



Segment focused portfolio of public use properties in the greater Stockholm area

Seasoned management with sector expertise to secure portfolio performance and enhance long-term NOI

Property value  
Equity  
Debt

SEK 550m  
SEK 200m  
SEK 358m

A close-up photograph of two hands shaking in a firm grip, symbolizing agreement or partnership. The hands are positioned in the lower half of the slide, with the background showing a blurred outdoor scene with green grass and a bright sky. The handshake is the central focus of the image.

Mälardalens Omsorgsfastigheter Holding AB  
Investor presentation – April 2019

# Information

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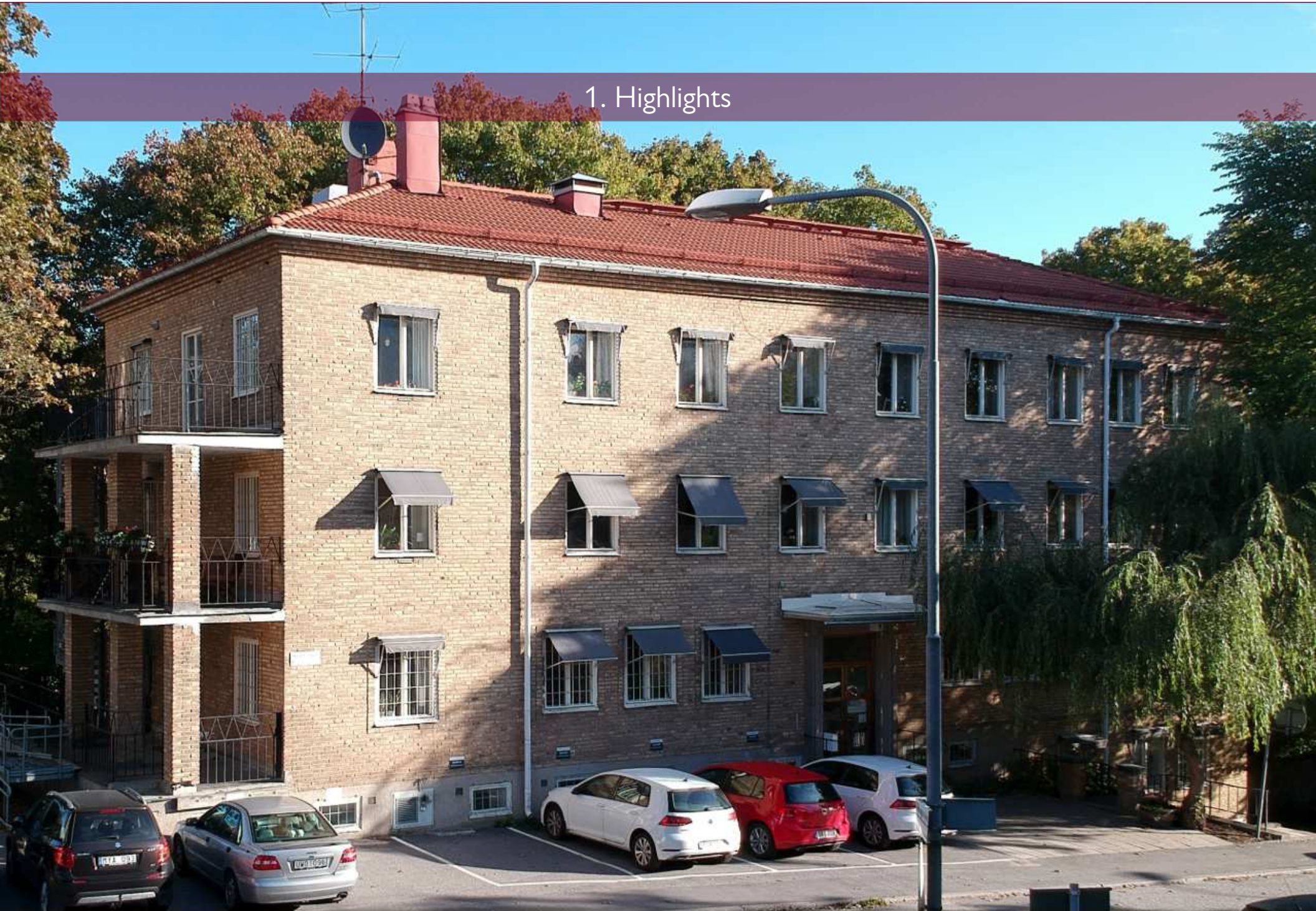
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This presentation (the "Presentation") has been prepared by Carnegie in connection with the investment / subscription of shares in Mälardalens Omsorgsfastigheter Holding AB (the Company). The subscription is carried out with the aim to capitalize the company to be able to acquire all shares in Mälardalens Omsorgsfastigheter Invest AB, (the Property company). The Property company owns a property portfolio ("the Portfolio") comprising 25 properties in Mälardalen, Sweden. (For a complete property list please see page 21). The purpose of the Presentation is to provide a description of how investors can invest in the Portfolio by subscribing for shares in the Company at issue. The Presentation does not constitute an offer for subscription of shares in the Company. Terms and conditions for investment / subscription of shares in the company is stated in a separate offer to subscribe for shares (subscription form) prepared by Carnegie, arranger of the issue (hereinafter also referred to as Manager).

In the following, the term "portfolio" is used for both the Company and the properties unless stated otherwise.

At the date of this Presentation a binding agreement to purchase the property is not yet signed. The acquisition of the properties will take place after the Company has obtained sufficient binding interests from investors and after satisfactory legal, financial and (depending on conditions) technical due diligence of the properties, and received and achieved a satisfactory debt financing and purchase agreement for the acquisition of the properties. Carnegie reserves the right without any liability and at its sole discretion to modify, terminate or suspend the buying process, structure or terms of the transaction, at any time and without notice and grounds, until a binding contract and any other agreements are signed.

# 1. Highlights



# Strong dividend capacity of ~7.5% per year which will be paid quarterly

72% of the portfolio is located in the greater Stockholm area in strong micro locations mitigating overall residual risk

## Portfolio description

- Portfolio of 25 properties comprising public care homes (LLS), pre-schools and health centers.
- The properties are located in the greater Stockholm area (72%) and Mälardalen. Further, the properties have strong micro locations which reduces the residual risk.
- All tenants are either public or financed by the public, resulting in a secure cash flow.
- Rental income of SEK 32.0m and NOI of SEK 27.8m as per 2019, corresponding to a net yield of 5.1%.
- A large part of the facility management is handled by the tenants, which also are responsible for the related costs.

SEK 550m  
Property  
value

SEK 32.0m  
Gross rental  
income

16,700 sqm  
Gross lease  
area

~7 years  
WAULT

25  
Properties

~10%  
IRR as base  
case

~7.5%  
dividend  
capacity p.a.

65%  
LTV

## Attractive return to equity

- Estimated average annual dividend capacity of ~7.5% throughout the investment period.
- Accumulated dividends are estimated to ~75% of the equity, assuming an exit in year 2029 and no amortization.
- The IRR is estimated to 10%, when assuming an exit-yield of 5%. There has been identified upside potential related to 1) rental-uplift, 2) development potential and 3) yield compression, with an estimated potential IRR improvement of 10 ppts.

## Strong market fundament

- Constantly increasing demand for public use properties ("PuP") with a market that has increased dramatically in volume during the last couple of years.
- The properties serves as important hubs for the social infrastructure and Swedish welfare system.
- There is currently a lack of public properties available and high boundaries for entry do to zoning and regulatory aspects. The shortage is especially large in the greater Stockholm region.

## Seasoned management with proven track record

- Aligned management from Kvalitena AB with proven track record and asset management experience from the public property sector to manage the portfolio.
- Kvalitena is an opportunistic and professional real estate player which also could provide a more strategic role in terms of portfolio management going forward.
- Management is incentivized for providing returns above base-case with a profit split.



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# Attractive financing of 65% LTV and no amortisation

Geographically and segment focused portfolio of public use properties (Sv. Samhällsfastigheter)

## Background and introduction

- Carnegie Project Finance ("Carnegie" or the "Arranger") has secured an exclusive right to acquire Mälardalens Omsorgsfastigheter Holding AB, comprising 25 properties located in Mälardalen in Sweden.
- The Portfolio is currently owned by four family offices, (the "Vendors"), and managed by the owners representatives from Ledstången AB.
- A property for public use (Sv. Samhällsfastigheter) is a property adapted for public and community service use. The properties are publicly financed through their operations / service such as schools, pre-schools, nursing and carehome for elderly, housing for individuals with special needs, government and public service buildings etc.
- The definition for properties for public use (Sv. Samhällsfastigheter) is "Property that is predominantly used for tax financed operations and is specifically adjusted for public service use". (Sv. "Fastighet som brukas till övervägande del av skattefinansierad verksamhet och är specifikt anpassad för samhällsservice").
- The portfolio is highly focused on LSS care homes, housing which are supported by the Swedish law for support and service to disabled people (sv. "LSS") and the law for social service (LoS). The LoS and LSS have induced a high demand for social services, and the municipalities have to a greater extent turned to the private market to meet the demand.
- Approx. 70,000 people receive disability contribution (Sv. "LSS-insats"), and approx. 27,000 people live in disability homes. A high number of people are eligible for support, but do not currently receive support.
- In addition there is a new suggested LSS reform from January 2019 implying a further increased demand for LLS homes and day-centers due to large reduction of personal assistance within the LSS disability contribution program.
- The market for disability, individual and family care is estimated to SEK 100bn.
- Long historical duration, ~20 yrs. Even though the leases within disability homes are shorter than for other social properties, the retention rate is very high.

## Project investment

Project price	SEK (000)	Per sqm	Net yield
Estimated property value	550,000	30,489	5.1 %
Deduction deferred tax	-14,600		
Tax loss carryforward	-		
+/- gain and loss account	-		
Estimated purchase price	535,400	29,680	5.2 %
Origination fee	11,000		
Debt arrangement costs	5,800		
Due diligence fees	2,500		
Sum transaction costs	19,300		
Working capital	2,800		
Total project price	557,500	30,905	5.0 %

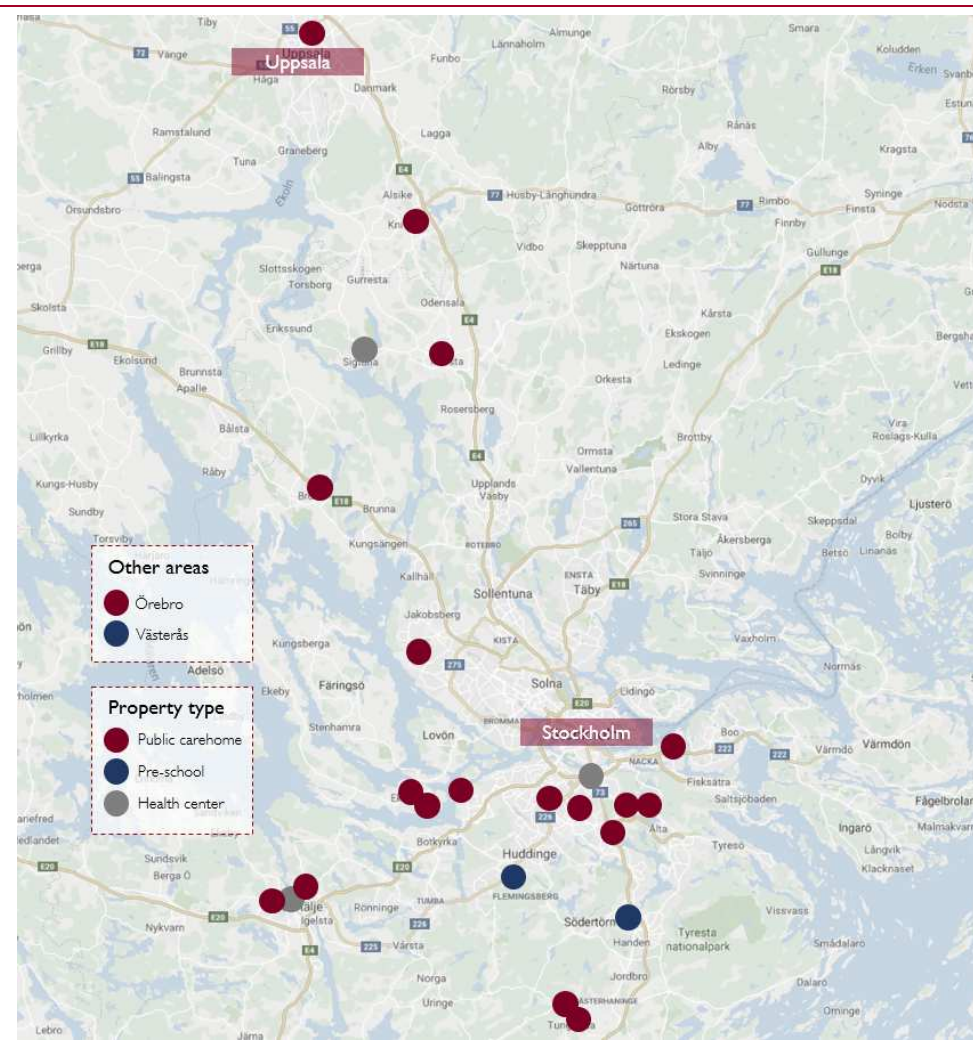
Financing	SEK (000)	Per sqm	% of total capital
Debt	357,500	19,818	64.1 %
Equity	200,000	11,087	35.9 %
Total capital	557,500	30,905	100.0 %

Key figures (2019e)	SEK (000)	Per sqm	% of total capital
Gross rent	32,000	1,774	100.0 %
Operating cost	4,200	233	13.1 %
Property tax	-	-	0.0 %
Net rent	27,800	1,541	86.9 %
Adm. and asset management	3,200	177	10.0 %
EBITDA	24,600	1,364	76.9 %

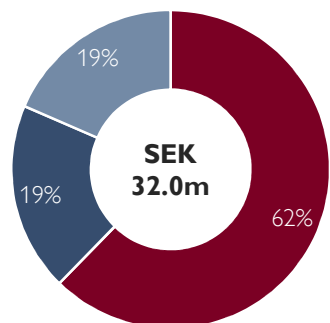
# The portfolio comprises 25 public use properties

19 of the 25 properties are public care homes (LSS), which account for 62% of the total rental income

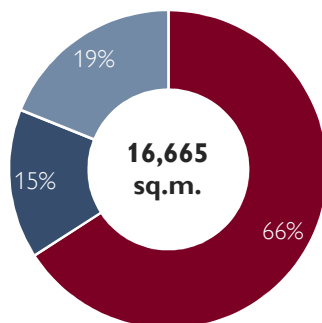
Information by property type				
	Public care home	Pre-school	Health center	Total
Number of properties	19	3	3	25
Lettable area (sq.m.)	10,982	2,533	3,150	16,665
Contracted area (sq.m.)	10,161	2,533	3,150	15,844
Occupancy rate (%)	93%	100%	100%	95%
Rental income (SEKk)	19,971	6,141	5,933	32,045
Rent / contracted sq.m. (SEK)	1,965	2,424	1,884	2,023
WAULT (years)	6.0	12.3	2.5	6.6



Share of rental income (%)



Share of area / sq.m. (%)



Public carehome Pre-school Health center

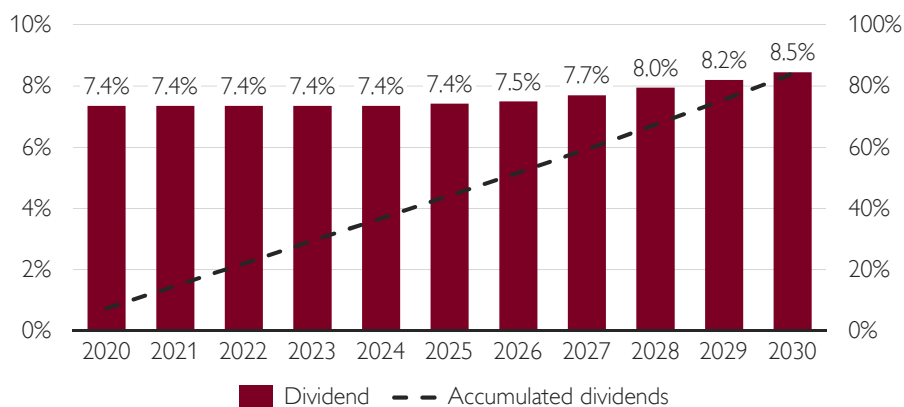
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# The cash flow facilitates for ~7.5% dividend per annum

The SEK ~358m debt financing is an interest-only loan, allowing for a high dividend rate throughout the investment period

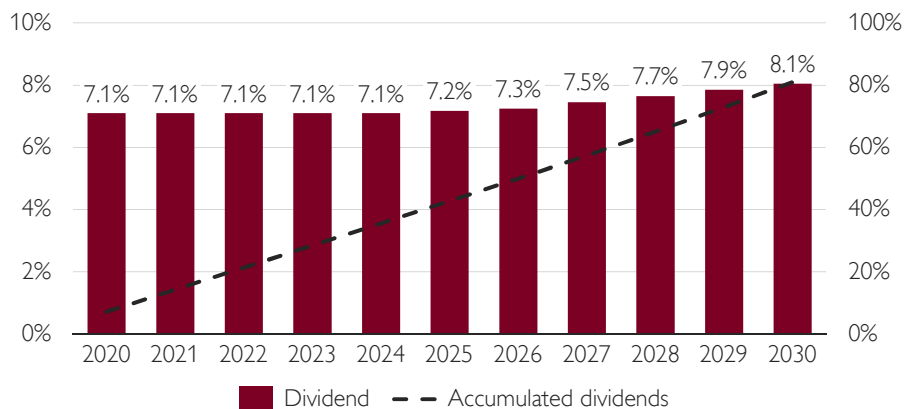
## Estimated cash flow / total return on equity

### Dividend as % of equity with 100% fixed interest rate at 2.9% all-in



- The estimated cash flow allows for an average annual dividend of ~7.5% (as % of equity) during the investment period, with a loan to value (LTV) of 65%.
- The SEK 358m debt financing is an interest-only loan with no amortization.
- The base case assumes that 100% of the debt is at a fixed all-in interest rate of 2.9% (7Y swap of 0.62% and a credit margin of 2.25%). Note that the actual interest rate could vary until the lock-in date.
- The bottom left graph displays the estimated dividend capacity if 1/3 of the loan follows the 3M Stibor, with the Swedish Central Bank forecast for future interest rate up-tick.

### Dividend as % of equity with 1/3 of the loan at floating interest rate\*



\* 3M Stibor, applying the Swedish Central Bank forecast interest rate up-tick



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# Attractive upside potential

The portfolio includes an upside potential through 1) increased rent levels (SEK 1.9m) to market terms and 2) development of four identified properties with total potential return of SEK ~200m

## Property development potential



1. Hammar 1:11

- Management has started a process to split the 16,000 sq.m. plot and to develop elder homes. The old main building from 1832 (440 sqm), will be integrated in the process. Potential building right of 4-5,000 sq.m.
- Estimated profit of SEK 100m with exit-yield at 5%.
- Timeframe of 2-3 years.



2. Ålsta 1:9 & 3:28

- Management plans to split the total plot of 29,000 sq.m., and to establish building rights. The architectural firm Vida has started to work on a concept for elder homes.
- Estimated building rights of 5,000 sq.m., and SEK 95m profit with exit-yield at 5.25%.
- Timeframe of 3-5 years.



3. Bysten 1

- Management plans to increase the GRI and NOI through a conversion of the property to an elder home.
- Estimated profit of SEK 20m with exit-yield at 4.5%.
- Timeframe of 2-3 years.

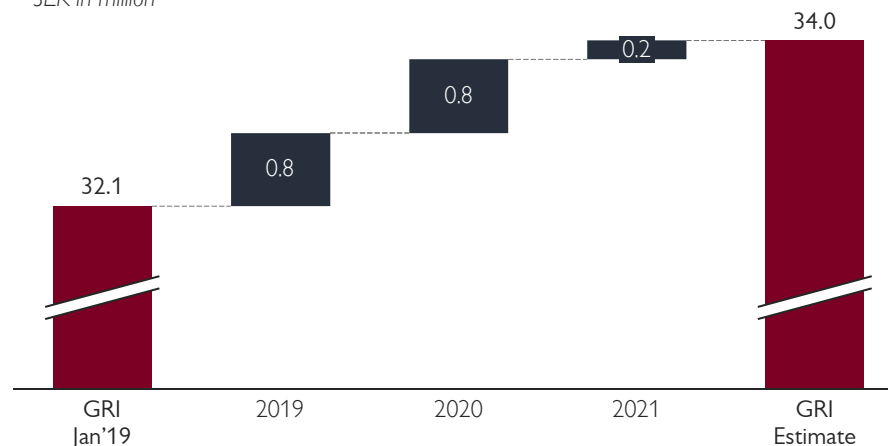


4. Brödspaden 6

- Management has presented an opportunity to convert the property to a pre-school with 8 departments, for ~120 children, where the rent level is estimated to increase by SEK 2.5m per year.
- Estimated profit of SEK 12m with exit-yield at 4.75%.
- Timeframe of 1-2 years.

## GRI up-tick potential, based on market rent on expiring contracts

SEK in million



Figures exclude CPI-adjustment

## Specifically identified contracts with rental up-lift potential

Property	Current terms				Market terms		Up-tick
	Rent	Area	per sq.m.	Expiry	Rent	per sq.m.	
Ålsta 1:9 o 3:28	2,026	1,082	1,873	31.12.2020	2,597	2,400	570
Bysten 1	2,022	1,055	1,917	30.09.2019	2,532	2,400	510
Brödspaden 6	1,145	730	1,568	31.07.2019	1,314	1,800	169
Sicklaön 373:1	669	456	1,467	31.12.2020	798	1,750	129
Märsta 1:220	650	495	1,312	31.12.2021	866	1,750	217
Artigheten 1	623	408	1,527	30.06.2020	673	1,650	50
Träkvisten 4:29	618	468	1,322	31.12.2019	749	1,600	130
Modet 1	563	408	1,379	30.06.2020	653	1,600	90
Hastighetsmätaren 6	385	245	1,570	31.12.2020	392	1,600	7
Kaninholmen 1	365	248	1,473	31.12.2019	397	1,600	32
<b>Total</b>	<b>9,066</b>	<b>5,595</b>			<b>10,971</b>		<b>1,905</b>

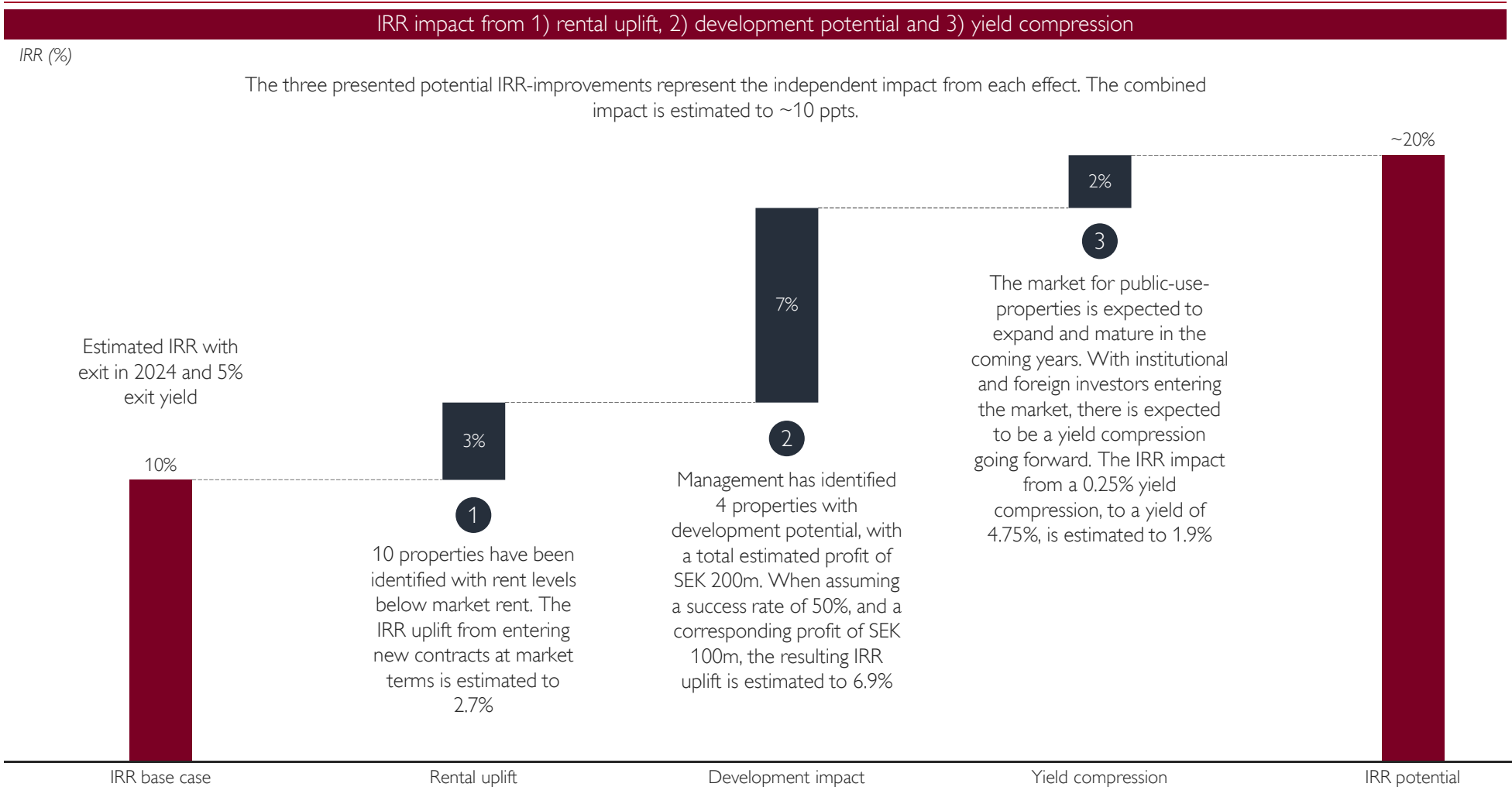
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# A potential to improve the IRR by ~10 ppts. to ~20%

The combined IRR impact from 1) rental uplift to market rent, 2) development of specific properties, and 3) yield compression in a maturing market for public-use-properties, is estimated to ~10 ppts.



