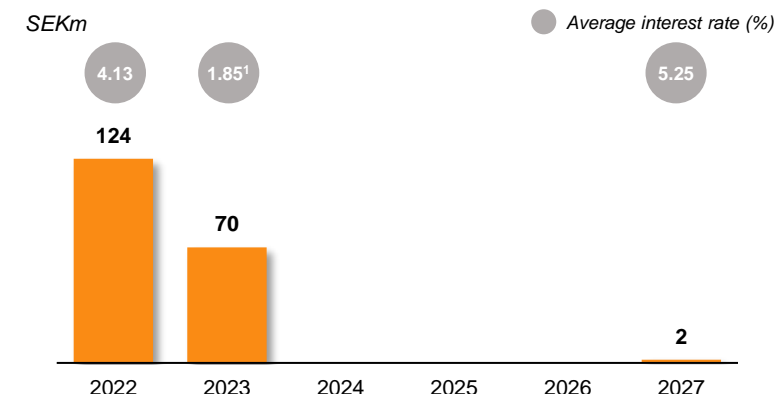
Debt maturity profile



Tenant overview



Interest maturity structure



Rental value

SEK 36m

NOI

SEK 29m

WAULT

9 years

Occupancy rate

93%

Gross yield

6.8%

Leasable area

~25,000sqm

Hedvig Helenora

Hedvig Helenora – Residential properties with office components

- Hedvig Helenora is a property holding company comprised of five prime residential properties with office components located in Stockholm City
- The properties are located at Östermalm and were constructed around the turn of the 20th century
- Several companies has been tenants in the property for a long time, such as Svenskt Tenn which been in the building since 1927

ESMAEILZADEH
HOLDING

 SVENSKT TENN

BEIJERINVEST

Rental value

SEK 48m

NOI

SEK 40m

No. of tenants

88

Occupancy rate

99%

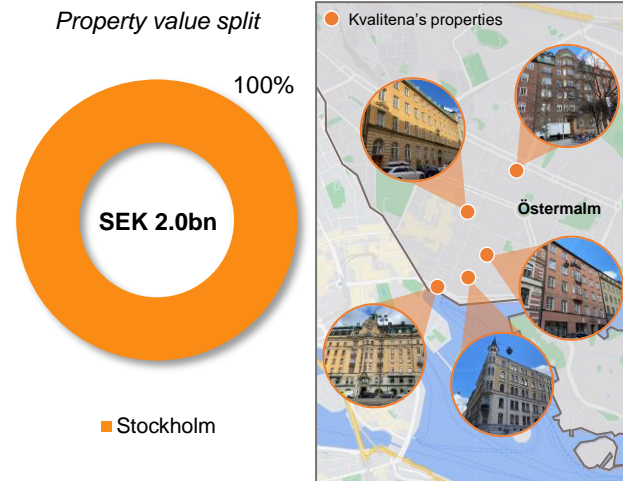
Gross yield

2.4%

Leasable area

~13,000 sqm

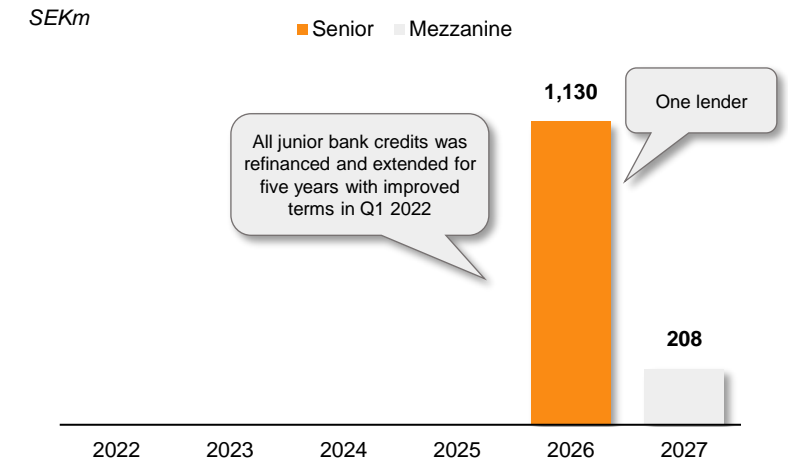
Portfolio overview



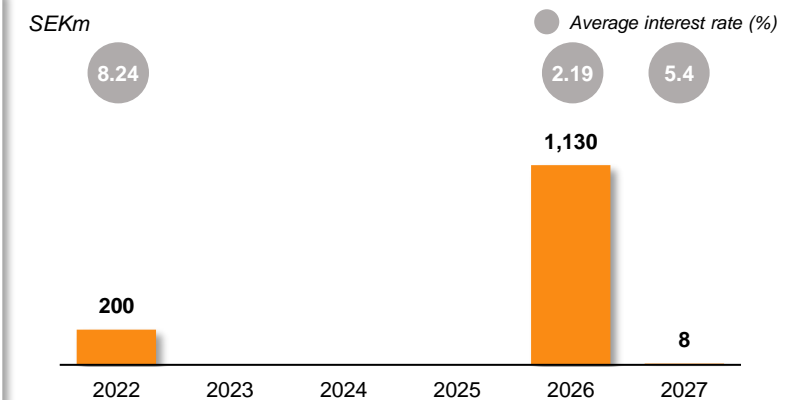
Selected property



Debt maturity profile



Interest maturity structure



Selected Swedish properties

Stensötan 4, Nyköping



SEK 136,300,000



Nyköping, Sweden



12,581 sqm of lettable area



Office and light industrials

Yield
~6%

WAULT
8 years

Bro-Skällsta 1:18, Upplands Bro



SEK 84,000,000



Upplands Bro, Sweden



1,276 sqm of lettable area



Office and light industrials

Yield
~5%

WAULT
3 years

Stockholm Bodarne 11, Stockholm



SEK 1,090,000,000



Östermalm, Sweden



5,266 sqm of lettable area



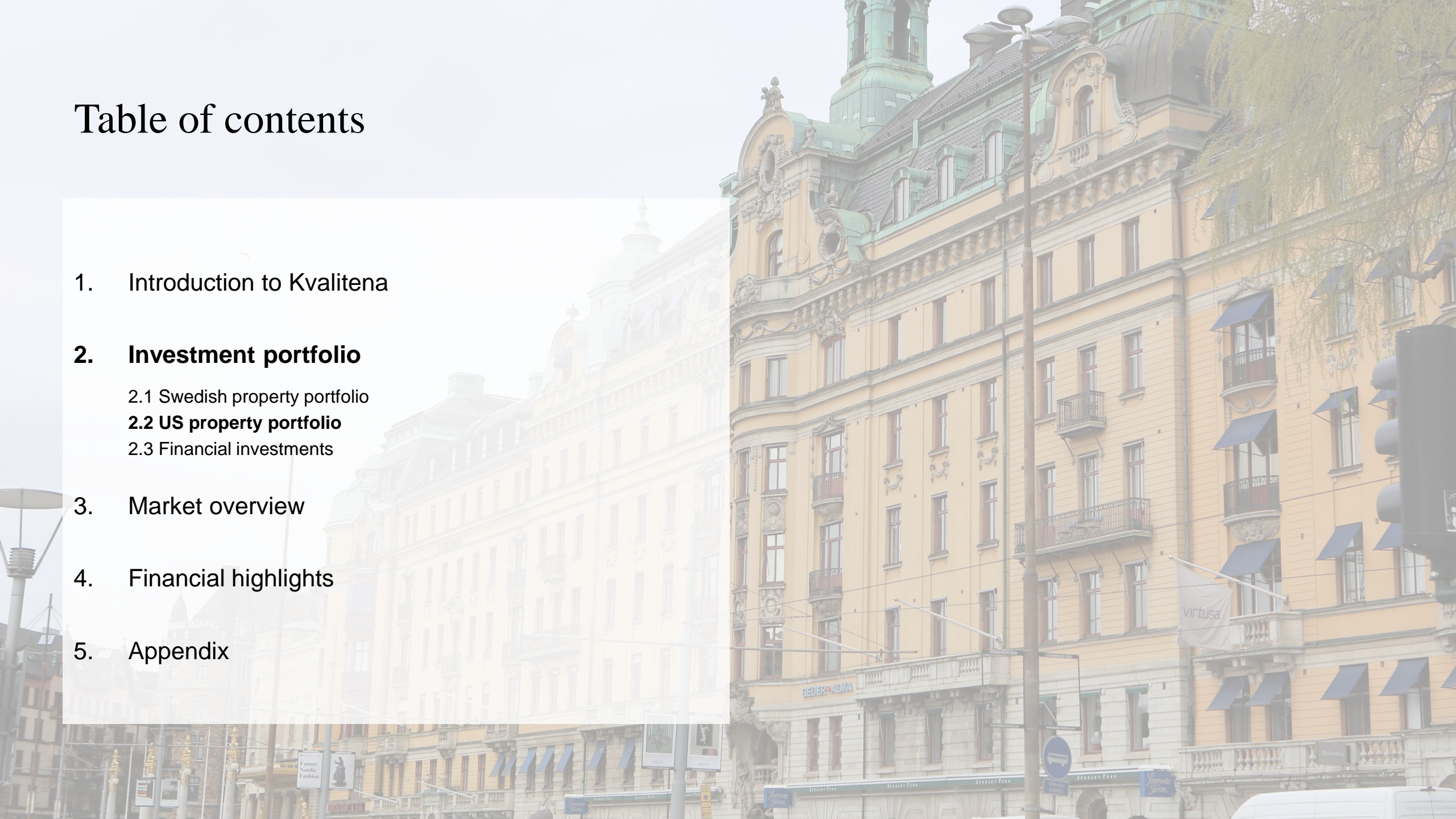
Residential and office

Yield
~2%

WAULT
6 years

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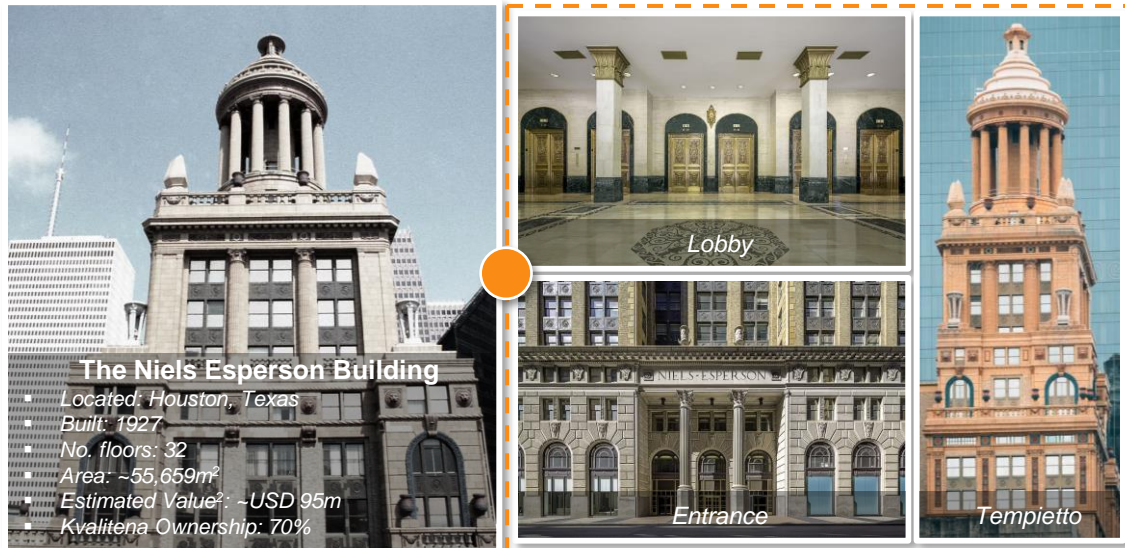


Property portfolio – Texas (1/2)

Texas portfolio – Community services properties, offices, premises and industrials

