

## Press release

16 November 2021

# Nivika intends to list its Class B shares on Nasdaq Stockholm

**Nivika Fastigheter AB (publ) ("Nivika" or the "Company"), a fast-growing property company with focus on Småland, hereby announces its intention to list its Class B shares on Nasdaq Stockholm (the "Listing") and to carry out a new share issue of Class B shares of approximately MSEK 1,000 (the "Offering").**

The purpose of the contemplated Offering and Listing is to create prerequisites for continued good growth, primarily through an increased and more efficient long-term access to capital from the capital market. Nivika's Board of Directors and Management consider a listing to be a natural and important step in the Company's development and assess that the Listing will lead to an increased awareness of Nivika and its operations.

## The intended Offering in brief

- The Offering is intended to be directed to the general public in Sweden and institutional investors in Sweden and internationally.
- The Offering is intended to consist of newly issued Class B shares of approximately MSEK 1,000 before transaction costs.
- To cover any over-allotments in connection with the Offering, the Company has undertaken, to issue additional Class B shares to a value of up to approximately MSEK 150, corresponding to an increase of the number of newly issued Class B shares of up to 15 per cent.
- The Company intends to use all of the net issue proceeds from the Offering to finance continued growth through acquisitions and project development of residential and commercial properties for long-term ownership and property management. The existing shareholders will not sell any shares in the Offering.
- Tredje AP-fonden (AP3), Swedbank Robur Fonder, Öhman Fonder, and Weland AB have, subject to certain customary conditions, undertaken to acquire Class B shares in the Offering of a total amount of approximately MSEK 600 at a pre-money market value of the Company's outstanding shares of up to approximately MSEK 3,825 corresponding to a share price of SEK 85.50<sup>1</sup>. These commitments in total equal approximately 52 per cent of the intended Offering, including the over-allotment option.

## Niclas Bergman, founder and CEO of Nivika, comments:

*"Nivika has since the start in year 2000, and until today, continuously worked to acquire and develop attractive properties for long-term management, in growth locations in Småland and in western Sweden. We have had a very exciting journey and I am proud of what we have achieved. With a strong business model, project portfolio and competent employees, Nivika is well-positioned for the future. A listing on Nasdaq Stockholm will provide the Company with further support and financial resources to continue to deliver growth and to create shareholder value."*

## Elisabeth Norman, Chairman of the Board of Directors of Nivika, comments:

*"The Board of Directors is proud of what the management team with Niclas at the lead has accomplished since Nivika's start of operations. The Company has throughout the years shown good results and a strategic direction that includes sustainability. We have fantastic colleagues and a strong management team that we know will continue to take us in the right direction. It is with great joy that we welcome our new shareholders and see Nivika entering a new phase with the listing."*

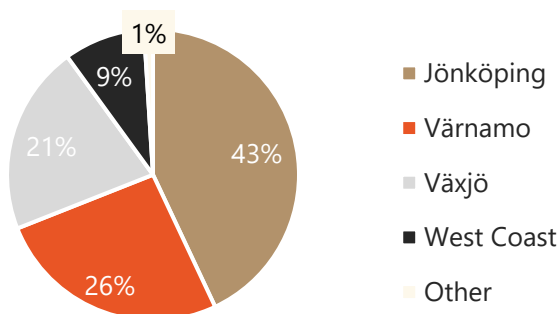
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<sup>1</sup> Based on 44,734,964 shares outstanding in the Company, including set-off share issues relating to acquisitions that were entered into after the year end date 31 August 2021.

## About Nivika and the background to the Offering and the Listing

Nivika is a fast-growing property company with focus on long-term ownership, efficient new development and with an investment strategy with purpose of being flexible and adaptable towards the property market. The Company's main objectives are owning, managing, and developing properties. The Company primarily operates in Jönköping, Värnamo and Växjö and, to an increasing extent, also in western and southern Sweden, including Helsingborg, Halmstad and Varberg. Nivika is headquartered in Värnamo and was founded in year 2000 by the Company's current CEO respective a member of the Board of Directors, also the current principal owners<sup>2</sup>, spouses Niclas Bergman and Viktoria Bergman. As of 31 August 2021, Nivika owned properties valued at MSEK 6,910, of which residential properties and community and social properties composed approximately 35 per cent of the property value. The remaining property value was attributable to various commercial properties.

**Distribution of property value by geography**



Nivika's ambition is to continue to grow while maintaining current profitability. The Company considers itself to be in a good position for continuing its expansion within its geographical area, with a focus on residential properties and community and social properties. Nivika targets the proportion of residential properties and community and social properties to account for 60 per cent of the property value by the end of 2025.

