

WARRANTS IN QUARTIERS PROPERTIES AB (PUBL)

EXERCISE OF WARRANTS WITH THE OPTION TO SUBSCRIBE FOR ORDINARY SHARES AT A 25% DISCOUNT

Quartiers Properties AB (publ)

**QUAR
TIERS**
P R O P E R T I E S

REFERENCE TO PROSPECTUS

All investments involve risk. The prospectus for Quartiers Properties AB (publ) on page 36 onwards, published in connection with the issue of the warrants, contains a description of the potential risks associated with the company's business and its securities. These are still relevant. Before making an investment decision, potential investors should review these risks, together with other information in the full prospectus and subsequently published financial statements. The prospectus was published on 27 July 2020 and is available for download on the company's website: www.quartiersproperties.com/utbyteserbjudande.



SUBSCRIBE FOR SHARES AT A 25% DISCOUNT

CONTACT YOUR FUND MANAGER IN TIME BEFORE 31 AUGUST

Between **17 August** and **31 August**, holders of series 3 warrants (TO3) have the opportunity to use the warrants to subscribe for new ordinary shares at a **25% discount**.

If you wish to buy warrants to subscribe for more ordinary shares, you can do so. The warrants are traded on Nasdaq First North Growth Market under the symbol **QUART TO3**. The last trading day is **27 August**.

Contact your fund manager (e.g. Avanza or Nordnet) in due time **before 31 August**.



BACKGROUND FACTS AND INFORMATION ON THE OPTION TO SUBSCRIBE FOR NEW ORDINARY SHARES VIA WARRANTS

During the summer of 2020, Quartiers conducted an exchange offer in which holders of preference shares were given the opportunity to exchange one preference share for one newly issued ordinary share in the company, as well as two warrants. The newly issued warrants were designated Series 3 (TO3), which are now subject to redemption, and Series 4 (TO4).

A Series 3 Warrant (TO3) gives you the right to subscribe for one new ordinary share in Quartiers at a predetermined price equal to 75% of the average trading price between 30 July and 12 August 2021. The average trading price during the period was SEK 4.89, which means that as a holder of warrants you have the right to subscribe for new ordinary shares at a share price of SEK 3.67. That is, at a discount equivalent to 25% compared to the average trading price during the measurement period.

Series 3 warrants (TO3) can also be acquired on the market. They are traded on Nasdaq First North Growth Market under the symbol QUART TO3. The last trading

day, and therefore the last day to purchase warrants through your fund manager, is 27 August 2021.

An indication of the value of the warrants lies in the difference between the ordinary share price and the subscription price offered for the subscription of new shares through the exercise of the warrants.

As the warrants are traded on Nasdaq First North Growth Market, you can also see the current value of the warrants via your fund manager, e.g. Avanza or Nordnet, in the same way that you read the value of your shares.

The last closing price for the warrants before this document was printed was quoted on 12 August at SEK 0.51 per warrant.

To prevent the warrants from expiring without value, the holder must actively subscribe for shares or sell the warrants on the market.



BACKGROUND FACTS AND INFORMATION ON THE OFFER TO SUBSCRIBE FOR NEW ORDINARY SHARES VIA WARRANTS

Discount structure

The graph at the bottom of this page illustrates the discount structure on exercise of the current warrants. First and foremost, it illustrates a discount compared to the company's last reported net asset value per ordinary share, i.e. as of 30 June 2021. The average trading price during the measurement period that determined the subscription price for the warrants was quoted at SEK 4.89. That is, below net asset value, meaning that the company's ordinary shares are trading at a net asset value discount. The warrants also give you the right to subscribe for new ordinary shares at an additional discount of 25% compared to the average share price during the measurement period. The total net discount is therefore 35%.

Net asset value per ordinary share

The net asset value of the company is calculated as the value of current property valuations less liabilities, plus the redemption amount and accrued interest on the company's preference shares.

Potential for upside in net asset value

When evaluating the possibility of redeeming the warrants, investors should also take into account two important variables, both potentially possessing significant values, which have not been included in the calculation of the net asset value. These are new potential square meters of building rights on the Boho Club property and in the CFS Residential project, as well as the value of the Boho Club brand and operating company.