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# What makes the Portfolio unique?

The portfolio comprises sub-segment and geographical locations where you find the highest shortage in combination with rental growth potential

## Strong market fundament

- The Swedish economy is developing well with an average annual GDP growth of 2.8% in the period 2013-2017.
- Structural growth. Since 2005, the market for disability homes has increased by 5.6% annually. The demand within the private share of the market increases by 8-9% annually.
- The demand for especially public care homes will continue to increase do to inter alia longer life-span for both men and women.
- The portfolio is located in the areas where the shortfall of public use properties is the highest.
- Public use properties have now become a well established investment segment and a well functioning part of the real estate market. Public use properties have faced a strong value increase during the last couple of years and a segment with increased investor focus from larger real estate companies and institutions.



## Safe and predictable cash flow

- Cash flow received from the municipality, county councils and state and parties with high credit rating, reducing risk considerably.
- Limited cyclical sensitivity. The underlying market / demand is affected to a limited extent by the economy in general.
- Long historical duration, ~20 yrs. Even though the leases within disability homes are shorter than for other social properties, the retention rate is very high.
- Operating costs are largely covered by the tenant. Too a greater extent compared to other commercial real estate.
- The majority of the properties are under rented – as such there is limited risk for an overall reduction in the gross rental income at contract expiry.



## Diversification and alternative use

- The Portfolio has been aggregated through numerous of smaller acquisitions where the larger investors have slightly less focus – as such the properties and the Portfolio are bought at favorable terms.
- A portfolio creates diversification and if one tenant will vacate a property the debt service ability will still be substantial.
- The tenant base are well diversified.
- The properties are generally located in strong micro locations. This increase the probability of tenants extending their contracts at expiry and makes potential re-letting easier if a tenant was to vacate the property.
- The properties range from ~200 sqm to 1,900 sqm – properties within this size have a broader reach of tenants than larger properties.
- Complete housing. Includes bedroom, kitchen and bathroom, which thus fulfills the same functionality requirements as ordinary housing. Residential conversion is therefor possible at contract expiry as an alternative residual value.



## Seasoned asset management team from Kvalitena AB with a promote structure

Management has the sector expertise to secure portfolio performance and enhance long-term NOI. Kvalitena has a long track record of owning and managing properties, both on their own and as a partner.

### Background and introduction

- Unique opportunity to acquire a portfolio with a very knowledgeable asset management team with sector expertise in place, Kvalitena AB.
- The current vendors have jointly selectively aggregated a geographically and sector focused portfolio of public use properties (the Portfolio). Kvalitena AB is a minority shareholder in the Portfolio today.
- Kvalitena AB is a privately owned investment company focusing on directly held real estate investments and indirect ownership of listed and un-listed real estate shares.
- Kvalitena is an opportunistic and professional real estate investor which also could provide a more strategic role in terms of portfolio management going forward.
- Kvalitena has a long and impressive track record within real estate investments through out all major real estate segments where they been principal and influential investor behind many succesful real estate companys and strategical portfolio aggregation programs such as D Carnegie & Co, SBB, Sveavalvet, Stendörren etc.
- The investment focus has been tilted more extensive towards value add profile warehouse/logistics/light industrial and long-term cash-flow public use properties the last couple of years.
- The Kvalitena asset management team has identified a number of potential value drivers which will be processed through a portfolio business plan over a 2-3 year period. The business plan including components such as secure long-term cash-flow, improve NOI through increased rental levels and improved cost efficiency. In addition to the NOI enhancements there are potential upsides through extracting new building rights and increase number of sq.m on several of the properties.

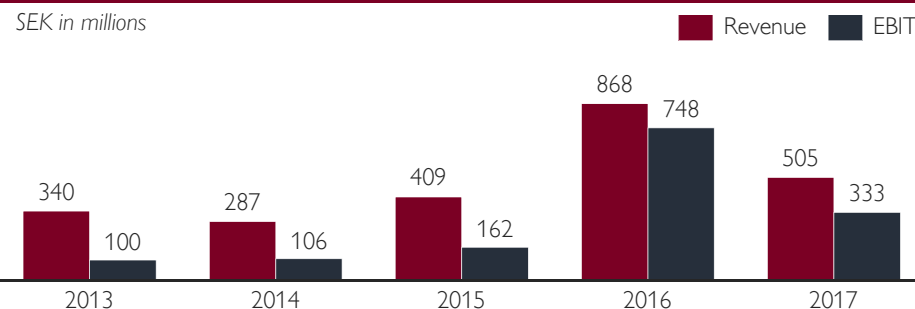
# KVALITENA

### Examples of successful real estate aggregation programs and companies

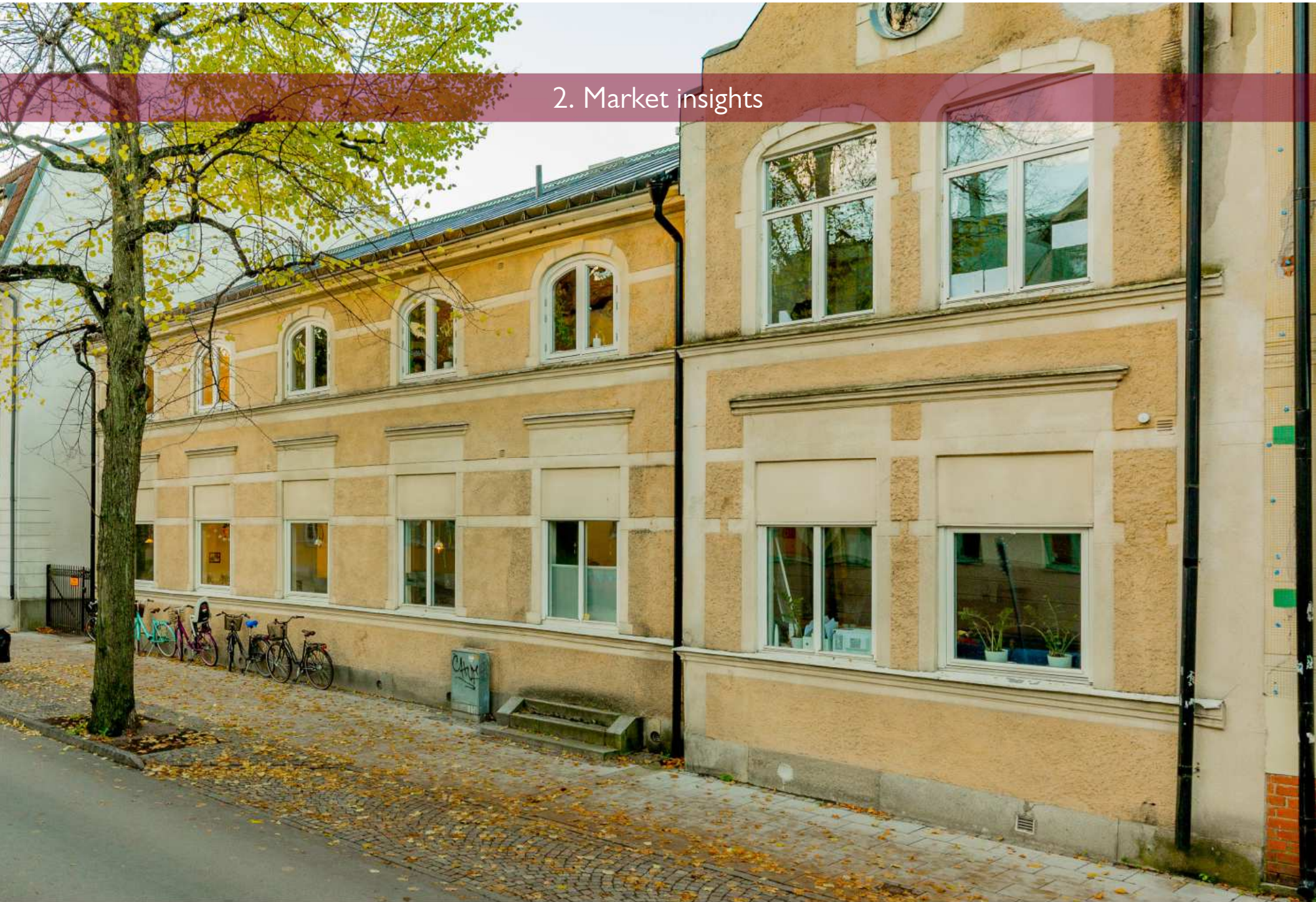
- Kvalitena AB has been a principal and an influential investor behind many successful real estate companys and strategical portfolio aggregation programs,



### Historical financials – Revenue and EBIT



## 2. Market insights



# The market for public use properties

Property for public use – a segment with a constantly increasing demand

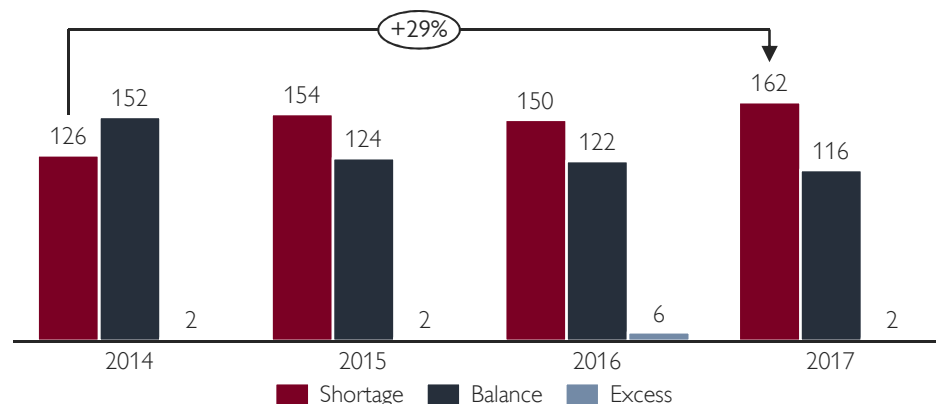
## Market for public use properties

- The market for public care consists of
  1. elderly care (55% of the care market)
  2. care for people with disabilities, LSS (26%)
  3. individual and family care (19%).
- The total public care spend for the Swedish municipalities increased from SEK 150bn in 2005 to SEK 231bn in 2014, representing an annual growth rate of 4.4%.
- Since 2005, the market for disability homes has increased by 5.6% p.a., and where the private market has increased by 8-9% p.a.
- The market for disability, individual and family care is estimated to SEK 100bn.
- Approx. 70,000 people receive disability contribution (Sv. "LSS-insats"), and approx. 27,000 people live in disability homes. A high number of people are eligible for support, but do not currently receive support.
- The Swedish law for support and service to disabled people (sv. "LSS") and the law for social service (LoS) have induced a high demand for social services, and the municipalities have to a greater extent turned to the private market to meet the demand.
- New inquest on LSS support was delivered to the Government in January 2019. Historically the cost for the LSS support has been shared between the government and the municipality. Going forward the entire cost will be covered by the government.
- On the basis of this change, the support for personal assistance for people under 16 yrs of age will be removed and a standard capped hourly LSS personal assistance support of max 15 hours per week will be introduced for people over 16 yrs. These aspects will be adjusted in line with requirements from IVO (Sv. Inspektion för vård och omsorg).
- This is a major alteration for people under 16 yrs that are entitiled to personal assistance. They would need to get their support in a traditional LSS home or day-center going forward. Respectively for people above 16 yrs with requirements exceeding 15 hours per week, need to get their support from a LSS home or day-center for the time exceeding the 15 hour limit.

The new suggested LSS reform from January 2019 imply a further increased demand for LLS homes and day-centers

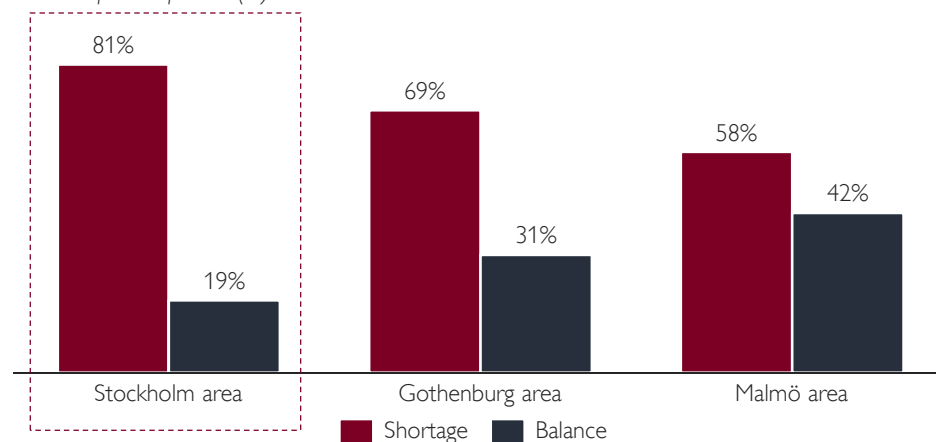
## High shortage of disability homes among municipalities

Number of municipalities



## The Stockholm region has the highest shortage

Share of municipalities (%)



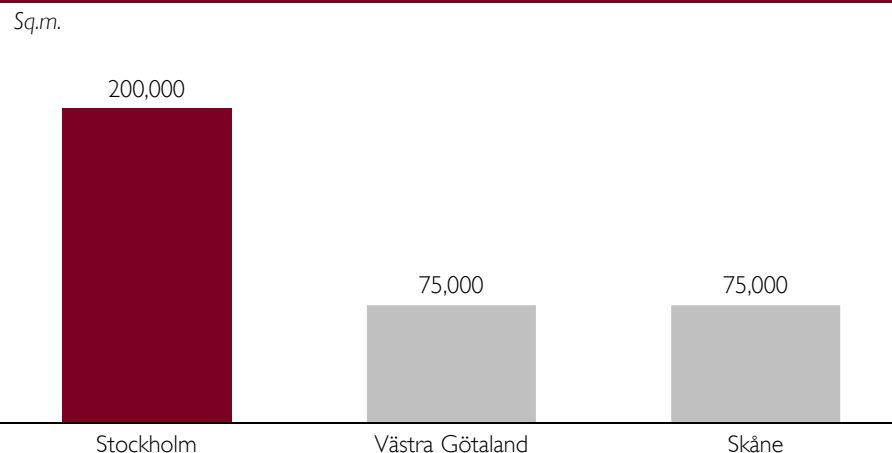
# High expected demand for pre-schools and elder homes

## Underlying demand and population growth

### Commentary

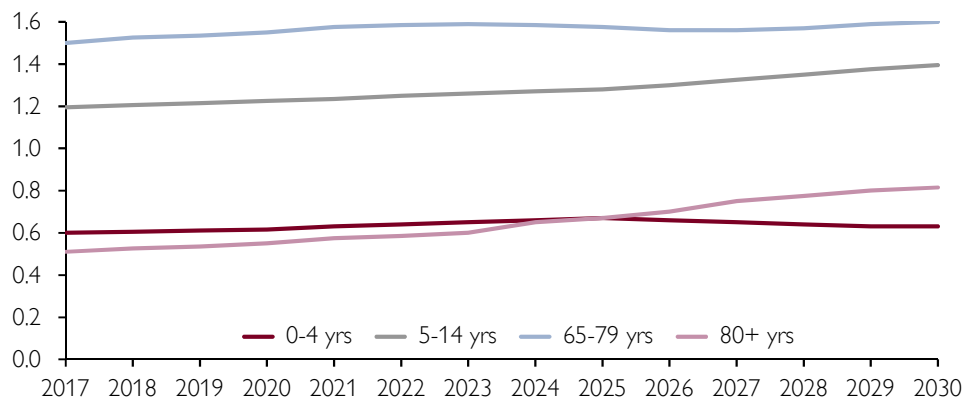
- The share of the Swedish population aged 1-5 years is expected to increase by 77,000 in 2024 compared to 2014, to a level of 663,000 people.
- According to Newsec, Sweden will need to expand the supply of pre-schools with ~578,000 sq.m. to meet the increase of 77k children, based on an assumption of 7.5 sq.m. per child. Stockholm is expected to account for approximately 1/3 of the location demand.
- Additionally, the population aged 80+ years is expected to increase significantly towards 2024, with the large generations born in the 1940s entering this group. Newsec has estimated the additional demand of elder homes to be ~840,000 sq.m. for Sweden in total, where the Stockholm area accounts for ~24%. This is based on the assumption that 15% of the population 80+ years will need elder homes, and a required 40 sq.m. per person.

### High demand for new pre-school premises in Stockholm towards 2024

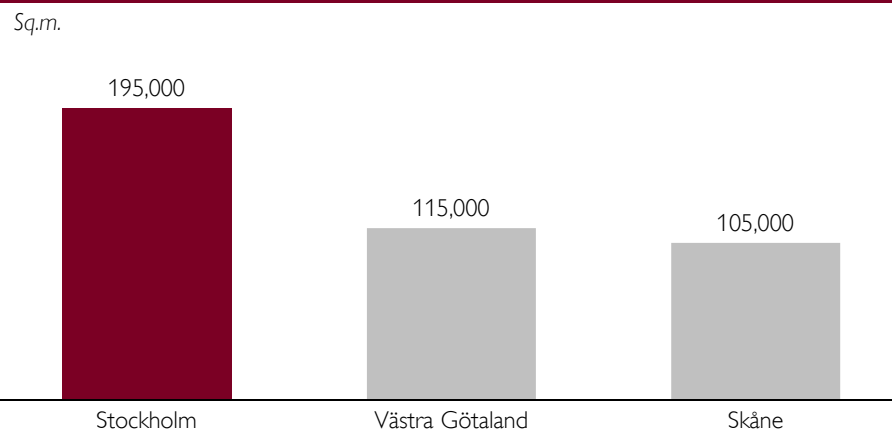


### Population growth until 2030

Number of people in millions



### Also high demand for elder homes towards 2024



Source: Newsec 2018, SCB

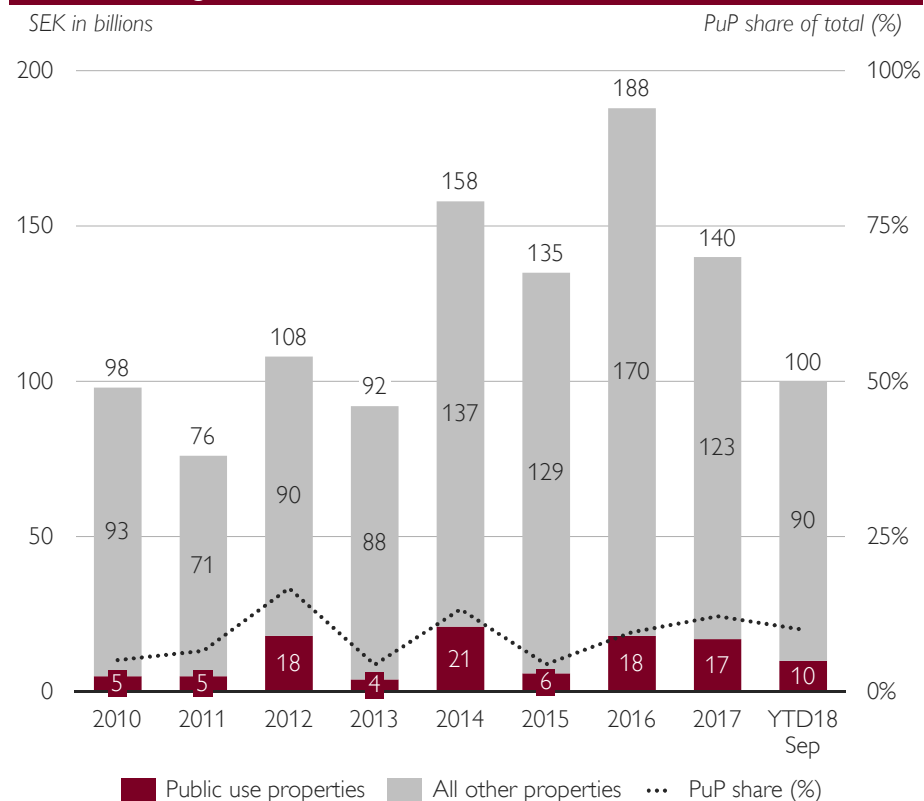
# Public use properties account for ~10% of real estate transaction market in Sweden

*The public use market has become a well established investment segment and a well functioning part of the real estate market*

## The Swedish real estate transaction market

- The Swedish economy is performing well and the public finances is stable with a low debt ratio. The purchasing power from abroad in combination with a weak Swedish krona has been a driver of the Swedish exports.
- The Swedish real estate market is strong with an estimated transaction volume of SEK 125bn in 2018, slightly down from 2017, of which international investors accounted for approx. 30% of the volume. In general through out all major property segments the market is facing all time low yield levels.
- Public use properties have now become a well established investment segment and a well functioning part of the real estate market. Public use properties have faced a strong value increase during the last couple of years and a segment with increased investor focus from larger real estate companies and institutions.
- The transaction volume for public use properties corresponded to approx 10% of the total transaction volume in 2018 (as of Q3).
- The demand for especially public care homes will continue to increase do to inter alia longer life-span for both men and women. In 2017 the Swedish population exceeded 10 million implying and the population growth is estimated to 2.5% in 2019, aspects implying an increased demand for public properties going forward.
- An increasing population growth and a fastly aging population is putting pressure on the financing of social welfare system

## Segment allocation – total transaction volume 2018



Public use properties have accounted for ~10% of the total real estate transaction volume from 2010 to YTD September 2018

# Compared to market average the majority of the Portfolio appears to be under-rented

Properties with rent under market reduce the overall risk for the Portfolio as it is likely that the under-rented properties can be re-let rent levels above the current at contract expiry

## Rent level in greater Stockholm area – By Newsec

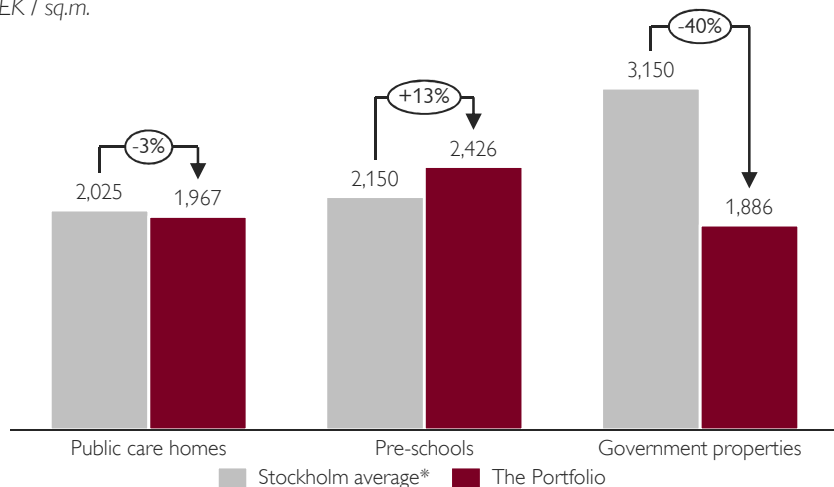
- Newsec has performed an analysis of the rent level range for public use properties in Sweden as of 2018.
- The figures reported by Newsec is based on a range from the lowest and highest rent in their sample. We have taken an average of these two samples and compared it to the rent average for the Portfolio for the different property types.
- The figures imply that the Portfolio's Public care homes and Government properties are under rented compared to the average, while the Pre-schools have rent above average.
- The latter property type has an average remaining lease duration of 12.6 years. As such, a potential adjustment to market rent will not occur in the near future.