- The Svea Real Estate Texas portfolio comprises 51 properties, located in the state of Texas, US
- The properties are valued at SEK 1,667 million¹ by e.g., BBG, Newmark, Colliers International, and EDS
- The portfolio includes mainly community service properties where the state of Texas, directly or indirectly, makes up ~80% of the tenant base alongside healthcare providers Davita and Fresenius, which are kidney care service companies with stable revenues
- State of Texas is a AAA credit tenant
- Total outstanding debt in the portfolio amounting to SEK 762 million, corresponding to an LTV of approximately 46%

Selected property



Portfolio summary¹

Rental value

SEK 105m

NOI

SEK 61m

WAULT

4 years

Occupancy rate

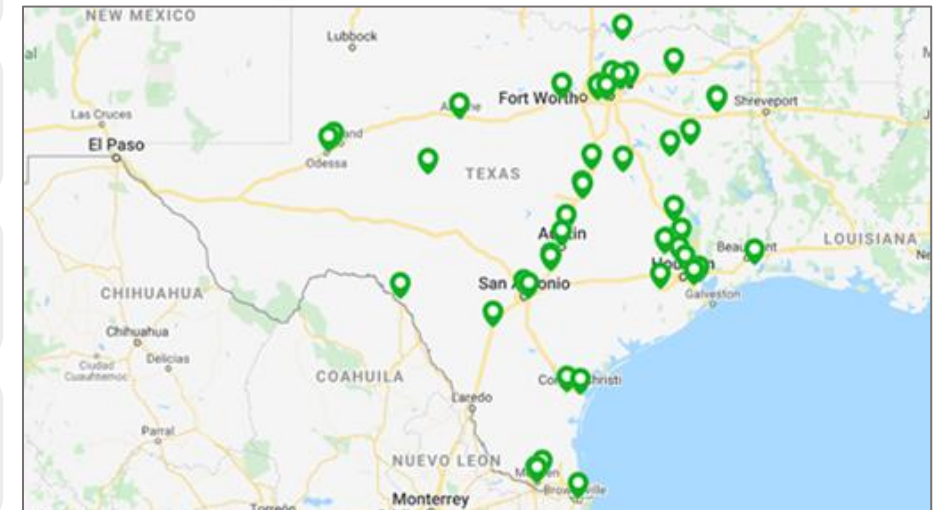
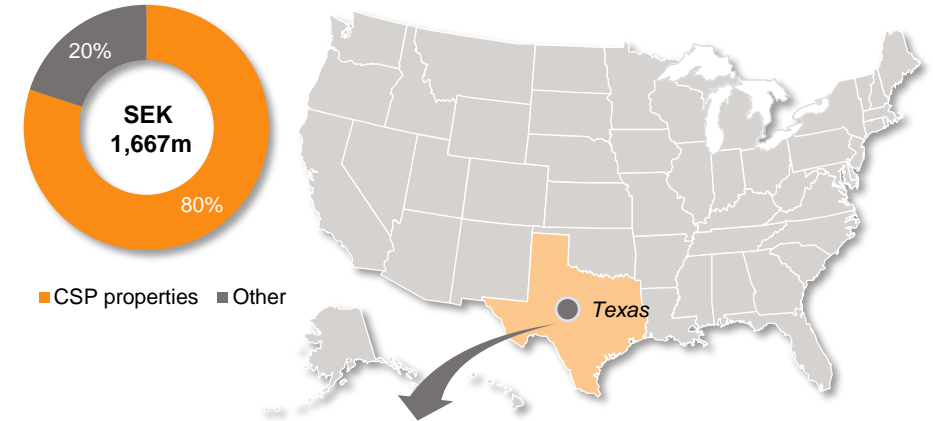
98%

Gross yield

6.5%

Leasable area

51,800 sqm

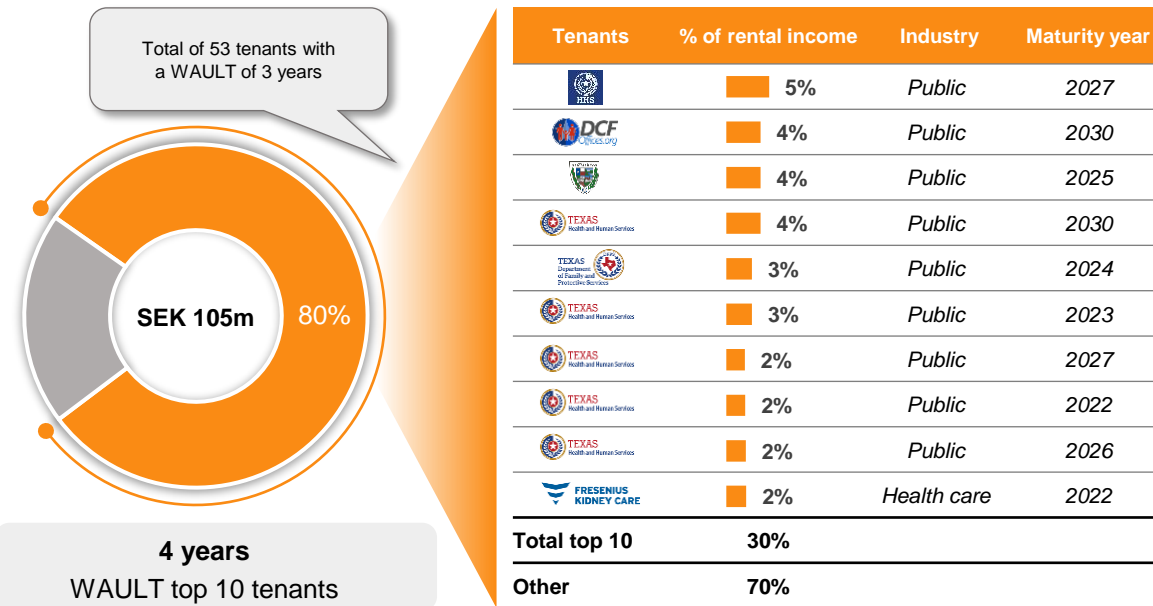


1) Excluding Esperson Building

2) The estimated valuation of the Esperson Building is calculated based on the assumption that the building would be fully occupied. Further, Kvalitena together with Svea Real Estate group will invest in the building during the coming years in order to be able to reach this valuation

Property portfolio – Texas (2/2)

Tenant overview

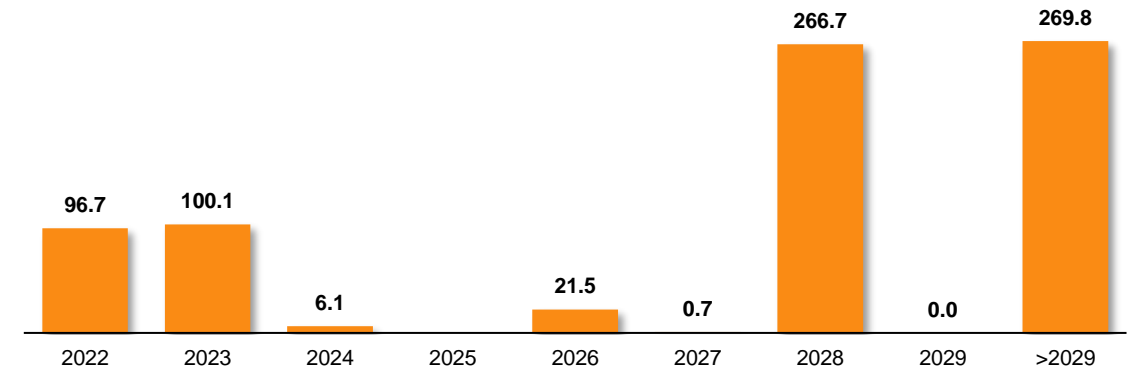


- Kvalitena's commercial property portfolio has 53 commercial tenants where the largest tenant is the State of Texas making Kvalitena the largest single landlord for the State of Texas by number of properties owned. The State of Texas houses key departments such as the Office of the Attorney General, Health & Human Services, and the Department of Public Safety
- Four of the properties are leased to the kidney care service companies, Davita and Fresenius which both are publicly traded corporations with hundreds of locations across the US and have stable and recurring revenues

State of Texas is a AAA credit tenant

Debt maturity profile

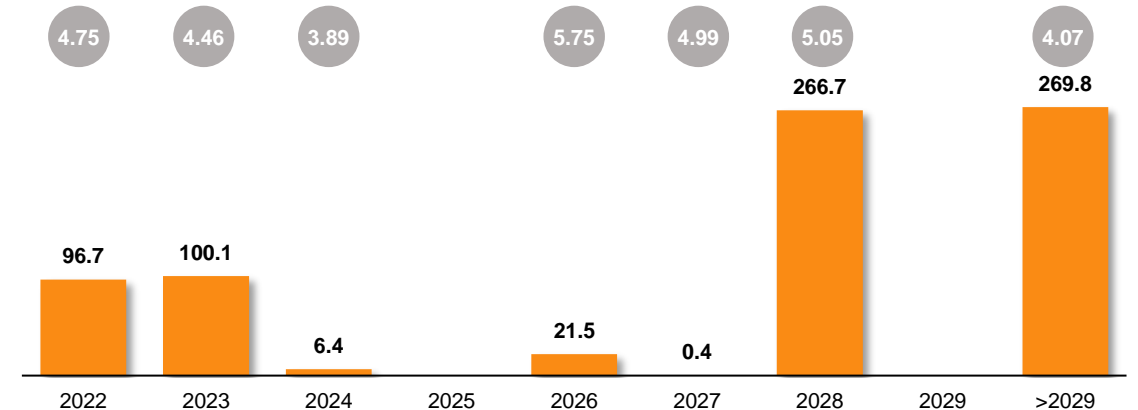
SEKm



Interest maturity structure

SEKm

● Average interest rate (%)



Property portfolio – New Mexico (1/2)

New Mexico – Community services properties, offices, premises and industrials

- The Svea Real Estate New Mexico portfolio comprises 42 properties, located in the state of New Mexico, US
- As of the second quarter 2022, the portfolios properties had a book value of SEK 1,548 million with a total outstanding debt of SEK 849 million which corresponds to a LTV ratio of approximately 55%
- The New Mexico portfolio is heavily tilted towards public tenants which represents more than 83% of the total rental income
- State of New Mexico is a Aa2 credit tenant
- The properties within the portfolio houses includes, among others, human services departments, social security administrations, health departments, and environmental departments