## Strategy

Nivika's strategic focus takes hold in a property portfolio that shall be further developed with a long-term perspective, so that the rental potential of the different properties is maximised whilst operating and management costs are made more efficient, which according to the Company, creates a good value growth over time. The development of the Company's property portfolio is planned to continue through acquisitions and new development. Nivika's strategy consists of four components:

- (i) **Refurbishments** are conducted based on each property's unique conditions, with the target of increasing the property value and the return.
- (ii) **Acquisition of properties** is one part of the operations, where Nivika is continuously working to identify new and interesting properties in order to increase the portfolio.
- (iii) **Sourcing of building rights** is carried out from existing properties and Nivika is actively working with the municipalities in its markets in order to be able to develop commercial area to residential properties or enabling more residential properties on the property in question in new zoning plans.
- (iv) **New development** and management are generally carried out at Nivika's existing properties where the Company has worked to change the zoning plan in order to enable new development, or on buildable land which the Company acquired.

<sup>2</sup> Through the company Värnanäs AB.

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## **Sustainability**

Sustainability is an integrated part in Nivika's strategy. Long-term sustainable value creation is an essential part of the overall corporate governance for Nivika, where the sustainability work starts from a long-term responsibility for economic, environmental, and social development. Nivika sees sustainability as a precondition to be able to compete in the property industry, which has made it a fundamental component in the Company's philosophy of being a property company that drives development and contributes to a more sustainable society. The overall goal is to ensure an attractive property portfolio that creates long-term persistent value without negative influence on human beings and the environment.

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## Selected financial information

	Financial year ending 31 August		
	2021	2020	2019
<b>Property-related key ratios</b>			
Investment properties <sup>3,4</sup> , MSEK	6,910.1	5,062.7	3,511.5
Rental income <sup>2,3</sup> , MSEK	327.4	259.1	190.9
Net operating income <sup>2</sup> , MSEK	236.4	178.2	128.5
Surplus ratio <sup>5</sup> , %	72.2	68.8	67.3
Number of completed apartments <sup>6</sup>	311	66	0
Number of apartments under construction <sup>5</sup>	376	513	271
Number of apartments in project development <sup>5</sup>	1,660	1,650	1,780
Lettable area of community properties and residential <sup>5</sup> , m <sup>2</sup>	99,193	58,216	37,295
Total lettable area <sup>2,5</sup> , m <sup>2</sup>	428,850	310,040	222,246
Economic occupancy rate, residential <sup>5</sup> , %	97.9	99.9	99.2
Economic occupancy rate, commercial <sup>5</sup> , %	94.4	95.8	95.9
<b>Financial key ratios</b>			
Earnings before financial income and costs	208.4	154.6	111.3
Profit from property management <sup>2</sup> , MSEK	91.3	82.7	67.6
Net income for the period <sup>2,3</sup> , MSEK	363.1	236.6	172.2
Equity attributable to parent company shareholders <sup>2,3</sup> , MSEK	2,424.5	1,689.7	1,091.1
Long-term net asset value <sup>4</sup> , MSEK	2,860.6	2,033.8	1,469.5
Return on equity <sup>4</sup> , %	17.7	16.5	15.9
Solvency <sup>4</sup> , %	33.2	32.2	31.3
Net loan-to-value <sup>4</sup> , %	58.4	59.3	57.4
<b>Share-related key ratios</b>			
Adjusted number of outstanding shares at end of period <sup>2,7</sup>	40,713,036	35,155,000	26,500,000
Profit from property management per share <sup>4</sup> , SEK	2.54	2.53	2.55
Growth in profit from property management per share <sup>8</sup> , %	0.4	-0.8	16.4
Net income per share <sup>4</sup> , SEK	10.11	7.24	6.13
Long-term net asset value per share <sup>4</sup> , SEK	70.3	57.9	55.5

<sup>3</sup> The key ratios are retrieved from the group's financial statements for each of the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019.

<sup>4</sup> Defined in accordance with IFRS.

<sup>5</sup> The sub-components are retrieved from the group's financial statements for each of the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019.

<sup>6</sup> The key ratios or components are retrieved from the group's internal operating systems.

<sup>7</sup> Adjusted for fund issue 4:1 and split 1,000:1 implemented in March 2021 and reverse share split 1:5 implemented in November 2021 in order to make key ratios comparable.

<sup>8</sup> The sub-components are retrieved from the group's financial statements for each of the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019.