## Properties with WAULT < 5Y compared to market average

- The table compares the rent per sqm for the properties in the Portfolio with WAULT under 5 years to the market average for the specific property type.
- The green color imply that a property is under-rented compared to market average while the red color imply over-rented.
- The majority of the property is viewed as under rented. Note that the market average are for Stockholm properties and may therefor not be comparable to a property in for instance Nacka or Sigtuna.
- However, the overall trend imply that there is a potential upside to the rent level when the properties is to be renegotiated. This reduce the overall risk in the portfolio.

## Average rent level in Stockholm by property type vs. Portfolio average

SEK / sq.m.



Property	Location	Type	GRI'19 (SEKk)	GRI per sq.m. (SEK)	WAULT (yrs)
Älsta 1:9 o 3:28	Haninge	Public carehome	2,038	1,883	2.0
Bysten 1	Stockholm	Health center	2,022	1,917	0.7
Filen 6	Södertälje	Health center	1,833	1,634	2.3
Färgfotot 3	Stockholm	Public carehome	1,521	2,270	2.8
Rapsen 2	Södertälje	Public carehome	1,161	2,322	3.4
Brödspaden 6	Stockholm	Public carehome	1,145	1,568	0.6
Ingrid 5	Västerås	Pre-school	946	1,752	1.4
Sicklaön 373:1	Nacka	Public carehome	669	1,467	2.0
Märsta 1:220	Sigtuna	Public carehome	650	1,312	3.0
Artigheten 1	Stockholm	Public carehome	623	1,527	1.5
Träkvisten 4:29	Ekerö	Public carehome	622	1,329	1.0
Modet 1	Stockholm	Public carehome	566	1,387	1.5
Ekebyhov 1:547	Ekerö	Public carehome	469	1,837	1.0
Hastighetsmätaren 6	Stockholm	Public carehome	385	1,570	2.0
Kaninholmen 1	Stockholm	Public carehome	365	1,473	1.0
Brandliljan 5	Stockholm	Public carehome	-	-	-

Source: Newsec Marknadsrapport nummer 7 2018

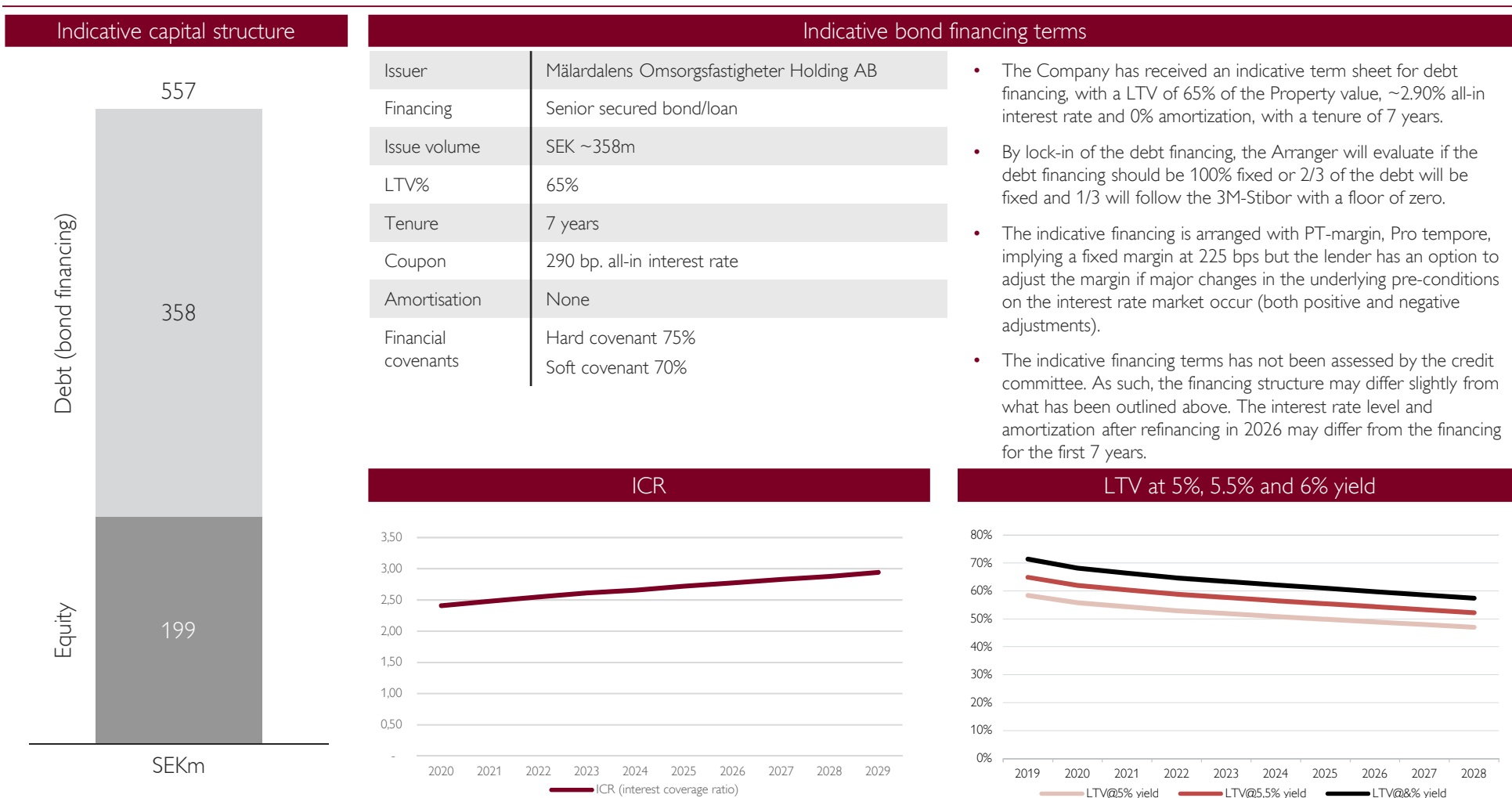
\*Stockholm range: Public care homes SEK 1,450 – 2,600, Pre-Schools SEK 1,600 – 2,700, Government Properties SEK 1,700 -4,600





# Indicative financing at 65% LTV

Attractive debt financing facilitates for a ~7.5% dividend per annum



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### 3. Tenants and contracts

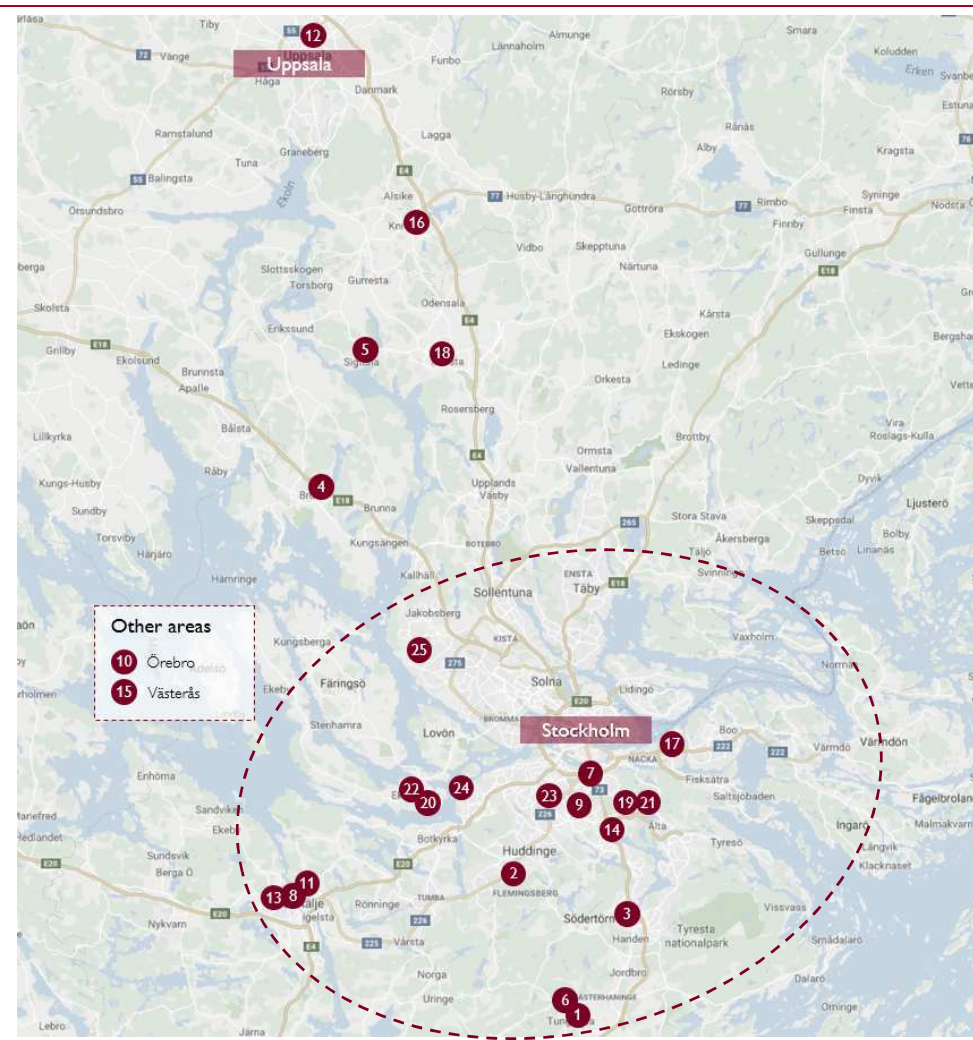


# Portfolio location overview

18 of the 25 properties (72%) are located in the greater Stockholm area

## Property overview

#	Property	GRI'19 (SEK)	Area (sq.m.)	WAULT (yrs)
1	Hammar 1:11	2,882	1,872	11.7
2	Hönshuset 1	2,857	1,077	14.3
3	Täckeråker 1:227	2,343	916	14.3
4	Finnsta 2:25	2,288	996	7.5
5	Sigtuna 2:164	2,084	973	4.9
6	Ålsta 1:9 o 3:28	2,026	1,082	1.8
7	Bysten 1	2,022	1,055	0.5
8	Filen 6	1,827	1,122	2.1
9	Färgfotot 3	1,521	670	2.5
10	Orsjön 3	1,300	512	13.5
11	Noshömingen 9	1,258	450	12.0
12	Svartbäcken 42:9	1,240	466	10.5
13	Rapsen 2	1,161	500	3.2
14	Brödspaden 6	1,145	730	0.3
15	Ingrid 5	941	540	1.2
16	Knivsta 16:4	810	340	6.3
17	Sicklaön 373:1	669	456	1.8
18	Märsta 1:220	650	495	2.8
19	Artigheten 1	623	408	1.3
20	Träkvisten 4:29	618	468	0.8
21	Modet 1	563	408	1.3
22	Ekebyhov 1:547	466	255	0.8
23	Hastighetsmätaren 6	385	245	1.8
24	Kaninholmen 1	365	248	0.8
25	Brandliljan 5	-	381	-
<b>Total</b>		<b>32,045</b>	<b>16,665</b>	<b>6.6</b>



Top 10 properties      21,151      10,275      7.8  
 % of total              66 %      62 %      n.a.

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# The Mälardalens Omsorgsfastigheter portfolio

Rent-roll 2019e

#	Property	Address	Location	Type	Tenant	GRI'19 (SEKk)	Area (sq.m.)	GRI / sq.m. (SEK)	End date	WAULT (yrs)
1	Hammar 1:11	Hammarbovägen 9	Haninge	Public carehome	Haninge Kommun	2,882	1,872	1,539	16.12.2030	11.7
2	Hönshuset 1	Småbrukets Backe 43	Huddinge	Pre-school	Helianthus	2,857	1,077	2,653	31.07.2033	14.3
3	Täckeråker 1:227	Vega Allé 31	Haninge	Pre-school	International Swedish School	2,343	916	2,558	31.07.2033	14.3
4	Finnsta 2:25	Berberisgatan 26A	Upplands-Bro	Public carehome	Upplands-Bro Kommun	2,288	996	2,298	30.09.2026	7.5
5	Sigtuna 2:164	Rektor Cullbergs väg 9	Sigtuna	Health center	Nytida Akida	2,084	973	2,142	28.02.2024	4.9
6	Ålsta 1:9 o 3:28	Ålstavägen 63-67	Haninge	Public carehome	Haninge Kommun	2,026	1,082	1,873	31.12.2020	1.8
7	Bysten 1	Skulptörvägen 8	Stockholm	Health center	Stockholms läns landsting	2,022	1,055	1,917	30.09.2019	0.5
8	Filen 6	Dalgatan 33	Södertälje	Health center	Stockholms läns landsting	1,827	1,122	1,628	30.04.2021	2.1
9	Färgfotot 3	Trollesundsvägen 44	Stockholm	Public carehome	Attendo Sverige	1,521	670	2,270	30.09.2021	2.5
10	Orsjön 3	Valsaregatan 1	Örebro	Public carehome	Frösunda Omsorg	1,300	512	2,540	30.09.2032	13.5
11	Noshörmingen 9	Nysättravägen 7	Södertälje	Public carehome	Attendo Sverige	1,258	450	2,796	31.03.2031	12.0
12	Svarbäcken 42:9	Idunagatan 5A	Uppsala	Public carehome	Tibble Gårdsungdomshem	1,240	466	2,661	30.09.2029	10.5
13	Rapsen 2	Brolundavägen 18B	Södertälje	Public carehome	Frösunda LSS	1,161	500	2,322	31.05.2022	3.2
14	Brödspaden 6	Mandelbrödsvägen 3	Stockholm	Public carehome	Stockholm Stad	1,145	730	1,568	31.07.2019	0.3
15	Ingrid 5	Norra Källgatan 27	Västerås	Pre-school	Västerås Kommun	941	540	1,743	31.05.2020	1.2
16	Knivsta 16:4	Forsbyvägen 162	Knivsta	Public carehome	Tibble Gårdsungdomshem	810	340	2,383	30.06.2025	6.3
17	Sicklaön 373:1	Bråvallavägen 11 & 13	Nacka	Public carehome	Nacka Kommun	669	456	1,467	31.12.2020	1.8
18	Märsta 1:220	Ringvägen 24	Sigtuna	Public carehome	Frösunda LSS	650	495	1,312	31.12.2021	2.8
19	Artigheten 1	Svarbäcksvägen 4	Stockholm	Public carehome	Stockholm Stad	623	408	1,527	30.06.2020	1.3
20	Träkvisten 4:29	Ledungsvägen 14	Ekerö	Public carehome	Ekerö Kommun	618	468	1,322	31.12.2019	0.8
21	Modet 1	Rusthällarvägen 120	Stockholm	Public carehome	Stockholm Stad	563	408	1,379	30.06.2020	1.3
22	Ekebyhov 1:547	Klövervägen 2 & 4	Ekerö	Public carehome	Ekerö Kommun	466	255	1,827	31.12.2019	0.8
23	Hastighetsmätaren 6	Gamla Magelugnsvägen 14	Stockholm	Public carehome	Stockholm Stad	385	245	1,570	31.12.2020	1.8
24	Kaninholmen 1	Doroteavägen 3	Stockholm	Public carehome	Nytida AB	365	248	1,473	31.12.2019	0.8
25	Brandliljan 5	Brunklövergränd 23	Stockholm	Public carehome	VACANT	-	381	-	-	-
<b>Total</b>						<b>32,045</b>	<b>16,665</b>	<b>1,923</b>	<b>n.a.</b>	<b>6.6</b>
Top 10 properties						21,151	10,275	2,059	n.a.	7.8
% of total						66 %	62 %	n.a.	n.a.	n.a.

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# The portfolio constitutes of 100% public tenants or tenants that are publicly backed

51% of the rental income sources directly from public tenants (municipalities and counties), while the remaining 49% derives from publicly backed tenants.

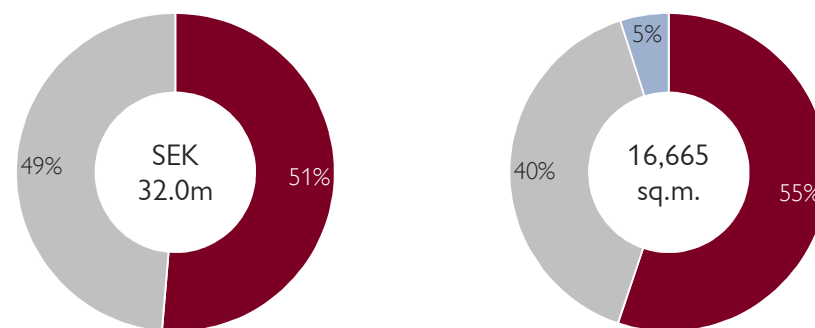
## Tenants

Tenants	Type	# of properties	GRI (SEKk)	Area (sq.m.)	Rent / sq.m. (SEK)	WAULT (years)	% of GRI
Haninge Kommun	Public tenant	4	4,908	2,514	1,952	7.6	15 %
Stockholms läns landsting	Public tenant	2	3,850	2,177	1,768	1.3	12 %
Helianthus	Publicly backed	1	2,857	1,077	2,653	14.3	9 %
Attendo Sverige	Publicly backed	2	2,779	1,120	2,482	6.8	9 %
Stockholm Stad	Public tenant	1	2,715	1,791	1,516	0.9	8 %
International Swedish School	Publicly backed	1	2,343	916	2,558	14.3	7 %
Upplands-Bro Kommun	Public tenant	1	2,288	996	2,298	7.5	7 %
Nytida Akida	Publicly backed	2	2,084	973	2,142	4.9	7 %
Tibble Gårdsgårdsmshem	Publicly backed	1	2,050	806	2,544	8.8	6 %
Frösunda LSS	Publicly backed	1	1,811	995	1,820	3.0	6 %
Frösunda Omsorg	Publicly backed	2	1,300	512	2,540	13.5	4 %
Ekerö Kommun	Public tenant	2	1,084	723	1,500	0.8	3 %
Västerås Kommun	Public tenant	1	941	540	1,743	1.2	3 %
Nacka Kommun	Public tenant	1	669	456	1,467	1.8	2 %
Nytida AB	Publicly backed	2	365	248	1,473	0.8	1 %
<b>Sum</b>		<b>24</b>	<b>32,045</b>	<b>15,844</b>	<b>2,023</b>	<b>6.6</b>	<b>100 %</b>

VACANT		1	-	821	n.a.	n.a.	-
<b>Total</b>		<b>25</b>	<b>32,045</b>	<b>16,665</b>	<b>1,923</b>	<b>6.6</b>	<b>100 %</b>

Total by type							
Public tenant		12	16,455	9,197	1,789	3.9	
Publicly backed		12	15,589	6,647	2,345	9.3	
VACANT		1	-	821	n.a.	n.a.	
Public tenant - share of total (%)		48 %	51 %	55 %	n.a.	n.a.	
Publicly backed - share of total (%)		48 %	49 %	40 %	n.a.	n.a.	
VACANT - share of total (%)		4 %	-	5 %	n.a.	n.a.	

## Public tenants, share of total portfolio (%)



Public tenant Publicly backed VACANT



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# Property costs

## Break-down of cost elements

### Commentary

- Total rent (GRI) of SEK 32m (2019e) with 100% annual CPI-adjustment for all leases except seven of the leases.
- The property costs of ~SEK 4.2m include audit fees, operating & maintenance cost, facility management and other cost items. These items include all cost necessary to operate the properties such as water, sewage, electricity, waste management, insurance etc.
- The asset management will be performed by Kvalitena and includes monitoring of the properties and rental contracts, communication with tenants, implementation of the business plan, and management of general and technical maintenance. The fee of SEK 129 per sq.m. is higher than for general office and logistics properties, which reflects the number of tenants and properties in the portfolio and that a high share of the contracts need to be renegotiated over the investment period.
- Listing and administration fee, the shares of the Company will be listed on Spotlight Stock Market after closing which imply a set of costs related to yearly listing cost and administrative cost for reporting etc.



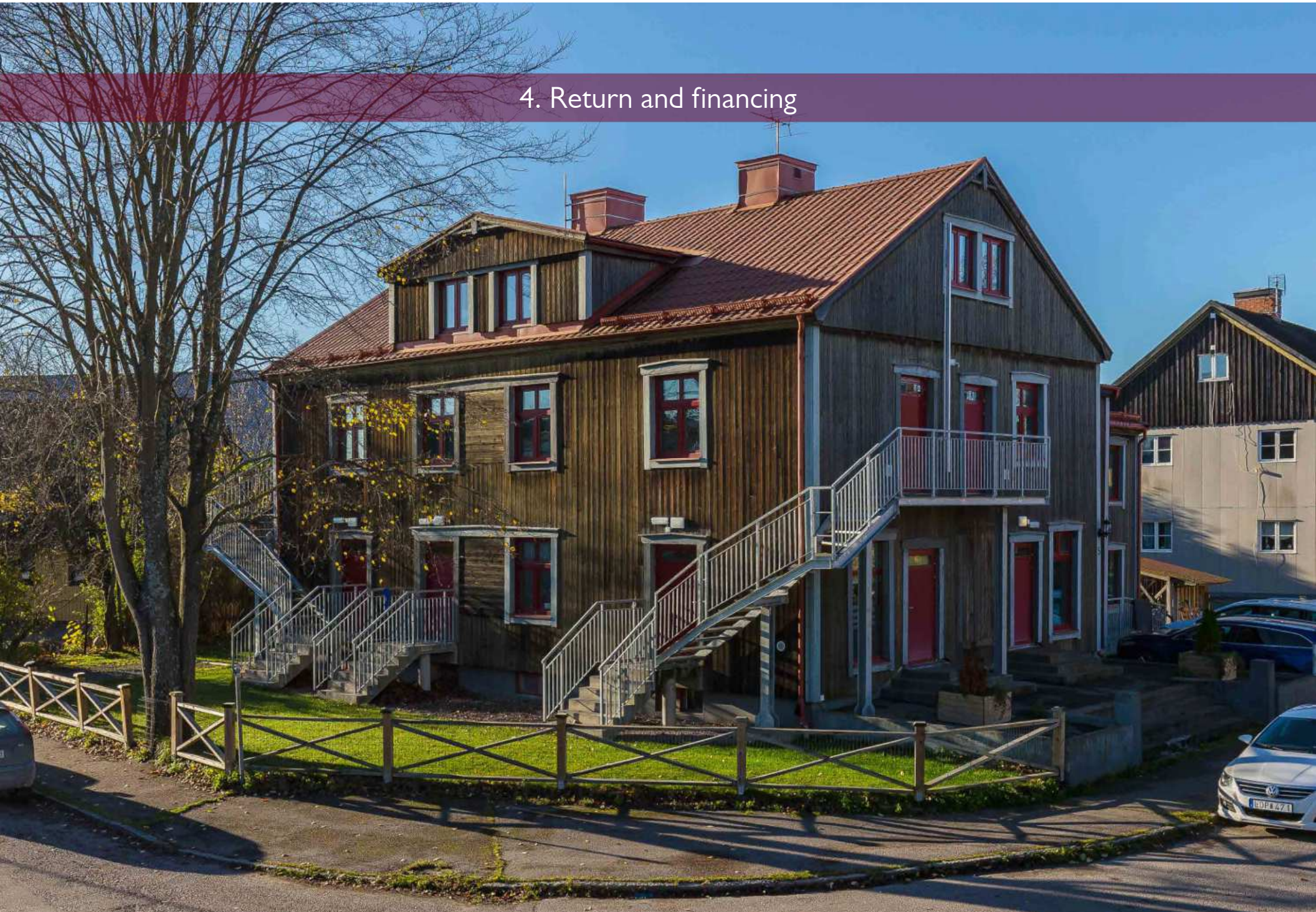
### Budgeted property costs

SEK	Property company	Holding company	Total	Per sq.m.
Audit	50,000	25,000	75,000	5
Operating costs	1,400,000	-	1,400,000	84
Maintenance costs (planned and running)	1,085,000	-	1,085,000	65
Facility management costs	750,000	-	750,000	45
Other costs	885,000	-	885,000	53
<b>Property related costs</b>	<b>4,170,000</b>	<b>25,000</b>	<b>4,195,000</b>	<b>252</b>
Listing and administration fee	650,000	-	650,000	39
Accounting and financial reporting	350,000	-	350,000	21
Asset management (Kvalitena)	2,150,000	-	2,150,000	129
<b>Total costs</b>	<b>7,320,000</b>	<b>25,000</b>	<b>7,345,000</b>	<b>441</b>

Responsible	Tenant	Owner
Operational costs	✓	
Exterior maintenance		✓
Technical replacements		✓
Internal maintenance	✓	
Insurance		✓

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## 4. Return and financing



# The IRR is estimated to ~10% with, assuming 5% exit-yield and adjusting for the management promote structure

The IRR estimates do not account for the potential upside through add-ons, development of the existing properties or increased rent level (except CPI-adjustment).