Selected properties



Portfolio summary

Rental value

SEK 150m

NOI

SEK 100m

WAULT

5 years

Occupancy rate

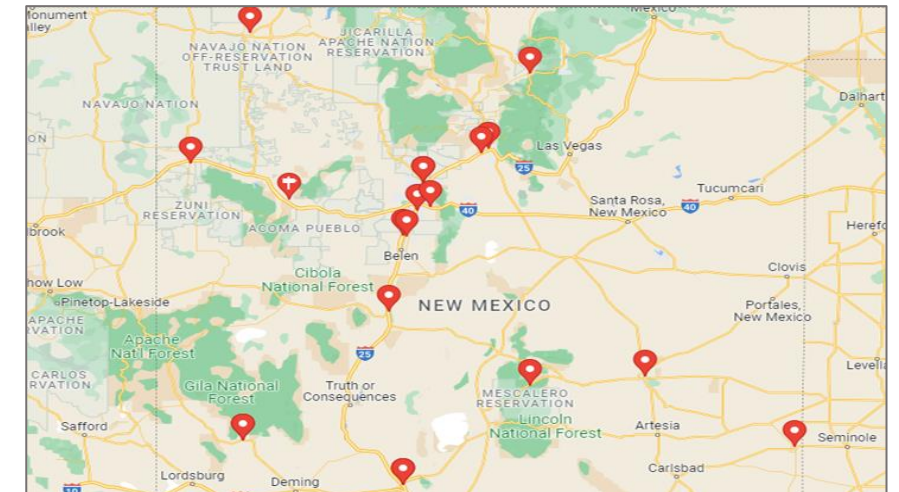
97%

Gross yield

9.7%

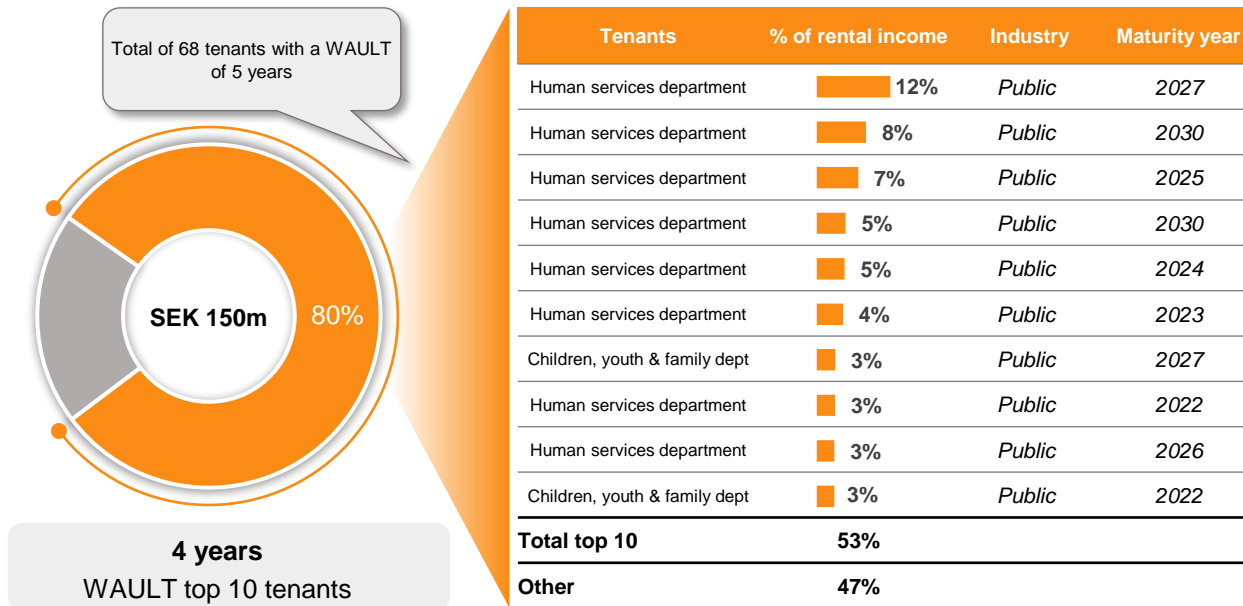
Leasable area

64,587 sqm



Property portfolio – New Mexico (2/2)

Top 10 tenants

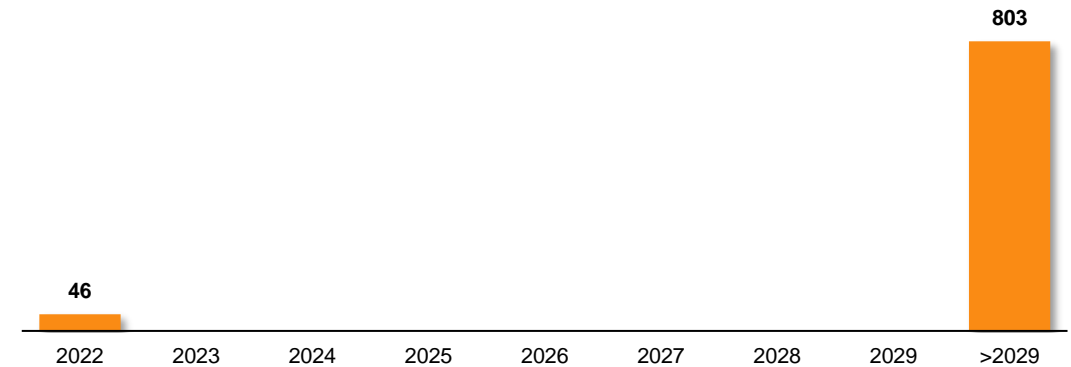


- Kvalitena's New Mexico portfolio is heavily tilted towards public tenants which is reflected in the attractive WAULT profile of ~5 years. Approximately 54% of the total rental income is leased to human services departments, followed by 22% which is leased by children, youth and families' departments, and 7% by Social Security Administrations
- On that basis, >83% of the New Mexico's total rental income is leased by public tenants which further emphasizes the quality and reliability of the assets cash flows

State of New Mexico is a Aa2 credit tenant

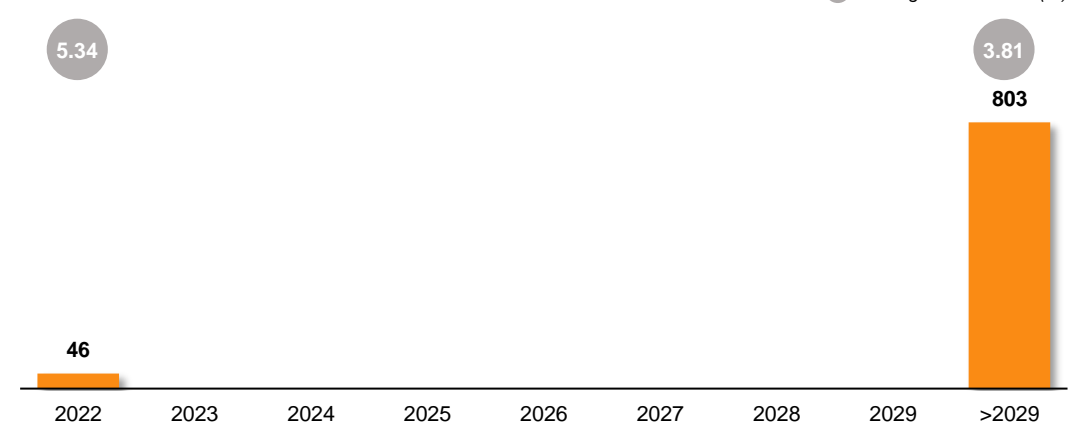
Debt maturity profile

SEKm



Interest maturity structure

SEKm



Selected US properties

220 Forum Parkway Arlington, Texas



SEK 69,281,276¹

Yield
~5%



Arlington, Texas



2,372 sqm of lettable area



Office and light industrials

1308 Gusdorf, Taos, New Mexico



SEK 37,183,275¹

Yield
~6%



Taos, New Mexico



1,534 sqm of lettable area



Office

5200 Oakland Ave NE, Albuquerque NM



SEK 36,426,197¹

Yield
~6%



Albuquerque, New Mexico



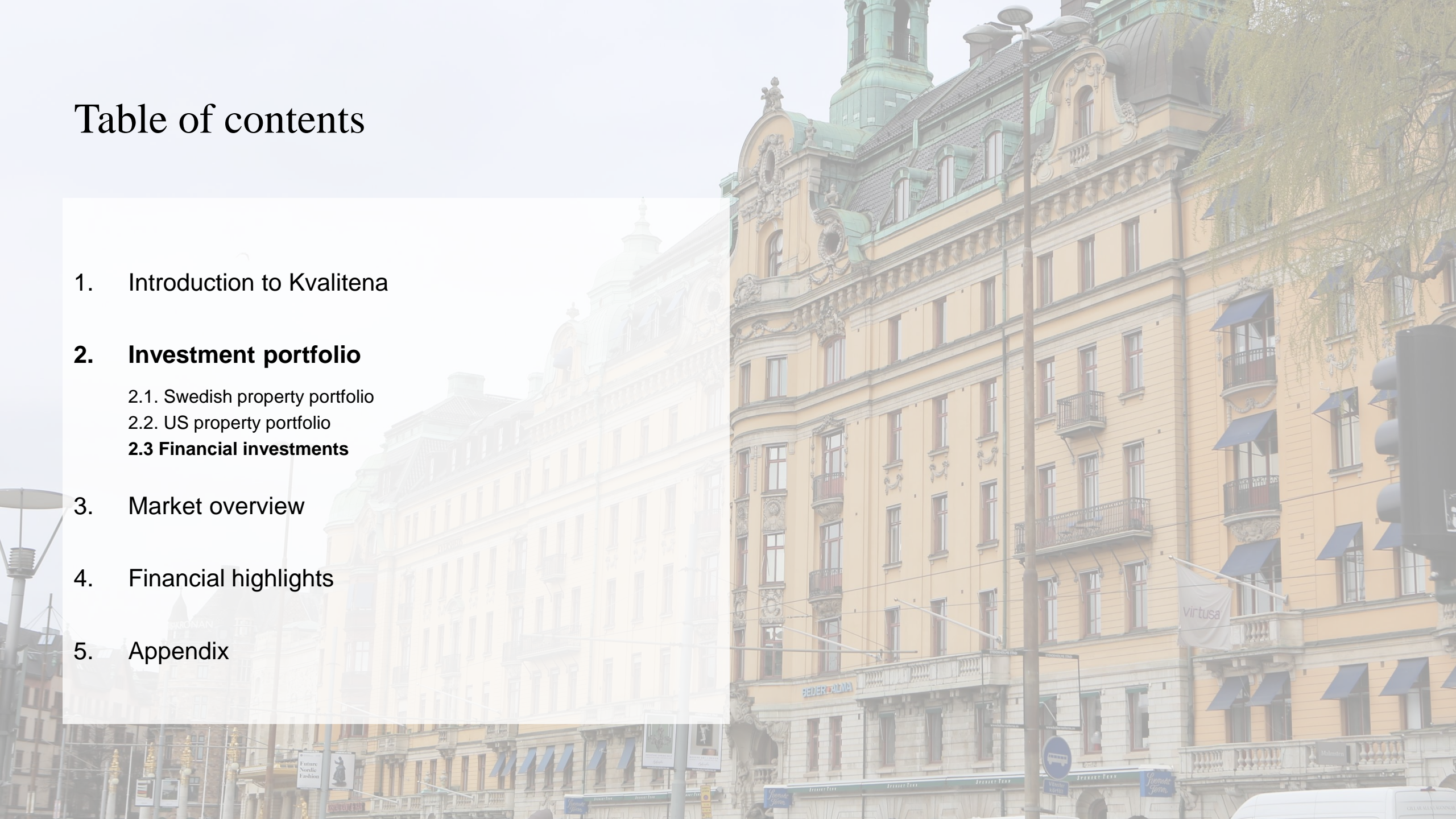
1,503 sqm of lettable area



Office

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Rationale behind financial investments

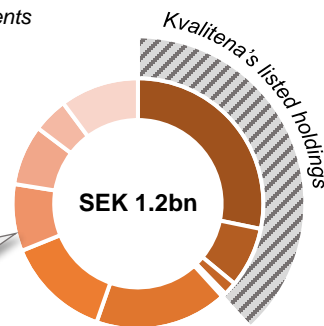
New non-real estate
financial investments
not to exceed

15%

p.a. of the investment
portfolio

% share of total financial investments

Non real estate financial
investments correspond
to **13% of Kvalitena's
investment portfolio**



- Maha Energy, 28.2%
- Oscar Properties, 7.8%
- Scandi Standard, 1.7%¹
- Reato, 0.5%
- Fendea/Nordiska, 17.1%
- Choki, 13.5%
- Sterling Shipping, 8.7%
- Icon Technology, 7.8%
- Green Deer, 4.5%
- Other non-listed holdings, 10.2%

Selected investments (year of investment)



Investment rationale of Kvalitena's financial investments

Contrarian investment approach

Kvalitena has an contrarian investment approach, taking advantage of market fluctuations. Kvalitena has a strong track record of creating value through investments e.g., Green Deer and Maha Energy

