

Quartiers Properties AB (publ)

PRESS RELEASE

Stockholm, 3 December 2019

Quartiers Properties is carrying out a rights issue of approximately SEK 25.5 million by issuing new preference shares at a subscription price of SEK 9.15 per share, corresponding to a yield of around 10.5%.

The Board of Quartiers Properties AB (publ) ('Quartiers Properties' or 'the Company') has taken the decision to carry out a new share issue, with preferential rights for existing shareholders (irrespective of share class) of up to 2,786,875 preference shares. In the event of full subscription this would generate total issue proceeds of approximately SEK 25.5 million ('the Rights Issue'). The Rights Issue is intended to finance investment relating to Boho Club.

Subscription for preference shares will be based on subscription rights. The right to receive rights to subscribe for preference shares will fall to those who are registered as shareholders at the record date; they will be allocated subscription rights in relation to their shareholding at the record date. Each existing share (irrespective of share class) entitles the holder to one (1) subscription right. Twenty (20) subscription rights entitle the holder to subscribe for one (1) new preference share.

Background and reason

Quartiers Properties develops and improves properties on Spain's Costa del Sol with a focus on the area around Marbella. In the property development segment the Company markets and sells apartments and villas with an emphasis on the premium segment. In the property refinement segment the Company develops properties through refurbishment, concept design and market launch with a focus on creating value growth in the property portfolio. Quartiers Properties currently has two primary properties in this segment; Boho Club and Quartiers Apartment Hotel in Benahavís. Quartiers Properties has generated value growth of almost 100 percent in its apartment complex in Benahavís since it was acquired in 2016. Over the course of 2019 Boho Club has been refurbished, the restaurant has opened and the will hotel will also open by the end of the year.

The Company's increase in the number of actively managed and cash flow-generating properties in the portfolio has boosted interest among international operators in refinancing the Company on terms that Quartiers Properties finds attractive. The Company has therefore begun a refinancing process with JLL's London-based specialist hotel department with the aim of completing refinancing in the first half of 2020, thereby freeing up capital both immediately and on an ongoing basis as a result of higher LTV, a lower cost of capital and longer-term repayment terms. See the press release of 3 December 2019.

Proceeds from the Rights Issue are intended to be used as follows:

- Instalment payment of approximately SEK 4.5 million of a promissory note (corresponding to 50% of the amount of debt) for the acquisition of shares in connection with the buyout of a financial partner in Boho Club.
- Lending of approximately SEK 13.5 million to the subsidiary Boho Club (of which Quartiers Properties

owns 80%) regarding operation and development of the hotel and restaurant project on Marbella's Golden Mile.

- Annual instalment of approximately SEK 3.5 million for a plot next to Boho Club intended to be used for the construction of more hotel rooms in connection with a new local development plan in Marbella municipality.
- Other small investments in the property portfolio of approximately SEK 3.7 million.
- Coverage of issue costs of approximately SEK 0.3 million.

Authorisation, change in share capital and maximum dilution

The Board has decided on the issue of preference shares on the basis of the AGM's authorisation, registered with the Swedish Companies Registration Office on 5 June 2019.

The Rights Issue involves a maximum increase in share capital of SEK 69,671.88, corresponding to approximately 5%. The Rights Issue will result in a maximum dilution of outstanding capital of approximately 5% and a maximum dilution of the number of votes of around 0.6%.

Following the issue, share capital will total a maximum of SEK 1,463,109.70 and the number of shares will be a maximum of 58,524,388, of which 48,462,896 ordinary shares and a maximum of 10,061,492 preference shares.

Preliminary timetable for the issue

Record date for shareholders	11 December 2019
Information brochure/offering documentation available on the Company's website	12 December 2019
Subscription period begins	13 December 2019
Trading in rights and BTA begins	13 December 2019
Last date for trading in rights	2 January 2020
Subscription period ends	7 January 2020
Estimated date of publication of outcome	8 January 2020
Settlement date for subscribed non-preferences shares	13
January 2020	

Issuing institution

Mangold Fondkommission is acting as the issuing institution for the issue and Advokatfirman Wåhlin is the legal advisor.

For further questions, please contact:

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The company in brief

Quartiers Properties is a Swedish property development company offering innovative design and high quality, with operations on the Spanish Costa del Sol. The Company was founded in 2014 and has since built up a property portfolio of investment properties and project properties. The Company develops, sells and leases property.

Mangold is the Company's certified adviser. Mangold can be contacted on +46 (0)8-503 015 50 or by emailing ca@mangold.se.

Quartiers Properties AB (publ) is required to disclose this information under the EU Market Abuse Regulation. This information was provided for publication through the agency of the contact person above on 3 December 2019 at 9 p.m.

IMPORTANT INFORMATION

The information in this press release does not constitute an offer to acquire, subscribe for or otherwise trade in shares, subscription rights or other securities in Quartiers Properties. The invitation to relevant persons to subscribe for shares in Quartiers Properties will take place by means of the information brochure/offering documentation that the Company publishes at the start of the subscription period.

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