IRR sensitivity to yield and exit-timing				
		Time of exit		
		1.1.2024	1.1.2027	1.1.2029
Average net yield for the property	4.50 %	15.1 %	12.9 %	12.2 %
	4.75 %	12.8 %	11.7 %	11.3 %
	5.00 %	10.5 %	10.5 %	10.4 %
	5.25 %	8.2 %	9.2 %	9.5 %
	5.50 %	5.9 %	8.0 %	8.6 %

...Including promote structure				
		Time of exit		
		1.1.2024	1.1.2027	1.1.2029
Average net yield for the property	4.50 %	13.9 %	12.1 %	11.5 %
	4.75 %	11.9 %	11.0 %	10.7 %
	5.00 %	10.0 %	10.0 %	9.9 %
	5.25 %	8.2 %	9.0 %	9.2 %
	5.50 %	5.9 %	8.0 %	8.5 %

IRR sensitivity to annual value growth and exit-timing				
		Time of exit		
		1.1.2024	1.1.2027	1.1.2029
Annual growth in property value	-1.00 %	2.1 %	3.5 %	4.2 %
	0.00 %	4.6 %	5.8 %	6.3 %
	1.00 %	7.0 %	7.9 %	8.3 %
	2.00 %	9.2 %	9.9 %	10.0 %
	3.00 %	11.4 %	11.7 %	11.7 %

...Including promote structure				
		Time of exit		
		1.1.2024	1.1.2027	1.1.2029
Annual growth in property value	-1.00 %	2.1 %	3.5 %	4.2 %
	0.00 %	4.6 %	5.8 %	6.3 %
	1.00 %	7.0 %	7.9 %	8.2 %
	2.00 %	9.0 %	9.5 %	9.6 %
	3.00 %	10.7 %	11.1 %	11.0 %



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## Robust cash flow throughout the investment period

### Budgeted Cash Flow

SEK (000)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Rental income	24,034	32,646	33,288	34,069	34,932	35,751	36,422	37,106	37,803	38,513	39,237
Audit	-56	-77	-78	-80	-82	-84	-86	-88	-89	-91	-93
Operating costs	-1,050	-1,428	-1,458	-1,494	-1,535	-1,573	-1,605	-1,637	-1,669	-1,703	-1,737
Maintenance costs	-814	-1,107	-1,130	-1,158	-1,189	-1,219	-1,244	-1,268	-1,294	-1,320	-1,346
Facility management costs	-563	-765	-781	-801	-822	-843	-860	-877	-894	-912	-930
Other costs	-664	-903	-922	-945	-970	-994	-1,014	-1,035	-1,055	-1,076	-1,098
<b>Net rental income</b>	<b>20,887</b>	<b>28,367</b>	<b>28,920</b>	<b>29,591</b>	<b>30,333</b>	<b>31,037</b>	<b>31,614</b>	<b>32,202</b>	<b>32,801</b>	<b>33,411</b>	<b>34,032</b>
Administrative and listing fees	-2,363	-3,213	-3,280	-3,362	-3,453	-3,540	-3,610	-3,683	-3,756	-3,831	-3,908
<b>EBITDA</b>	<b>18,525</b>	<b>25,154</b>	<b>25,639</b>	<b>26,228</b>	<b>26,880</b>	<b>27,498</b>	<b>28,004</b>	<b>28,519</b>	<b>29,044</b>	<b>29,579</b>	<b>30,124</b>
Interest income	-	-	-	-	-	-	-	-	-	-	-
Interest expense	-5,219	-10,439	-10,410	-10,410	-10,410	-10,439	-10,410	-10,410	-10,410	-10,439	-10,410
Loan repayments	-	-	-	-	-	-	-	-	-	-	-
<b>Net cash flow before taxes</b>	<b>13,306</b>	<b>14,715</b>	<b>15,229</b>	<b>15,818</b>	<b>16,470</b>	<b>17,059</b>	<b>17,594</b>	<b>18,109</b>	<b>18,634</b>	<b>19,141</b>	<b>19,714</b>
Tax	-	-1,123	-1,959	-2,002	-2,132	-2,270	-2,401	-2,515	-2,629	-2,743	-2,858
<b>Net cash flow after taxes</b>	<b>13,306</b>	<b>13,592</b>	<b>13,270</b>	<b>13,816</b>	<b>14,337</b>	<b>14,790</b>	<b>15,193</b>	<b>15,594</b>	<b>16,005</b>	<b>16,398</b>	<b>16,856</b>
Opening balance cash	557,498	16,106	14,998	13,568	12,684	12,322	12,411	12,754	13,348	13,954	14,451
Purchase of the Property	-535,442										
Up-front fees	-19,256										
Dividend	-	-14,700	-14,700	-14,700	-14,700	-14,700	-14,850	-15,000	-15,400	-15,900	-16,400
<b>Closing balance cash</b>	<b>16,106</b>	<b>14,998</b>	<b>13,568</b>	<b>12,684</b>	<b>12,322</b>	<b>12,411</b>	<b>12,754</b>	<b>13,348</b>	<b>13,954</b>	<b>14,451</b>	<b>14,908</b>

### KPIs

LTV (constant property value)	65 %	65 %	65 %	65 %	65 %	65 %	65 %	65 %	65 %	65 %	65 %
Annual dividend in % of equity	0.0 %	7.4 %	7.4 %	7.4 %	7.4 %	7.4 %	7.4 %	7.5 %	7.7 %	8.0 %	8.2 %
Accumulated dividend in % of equity	-	7.4 %	14.7 %	22.1 %	29.4 %	36.8 %	44.2 %	51.7 %	59.4 %	67.3 %	75.5 %

### Preconditions

CPI adjustment (SCB)	2.0 %	2.1 %	2.5 %	2.7 %	2.5 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
Tax rate	21.4 %	21.4 %	20.6 %	20.6 %	20.6 %	20.6 %	20.6 %	20.6 %	20.6 %	20.6 %	20.6 %

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## Estimated income statement and balance sheet

### Income statement (Taxable)

SEK (000)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Rental income	24,034	32,646	33,288	34,069	34,932	35,751	36,422	37,106	37,803	38,513	39,237
Operating expenses	-3,146	-4,279	-4,369	-4,478	-4,599	-4,714	-4,808	-4,904	-5,002	-5,102	-5,204
Net rental income	20,887	28,367	28,920	29,591	30,333	31,037	31,614	32,202	32,801	33,411	34,032
Administrative and listing fees	-2,363	-3,213	-3,280	-3,362	-3,453	-3,540	-3,610	-3,683	-3,756	-3,831	-3,908
EBITDA	18,525	25,154	25,639	26,228	26,880	27,498	28,004	28,519	29,044	29,579	30,124
Taxable depreciation	-7,721	-8,452	-8,227	-8,009	-7,798	-7,593	-7,394	-7,201	-7,014	-6,832	-6,656
Operating profit	10,804	16,702	17,412	18,219	19,082	19,905	20,610	21,318	22,030	22,747	23,468
Net financial items	-7,843	-10,439	-10,410	-10,410	-10,410	-10,439	-10,410	-10,410	-10,410	-10,439	-10,410
Ordinary result before taxes	2,961	6,263	7,002	7,809	8,672	9,466	10,200	10,908	11,620	12,308	13,058
Taxes	-1,123	-1,959	-2,002	-2,132	-2,270	-2,401	-2,515	-2,629	-2,743	-2,858	-2,973
Ordinary result after taxes	1,838	4,304	4,999	5,677	6,402	7,065	7,685	8,279	8,877	9,451	10,085

### Estimated Balance sheet

SEK (000)	IB 31.12.2019	31.12.2020	31.12.2021	31.12.2022	31.12.2023	31.12.2024	31.12.2025	31.12.2026	31.12.2027	31.12.2028	31.12.2029	
Property	257,363	249,642	242,153	234,888	227,842	221,006	214,376	207,945	201,707	195,655	189,786	184,092
Goodwill property and plot	278,079	278,079	278,079	278,079	278,079	278,079	278,079	278,079	278,079	278,079	278,079	278,079
Activated up-front costs	-	19,256	18,293	17,330	16,368	15,405	14,442	13,479	12,516	11,554	10,591	9,628
Bank deposit	22,056	16,106	14,998	13,568	12,684	12,322	12,411	12,754	13,348	13,954	14,451	14,908
<b>Total assets</b>	<b>557,498</b>	<b>563,083</b>	<b>553,523</b>	<b>543,866</b>	<b>534,972</b>	<b>526,812</b>	<b>519,308</b>	<b>512,257</b>	<b>505,650</b>	<b>499,241</b>	<b>492,906</b>	<b>486,707</b>
Equity	199,998	187,136	176,740	167,039	158,016	149,718	141,933	134,618	127,497	120,474	113,525	106,710
Long-term debt	357,500	357,500	357,500	357,500	357,500	357,500	357,500	357,500	357,500	357,500	357,500	357,500
Net accrued interest expenses	-	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624	2,624
Payable taxes	-	1,123	1,959	2,002	2,132	2,270	2,401	2,515	2,629	2,743	2,858	2,973
Paid dividends	-	14,700	14,700	14,700	14,700	14,700	14,850	15,000	15,400	15,900	16,400	16,900
<b>Total debt</b>	<b>357,500</b>	<b>375,947</b>	<b>376,783</b>	<b>376,826</b>	<b>376,956</b>	<b>377,094</b>	<b>377,375</b>	<b>377,639</b>	<b>378,153</b>	<b>378,767</b>	<b>379,382</b>	<b>379,997</b>
<b>Total equity/debt</b>	<b>557,498</b>	<b>563,083</b>	<b>553,523</b>	<b>543,866</b>	<b>534,972</b>	<b>526,812</b>	<b>519,308</b>	<b>512,257</b>	<b>505,650</b>	<b>499,241</b>	<b>492,906</b>	<b>486,707</b>

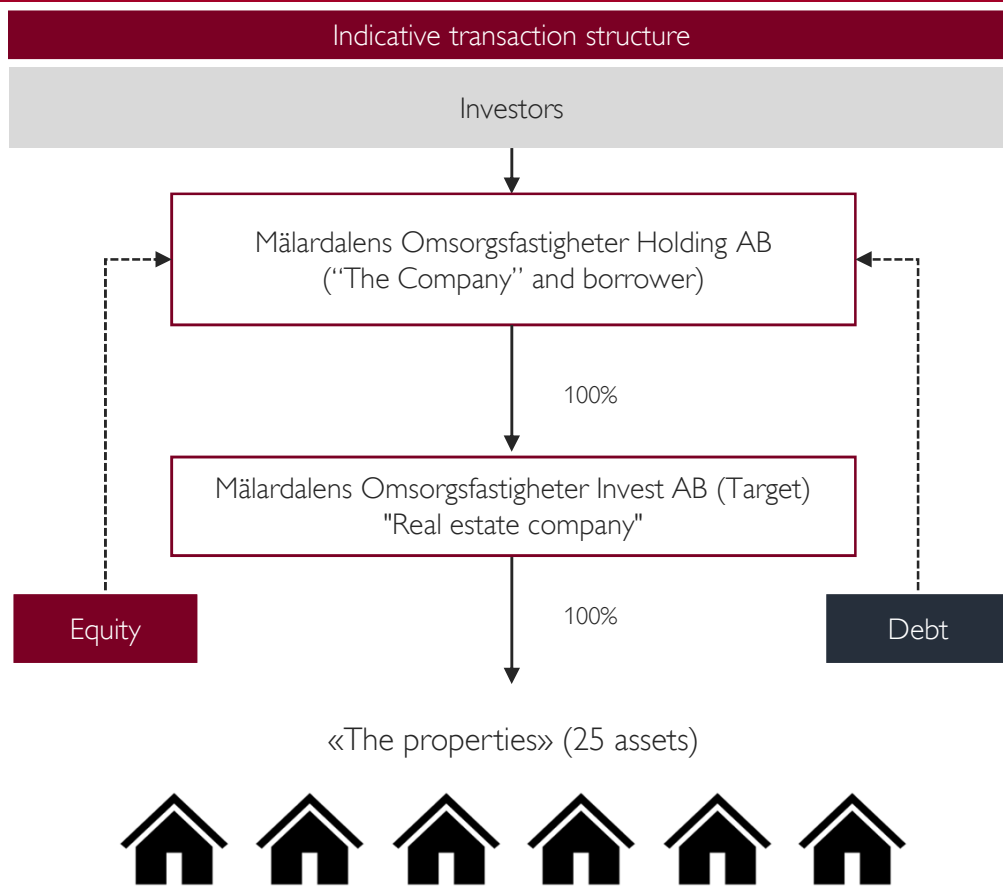
Note that the figures in the presentation are based on all available information, and believed to be correct at the date of mailing of the presentation. Carnegie cannot guarantee the accuracy of the calculations or the quality of the figures that the calculations are based upon. Carnegie reserves that forecasts cannot be used as a reliable indicator of future returns and that the expected return is not a guarantee of actual return.



## 4. Asset and business management



# Indicative transaction structure



## About the transaction

- Carnegie will on behalf of HoldCo (to be named "Mälardalens Omsorgsfastigheter Holding AB") enter into an agreement to acquire all shares in a NewCo (to be named "Mälardalens Omsorgsfastigheter Holding AB"), which will own the 25 underlying properties through a merger of several propcos before the planned transaction.
- HoldCo is a holding company established to own the shares in NewCo, and will be capitalized prior to the planned transaction.
- The acquisition of the shares is expected to be financed through a share issue of SEK ~200m, while the remaining SEK ~358m will be debt financed.
- The transaction will be completed only if a satisfactory equity and debt financing is achieved, and that the due diligence of the Portfolio is proven satisfactory.
- The transaction is subject to board approval both from the Vendor's and the Purchaser's respectively board of directors.
- Following the equity issue, the Company will apply for listing of the Company's shares at Spotlight Stock Market.
- After the Transaction, the Company and the board of directors will consider potential add-on/seed investments to the Portfolio.

# Transaction fees and sales trigger information

## Fee structure

- Carnegie is the originator and financial advisor to the buyer (Mälardalens Omsorgsfastigheter Holding AB), and responsible for structuring and sourcing the necessary equity and debt financing to purchase the Portfolio.
- The equity distribution is performed as a collaboration between Carnegie Norway and Carnegie Sweden.
- Selected Advisors will be responsible for assisting in the due diligence process, completion of the transaction, debt financing and capitalization of the company etc.

## Board of directors

- The board of directors will perform the tasks and responsibilities required under Swedish law, which include, but is not limited to, the overall management and control of the company.
- The board is elected by the General Assembly and will comprise 1-3 shareholder representatives.
- Carnegie will nominate representatives for the board of directors which the investors will vote for on the General Assembly. The nominees will be nominated based on ownership percentage, experience from similar positions and general real estate experience.

SEK in thousands (excl. VAT)	Amount
Arrangement- and distribution fee	11,000
Legal, tax, VAT and technical DD	2,500
Swedish mortgage deeds (Sv. Pantbrev)	2,900
Up front fee debt and structuring fee debt	2,900
Total	19,300

# Subscription details

Subscription details	
SEK	Amount
Property value	550,000,000
Estimated equity amount	~200,000,000
Number of shares	2,000,000
Price per share	100
Minimum subscription	55 shares
Subscription period	15 April – 30 April 2019
Estimated payment date	Primo May 2019
Estimated closing	Medio May 2019
Expected listing no later than	1 July 2019

- | Subscription information  |
|---|
| <ul style="list-style-type: none"> <li>Investors are invited to participate in the equity subscription of the Company using the subscription form, which is attached to the Presentation. The placement will comprise investors who ordered shares through the subscription form during the subscription period. The arranger / manager will complete the transaction on behalf of the investors that signed the subscription form.</li> <li>The subscription period is set from 15<sup>th</sup> April 2019 at 10:00 to 30<sup>th</sup> April 2019 at 15:00.</li> <li>The Company reserves the right to terminate or extend the subscription period at any time.</li> <li>Nordnet has been commissioned to distribute 5% of the equity corresponding to SEK 10m to fulfill the Spotlight Stock Market requirements related to number of shareholders.</li> <li>The finalizing of the transaction is conditional upon the Company achieving satisfactory equity and debt financing.</li> <li>The estimated equity (basis for the subscription price) can be changed based on changes in the underlying assumptions of the project such as the final debt financing terms etc.</li> <li>The terms of the allocation of shares and participation in the subscription are described in the subscription form.</li> <li>Following the equity issue, the Company will apply for listing of the Company's shares at Spotlight Stock Market.               <ul style="list-style-type: none"> <li>The Company intends to complete the listing of the shares within 60 days from the allocation of the shares.</li> <li>However, it cannot be guaranteed that the shares will be admitted to trading.</li> </ul> </li> </ul> |

# Asset management

## *Sector focused asset management team in place*

### Management agreement

- The Company will enter into a mandate agreement with Kvalitena AB.
- The mandate agreement is valid from the appointment date and until it is terminated by either the Company or Kvalitena AB. The agreement has a duration of [60 months with an evaluation event after 24 months] where the parties evaluate their agreement and collaboration in terms of assignment, work load and costs. The agreement could be terminated based on misconduct after one notice/written warning without any improvement. Termination of the contract requires approval of the General assembly of the Company with 2/3 of shares voting in that favor.
- The mandate agreement can be presented on request to Kvalitena. The assignment included under the management agreement involves e.g.;
  - Responsible to put together a suitable and focused business plan in collaboration with the board of directors and execute on day-to-day activities included in the business plan.
  - Responsible for accounting and budgeting etc. This function will be executed by the same accounting agent responsible for the Kvalitena accounting activities today.
  - Ensure that the Properties are operated and maintained properly.
  - Follow-up of lease agreements, re-negotiations and obligations.
  - Ensure that operating costs, maintenance and investment plans are in line with the Company's best interest.
  - Performing secretary tasks, organizing board meetings, produce and prepare yearly and quarterly financial investor reports.
  - Reporting to public authorities.
- On realization of the Company, real estate company or the Property, directly or indirectly, Carnegie is entitled to an exit fee of 0.75% of the gross property value at the time of sale. The exit fee is conditional on an overall IRR for the investment > 5.0 %. If the IRR is < 5.0 %, the exit fee should be subject to negotiation.

### Mandate agreement (cont.)

- The management agreement overall purpose is to secure portfolio performance and long-term cash flow in addition to trigger a potential value creation through e.g. rental growth.
- The asset management model has a remuneration model which is based on three components, a fixed annual asset management fee, an overall promote success fee and a promote letting success fee.
  1. The fixed annual asset management fee is set to SEK 2,500,000. The annual fee also include co-ordination of strategic and technical asset management, accounting and financial reporting.
  2. The overall promote success fee is bases on an IRR threshold of 8% and a 20/80 profit sharing. A calculation period of five years (or at termination of management agreement) are the basis for the IRR hurdle, exit not necessary could be based on external valuations.
  3. In addition to the promote fee and the fixed asset management fee there would be promote letting success fee,
    - 10% fee on first year rent by letting to a new tenant in vacant areas
    - 25% fee on the share of the rent increased above the current passing rent for that particular lease renewed/signed
    - 10% fee on the first year rent if a renewed lease exceeds a five year lease length, excluding option periods

## 5. Properties





# Bysten 1

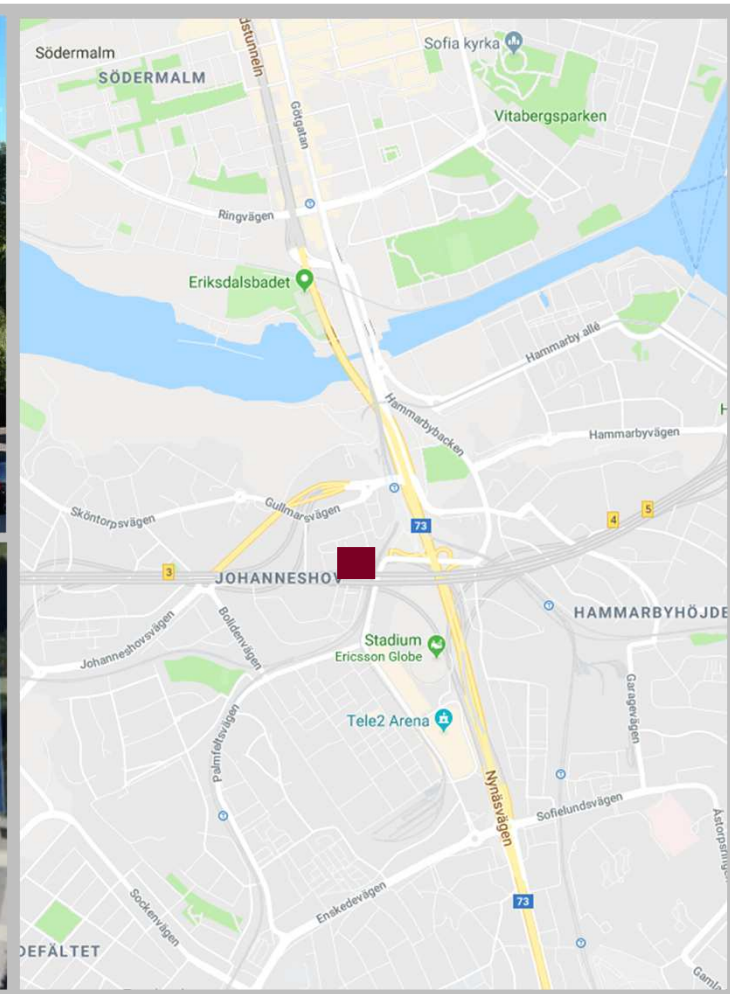
Johanneshov - Stockholm

## Key information

Property name	Bysten 1
Address	Skulptörvägen 8
Municipality	Stockholms Stad
Freehold / Leasehold	Freehold
Area building (sq.m.)	1,055
Area land (sq.m.)	890
Gross rent 2019 (kSEK)	2,022
NOI 2019 (kSEK)	1,705
Tenant	Stockholms Läns Landsting
Lease expiry date	2021-09-30