Businesses supporting real estate companies

Kvalitena invests in businesses that support real estate companies, in order to create value for and support Kvalitena's property investments e.g., Nordiska and Green Deer

Early-stage investments

Kvalitena helps to incubate companies with the long-term mission to take the businesses to the next step i.e., through an IPO or divestment

Countercyclical revenue streams

Investing in companies with countercyclical revenue streams e.g., Sterling Shipping, which is currently in the investment phase

Selected financial investments

GREEN DEER

Listed / **unlisted**

Agriculture & construction equipment

- Green Deer is Sweden's largest dealer of John Deere machines for agriculture, golf, lawns, etc
- The Green Deer investment is in accordance with Kvalitena's strategy to invest in non-real estate assets but within the teams circle of competence. In the Green Deer case, Kvalitena has owned numerous properties where John Deere machines has been used
- With ~SEK 1,100m as of 2021 in revenues, the Green Deer investment is entering a more mature stage

Book value

52
SEKm

Ownership

47
%

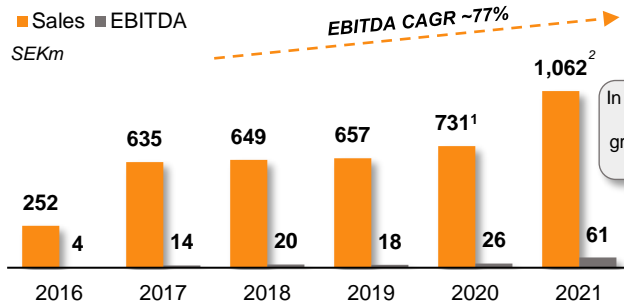
Employees

61
No.

Selected products



■ Sales ■ EBITDA
SEKm



NORDISKA

Listed / **unlisted**

Financial services

- Nordiska provides an infrastructure to conduct financing activities for companies who want to expand their value chain
- Nordiska carries out risk assessment, transaction monitoring, systems and financing while the clients can focus on the customers
- In accordance with the Green Deer investment, Kvalitena invested in Nordiska due to its experience within real estate and junior financing. The investment should also be viewed as relatively more mature where various potential alternatives could be pursued

Book value

197
SEKm

Employees

37
No.

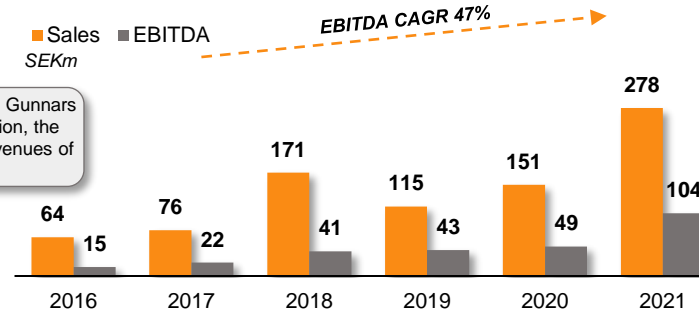
Total assets

9.5
SEKbn

Selected services



■ Sales ■ EBITDA
SEKm

STERLING SHIPPING Listed / **unlisted**

Transportation & Logistics

- Sterling Shipping is a shipping company focused on the Dry-Bulk segment where the strategy is to acquire first-rate 3-10 year old cash flow generating vessels at fair prices
- As of today, the company has long term leases to Glencore of 4 Kamsarmax vessels with an aggregated DWT of more than 300,000
- The investment had a pure strategic motive where Kvalitena was able to acquire attractive assets at substantially low levels. With an improved market sentiment for Sterling, numerous strategical alternatives could be pursued

Book value

100
SEKm

Ownership

50
%

Vessels

4
No.

Selected partners

GLENCORE



■ Sales ■ EBITDA
SEKm

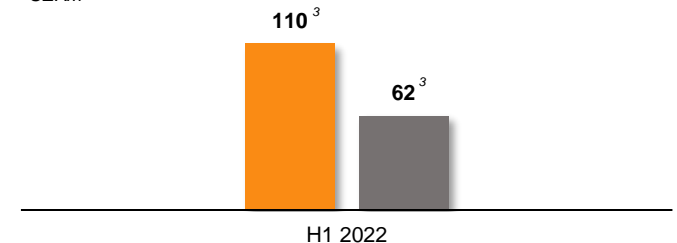
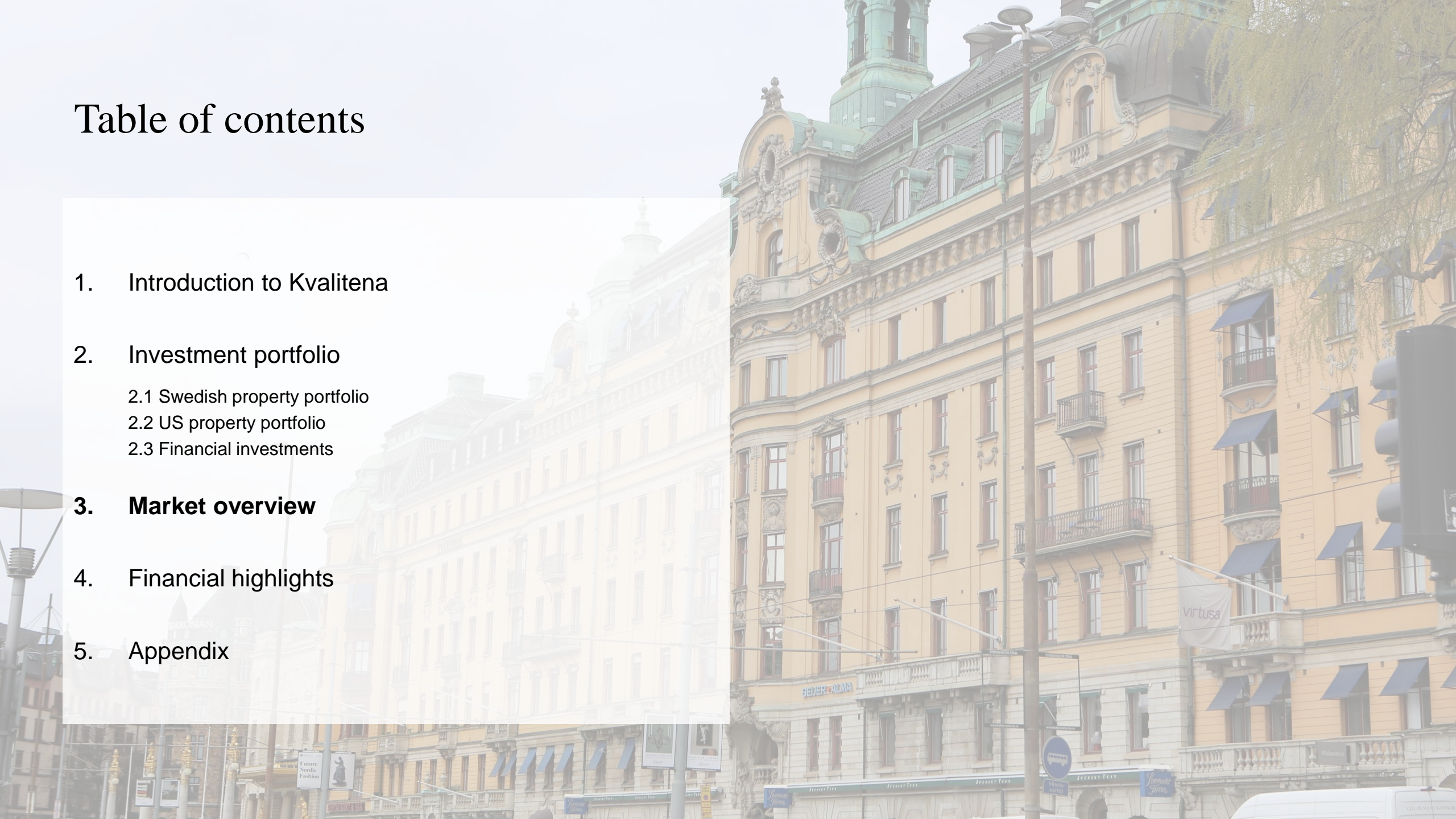



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Attractive holdings in Sweden’s most affluent city district

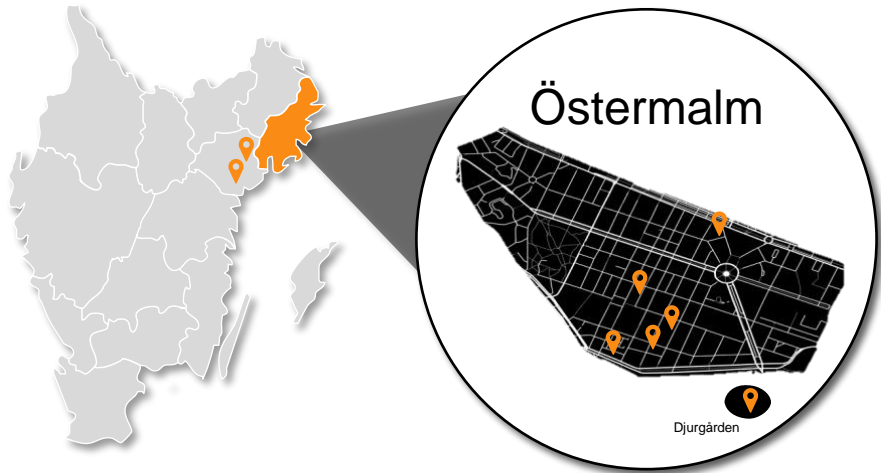
Comments

- 

Rental levels for rental properties in Stockholm county has increased by 1.5%, a higher increase than both Gothenburg (1.4%) and Malmö (0.9%)¹
- 

In 2024, the population in Stockholm’s municipality is expected to exceed one million. The population in the Stockholm county is already exceeding 2.4m
- 

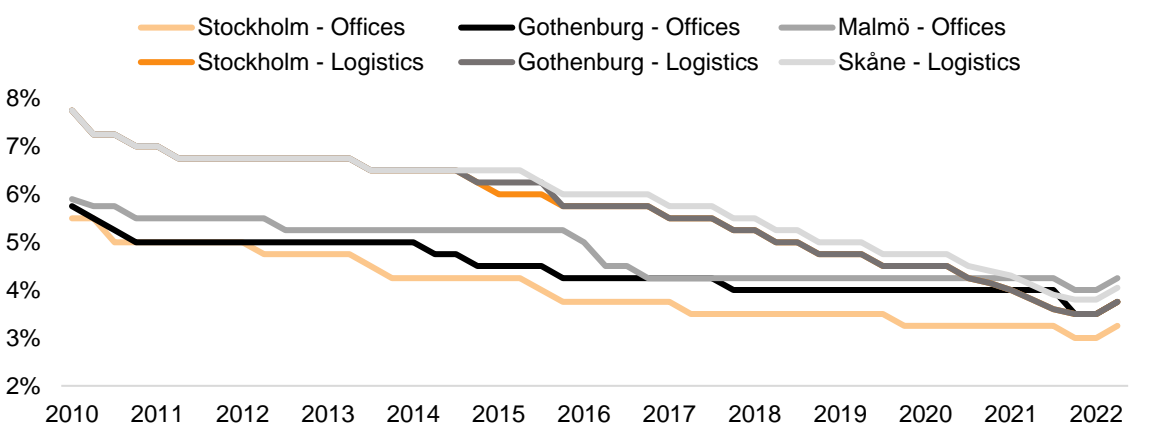
The properties in Stockholm are located on some of the most reputable streets, including Strandvägen



Comparison of the three biggest municipalities in Sweden and Swedish average ¹

2021	Sweden average	Stockholm	Gothenburg	Malmö
Population	36,043	978,770	587,549	351,749
Unemployment	7.9%	7.6%	8.9%	14.4%
Median income, SEK	304,068	345,810	309,161	273,276
Population growth	2.2%	1.7%	2.7%	3.7%
Median age	41.6	39.7	39.2	38.5