The information for 2017/18 has been retrieved from the group's financial statement for the financial year ending 31 August 2018.

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## Shareholder's equity and liabilities

The table below describes the Company's capitalisation at group level as of 31 August 2021. The adjustment items consists of following transactions: (i) financing of larger acquisitions that were entered into after the year end date 31 August 2021, including the acquisitions of SantHem Fastigheter AB and SantHem Heden AB, Riddarberget AB and Tingstadsvassen 24:10 and (ii) increased bond loan of MSEK 150 with maturity during 2024. Due to the aforementioned adjustments for the acquisitions, that were entered into after the year end date 31 August 2021, the Company's cash position has decreased from MSEK 210.8 as of August 31, 2021 to MSEK 118.6. Accounting for additional capital contributions of MSEK 321.0 relating to the larger acquisitions that were entered into after the year end date 31 August 2021, together with the long-term net asset value as of 31 August 2021 of MSEK 2,860.6, the adjusted long-term net asset value amount to MSEK 3,182.6, which corresponds to SEK 71.1 per share<sup>9</sup>.

	Actual	Adjustments	Adjusted
<b>MSEK</b>	<b>31 August 2021</b>		
<b>Current debt</b>			
Guaranteed	-	-	-
Secured	158.0 <sup>10</sup>	27.7 <sup>11</sup>	185.7
Unguaranteed or unsecured	-	10.0 <sup>12</sup>	10.0
<b>Total current debt</b>	<b>158.0</b>	<b>37.7</b>	<b>195.7</b>
<b>Non-current debt</b>			
Guaranteed	-	-	-
Secured	2,854.0	773.4 <sup>13</sup>	3,627.4
Unguaranteed or unsecured	1,270.0 <sup>14</sup>	150.0 <sup>15</sup>	1,420.0
<b>Total non-current debt</b>	<b>4,124.0</b>	<b>923.4</b>	<b>5,047.4</b>
<b>Shareholder's equity</b>			
Share capital	6.3	-	6.3
Other capital contributions	974.4	321.0 <sup>16</sup>	1,295.4
Other reserves	1,443.8	-	1,443.8
<b>Total shareholder's equity</b>	<b>2,424.5</b>	<b>321.0</b>	<b>2,745.5</b>
<b>Total capitalisation</b>	<b>6,706.5</b>	<b>1,282.1</b>	<b>7,988.6</b>

<sup>9</sup> Based on 44,734,964 shares outstanding in the Company, including set-off share issues relating to acquisitions that were entered into after the year end date 31 August 2021.

<sup>10</sup> Secured current debts (including the current part of non-current debts) are secured through property pledge and pledged shares in essential subsidiaries.

<sup>11</sup> Concern current part of new financing, of which MSEK 26.7 are pertaining to the acquisitions of Riddarberget AB, SantHem Fastigheter AB and SantHem Heden AB as well as Tingstadsvassen 24:10 and MSEK 1.0 are pertaining to other acquisitions (coming years' amortisation).

<sup>12</sup> Concern current seller promissory note pertaining to the acquisition of Tingstadsvassen 24:10.

<sup>13</sup> Secured non-current debts of new financing, of which MSEK 749.3 are pertaining to the acquisitions of Riddarberget AB, SantHem Fastigheter AB and SantHem Heden AB and Tingstadsvassen 24:10 and MSEK 24.1 are pertaining to other acquisitions (excluding the current part of non-current debts), secured through property pledge and pledged shares in essential subsidiaries.

<sup>14</sup> Non-current debts without pledge concern unsecured bond financing and non-current promissory notes.

<sup>15</sup> Increase of existing bond loan with MSEK 150.

<sup>16</sup> Concern capital contributions as issuance of new shares in the Company, of which MSEK 308 are pertaining to the acquisitions of Riddarberget AB, SantHem Fastigheter AB and SantHem Heden AB and Tingstadsvassen 24:10 and MSEK 13.0 are pertaining to other acquisitions.

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## **Financial targets and Dividend policy**

The Company's goal is continued growth with requirements for profitability and positive cash flows. The financial goals that shall be fulfilled over time are the following:

- The property value shall amount to BSEK 12 at the end of 2025,
- Profit from property management per share shall have an average annual growth of at least 15 per cent over the economic cycle,
- The net loan-to-value ratio shall in the long-term be below 65 per cent,
- The interest coverage ratio for the group shall in the long-term be at least 1.75x, and
- The shareholders' equity/assets ratio shall amount to at least 25 per cent.