## Technical information

Construction year	1945
Fasade	Brick tiles
Construction	Concrete
Foundation	Concrete sole
Windows	Double glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Oil fired boiler
Ventilation permit	OK
Lift	Yes



# Filen 6

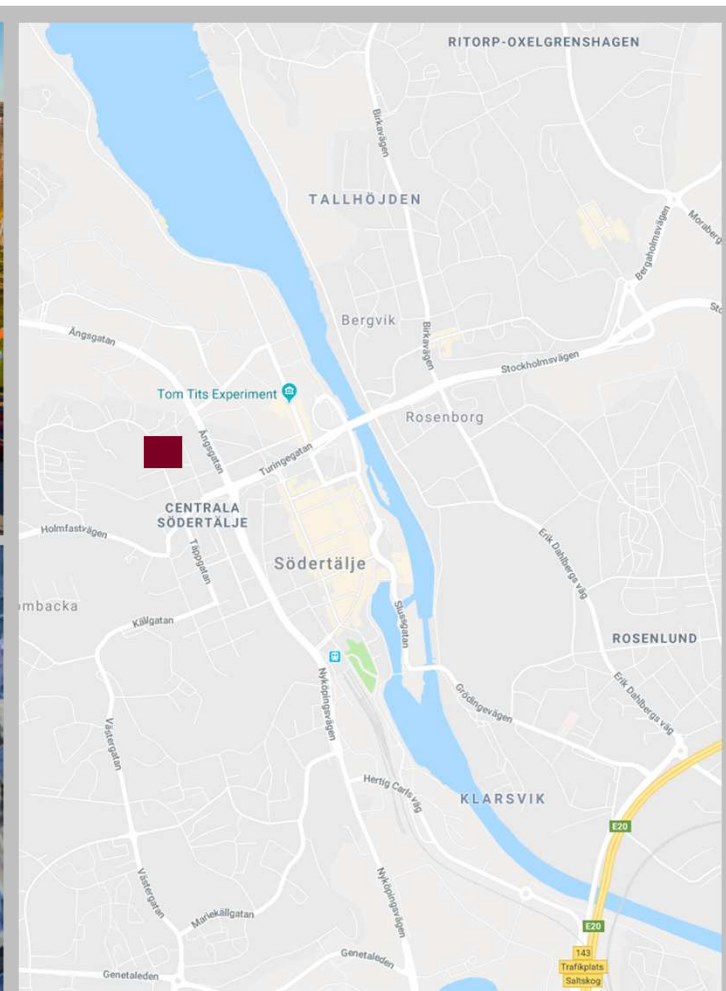
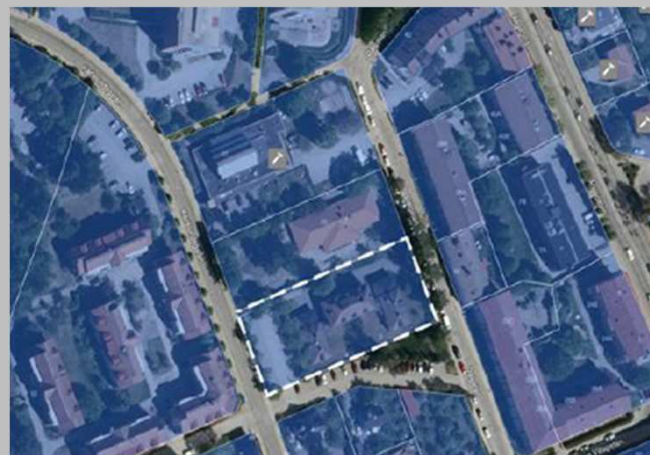
## Södertälje

### Key information

Property name	Filen 6
Address	Dalgatan 33
Municipality	Södertälje
Freehold / Leasehold	Freehold
Area building (sq.m.)	1,122
Area land (sq.m.)	3,104
Gross rent 2019 (kSEK)	1,827
NOI 2019 (kSEK)	1,404
Tenant	Stockholms Läns Landsting
Lease expiry date	2021-04-30

### Technical information

Construction year	1910/2014
Fasade	Plaster
Construction	Concrete and wood
Foundation	Concrete
Windows	Double glazing
Roof felting	Roof tiles and tin roofing
Ventilation	FTX
Water & sewage	Municipality system
Heating	District heating
Ventilation permit	OK
Lift	Yes



# Färgfotot 3

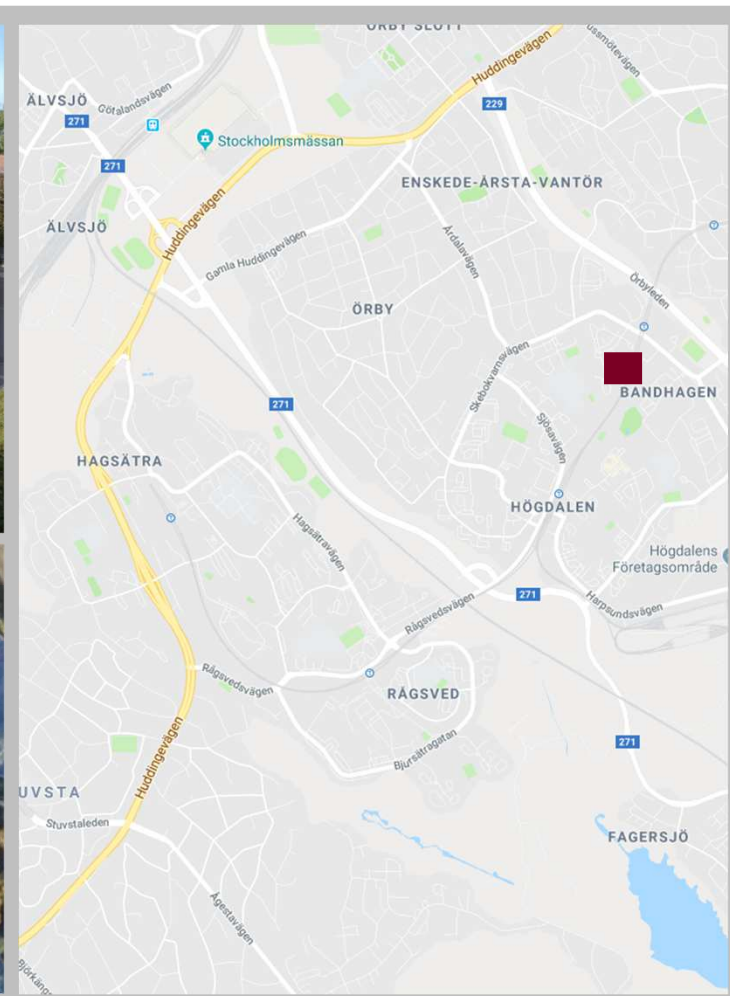
Bandhagen - Stockholm

## Key information

Property name	Färgfotot 3
Address	Trollesundsvägen 44
Municipality	Stockholms Stad
Freehold / Leasehold	Leasehold
Area building (sq.m.)	670
Area land (sq.m.)	1,174
Gross rent 2019 (kSEK)	1,521
NOI 2019 (kSEK)	1,262
Tenant	Attendo Sverige AB
Lease expiry date	2021-09-30

## Technical information

Construction year	1994
Fasade	Plaster
Construction	Concrete
Foundation	Basement sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	District heating
Ventilation permit	OK
Lift	Yes



# Brödspaden 6

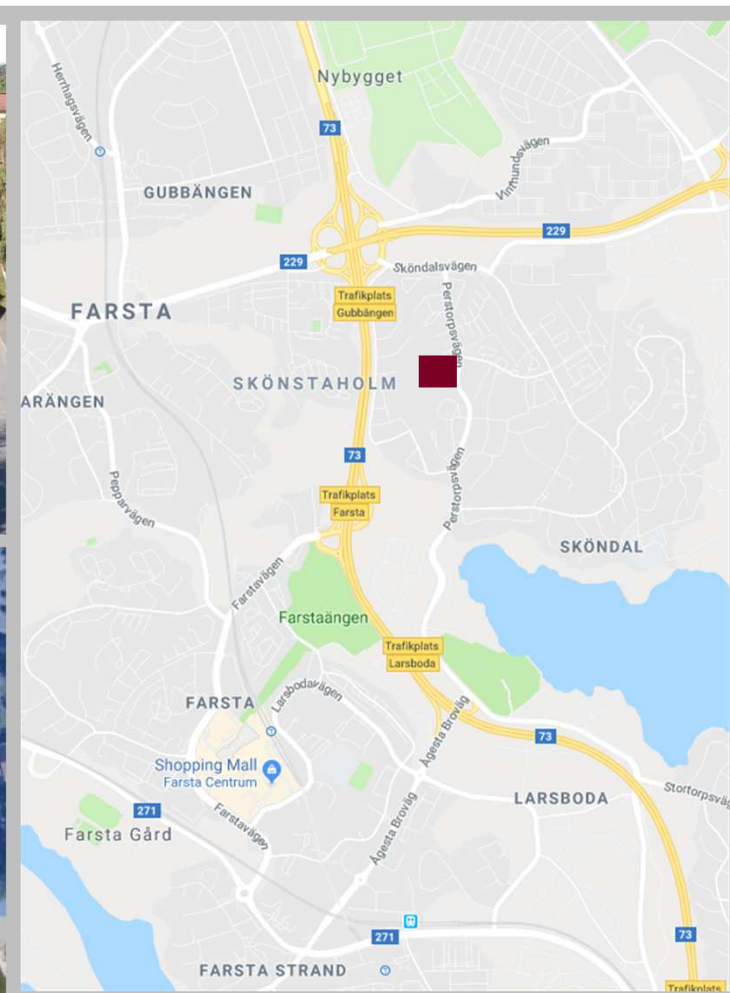
Sköndal - Stockholm

## Key information

Property name	Brödspaden 6
Address	Mandelbrödsvägen 3
Municipality	Stockholms Stad
Freehold / Leasehold	Freehold
Area building (sq.m.)	730
Area land (sq.m.)	1,875
Gross rent 2019 (kSEK)	1,145
NOI 2019 (kSEK)	946
Tenant	Stockholms Stad
Lease expiry date	2019-09-30

## Technical information

Construction year	1964/2006
Fasade	Brick tiles
Construction	Concrete
Foundation	Basement sole
Windows	Double and triple glazing
Roof felting	Roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	District heating
Ventilation permit	OK
Lift	Yes



# Sigtuna 2:164

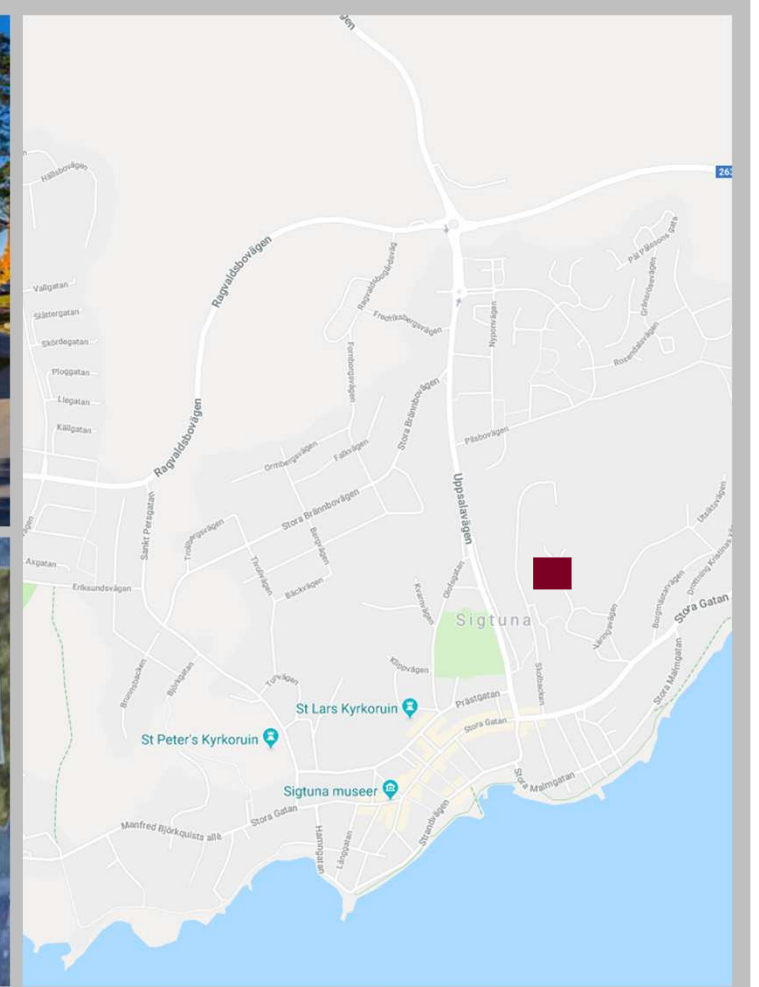
Sigtuna

## Key information

Property name	Sigtuna 2:164
Address	Rektor Cullbergs väg 9
Municipality	Sigtuna
Freehold / Leasehold	Freehold
Area building (sq.m.)	973
Area land (sq.m.)	1,973
Gross rent 2019 (kSEK)	2,084
NOI 2019 (kSEK)	1,761
Tenant	Nytida Akida AB
Lease expiry date	2024-02-28

## Technical information

Construction year	1945/2012/2017
Fasade	Plaster
Construction	Concrete
Foundation	Basement sole
Windows	Double and triple glazing
Roof felting	Roof tiles
Ventilation	Mechanical supply/exhaust
Water & sewage	Municipality system
Heating	District heating
Ventilation permit	OK
Lift	Yes



# Finnsta 2:25

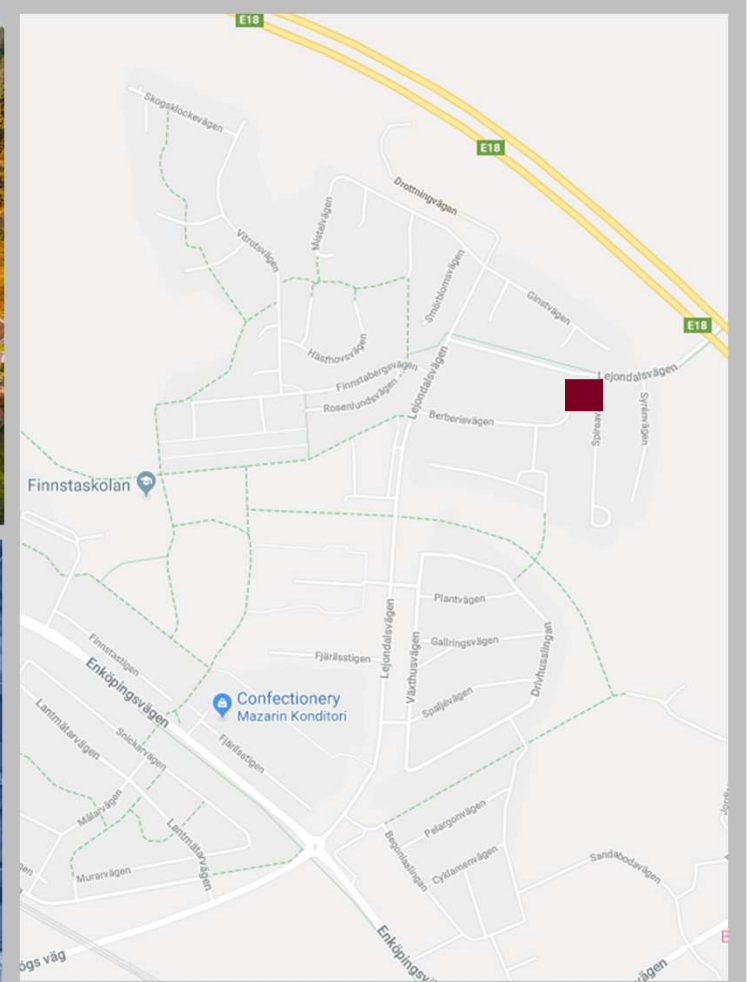
Upplands-Bro

## Key information

Property name	Finnsta 2:25
Address	Berberisgatan 26A
Municipality	Upplands-Bro
Freehold / Leasehold	Freehold
Area building (sq.m.)	996
Area land (sq.m.)	4,786
Gross rent 2019 (kSEK)	2,288
NOI 2019 (kSEK)	2,121
Tenant	Upplands-Bro Kommun
Lease expiry date	2026-09-30

## Technical information

Construction year	1994/2017
Fasade	Wooden panel
Construction	Wood
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Waterborne heating
Ventilation permit	OK
Lift	No



# Hönshuset 1

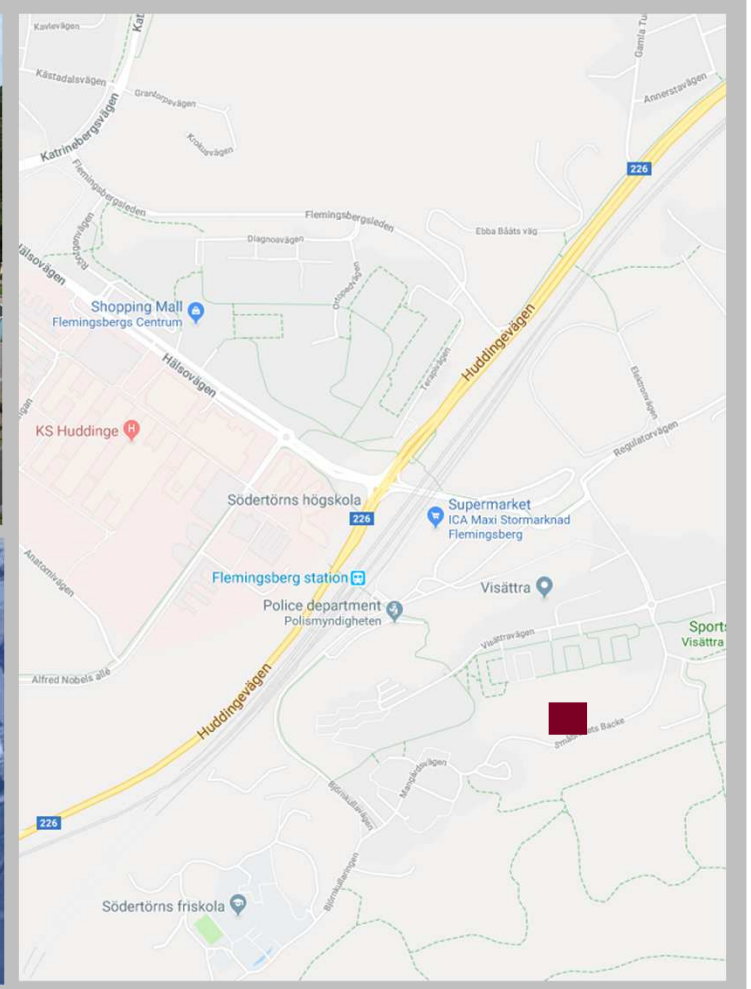
Huddinge

## Key information

Property name	Hönshuset 1
Address	Småbrukets Backe 43
Municipality	Huddinge
Freehold / Leasehold	Leasehold (right to purchase)
Area building (sq.m.)	1,077
Area land (sq.m.)	6,398
Gross rent 2019 (kSEK)	2,857
NOI 2019 (kSEK)	2,591
Tenant	Helianthus AB
Lease expiry date	2033-08-01

## Technical information

Construction year	2018
Fasade	Cembit
Construction	Concrete
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	No



# Täckåker 1:227

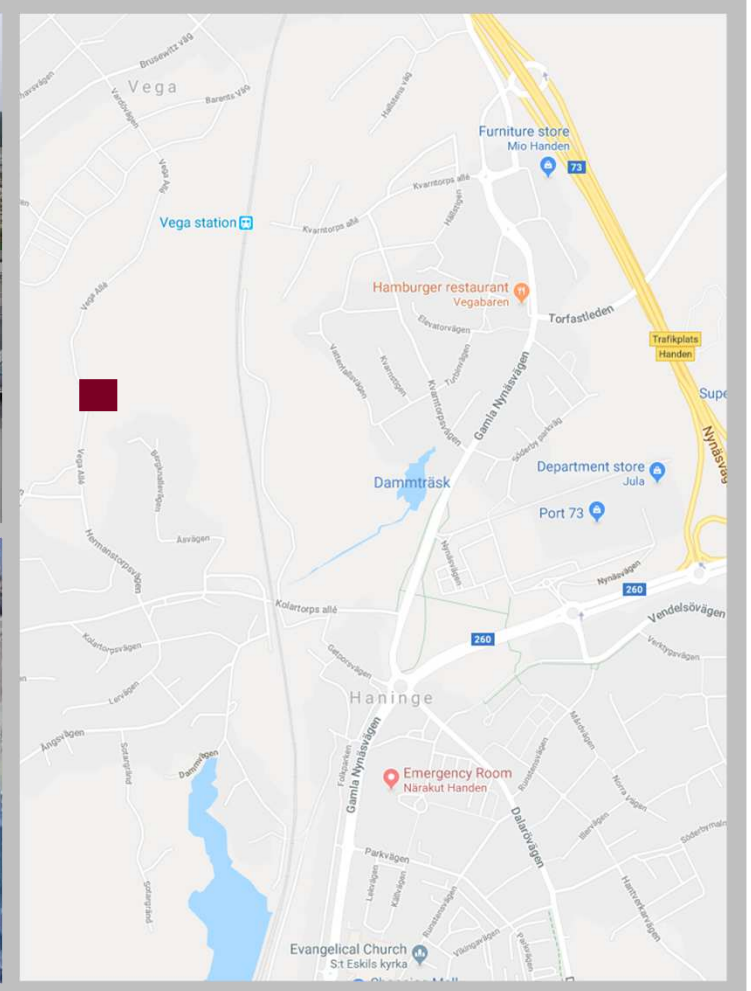
Handen - Haninge

## Key information

Property name	Täckåker 1:227
Address	Vega Allé 31
Municipality	Haninge
Freehold / Leasehold	Freehold
Area building (sq.m.)	916
Area land (sq.m.)	1,608
Gross rent 2019 (kSEK)	2,343
NOI 2019 (kSEK)	2,203
Tenant	Int. Swedish School AB
Lease expiry date	2033-07-31

## Technical information

Construction year	2018
Fasade	Cembrit
Construction	Concrete
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	No





# Svartbäcken 42:9

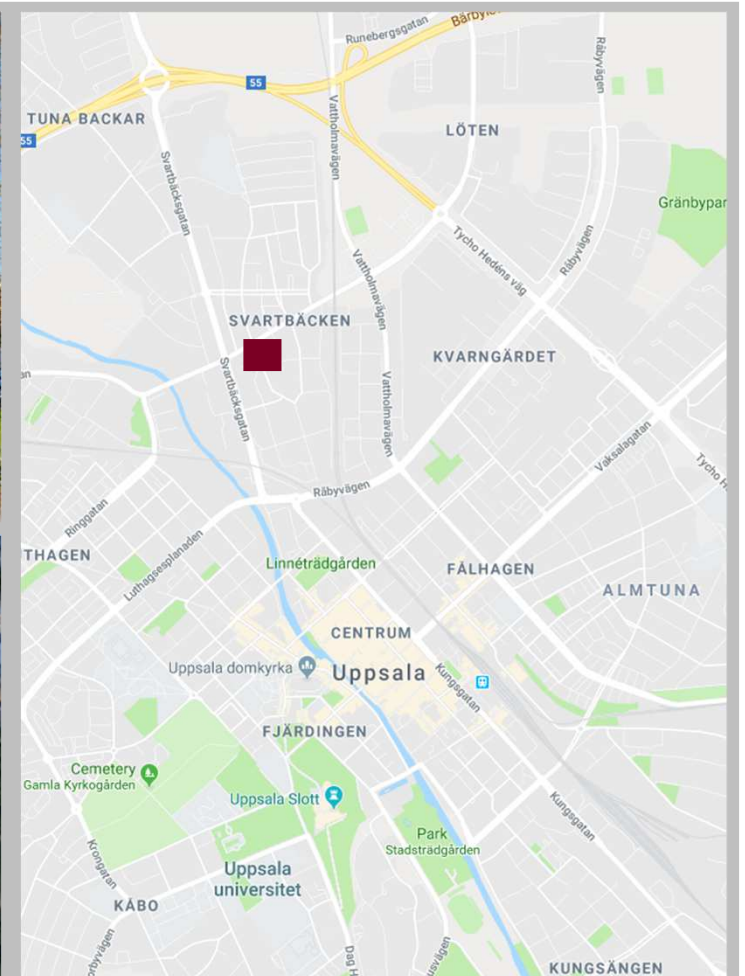
Uppsala

## Key information

Property name	Svartbäcken 42:9
Address	Idunagatan 5A
Municipality	Uppsala
Freehold / Leasehold	Freehold
Area building (sq.m.)	466
Area land (sq.m.)	903
Gross rent 2019 (kSEK)	1,240
NOI 2019 (kSEK)	1,171
Tenant	Humana AB
Lease expiry date	2029-09-30