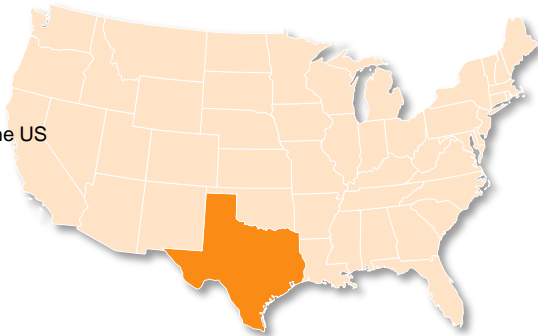
Prime property location – yield graph comparison²



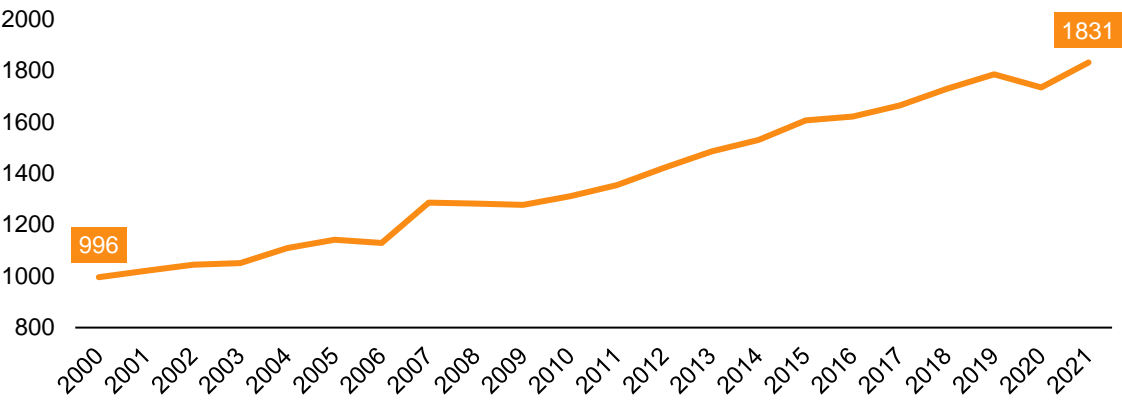
Texas, the #2 Best US State for business

Texas – Aaa rated state with strong population growth

- Texas has five metropolitan areas of 2 million residents or more, which equals more large cities per capita than most big US states
- The states key advantages and growth drivers are:
 - Central location
 - Rich oil and gas deposits
 - Largest agriculture (in number of cattle) sector in the US
 - Well placed sea and land ports
 - Proximity to Mexico
 - Rapid population growth
 - Low cost of living
 - Relatively light regulatory burden
 - No state income tax

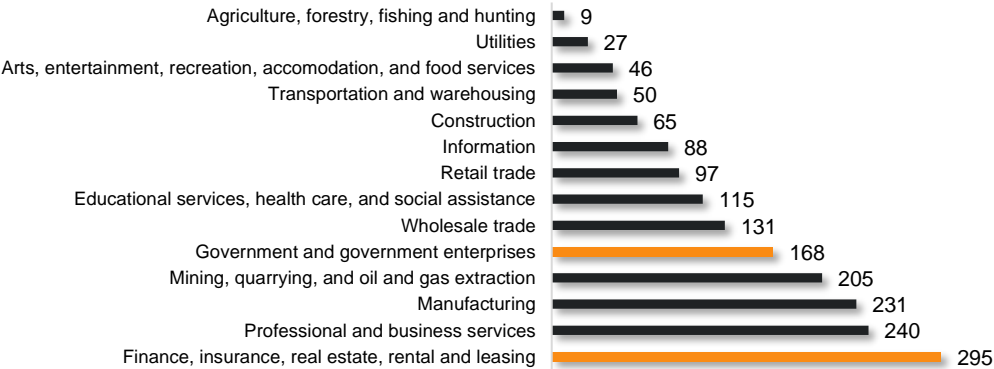


Real GDP of the federal state of Texas from 2000 to 2021, USDbn³



2021 ¹	Texas	Texas is the #2 Best US State for Business ²
Population	29,145,505	#1 in growth prospects
Unemployment	4.8%	#3 in business costs
Median household income, USD	63,826	#4 in economic climate
Moody's rating	Aaa	#10 in labour supply
Bachelor's degree attainment	30.7%	#15 in quality of life
Real GDP growth	5.6%	#21 in regulatory environment

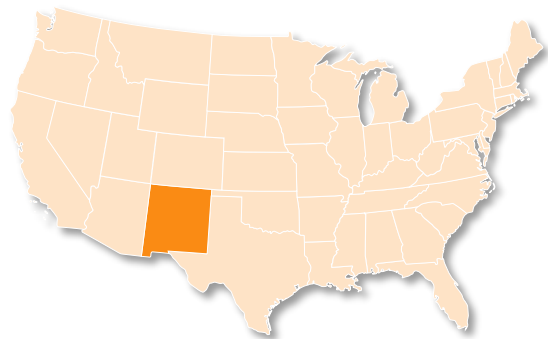
Real value added to the GDP of Texas in 2021, by industry, USDbn³



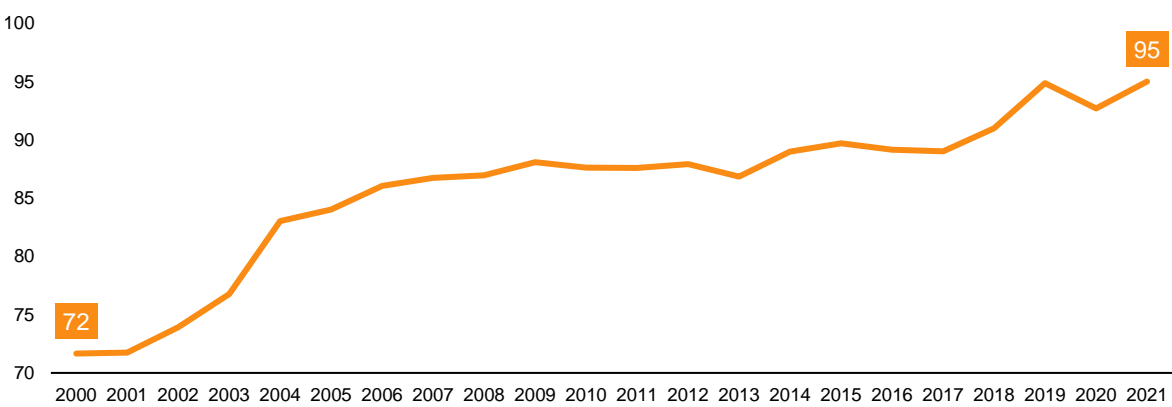
New Mexico

New Mexico – Aa2 rated state full of opportunities

- New Mexico is the fifth largest state geographically
- The federal government is the state's main employer and New Mexico ranks high in regards to both fiscal stability and health care
- The state's economic pillars are its natural resources, tourism, retail trade and federal government spending



Real GDP of the federal state of New Mexico from 2000 to 2021, USDbn²



2021¹

New Mexico

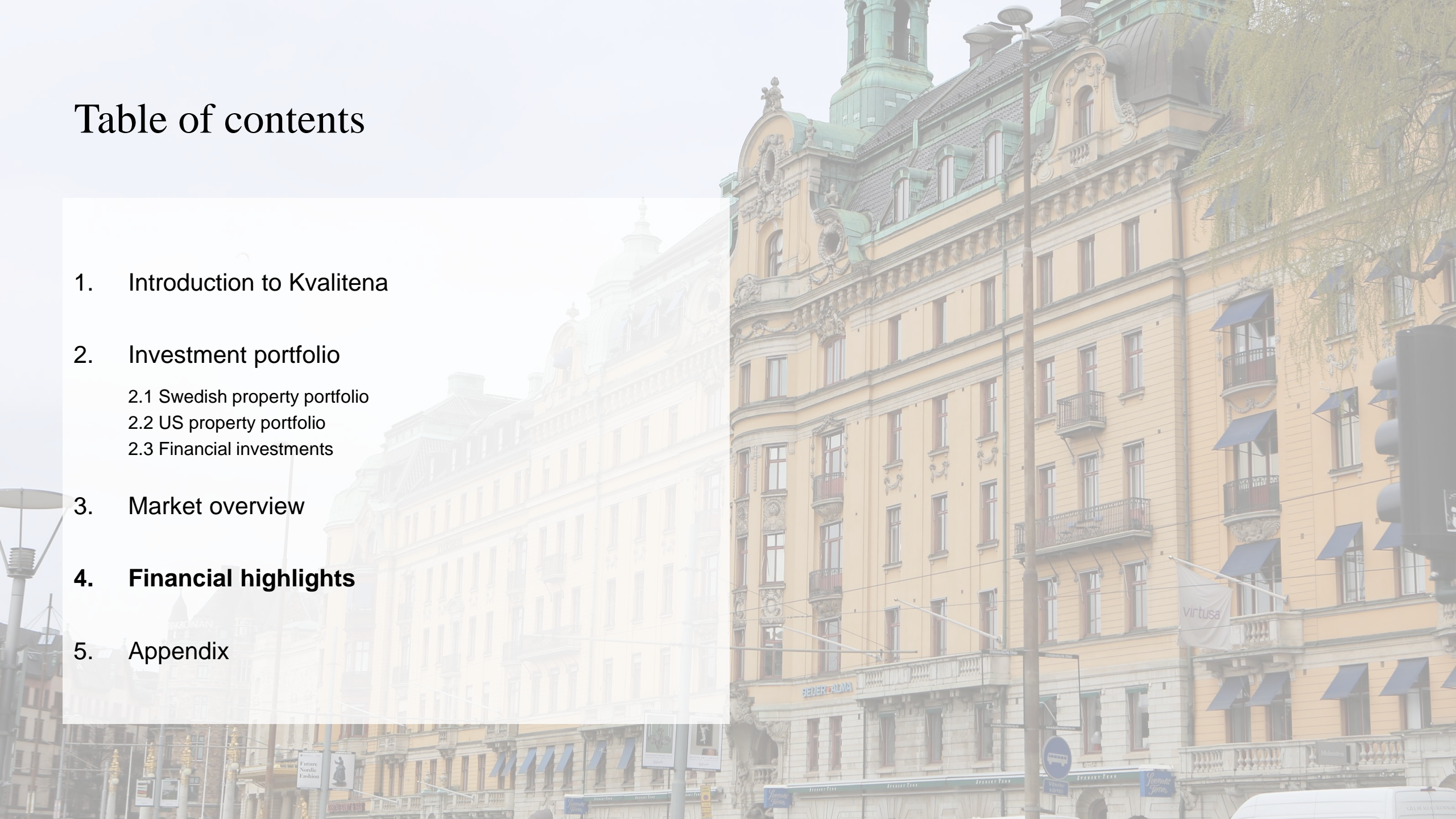
Population	2,115,877
Unemployment	5.9%
Median household income, \$	51,243
Moody's rating	Aa2
Bachelor's degree attainment	28.1%
Real GDP growth	2.5%

Real value added to the GDP of New Mexico in 2021, by industry, USDbn²



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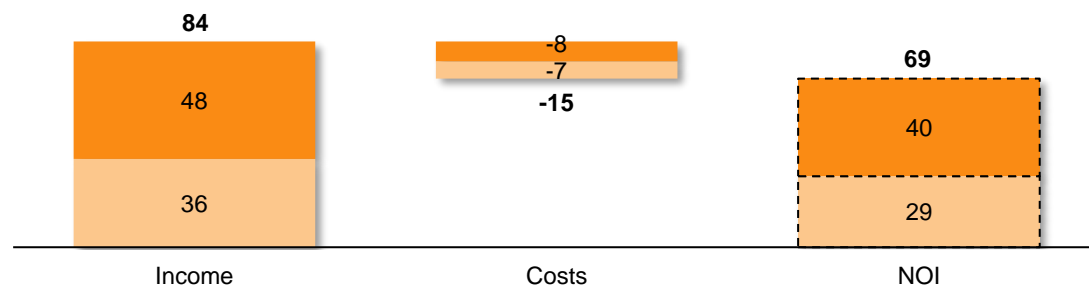
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Net operating income (NOI) split between the real estate portfolios