Nivika's overall goal is to create value for the Company's shareholders. During the coming years, this will take place primarily through re-investing in the operations in order to create growth through investments in new development, existing properties and in acquisitions of new properties. Therefore, the dividend may become low or non-existent during the coming years. In the long term, the Company's goal is to distribute 20-40 per cent of the profit from property management after tax paid.

## **The Offering in brief**

If the Offering is carried out, the Class B shares will be offered to qualified and institutional investors in Sweden, and internationally (excluding the U.S.) as well as to the general public in Sweden. All offers and sales outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933.

The Offering is intended to consist of newly issued Class B shares of approximately MSEK 1,000 before transaction costs. To cover any over-allotments in connection with the Offering, the Company has undertaken, to issue additional Class B shares to a value of up to approximately MSEK 150, corresponding to an increase of the number of newly issued Class B shares of up to 15 per cent.

Tredje AP-fonden (AP3), Swedbank Robur Fonder, Öhman Fonder, and Weland AB have, subject to certain customary conditions, undertaken to acquire Class B shares in the Offering of a total amount of approximately MSEK 600 at a pre-money market value of the Company's outstanding shares of up to approximately MSEK 3,825 corresponding to a share price of SEK 85.50<sup>17</sup>. These commitments in total equal approximately 52 per cent of the intended Offering, including the over-allotment option.

Complete terms, conditions and instructions for the Offering will be described in a prospectus prepared by the Company in connection with the intended Offering and Listing. The prospectus is expected to be made public during the second half of November and will be published on Nivika's website, [www.nivika.se](http://www.nivika.se).

The Nasdaq Stockholm listing committee has assessed that the Company fulfils the listing requirements of Nasdaq Stockholm. The Nasdaq Stockholm listing committee will approve an application for admission to trading of the Company's Class B shares on the Nasdaq Stockholm provided that certain customary conditions are met, including that the Company submits such an application and that the distribution requirement for its shares is met. Depending on the market conditions, the first day of trading of Nivika's Class B shares is expected to be in the first half of December 2021.

## **Advisors**

Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") and Skandinaviska Enskilda Banken AB ("SEB") are Joint Global Coordinators and Joint Bookrunners. Hannes Snellman Advokatbyrå AB is legal advisor to Nivika and Advokatfirman Hammarskiöld & Co AB is legal advisor to Danske Bank and SEB in connection with the Offering and Listing.

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<sup>17</sup> Based on 44,734,964 shares outstanding in the Company, including set-off share issues relating to acquisitions that were entered into after the year end date 31 August 2021.

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*This information is such information that Nivika Fastigheter AB (publ) is obligated to make public according to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, on 16 November 2021 08.00 CET.*

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## Important information

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The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **"Securities Act"**), and accordingly may not be offered or sold in the United States absent registration or an exemption from the registration requirements of the Securities Act and in accordance with applicable U.S. state securities laws. The Company does not intend to register any offering in the United States or to conduct an offering of securities in the United States.

Copies of this press release are not being, and should not be, distributed in or sent into the United States. The securities described herein have also not been and will not be registered under the applicable securities laws of Canada, Australia, New Zealand, Singapore, South Africa, Hong Kong, or Japan and, subject to certain exemptions, may not be offered or sold in or into or for the account or benefit of any person having a registered address in, or located or resident in Canada, Australia, New Zealand, Singapore, South Africa, Hong Kong, or Japan. There will be no offering of the securities described herein in Canada, Australia, New Zealand, Singapore, South Africa, Hong Kong or Japan.

In any Member State of the European Economic Area (the **"EEA"**), other than Sweden, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation, i.e., only to investors who can receive the offer without an approved prospectus in such EEA Member State.

In the United Kingdom, this press release is for distribution only to and is directed only at persons who (i) have professional experience in matters relating to investments which fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the **"Order"**), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc") of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as **"relevant persons"**). This press release is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this press release relates is available only to relevant persons and will be engaged in only with relevant persons.

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[Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "**manufacturer**" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the B-shares have been subject to a product approval process, which has determined that such B-shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**EU Target Market Assessment**"). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the securities in the Company has led to the conclusion that: (i) the target market for such securities is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of such securities to eligible counterparties and professional clients are appropriate (the "**UK Target Market Assessment**" and, together with the EU Target Market Assessment, the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the B-shares may decline and investors could lose all or part of their investment; the B-shares offer no guaranteed income and no capital protection; and an investment in the B-shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the B-shares. Each distributor is responsible for undertaking its own target market assessment in respect of the B-shares and determining appropriate distribution channels.]