## Technical information

Construction year	2003/2015
Fasade	Wood
Construction	Wood
Foundation	Basement sole
Windows	Triple glazing
Roof felting	Tin roofing
Ventilation	FTX
Water & sewage	Municipality system
Heating	District heating
Ventilation permit	OK
Lift	Yes



# Ingrid 5

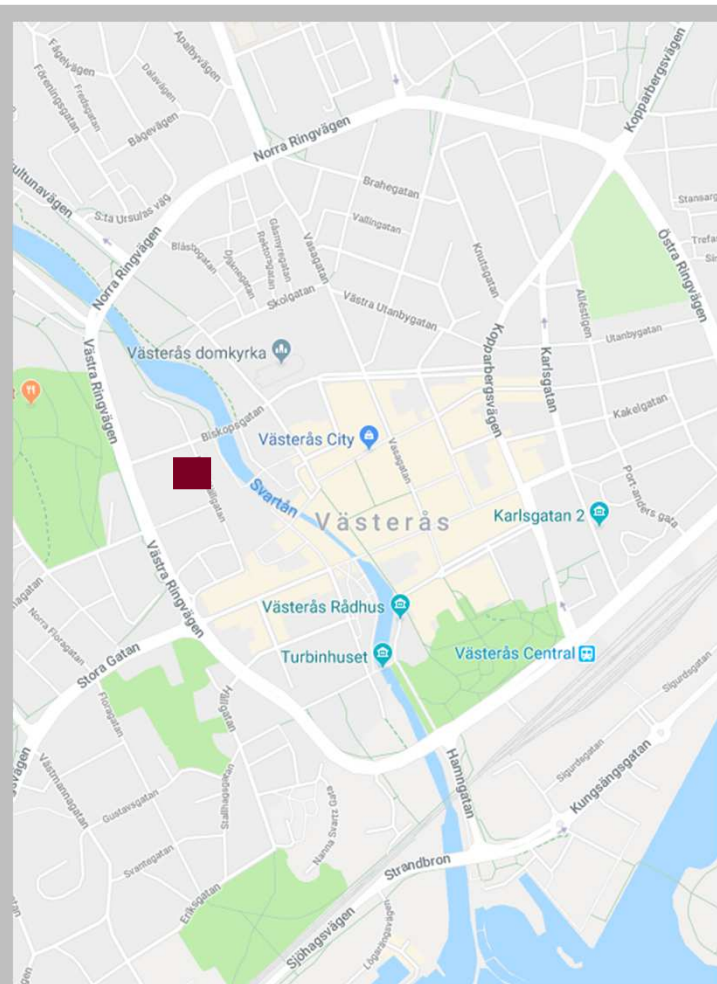
Västerås

## Key information

Property name	Ingrid 5
Address	Norra Källgatan 27
Municipality	Västerås
Freehold / Leasehold	Freehold
Area building (sq.m.)	540
Area land (sq.m.)	795
Gross rent 2019 (kSEK)	941
NOI 2019 (kSEK)	845
Tenant	Västerås Kommun
Lease expiry date	2020-05-31

## Technical information

Construction year	1850
Fasade	Plaster
Construction	Wood
Foundation	Basement «crawling» sole
Windows	Double and triple glazing
Roof felting	Tin roofing
Ventilation	FTX
Water & sewage	Municipality system
Heating	District heating
Ventilation permit	OK
Lift	Yes



# Rapsen 5

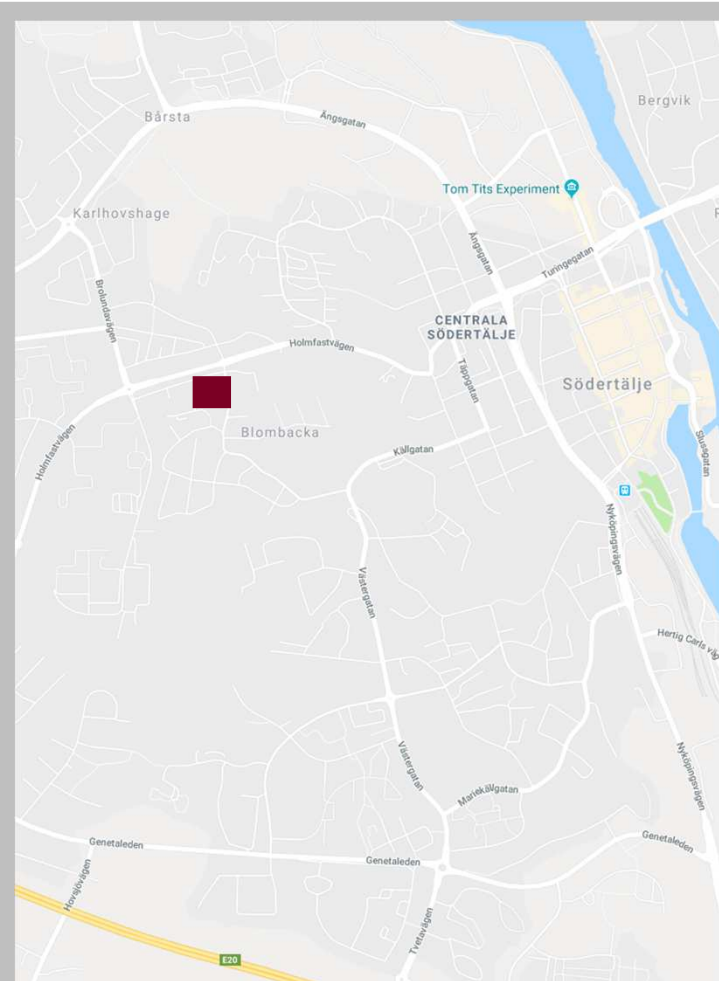
## Södertälje

### Key information

Property name	Rapsen 5
Address	Brolundavägen 18B
Municipality	Södertälje
Freehold / Leasehold	Freehold
Area building (sq.m.)	500
Area land (sq.m.)	2,096
Gross rent 2019 (kSEK)	1,161
NOI 2019 (kSEK)	940
Tenant	Frösunda LSS AB
Lease expiry date	2022-05-31

### Technical information

Construction year	1973/2012
Fasade	Bricks/wood
Construction	Wood
Foundation	Basement «crawling» sole
Windows	Double glazing
Roof felting	Tin roofing
Ventilation	FTX
Water & sewage	Municipality system
Heating	Waterborne heating
Ventilation permit	OK
Lift	No



# Modet 1

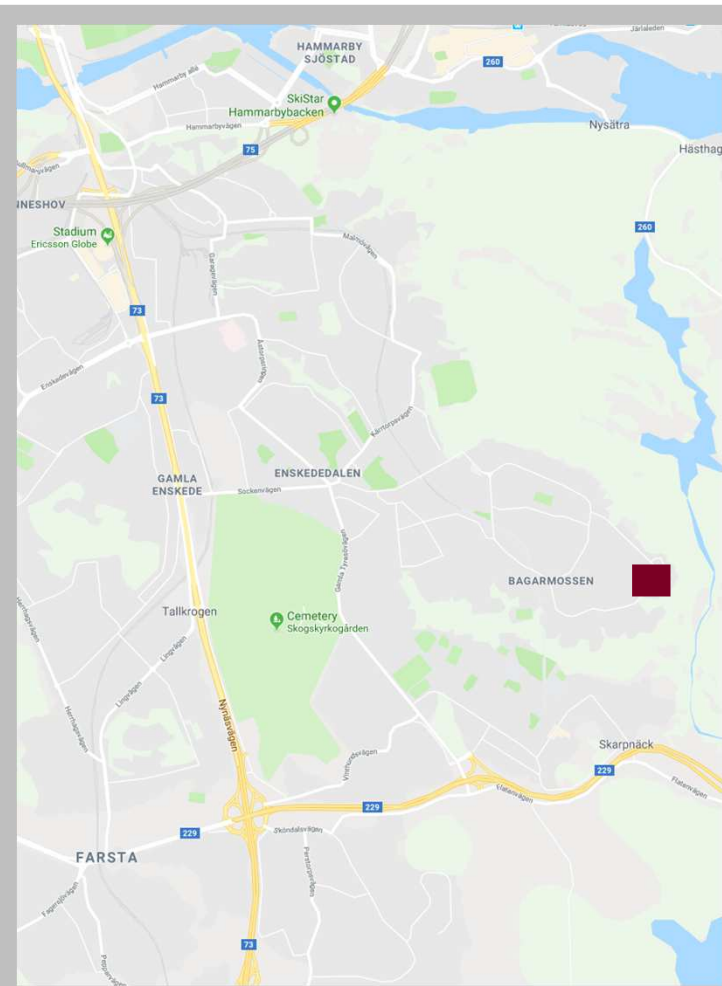
Bagarmossen - Stockholm

## Key information

Property name	Modet 1
Address	Rusthållarvägen 120
Municipality	Stockholms Stad
Freehold / Leasehold	Freehold
Area building (sq.m.)	408
Area land (sq.m.)	1,843
Gross rent 2019 (kSEK)	563
NOI 2019 (kSEK)	429
Tenant	Stockholms Stad
Lease expiry date	2020-06-30

## Technical information

Construction year	1994
Fasade	Wood
Construction	Wood
Foundation	Concrete sole
Windows	Triple
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	Yes



# Ålsta 1:9 & 3:28

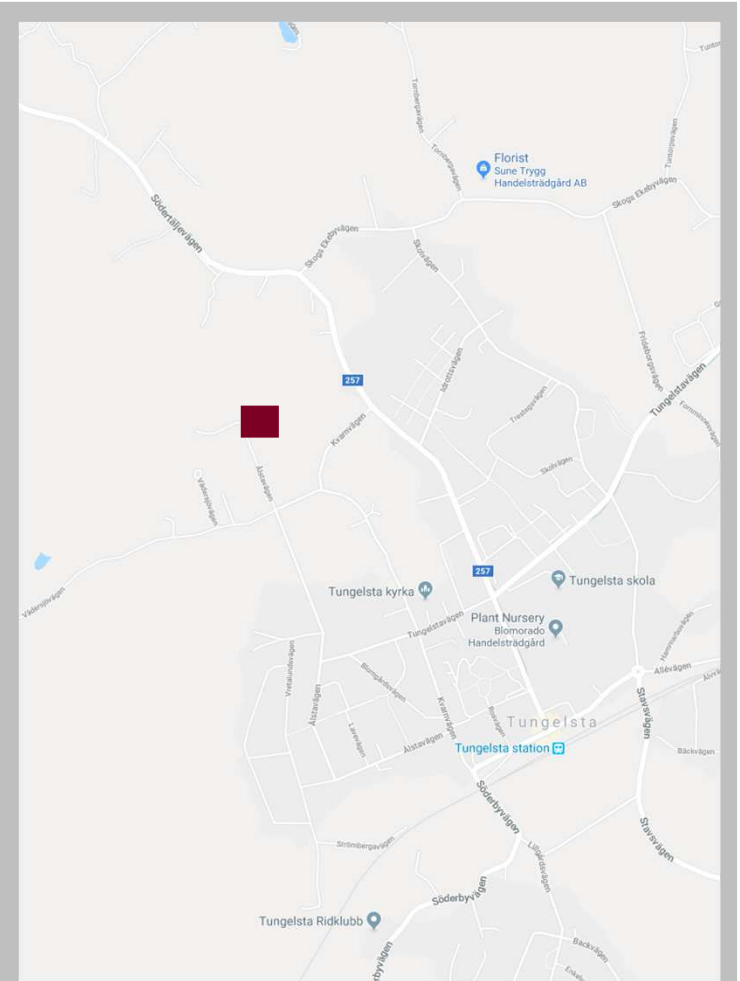
Haninge

## Key information

Property name	Ålsta 1:9 & 3:28
Address	Ålstavägen 63-67
Municipality	Haninge Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	1,082
Area land (sq.m.)	28,765
Gross rent 2019 (kSEK)	2,026
NOI 2019 (kSEK)	1,740
Tenant	Haninge Kommun
Lease expiry date	2020-12-31

## Technical information

Construction year	1986/2002
Fasade	Wood
Construction	Wood
Foundation	Concrete sole
Windows	Double and triple glacing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Electric
Ventilation permit	OK
Lift	No



# Artigheten 1

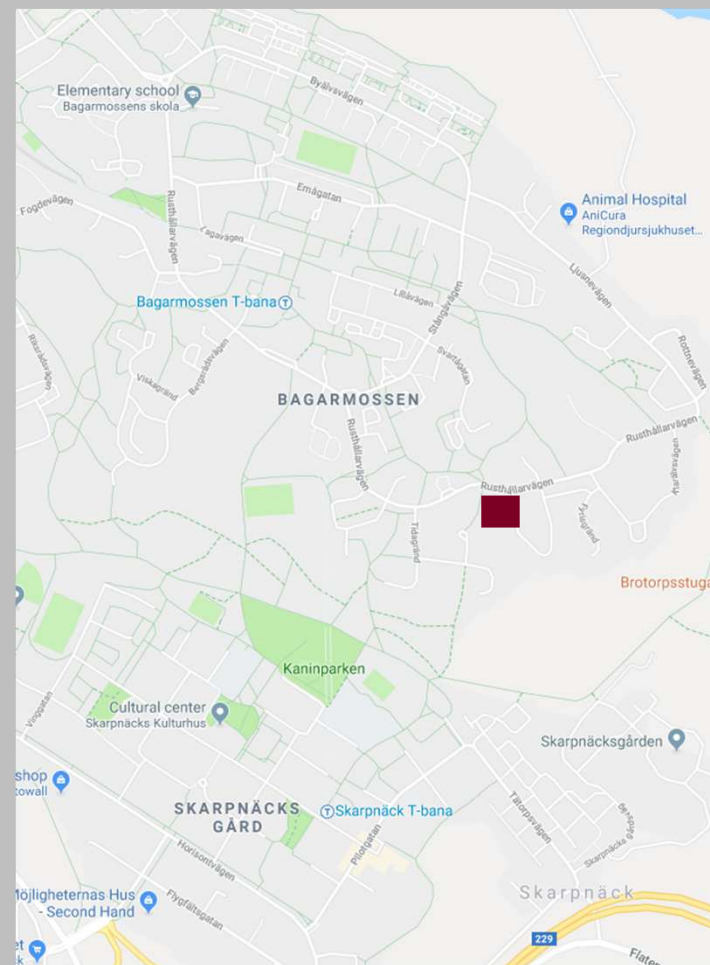
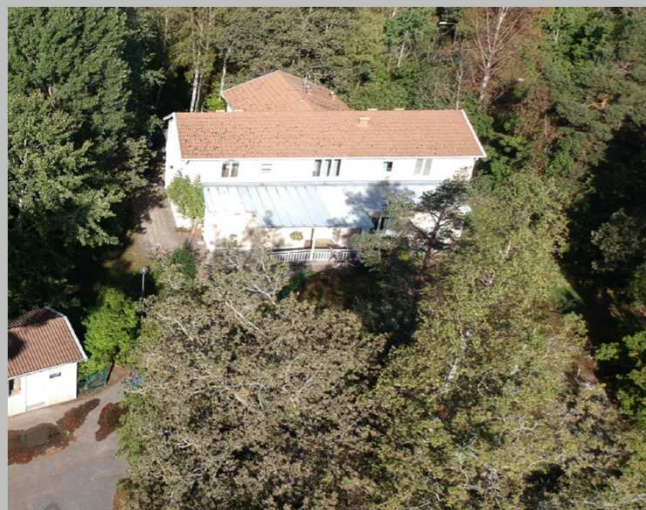
Bagarmossen - Stockholm

## Key information

Property name	Artigheten 1
Address	Svartbäcksvägen 4
Municipality	Stockholms Stad
Freehold / Leasehold	Freehold
Area building (sq.m.)	408
Area land (sq.m.)	2,329
Gross rent 2019 (kSEK)	623
NOI 2019 (kSEK)	530
Tenant	Stockholms Stad
Lease expiry date	2020-06-30

## Technical information

Construction year	1994
Fasade	Wood
Construction	Wood
Foundation	Concrete sole
Windows	Double and triple glacing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Electric boiler
Ventilation permit	OK
Lift	Yes



# Hammar 1:11

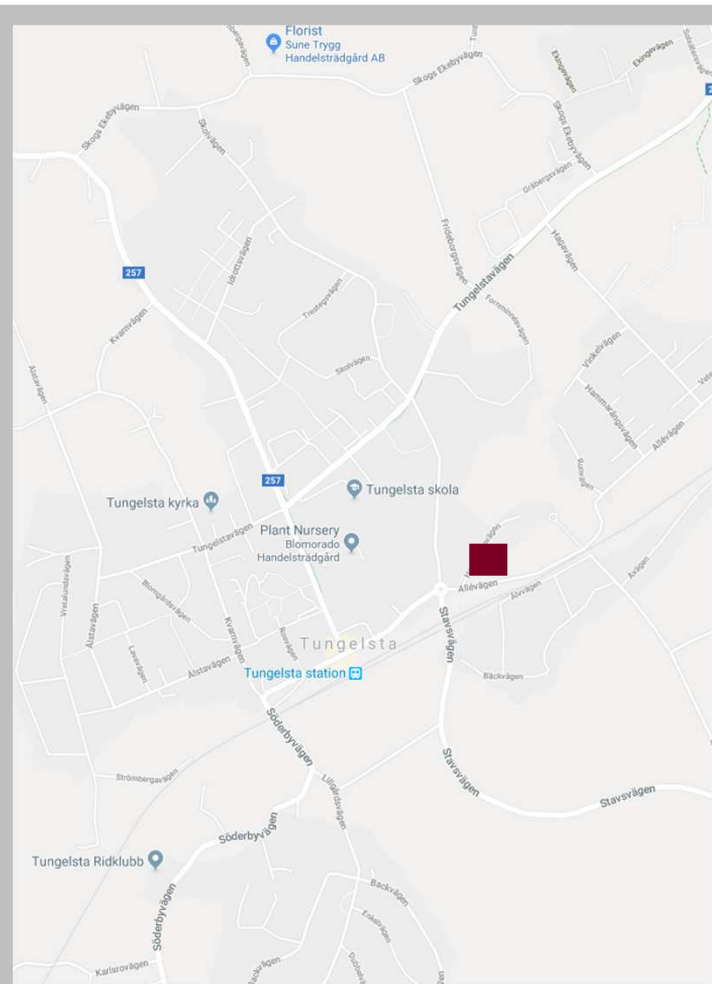
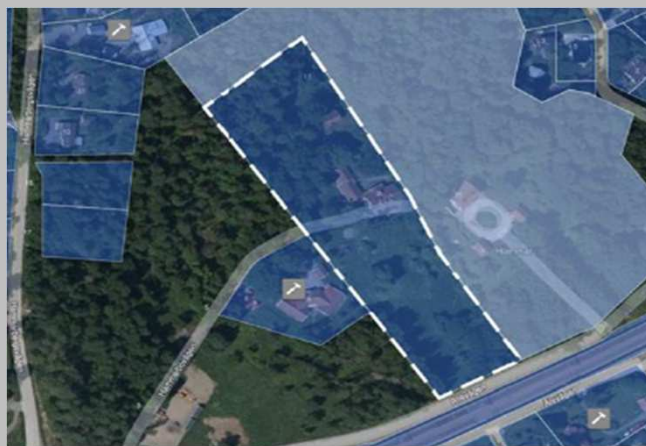
Haninge

## Key information

Property name	Hammar 1:11
Address	Hammarbovägen 9
Municipality	Haninge Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	1,872
Area land (sq.m.)	15,937
Gross rent 2019 (kSEK)	2,882
NOI 2019 (kSEK)	2,225
Tenant	Haninge Kommun
Lease expiry date	2030-12-16

## Technical information

Construction year	2015
Fasade	Wood
Construction	Concrete
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	Yes



# Noshörningen 9

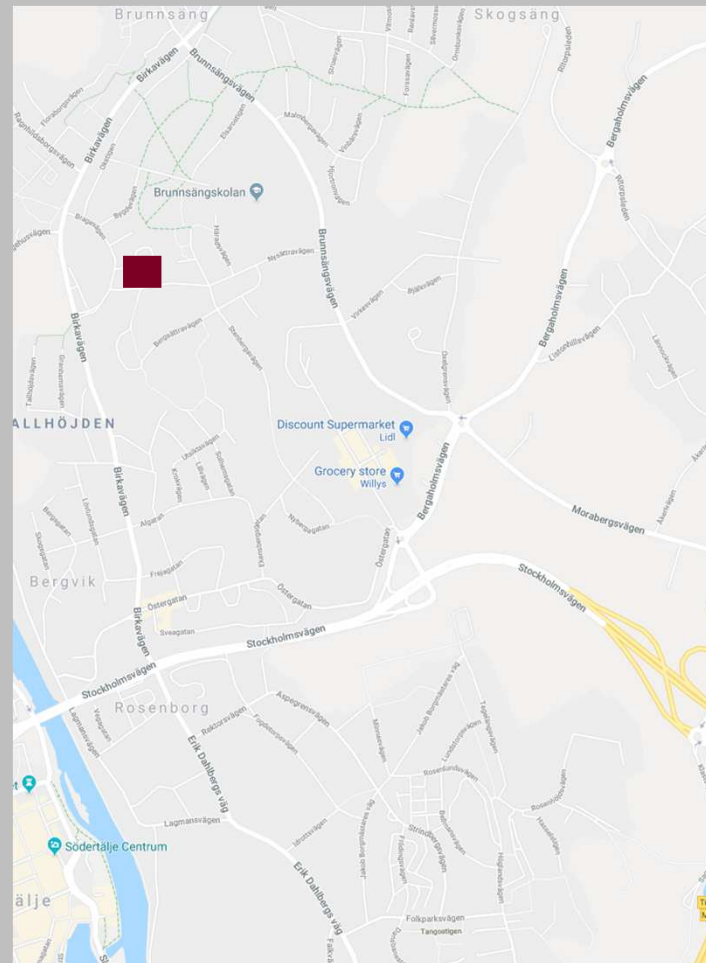
Södertälje

## Key information

Property name	Noshörningen 9
Address	Nysättravägen 7
Municipality	Södertälje Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	450
Area land (sq.m.)	1,010
Gross rent 2019 (kSEK)	1,258
NOI 2019 (kSEK)	1,217
Tenant	Attendo Sverige AB
Lease expiry date	2031-04-01

## Technical information

Construction year	2016
Fasade	Plaster
Construction	Wood
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Waterborne heating pump
Ventilation permit	OK
Lift	Yes