Swedish portfolio (SEKm)

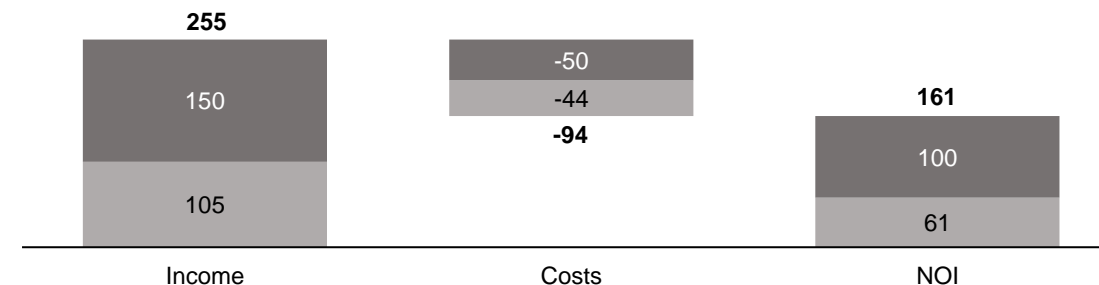
■ Kvalitena Fastigheter ■ Hedvig Helenora



SEKm	2021 Pro forma ¹	Earnings capacity ²
Income	80	84
Costs	15	15
Net operating income (NOI)	65	69
Total interest	45	46
NOI / Interest	1.44	1.50
Property value	2,461	2,565
Secured LTV	63.4%	58.7%

US portfolio (SEKm)³

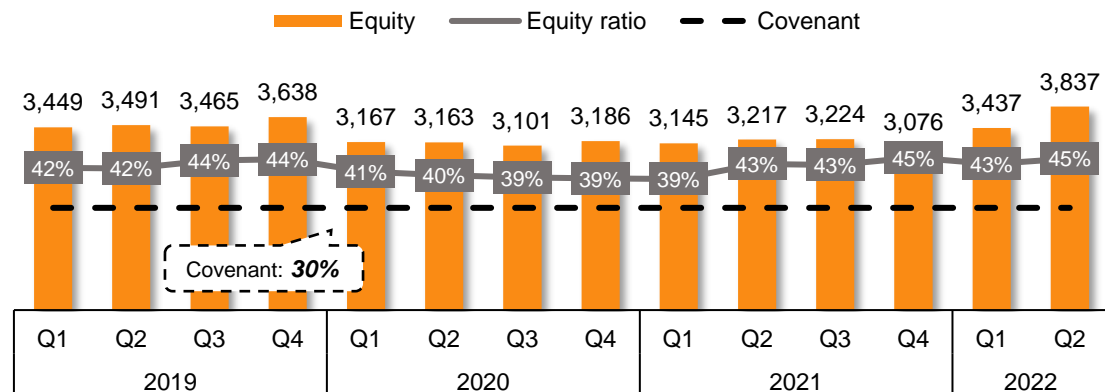
■ USA, Texas ■ USA, New Mexico



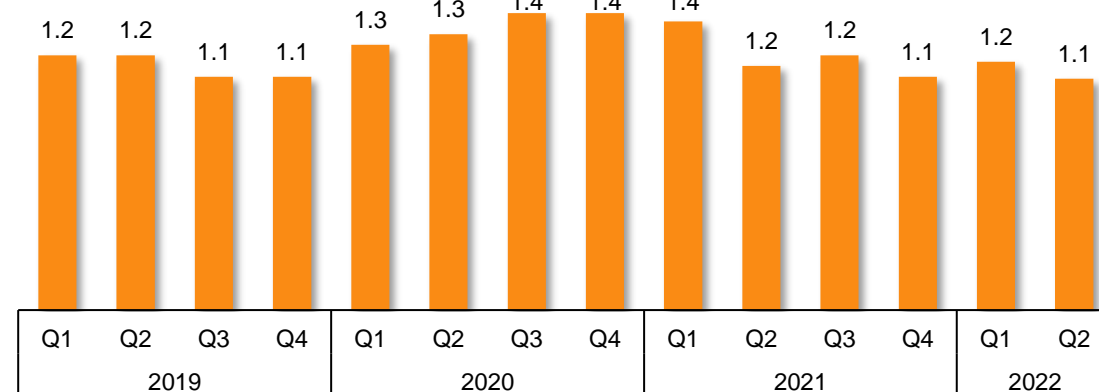
SEKm	2021	Earnings capacity
Income	100	255
Costs	45	94
Net operating income (NOI)	56	161
Total interest	32	68
NOI / Interest	1.76	2.37
Property value	1,169	3,216
Secured LTV	61.9%	50%

Conservative financial metrics and stable development

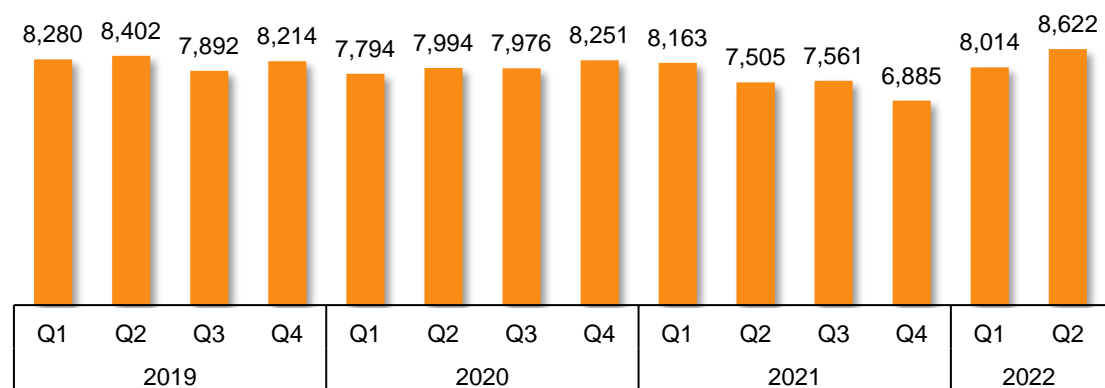
Equity (SEKm)



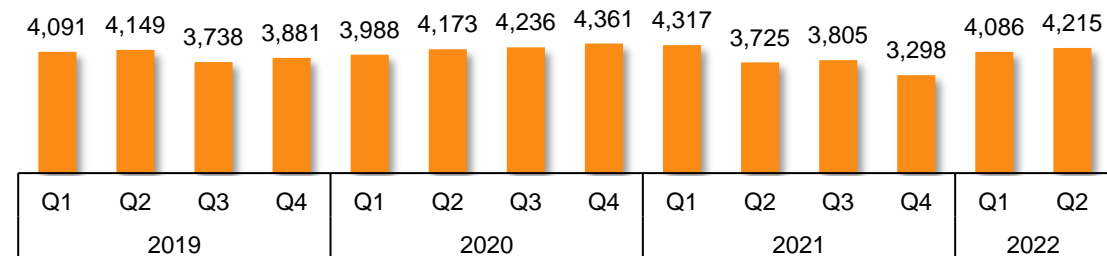
Net debt to equity ratio (x)



Total assets (SEKm)

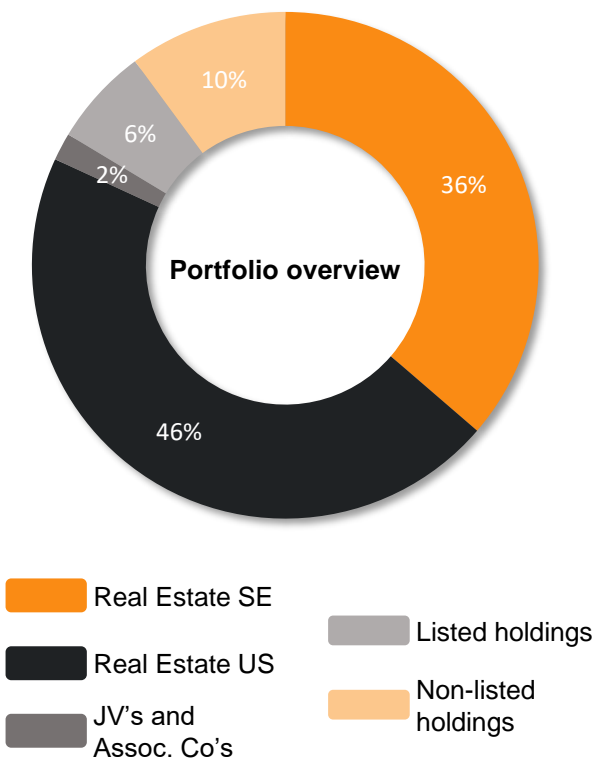


Gross interest-bearing debt (SEKm)



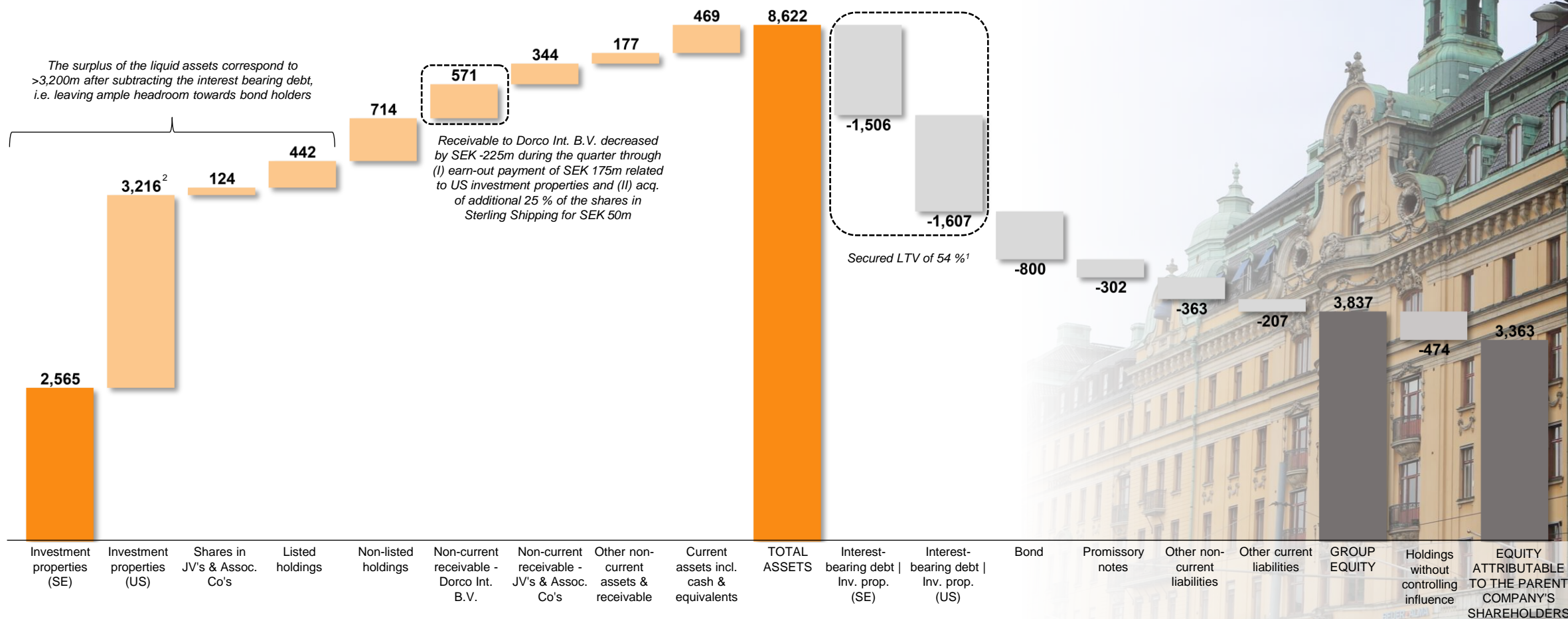
Detailed breakdown of holdings on balance sheet as of Q2 2022