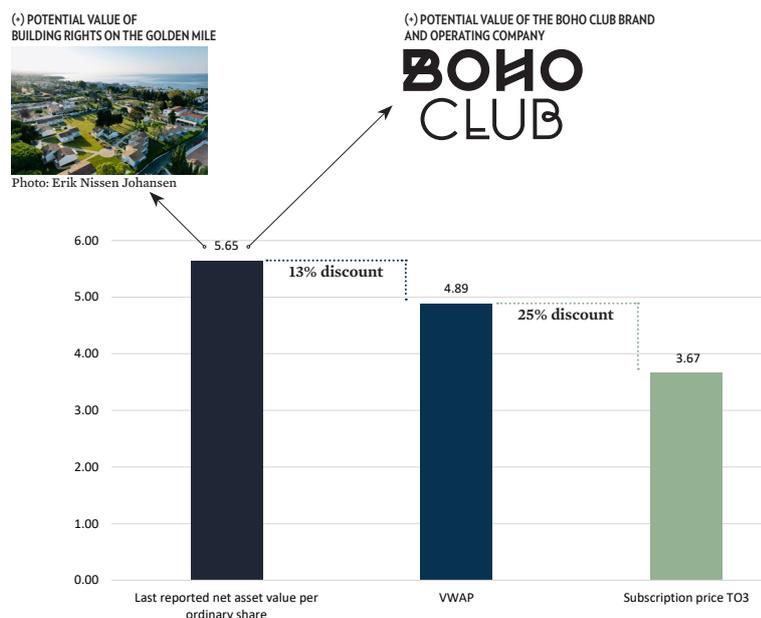
New building rights on the Golden Mile

A new zoning plan is being prepared for the Boho Club and CFS Residential properties. A new zoning plan could potentially multiply the number of square metres of building rights on the approximately 40,000 square metres of land owned by Quartiers in one of the best hotel and restaurant locations in Costa del Sol. Thus, the property value could potentially be impacted in the same way. Work is ongoing but no decision has yet been taken by Marbella municipality, and for this reason, the potential increase in value has not been included in the calculation of the net asset value.

The value of the Boho Club brand and operating company

Quartiers is not like other real estate companies that only rent and manage properties. Quartiers also has intangible assets and valuable know-how in the Boho Club brand and operating company. Over the past two years, Quartiers has developed a strong operating organisation and brand that has quickly established itself in the south of Spain and has demonstrated, through its popularity, that the brand and operations themselves possess the capacity and quality to make the concept scalable. The brand and the operating company could therefore hypothetically be valued individually according to the same principles as other listed hotel and restaurant companies. This value has not been included in the net asset value.

DISCOUNT STRUCTURE AND POTENTIAL UPSIDE NOT INCLUDED IN NET ASSET VALUE PER ORDINARY SHARE



BRIEF REMARKS ON THE THIRD QUARTER OF 2021 SO FAR AND HOW THE SPANISH PRESS REGULARLY HIGHLIGHTS THE BOHO CLUB

The third quarter so far

With almost half of the third quarter behind us, there can be no doubt that summer has arrived in Marbella. The company's hotel, restaurant and rental operations have been running at nearly full capacity since mid-July. The company's pricing strategy of higher pricing at Boho Club, as mentioned in the half-year report, is working well and resulting in higher revenues than would have been the case without the price increase.

Interest in buying apartments in the Hacienda Collection project in Benahavís remains high. A number of pending sales are expected to close during the third quarter. In addition, sales of a number of new reserved apartments are expected to close in either the third or fourth quarter.

At the end of July, one of the plots in the Los Flamíngos project was sold as expected. During the third quarter, Quartiers also received a reservation fee for the villa project in Nueva Andalucía. In terms of price, both sales are in line with expectations.

Boho Club the brand and the Spanish press

For the Swedish market, Boho Club has become best known through all the Swedish guests who have visited the resort, as well as through the many top-rated influencers and celebrities who have visited the hotel and the restaurant in recent months and then described their experience to their followers on Instagram, Facebook or Youtube. On the Spanish market, Boho Club is getting even more attention. Its activities receive ongoing attention from the national Spanish press. Among those who have taken notice of the Boho Club are some of Spain's biggest newspapers, such as El País and the business newspaper Expansión, in addition to most lifestyle maga-

zines and the local press in both Spanish and English.

The Olive Press, an English web magazine for foreign nationals who have moved to Spain, describes the Boho Club as the best thing to happen to Marbella's Golden Mile in years.

Boho Club and Quartiers Properties are mentioned in the national business magazine Expansión, the Spanish equivalent of Dagens Industri.

Boho Club's unique concept and renowned restaurant is praised in one of Spain's biggest newspapers, El País.



Gain a better understanding of our business and how we create value in our real estate portfolio.

FOLLOW US ON SOCIAL MEDIA!

@bohoclubmarbella

@quartiersmarbellaapartments



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