# Kaninholmen 1

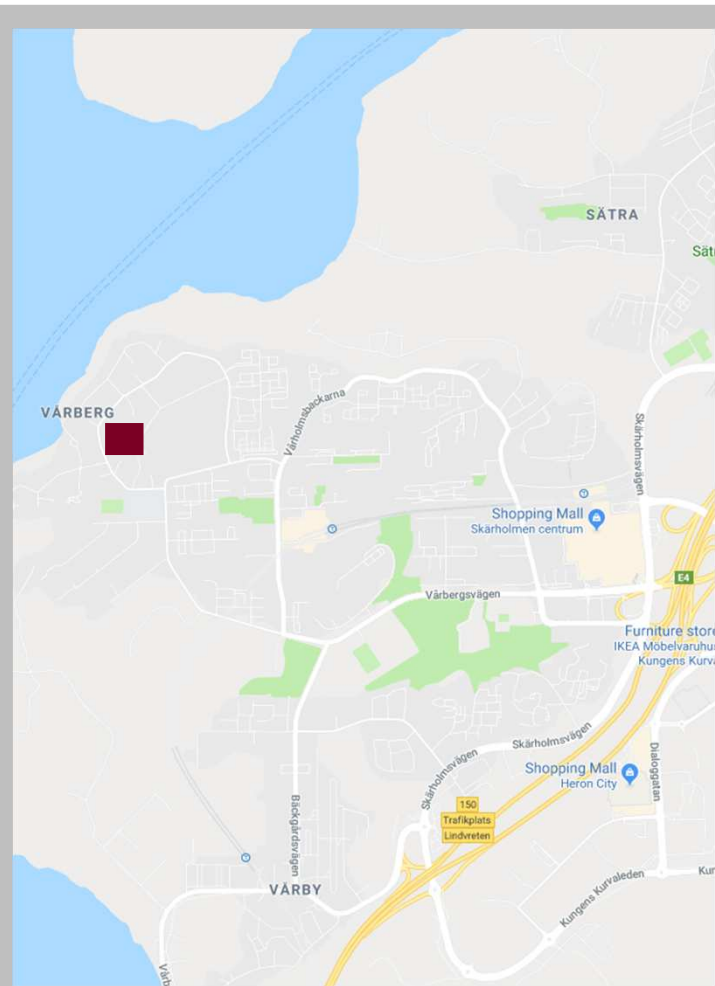
Skärholmen - Stockholm

## Key information

Property name	Kaninholmen 1
Address	Doroteavägen 3
Municipality	Stockholms Stad
Freehold / Leasehold	Freehold
Area building (sq.m.)	248
Area land (sq.m.)	2,111
Gross rent 2019 (kSEK)	365
NOI 2019 (kSEK)	286
Tenant	Nytida AB
Lease expiry date	2019-12-31

## Technical information

Construction year	1990
Fasade	Wood
Construction	Wood
Foundation	Concrete sole
Windows	Double glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	No



# Sicklaön 373:1

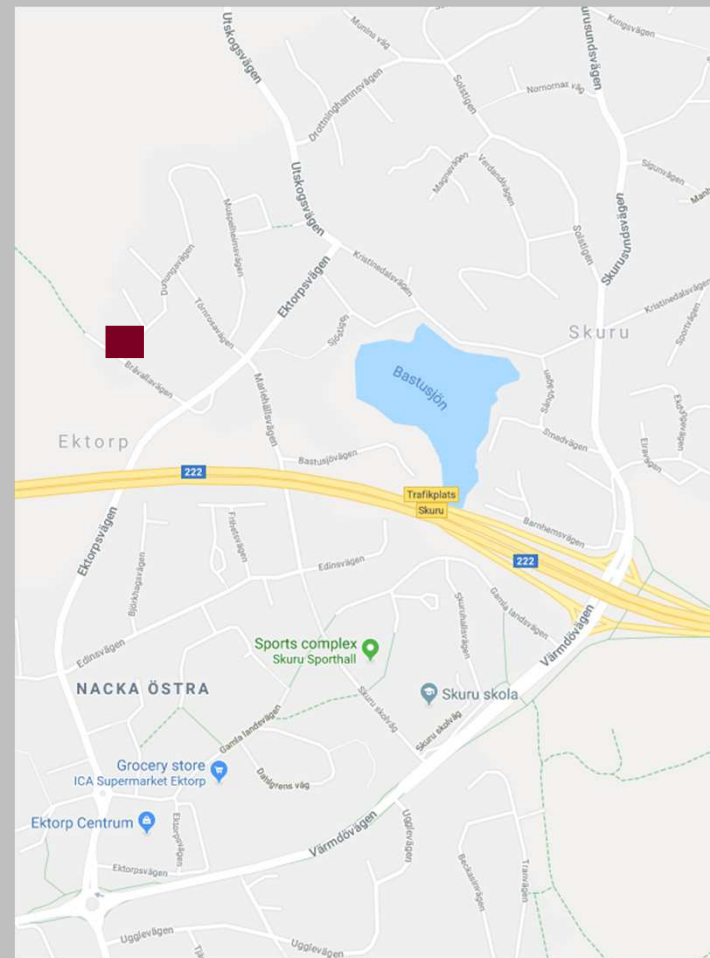
Nacka

## Key information

Property name	Sicklaön 373:1
Address	Bråvalla vägen 11 & 13
Municipality	Nacka Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	456
Area land (sq.m.)	4,689
Gross rent 2019 (kSEK)	669
NOI 2019 (kSEK)	553
Tenant	Nacka Kommun
Lease expiry date	2020-12-31

## Technical information

Construction year	1988
Fasade	Wood
Construction	Wood
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	No



# Träkvisten 4:29

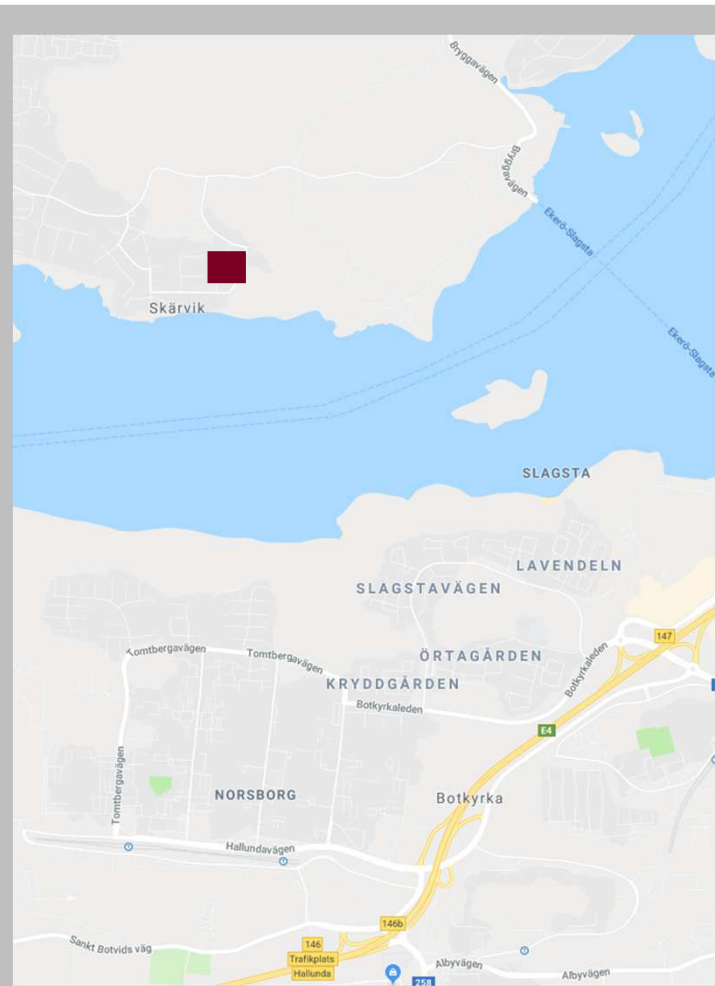
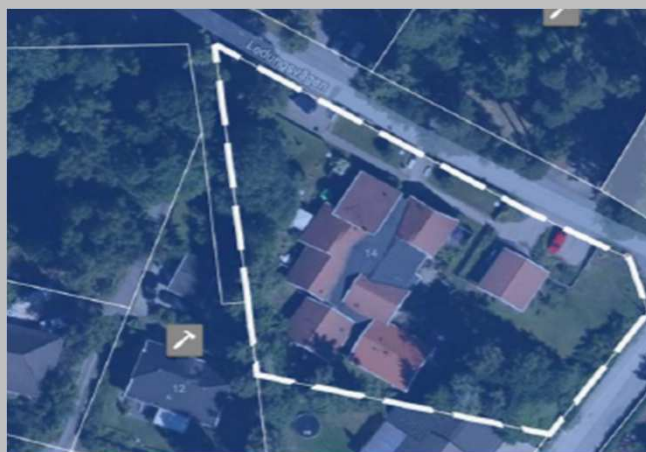
Ekerö

## Key information

Property name	Träkvisten 4:29
Address	Ledungsvägen 14
Municipality	Ekerö Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	468
Area land (sq.m.)	2,419
Gross rent 2019 (kSEK)	618
NOI 2019 (kSEK)	500
Tenant	Ekerö Kommun
Lease expiry date	2019-12-31

## Technical information

Construction year	1989
Fasade	Wood
Construction	Wood
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	Exhaust fan
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	No



# Knivsta 16:4

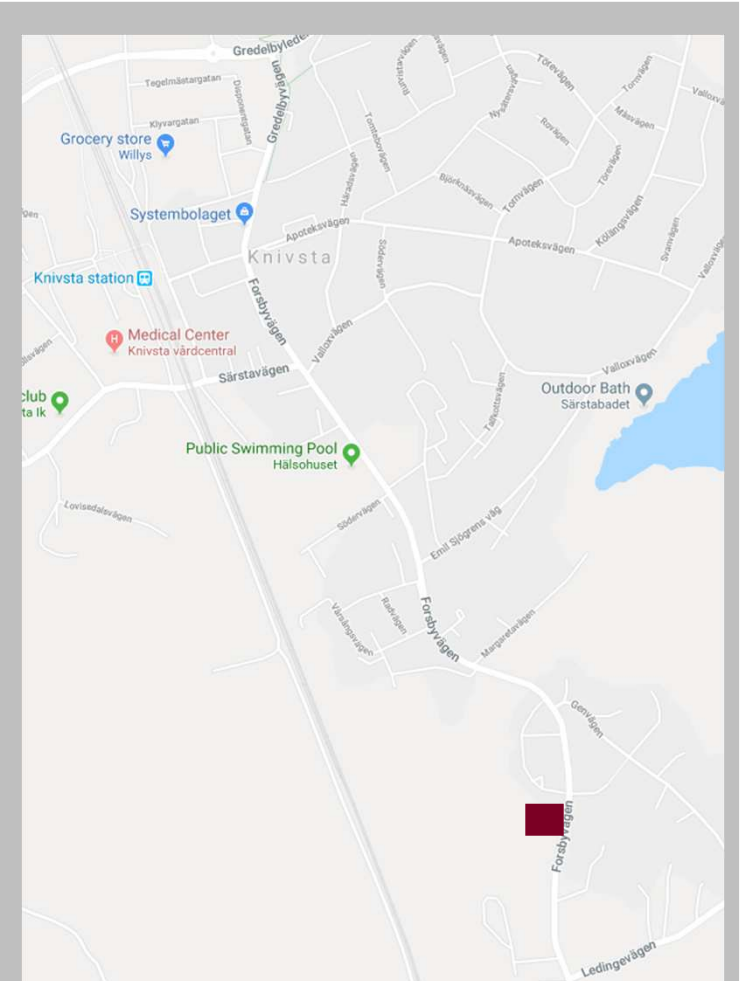
## Knivsta

### Key information

Property name	Knivsta 16:4
Address	Forsbyvägen 162
Municipality	Knivsta Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	340
Area land (sq.m.)	8,811
Gross rent 2019 (kSEK)	810
NOI 2019 (kSEK)	751
Tenant	Humana AB
Lease expiry date	2025-06-30

### Technical information

Construction year	1925
Fasade	Plaster
Construction	Brick
Foundation	Basement sole
Windows	Double glacing
Roof felting	Tin roofing
Ventilation	Draft ventilation
Water & sewage	Own well, three chambers
Heating	Geothermal and oil boiler
Ventilation permit	OK
Lift	No



# Orsjön 3

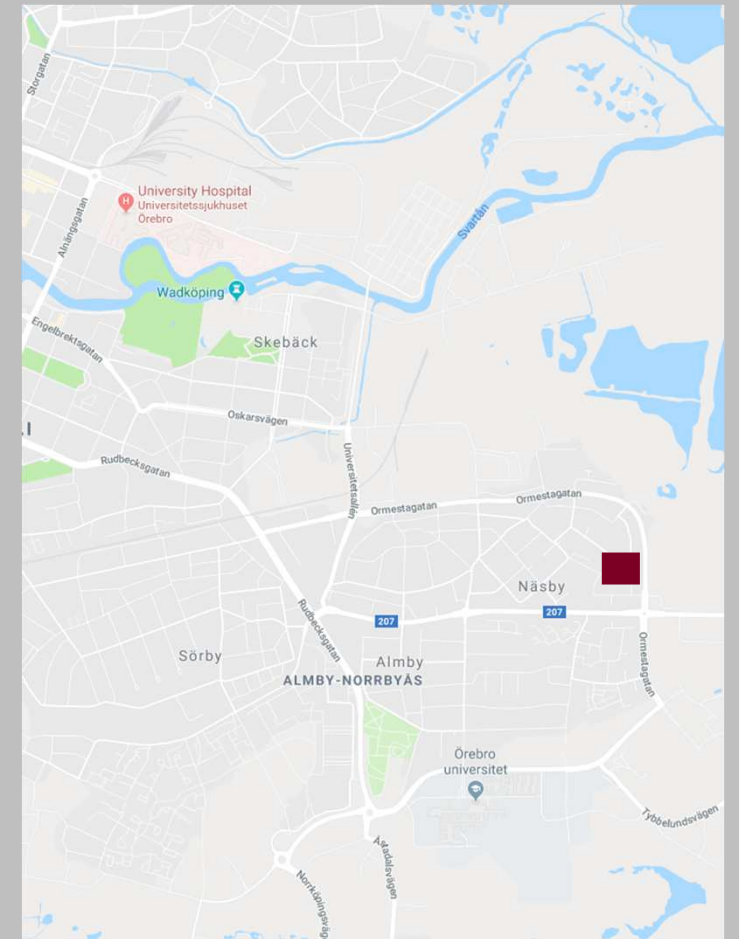
Örebro

## Key information

Property name	Orsjön 3
Address	Valsaregatan 1
Municipality	Örebro Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	512
Area land (sq.m.)	3,608
Gross rent 2019 (kSEK)	1,300
NOI 2019 (kSEK)	1,250
Tenant	Frösunda Omsorg AB
Lease expiry date	2032-09-30

## Technical information

Construction year	2008
Fasade	Wooden panels
Construction	Wood
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	Mechanical supply/exhaust
Water & sewage	Municipality system
Heating	District heating
Ventilation permit	OK
Lift	No



# Märsta 1:220

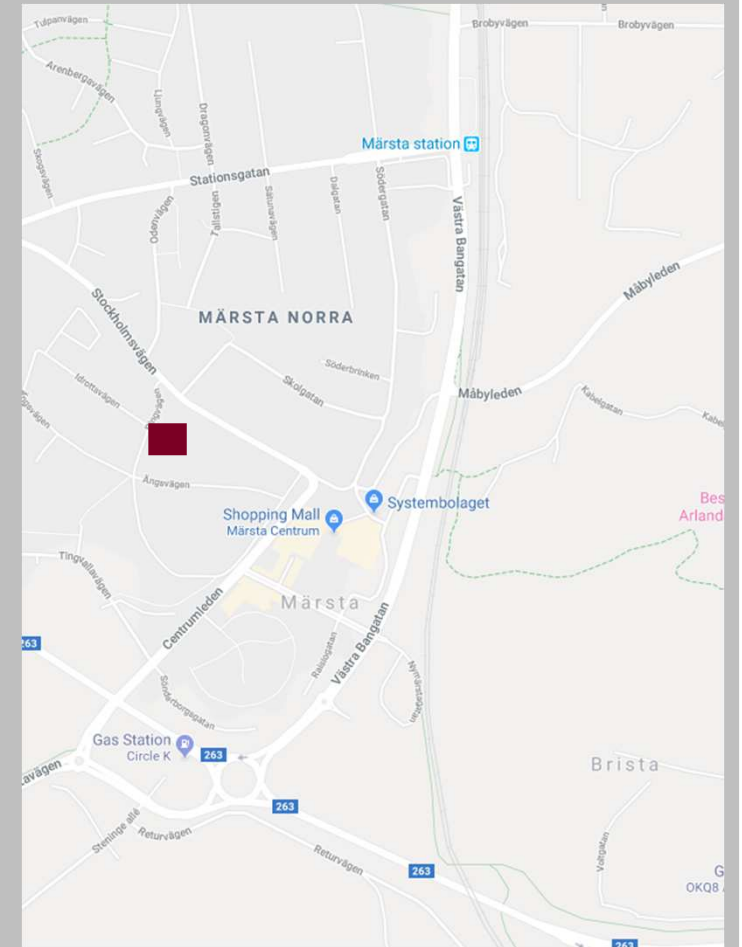
Märsta - Sigtuna

## Key information

Property name	Märsta 1:220
Address	Ringvägen 24
Municipality	Sigtuna Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	495
Area land (sq.m.)	2,019
Gross rent 2019 (kSEK)	650
NOI 2019 (kSEK)	591
Tenant	Frösunda AB
Lease expiry date	2021-12-31

## Technical information

Construction year	1991/2000
Fasade	Wooden panels
Construction	Wooden panels
Foundation	Basement «crawling» sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	Mechanical supply/exhaust
Water & sewage	Municipality system
Heating	Electric and heating pump
Ventilation permit	OK
Lift	No



# Hastighetsmätaren 6

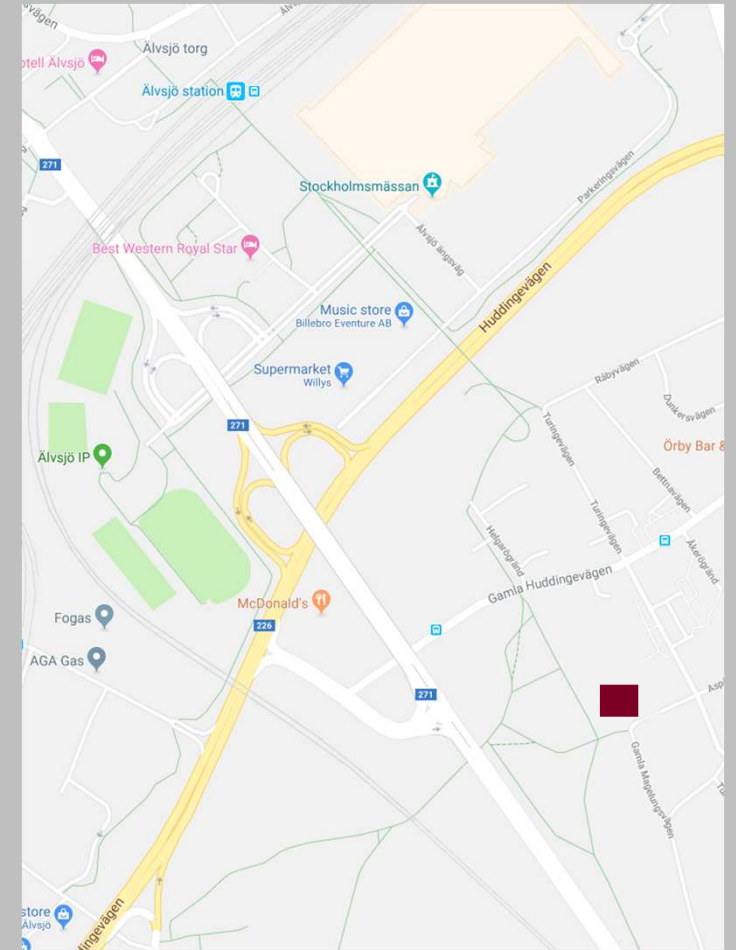
Älvsjö - Stockholm

## Key information

Property name	Hastighetsmätaren 6
Address	G:A Magelugnsvägen 14
Municipality	Stockholms Stad
Freehold / Leasehold	Freehold
Area building (sq.m.)	245
Area land (sq.m.)	821
Gross rent 2019 (kSEK)	385
NOI 2019 (kSEK)	272
Tenant	Stockholms Stad
Lease expiry date	2020-12-31

## Technical information

Construction year	1988
Fasade	Wood
Construction	Wood
Foundation	Plinths
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Geothermal
Ventilation permit	OK
Lift	No



# Ekebyhov 1:547

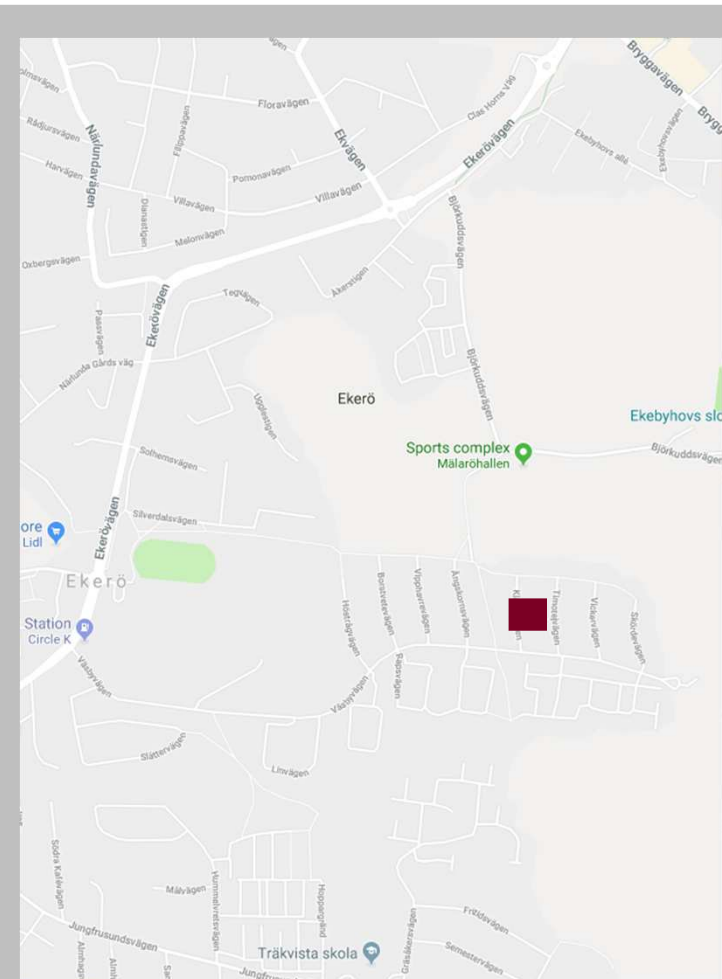
Ekerö

## Key information

Property name	Ekebyhov 1:547
Address	Klövernägen 2 & 4
Municipality	Ekerö Kommun
Freehold / Leasehold	Freehold
Area building (sq.m.)	255
Area land (sq.m.)	1,825
Gross rent 2019 (kSEK)	466
NOI 2019 (kSEK)	304
Tenant	Ekerö Kommun
Lease expiry date	2019-12-31

## Technical information

Construction year	2000
Fasade	Wood
Construction	Wood
Foundation	Concrete sole
Windows	Triple glazing
Roof felting	Concrete roof tiles
Ventilation	FTX
Water & sewage	Municipality system
Heating	Electric
Ventilation permit	OK
Lift	No





# Brandliljan 5

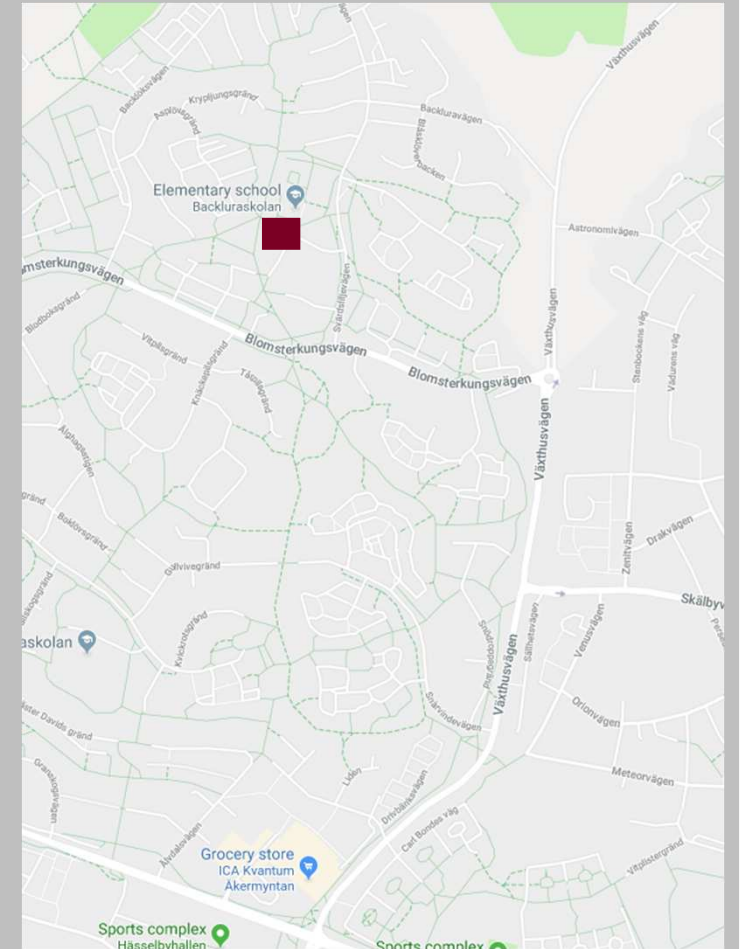
Hässelby - Stockholm

## Key information

Property name	Brandliljan 5
Address	Brunklövergränd 23
Municipality	Stockholms Stad
Freehold / Leasehold	Freehold
Area building (sq.m.)	381
Area land (sq.m.)	1,119
Gross rent 2019 (kSEK)	-
NOI 2019 (kSEK)	-
Tenant	-
Lease expiry date	-

## Technical information

Construction year	1980
Fasade	Wood
Construction	Wood
Foundation	Basement sole
Windows	Double glacing
Roof felting	Concrete roof tiles
Ventilation	-
Water & sewage	Municipality system
Heating	-
Ventilation permit	-
Lift	-



# Risks involved in the investment (1/3)

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## Overall risk

Investors should be aware that investments (both direct and indirect through the Company) in real estate is associated with an inherent risk. Economic development in the Company and the risks associated with the Company's business are important when making an investment decision. The arranger cannot guarantee that the Company's financial goals are achieved, nor that the investment will generate a positive return for investors. A number of factors affect and may affect the Company's operating and financial results and as such affect the Company's dividend capacity. There may be risks that are not listed below that may have an impact on the value development of the investment. The order of the various risk factors presented in the following pages are not intended to provide an indication of the probability of their occurrence or of their relative importance.