	Book value (SEKm)	Share of total investments (%)	Shareholding (%)
<i>Real Estate Investments</i>			
Kvalitena Fastigheter	535	7.6%	100%
Helenora (HEFAB)	2,030	28.7%	100%
Real Estate Investments - Sweden	2,565	36.3%	
Svea Real Estate - Texas (US)	1,667	23.6%	100%
Svea Real Estate - New Mexico (US) ²	1,548	21.9%	70%
Real Estate Investments - US	3,216	45.5%	
Kvalitena Fastigheter (Barken Bostadsutveckling AB JV with Lantmännen)	25	0.4%	50%
Broadgate Asset Management AB	17	0.2%	44%
Norrforon Holding AB	38	0.5%	50%
Roslagsbils Fastighets AB	32	0.5%	50%
Other (< SEK 10m)	13	0.2%	50%
JV's & Assoc. Co's	124	1.8%	
Total Real Estate Investments	5,906	83.6%	
<i>Financial Investments</i>			
	<i>Sector</i>		
Maha Energy	Oil & Gas	326	4.6% 18%
Oscar Properties	Real Estate	90	1.3% 15%
Scandi Standard ¹	Food production	20	0.3% 1%
Reato Group	Energy	6	0.1% 3%
Listed Holdings		442	6.3%
Fendea AB (incl. Nordiska Kreditmarknad AB)	Financial services	197	2.8% 48%
Choki AB	Retail/Wholesale	156	2.2% 87%
Sterling Shipping Ltd	Shipping	100	1.4% 50%
Icon Technology Inc	Real Estate	90	1.3% 1%
Green Deer Holding AB	Agriculture / Machinery & Equipment	52	0.7% 47%
Förvab Svenska Verksamhetsfastighet (JV with EQT)	Real Estate	52	0.7% 5%
Other non-listed holding (< SEK 15m)	Other	66	0.9% N/A
Non-listed Holdings		714	10.1%
Total Financial Investments		1,156	16.4%
Total Investments		7,061	100.0%



Kvalitena asset breakdown clearly shows significant surplus value vs bond

Asset to equity bridge as of Q2 2022, SEKm

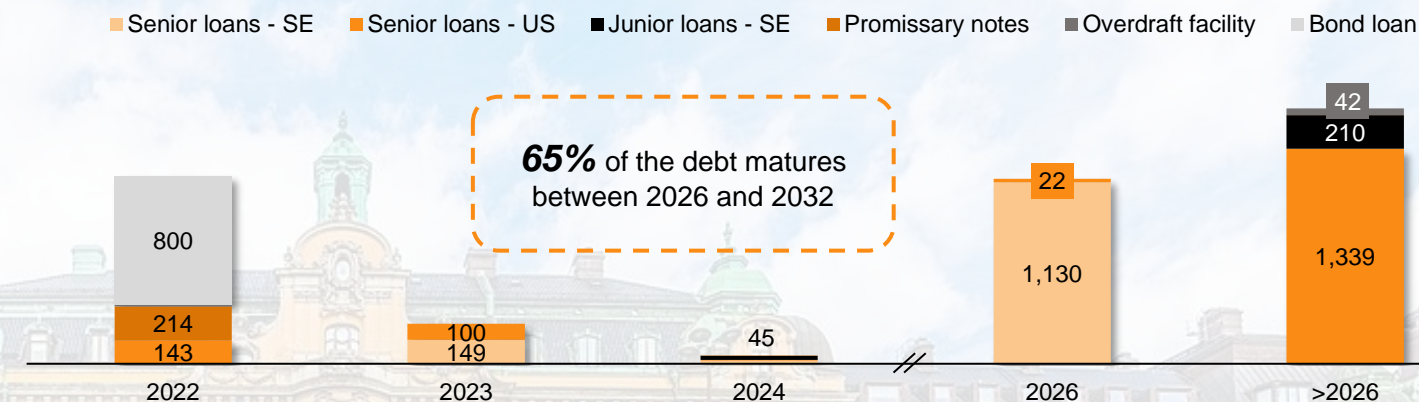


Attractive debt maturity profile

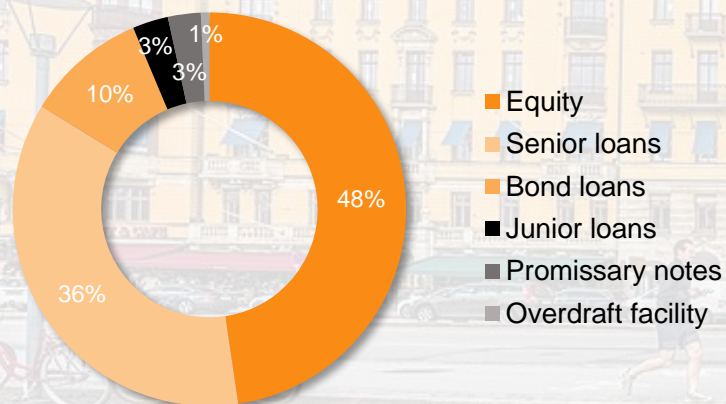
Comments

- Total interest-bearing debt amounted to SEK 4,215m as of Q2 2022 with an average interest rate maturity of >4.6 years
- The US bank financing has a very long maturity profile, with **65%** of loans maturing between **2026-2032**
- Kvalitena's balance sheet consists of bank loans and equity used for long-term financing as well as bond loans used as a complement
- The average interest rate has been lowered from 4.9% to 4.5%

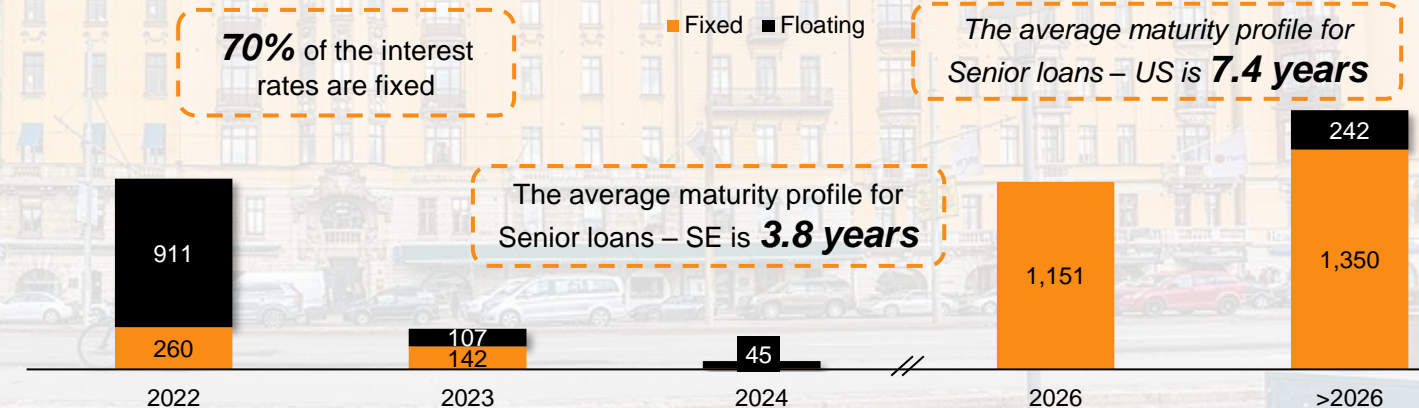
Maturity profile (SEKm)



Sources of financing



Floating vs fixed interest rate (SEKm)



H1 2022 highlights

Commentary – Jan-Jun

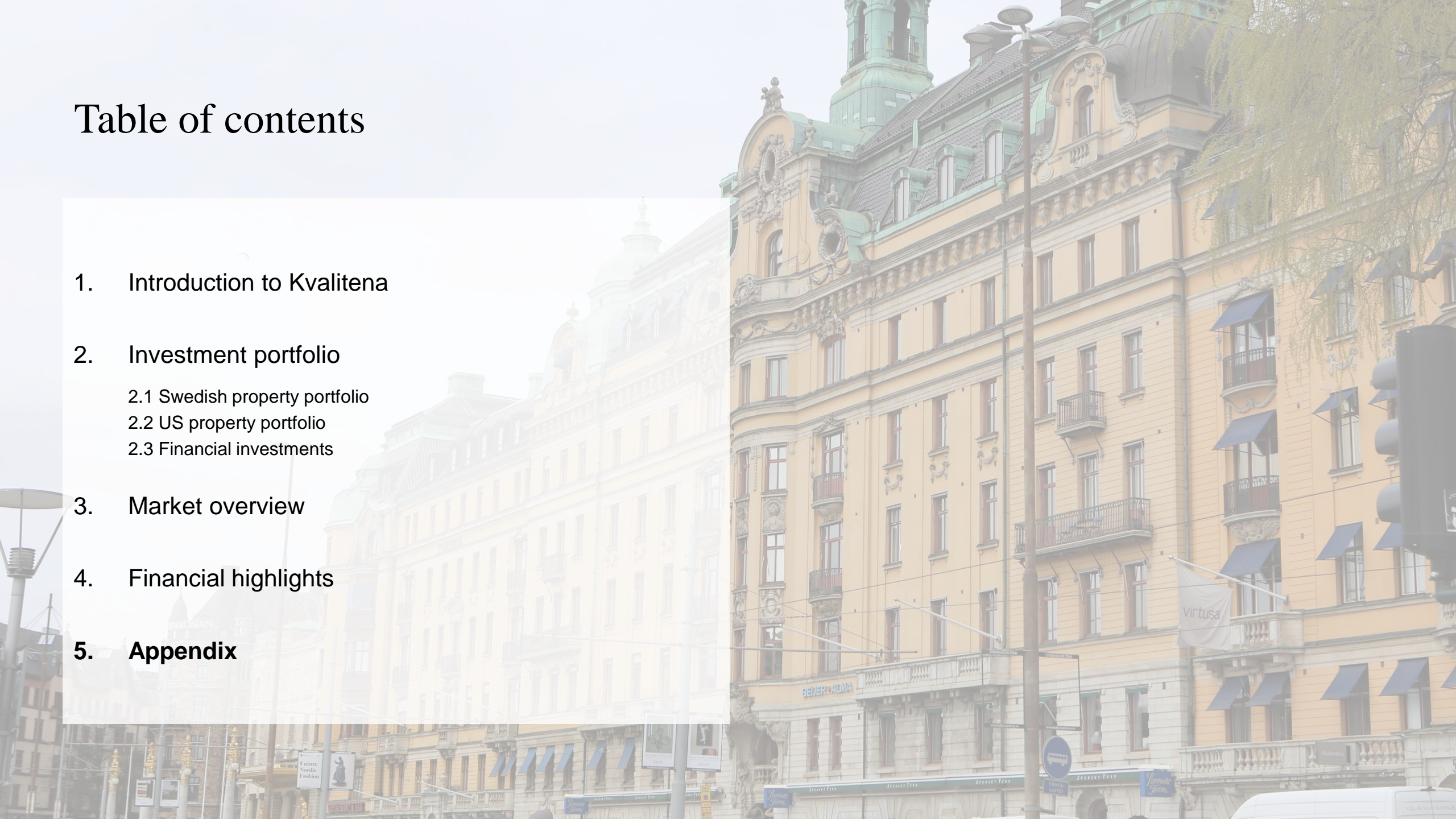
- Since 2020 the strategy has successively been to reallocate resources from the Swedish real estate market to the high yielding US market with strong credit tenants. However, the idea is to start acquire properties in Sweden once again when the risk adjusted return becomes more balanced and attractive
- 1 Revenue has increased during Q2 2022 due to the acquisition of New Mexico real estate portfolio totalling SEK 1,200m. Other revenue relates to cost reimbursement towards Svea Real Estate Group. Revenue from directly owned real estate amounts to SEK 343m with an earnings capacity (NOI) at SEK 230m as of Q2 2022¹
- 2 Property expenses has been reduced due to decreased operational expenses. Other external costs has decreased through active work to minimize external expenses. In H1 2022, non-recurring items including extensive M&A related costs affected the line-item other external cost by SEK 37m
- 3 Profit from shares in JV's & Assoc. Co's include (I) Sterling Shipping SEK +23m, (II) Industriflyg SEK -19m, (III) Choki SEK -10m, (IV) Ebba Brahe SEK -6m and (V) Other SEK +4m. Kvalitena's subsidiary Kvalitena Industrier AB has acquired an additional 25 % of Sterling Shipping from parent company Dorco International B.V. for SEK 50m, in line with substance valuation, increasing its ownership share to 50 %. Sterling Shipping owns and charters Kamsarmax / Panamax vessels
- 4 Net financial items primarily relates to interest costs of SEK -106m, decrease in value of listed shares in Oscar Properties of SEK -149m and effects from sale of Matera (shares in Teknikmagasinet) by SEK -24m. Financial income relates to dividends from Matera SEK 7,5m, Sale of shares (and bonds) in Source Energy SEK +16m, Maha Energy SEK +7m, Sale of Scandi Standard SEK -0,5m and Oscar Properties (Bond) SEK -4,5m. Income from interest SEK 29m (associated companies and other lending). Currency gains on bank accounts and lending SEK +15,5m
- 5 Change in value of investments properties was affected by the following main items: (I) Helenora SEK +165m, (II) Svea Real Estate (US) SEK +590m, (III) Earn-out payment of SEK -175m related to investment properties (US) and (IV) Other project properties of SEK +43m
- 6 Other total profit for the period is related to changes in market value for the listed shares in Maha SEK +57m, Icon Technology SEK +62m and currency gains of SEK +81m
- Kvalitena's subsidiary Svea Real Estate Group has during the second quarter acquired large parts of the Esperson Building in Houston, Texas. The property has yet to be consolidated. Consolidation will take place during the third quarter of 2022.

P&L

	TSEK	Apr-Jun 2022	Jan-Mar 2022	Jan-Jun 2022
1	Net income	80,870	74,621	155,490
	Other income	16,505	4,944	21,449
		97,374	79,565	176,940
2	Property expenses	-20,977	-35,168	-56,145
	Staff expenses	-8,794	-8,304	-17,098
	Other external costs	-19,649	-49,036	-68,686
	Depreciations	-3,180	-3,798	-6,978
3	Profit from participations in joint ventures & associated companies	1,844	-5,637	-3,792
		-50,756	-101,943	-152,698
	Operating profit	46,619	-22,378	24,241
	Financial income	38,270	31,877	70,147
4	Financial expenses	-109,269	-99,294	-289,563
	Net financial items	-151,999	-67,417	-219,416
	Profit after financial items	-105,380	-89,795	-195,175
5	Change in value of investment properties	571,568	44,305	615,873
	Profit before tax	466,188	-45,490	420,698
	Tax	-123,275	-1,526	-124,801
	Profit for the period	342,913	-47,016	295,896
	Other total profit	105,474	93,936	199,410
6	Total profit for the period	448,387	46,920	495,306

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Income statement

TSEK	2022 Apr-June	2021 Apr-June	Q2 2022 LTM	2021	2020	2019
Net income	80,870	52,132	245,673	203,604	209,301	218,184
Other income	16,505	1,158	24,334	6,834	3,116	15,616
	97,374	53,290	270,008	210,437	212,417	233,800
Property expenses	-20,977	-19,568	-103,429	-88,970	-60,151	-59,590
Staff expenses	-8,794	-13,738	-31,272	-35,981	-28,830	-28,674
Other external costs	-19,649	-21,725	-125,121	-92,195	-71,610	-98,069
Depreciations	-3,180	-3,147	-13,865	-13,140	-4,146	-3,961
Profit from participations in joint ventures & associated companies	1,844	-13,233	-37,713	-46,290	-135,587	89,881
	-50,756	-71,410	-311,399	-276,576	-300,324	-100,413
Net operating income	46,619	-18,120	-41,392	-66,138	-87,906	133,387
Net financial items	-151,999	-31,075	-388,018	-237,973	-251,917	-182,210
Profit after financial items	-105,380	-49,195	-429,410	-304,111	-339,823	-48,823
Change in value of investment properties	571,568	63,424	805,021	261,346	93,703	153,189
Profit before tax	466,188	14,229	375,611	-42,765	-246,120	104,366
Tax	-123,275	18,400	-125,389	12,018	-22,488	-39,025
Profit for the period	342,913	32,630	250,221	-30,747	-268,608	65,341
Other total profit	105,474	47,064	154,977	-20,660	-167,021	209,011
Total profit for the period	448,387	79,693	405,199	-51,407	-435,629	274,352
<i>Attributable to:</i>						
The parent company's shareholders	352,615	72,782	297,436	-63,849	-455,959	224,662
Holdings with non-controlling interest	95,772	6,911	107,763	12,442	20,330	49,689
Total profit for the period	448,387	79,693	405,199	-51,407	-435,629	274,352

Balance sheet

TSEK	2022-06-30	2021-12-31	2020-12-31	2019-12-31
ASSETS				
<i>Tangible non-current assets</i>				
Investment properties	5,781,051	3,630,297	5,333,973	4,429,650
Right-of-use assets, land rights	10,359	10,077	91,451	91,195
Tangible non-current assets	25,796	24,476	27,867	14,261
	5,817,206	3,664,850	5,453,290	4,535,106
<i>Financial non-current assets</i>				
Shares in joint ventures & associated companies	649,182	516,702	601,070	937,932
Receivables from group companies	570,663	843,452	823,846	1,200,922
Receivables from joint ventures & associated companies	343,996	368,069	349,625	397,957
Other long-term securities	631,244	795,929	566,480	787,792
Other long-term receivables	140,465	61,902	89,515	20,438
	2,335,550	2,586,053	2,430,535	3,345,041
Deferred tax receivable	-	-	-	38,867
Total non-current assets	8,152,757	6,250,903	7,883,825	7,919,014
<i>Current assets</i>				
Accounts receivable	53,533	95,717	60,284	54,814
Receivables from group companies	265	-	589	-
Receivables from joint ventures & associated companies	197	77,142	3,465	4,509
Other receivables	157,846	146,683	110,665	141,627
Prepaid expenses and accrued income	150,113	69,554	65,226	31,959
Cash and cash equivalents	107,339	244,788	127,063	61,809
Total current assets	469,292	633,884	367,294	294,718
TOTAL ASSETS	8,622,049	6,884,788	8,251,119	8,213,732

TSEK	2022-06-30	2021-12-31	2020-12-31	2019-12-31
EQUITY AND LIABILITIES				
<i>Equity</i>				
Share capital	500	500	500	500
Reserves	339,842	140,432	161,092	328,112
Retained earnings incl. the year's results	3,022,702	2,829,334	2,872,523	3,161,461
Equity attributable to the parent company's shareholder	3,363,044	2,970,266	3,034,115	3,490,073
Holdings with non-controlling interest	474,403	106,088	151,536	147,958
Total equity	3,837,446	3,076,354	3,185,651	3,638,031
<i>Non-current liabilities</i>				
Interest-bearing liabilities	2,847,657	1,791,079	2,379,400	2,644,155
Other non-current liabilities	1,628	1,884	3,836	6,801
Right-of-use assets liabilities	10,359	10,077	91,451	91,195
Other provisions	13,000	18,000	-	-
Deferred tax liability	338,177	183,566	265,809	367,619
Total non-current liabilities	3,210,821	2,004,606	2,740,496	3,109,770
<i>Current liabilities</i>				
Interest-bearing liabilities	1,316,643	1,483,348	1,950,207	1,203,547
Accounts payable	40,645	39,914	64,079	66,557
Liabilities to associated companies and group companies	49,819	80,635	31,675	14,573
Tax liabilities	3,431	4,244	11,315	7,859
Other liabilities	50,562	81,426	130,213	52,086
Accrued costs and prepaid revenues	112,682	114,262	137,482	121,309
Total current liabilities	1,573,781	1,803,828	2,324,972	1,465,931
TOTAL EQUITY AND LIABILITIES	8,622,049	6,884,788	8,251,119	8,213,732

Cash flow statement

TSEK	2022 Jan-June	2021 Jan-June	Q2 2022 LTM	2021	2020	2019
Cash flow from operating activities						
Operating income	24,241	-505	-41,392	-66,138	-87,906	133,387
Adjustments for items not included in the cash flow	10,770	18,995	49,412	57,637	140,612	-80,891
Interest received	6,145	2,030	28,866	24,751	8,508	44,560
Interest paid	-88,554	-103,459	-190,461	-205,366	-206,904	-182,566
Income tax paid	-1,370	-2,249	-2,419	-3,298	-1,970	30
Cash flow from operating activities before changes in working capital	-48,768	-85,188	-155,994	-192,414	-147,661	-85,480
Change in operating receivables	-32,269	-24,705	-45,477	-37,913	38,783	-52,847
Change in operating liabilities	-35,670	-34,333	23,949	25,286	12,854	81,368
Cash flow from operating activities	-116,707	-144,226	-177,522	-205,041	-96,024	-56,959
Investment activities						
Investments in investment properties	-1,352,117	-114,728	-1,572,027	-334,638	-173,709	-239,052
Acquisition of investment properties in subsidiaries	-	-	-	-	-90,467	-578,422
Other investments of tangible non-current assets	-3,777	-6,360	-14,902	-17,485	-14,332	-1,111
Disposal of investment properties/group companies	95,058	355,627	546,225	806,794	445,528	410,206
Disposal of investment properties	26,168	15,593	10,575	-	-	-
Disposal of other tangible non-current assets	-	-	14,146	14,146	4,886	293
Acquisition of shares in joint ventures and associated companies	-5,297	-	-10,439	-5,142	-40,155	-24,287
Disposal of shares in joint ventures and associated companies	-	88,476	67,957	156,433	182,050	30,078
Investments in financial non-current assets	-218,227	-239,443	-392,053	-413,269	-373,446	-657,701
Disposal and repayment of loans to associated companies and joint ventures	-	-	-	135,807	27,116	-
Disposal and repayment of financial non-current assets	198,300	99,075	345,087	110,055	12,625	177,932
Dividends	54,787	6,261	55,095	6,569	171,603	8,983
Cash flow from investment activities	-1,205,105	204,501	-950,336	459,270	151,699	-873,081
Financing operations						
Dividends	-	-	-	-	-	2,450
Loans	1,113,853	262,317	1,872,990	1,021,454	717,096	1,319,724
Amortization and redemption of loans	-295,644	-317,574	-1,105,199	-1,127,129	-690,766	-583,078
Additions to and withdrawals from non-controlling holdings	343,302	-	311,783	-31,519	-16,751	17
Cash flow from financing operations	1,161,511	-55,257	1,079,574	-137,194	9,579	734,213
Cash flow for the period	-160,301	5,018	-48,284	117,035	65,254	-195,827
Exchange rate difference in currency	22,852	-	23,542	690	-	-
Cash and cash equivalents at the beginning of the year	244,788	127,063	61,809	127,063	61,809	83,605
Cash flow for the period	-137,449	5,018	65,254	117,725	65,254	-21,796
Cash and cash equivalents at the end of the period	107,339	132,080	127,063	244,788	127,063	61,809