## Tenant risk

The property is leased by a number of tenants. The tenants' abilities to pay the agreed lease may be impeded due to events that are outside the Company's control, and tenants defaulting payments due to bankruptcy or other factors is an important risk. Investor carries thus a credit risk in relation to the tenants in the properties. For a more detailed description of the tenants, please refer to information in this Presentation. Upon expiration of the lease agreements it is considered likely that the premises must undergo some upgrades or renovations before it can be leased to a new tenant. Such circumstances could affect the Company negatively, especially in the short term. If the current tenants do not renew the lease, it could cause vacancy in the property. Vacancy could result in periods with lower or no income, which will affect the Company's financial situation negatively.

## Market risk

Returns from property investments will mainly depend on the rental income generated from the properties, costs associated with repairs and running maintenance, administrative expenses and changes in market value. Rental income and the market value of the properties are generally influenced by the overall condition of the economy, such as growth in GDP, employment trends, inflation and changes in interest rates.

## Residual value

There is a risk associated with the residual value of the properties and property-related assets, as each property is unique. This can result in significant uncertainty regarding market liquidity and pricing of property on a possible date of sale. There is no assurance that the estimates set forth in this investor presentation will reflect the actual residual value when the Properties is divested. A decline in the property market will have a negative impact on property value.

## Changes in legislation and regulatory framework

Changes in laws relating to ownership of property and land can have a negative effect on the value of the shares. New laws may be introduced retroactively that can affect real estate and land use. Governments at all levels are actively involved in the publication and enforcement of regulations related to taxation, land use and zoning, restrictions, environmental protection and safety and other matters. The introduction of such regulations or rules could lead to increased costs and reduced income, which can affect both the return and value of the property adversely. Public authorities may exercise their rights of expropriation of property if the conditions for expropriation are met. Any expropriation will give the company the right to compensation, but the company's financial condition may independently of such a compensation be adversely affected. The Company may incur increased costs for investors as a result of a revised legal assessment of the property or the investment in this.

## Operating expenses

The property owner is responsible for "external" maintenance (roof, windows and facades), replacement of technical installations, insurance cost and other administrative fees.

## Due diligence

This investor presentation is based on information received from the seller, and the seller's representatives. The arranger has not sought to verify the accuracy or completeness of this information. When the arranger has been provided with the necessary financing for a possible completion of the transaction there will be performed a legal, technical and financial due diligence of the information received. Costs related to due diligence will be charged the Company. During the due diligence process, it may be discovered conditions that differ from the presentation, including factors that could lead to increased costs or reduced revenues for investors. If the due diligence reveals significant negative findings, the arranger can opt to not complete the transaction.

## Risks involved in the investment (2/3)

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### Liquidity

The liquidity of listed shares for smaller companies can be limited. Shareholders can therefore not expect to sell their shares at the desired time and price. An investment in the Company suggests that the investor has a long-term investment perspective. A sale of shares in the 2nd hand market will normally require that the investor is willing to sell the shares at a discounted price.

### Additional need of capital

The Company may be require additional capital and financing. Future capital requirements could result in a new equity issues in the company, with the associated risk of dilution of shareholders who are not able or willing to participate in new issues

### Financial risk

Borrowing costs are a significant part of the costs in real estate projects with external financing. The long-term debts of the company are planned to consist of bond loan with senior security in the property. The interest costs alone will account for a large proportion of the Company's expenses. The risk of higher interest costs and the possibilities for changing the loan terms when the bond financing expires is a very important risk factor for real estate investments. Higher loan ratio means increased risk. Upon expiration of the bond/direct loan financing there will be a risk related to the interest rate which may affect future returns for the owner of the properties.

### Currency risk

The Properties company's rental income and expenses are in SEK. The investment in the Company is made in either NOK or SEK. There is a risk that fluctuations in the exchange rate between NOK and SEK will lead to deviations between the Property companies' profitability and the Company's profitability and thus that the return on the investment may be lower than expected even though the Property companies achieves its estimated budget. Investors can reduce the NOK/SEK risk by using different foreign exchange instruments. The Company will not enter into NOK/SEK hedging arrangements.

### Alternative Investment Fund Manager Directive

The EU Directive 2011/61 / EC (Alternative Investment Fund Managers Directive) intends to ensure that alternative investment funds ("AIF") are subject to a uniform regulation, including licensing requirements for fund manager. AIFM Act's broad wording could include this type of direct investment in real estate which the Company intends to implement. Being that neither the legislatures or the authorities has given clear guidelines about structures that company is covered by this law or not, Carnegie has looked into the question at its best effort. Whether or not the Company is covered by the AIFMD, will depend on an overall judgment in which several factors are relevant. In the present case, it is the Company's main purpose to operate the property and ensure ongoing, annual earnings. In addition, investors have direct influence over the Company's daily operations through representation on the board and the general assembly. Based on the general guidelines of the EU regulatory agency (ESMA), the assessment is that the Company is not covered by the AIFMD. The Company will therefore not apply for license or authorisation for the marketing of shares. In the event that the Financial Supervisory Authority or the courts should reach the opposite conclusion of the Company, it will cause the Company to appoint an authorized custodian of an Alternative Investment Fund, and trigger special rules regarding the organization, risk management, reporting, remuneration and rules of marketing of the shares or other securities of the Company. The regulation will result in higher costs for the Company, which in turn could have a negative impact on investors' returns. For further information on AIFMD and the contents of this, please consult with Carnegie.

## Risks involved in the investment (3/3)

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### Tax risks and changes in applicable tax laws and regulations

The Company and its subsidiaries operations are affected by the tax rules in force from time to time in Sweden. These rules include corporate tax, real estate tax, value added tax, rules regarding tax-free disposals of shares, other governmental or municipal taxes and interest deductions and subsidies. Future changes in applicable laws, regulations or administrative practice may affect the conditions of the business of the Company and its subsidiaries.

In June 2017, the Swedish Government proposed changes to the interest deduction limitation rules. The proposal is based on the EU Directive 2016/1164 that was presented by the Council of the European Union in July 2016 and implemented in Swedish law as of 1 January 2019. The new legislation is a general limitation for interest deductions in the corporate sector applicable by an EBITDA-rule. The purpose of the legislation is to even out the differences in costs of borrowed capital and equity. The result is that net interest expenses, i.e. the difference between the taxpayer's interest income and deductible interest expenses, should only be deductible up to 30 per cent of the taxpayer's EBITDA for tax purposes. The corporate income tax rate is as of 1 of January 2019 lowered from 22 percent to 21,4 percent.

Also, in June 2015 the Swedish Government appointed a committee to analyze the possibility to divest properties through tax exempt disposals of shares in companies holding properties and, if considered necessary, to propose new legislation to prevent such transactions. The investigation also reviewed whether acquisitions through land parceling procedures (Sw: fastighetsbildningsåtgärder) are being abused to avoid stamp duty. In March 2017, the committee presented the result of the review and its proposals. The committee's main proposal is that upon a change of control in a company holding assets that mainly consist of properties, the properties will be considered as divested and re-acquired for a price corresponding to the market value of the properties. The divested real estate company should also report a taxable notional income (instead of stamp duty) corresponding to 7,09 percent of the highest amount of the market value and the tax assessment value of the properties. Further, stamp duty is introduced on acquisitions of properties by land parceling procedures. The rules was proposed to enter into force 1 July 2018 but was never introduced. It is currently unclear if, and to what extent, the proposals will result in new legislation or not.

If any of the above described risks materialise, it could have a material negative impact on the business of the Company and its subsidiaries.

# Certain tax matters in Sweden (1/3)

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## Introduction

The following section is a short summary of certain important Swedish tax matters and principles that may be or become relevant with respect to the Company and its subsidiaries and the holding of shares in the Company. This section does not purport to be a complete summary of tax law and practice currently applicable in Sweden and is subject to further limitations as described below.

The following summary is based on laws, regulations and practice currently applicable in Sweden at the date of this Presentation.

## Taxation of the Company and its subsidiaries

Under present tax law the Company and its subsidiary, being Swedish limited liability companies (Sw. aktiebolag), are subject to 21.4 percent corporate taxation. The Property company, being a partnership (Sw. handelsbolag) is transparent for income tax purposes. Hence, the profit or loss in the Property company is reported and taxed at the level of the Company and its subsidiary. However, the Property company is subject to other taxes, such as property tax, social security fees and VAT.

Capital gains and dividends received by a Swedish limited liability company on unlisted shares are normally tax exempt under the rules for business-related shares (Sw. näringsbetingade andelar) provided that the shares are not held as current assets. Consequently, under current rules, there will normally not be any taxation upon a disposal of the shares in the Property company.

Arm's length interest on debt is normally tax deductible under the assumption that the creditor is not considered affiliated with the debtor (Sw. intressegemenskap). Companies are considered affiliated if one of the companies (i) through ownership or otherwise, is deemed to have a substantial influence (Sw. väsentligt inflytande) over the other company or (ii) if the companies are considered to be under common control (Sw. under i huvudsak gemensam ledning). If the companies are considered affiliated, interest on loans is only tax deductible if certain other requirements are met.

The registered owner of a property (at the beginning of each calendar year) is liable to pay property tax. The property tax assessment is based on the usage and character of the property by the beginning of the assessment year. The property tax assessment value should in general be equivalent to approx. 75 percent of the market value. The Property held by the Property company is taxed as an industrial unit and is subject to 0,5 percent property tax annually based on the tax assessment value. Property tax is deductible for tax purposes. The property tax attributable to the Property is recharged to the tenant.

A property is for tax purposes categorized into land, land improvements (Sw: markanläggningar), land equipment (Sw: markinventarier), building and building equipment (Sw: byggnadsinventarier). The categorization into different types of assets for tax purposes is of importance with regard to e.g. the possibility of making depreciations for tax purposes. The cost for acquiring or developing buildings should be depreciated for tax purposes with 2-5 percent annually depending on the use of the building. Acquisition costs for building - and land equipment are normally subject to an annual depreciation rate of 20 - 30 percent and for land improvements with an annual rate of 5-10 percent. Costs for repairs- and maintenance on a building may be subject to immediate deduction for tax purposes if certain requirements are met (even if the costs are activated in the books). The building held by the Property company is depreciated with an annual rate of 2 percent and land improvements are depreciated with an annual rate of 5 percent.

Under Swedish tax law, Swedish limited liability companies within the same group may tax consolidate by offset taxable profits in one company against tax losses in another company through group contributions, provided that certain requirements are met. Group contributions are taxable for the receiving company and tax deductible for the distributing company. It is expected that full group contribution capabilities should exist between the Company and its subsidiary.

## Certain tax matters in Sweden (2/3)

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### Taxation of shareholders in the Company

The following summary of certain tax issues that may arise as a result of holding or disposing the shares in the Company is intended only as general information for investors, who are resident or domiciled in Sweden for tax purposes, if not otherwise stated, and under the assumption that the shares in the Company are considered as listed from a tax perspective. The summary does not deal comprehensively with all tax consequences that may occur in this context. For instance, it does not cover for example: (i) the specific rules that, in certain cases apply to shares in a closely held company (Sw: fåmansföretag), (ii) the rules that apply where shares are held by a partnership or held as current assets in a business operation (iii) via a capital insurance (Sw: kapitalförsäkring) or investment deposit account (Sw: investeringssparkonto). Special tax consequences that are not described below may also apply for certain categories of taxpayers.

Investors are advised to consult their own tax advisors concerning the overall tax consequences of their ownership of shares, including the applicability and effect of foreign income tax rules, provisions contained in double taxation treaties and other rules, which may be applicable.

#### *General*

Different tax rules apply for listed and unlisted shares. Shares are considered listed if: (i) they are subject to public trading on a regulated market or (ii) an equivalent market outside the European Economic Area, or (iii) if the shares are subject to continuous publicly available listing on the basis of marketable trade in the shares.

Shareholders who dispose of their shares in the Company will be subject to capital gains taxation. The capital gain or capital loss is calculated as the difference between the sales proceeds, after deduction for sales costs, and the acquisition cost for tax purposes. The acquisition cost is calculated according to the so called average method (Sw: genomsnittsmetoden). This means that the acquisition cost for all shares of the same type and class (Sw: samma slag och sort) are calculated collectively. For listed shares, such as the shares in the Company, the acquisition cost may, as an alternative, be determined as 20 percent of the net sale revenue under the so called standard rule (Sw: schablonmetoden).

#### *Individuals*

Individuals tax resident in Sweden are taxed on all capital income, including capital gains and dividends received on listed shares, as capital income. The tax rate is 30 percent.

Capital losses on listed shares are fully deductible against taxable capital gains on shares during the same fiscal year. The loss is also deductible against taxable gains on other listed securities that are taxed in the same manner as shares (except for shares in mutual funds containing only Swedish receivables (Sw: svenska räntefonder)). To the extent capital losses cannot be set off against gains, 70 percent of the deductible capital losses are deductible from other capital income.

In case of a net capital loss, a reduction of the tax on income from employment and from business activities, as well as the real estate tax and the municipal real estate fee, is allowed. The tax reduction amounts to 30 percent of any deficit not exceeding SEK 100,000 and 21 percent of any deficit in excess of SEK 100,000. An excess net loss cannot be carried forward to future fiscal years.

For individuals tax resident in Sweden preliminary tax is withheld with 30 percent on dividends. The preliminary tax is normally withheld by Euroclear Sweden or by the nominee in relation to nominee registered shares.

## Certain tax matters in Sweden (3/3)

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### *Swedish limited liability companies*

Swedish limited liability companies are taxed on all income, including taxable capital gains and dividends received on listed shares, as income from business activities at a flat rate of 21.4 percent.

However, dividend and capital gains attributable to so called business-related shares are tax exempt. Correspondingly, a capital loss is not tax deductible for the shareholder. Listed shares are considered business-related if the shares are not held as current assets and the holder owns at least 10 percent of the voting power of the company for more than 12 months. The shares must, however, not have been held continuously for one year at the date of a dividend distribution. Taxation will, however, be triggered if the shares are sold (or otherwise ceases to be entitled to the tax exemption) before the 12 months holding period requirement is met.

A deductible capital loss on shares (not covered by the exemption for business related shares) may for tax purposes only be offset against taxable gains on shares or other securities that are taxed in the same manner as shares. Such capital losses may also, under certain circumstances, be offset against capital gains on such securities within the same group of companies, provided the requirements for group contributions (tax consolidation) are met. Tax deductible capital losses on shares or other securities that are taxed in the same manner as shares, which have not been deducted from capital gains within a certain fiscal year may for tax purposes be carried forward and be offset against such taxable capital gains during future fiscal years, without any limitation in time.

### **Shareholders resident outside of Sweden**

For shareholders not resident in Sweden for tax purposes, and that do not conduct business from a permanent establishment in Sweden to which the shares may be attributed, who receive dividends on shares in a listed Swedish limited liability company, such as the Company, Swedish withholding tax is normally withheld. The tax rate is 30 percent. The tax rate is often reduced through tax treaties for the avoidance of double taxation. For example, under the tax treaty between Sweden and Norway, the withholding tax on dividends paid to shareholders resident in Norway shall not exceed 15 percent. Under the Treaty, furthermore, the tax rate is reduced to 0 percent for companies possessing shares representing at least 10 percent of the capital of the company declaring the dividend if certain other requirements are met.

Further, under Swedish domestic law, dividends paid to a foreign company that is equivalent to a Swedish company are exempt from withholding tax if the shares are held for business purposes, see above "Swedish limited liability companies". For corporate shareholders resident and domiciled in the European Economic Area (EEA), withholding tax is normally not levied if the shareholder holds more than 10 percent or more of the capital in the company declaring the dividend if certain other requirements are met.

Withholding tax is normally withheld by Euroclear Sweden or by the nominee in relation to nominee registered shares. If a 30 percent withholding tax is deducted from a payment to a person entitled to be taxed at a lower rate, or in the event that too much tax has otherwise been withheld, a refund can be claimed from the Swedish Tax Agency (Sw. Skatteverket) prior to the expiry of the fifth calendar year following the dividend distribution.

Individual shareholders not resident or domiciled in Sweden are normally not taxed in Sweden on a disposal of shares. Shareholders may however be subject to tax in the country of residence. In accordance with a specific rule, the so called ten-year-rule, an individual shareholder who is not resident or domiciled in Sweden may, under certain circumstances, be subject to Swedish tax on capital gains from a sale of shares, if the individual has been resident or permanently lived in Sweden at any time during the calendar year of such sale or during any of the ten preceding calendar years. The applicability of this rules may, however, in many cases be limited under tax treaties that Sweden has entered into with other countries.

Corporate shareholders are normally not subject to tax on disposal of shares unless the shares are attributable to a permanent establishment in Sweden.

### **Net Wealth Tax and Inheritance Tax**

There is no wealth tax or inheritance tax in Sweden.

# Tax – Norwegian investors (1/2)

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## Taxation of dividends

### *Norwegian Personal Shareholders*

Dividends received by shareholders who are individuals resident in Norway for tax purposes (“**Norwegian Personal Shareholders**”) are taxable as ordinary income in Norway, adjusted with a factor of 1.44. Ordinary income is taxable at a rate of 22%, giving an effective tax rate of 31.68% (22% x 1.44). However, this will only apply to dividends exceeding a calculated risk-free return on the investment (tax-free return), which itself is tax exempt.

The tax free allowance is calculated annually on a share-by-share basis and pertains to the owner of the share at the expiration of the relevant calendar year. Norwegian Personal Shareholders who transfer shares within a year will thus not be entitled to deduct any calculated allowance related to the year of transfer. The allowance for each share is equal to the cost price of the share multiplied by a risk free interest rate based on the effective rate after tax of interest on treasury bills (Nw.: *statskasserveksler*) with three months maturity, with an addition of 0.5%.

Any part of the calculated allowance one year exceeding the dividend distributed on the share may be carried forward and set off against future dividends received on, or gains upon realisation of, the same share, and will be added to the basis for the allowance calculation. Excess allowance cannot result in a deductible loss.

Norwegian Personal Shareholders may credit withholding tax paid in Sweden (see above) in their Norwegian tax payable related to foreign income. If the Norwegian Personal Shareholder is not paying tax in a given year, the tax paid in Sweden may be carried forward for up to five years.

### *Norwegian Corporate Shareholders*

Dividends distributed to shareholders in the Company who are limited liability companies (and certain similar entities) resident in Norway for tax purposes (“**Norwegian Corporate Shareholders**”), are effectively taxed at a rate of 0.66% (3% of dividend income from such shares is included in the calculation of ordinary income for Norwegian Corporate Shareholders and ordinary income is subject to tax at a flat rate of 22%).

Norwegian Corporate Shareholders may credit withholding tax paid in Sweden in their Norwegian tax payable related to foreign income. Note that only 3% of the withholding tax is creditable, as only 3% of the dividend is taxable. If the Norwegian Corporate Shareholder is not paying tax in a given year, the tax paid in Sweden may be carried forward for up to five years.

### *Repayment of paid in capital*

If paid in capital (share capital or premium) is paid back to a Norwegian shareholder, such a repayment is not taxable as a dividend or a gain on shares. The repayment will reduce the shareholders input value (and/or excess tax-free return for Norwegian Personal Shareholders) related to the shares. Note that there is a share for share principle applicable for Norwegian shareholders, and the paid in capital per share may therefore differ.



# Tax – Norwegian investors (2/2)

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## Taxation of capital gains on realisation of shares

### Norwegian Personal Shareholders

Sale, redemption or other disposal of shares is considered a realisation for Norwegian tax purposes. A capital gain or loss generated by a Norwegian Personal Shareholder through a disposal of shares is taxable or tax deductible in Norway. Such capital gain or loss is included in or deducted from the Norwegian Personal Shareholder's ordinary income in the year of disposal. Ordinary income is taxable at a rate of 22%. As for dividends, the ordinary income is adjusted with a factor of 1.44, giving an effective tax rate of 31.68% (22% x 1.44).

The taxable gain/deductible loss is calculated per share as the difference between the consideration for the share and the Norwegian Personal Shareholder's cost price of the share, including costs incurred in relation to the acquisition or realisation of the share. From this capital gain, Norwegian Personal Shareholders are entitled to deduct a calculated allowance provided that such allowance has not already been used to reduce taxable dividend income. The allowance may only be deducted in order to reduce a taxable gain, and cannot increase or produce a deductible loss, i.e. any unused allowance exceeding the capital gain upon the realisation of a share will be annulled.

If the Norwegian Personal Shareholder owns shares acquired at different points in time, the shares that were acquired first will be regarded as the first to be disposed of, on a first-in first-out basis. Norwegian Personal Shareholders may credit withholding tax paid in Sweden on gains in their Norwegian tax payable related to foreign income. If the Norwegian Personal Shareholder is not paying tax in a given year, the tax paid in Sweden may be carried forward for up to five years.

### Norwegian Corporate Shareholders

Norwegian Corporate Shareholders are exempt from tax on capital gains derived from the realisation of shares in the Company. Losses upon the realisation and costs incurred in connection with the purchase and realisation of such shares are not deductible for tax purposes.

Norwegian Corporate Shareholders may not credit Swedish withholding tax on gains, as the gains are not taxable in Norway.

### Net wealth tax

The 90% of the value of shares is included in the basis for the computation of net wealth tax imposed on Norwegian Personal Shareholders. Currently, the marginal net wealth tax rate is 0.85% of the value assessed. The value for assessment purposes for non-listed foreign shares is the assumed fair market value 1 January in the assessment year (i.e. the year following the relevant fiscal year). The tax value of the company at the 1 January in the year before the assessment year may be used provided (i) the taxpayer request that the tax value is used and (ii) the taxpayer is able to substantiate the tax value. The Government has suggested that the discount of 10% will be increased to 20%.

Norwegian Corporate Shareholders are not subject to net wealth tax.

### VAT and transfer taxes

No VAT, stamp or similar duties are currently imposed in Norway on the transfer or issuance of shares.

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