

Press release

27 March 2023

Nivika explores the conditions to carry out a directed share issue of approx. SEK 750m with the intention to repay a large amount of the company's bonds, thereby increasing the financial flexibility

Nivika Fastigheter AB (publ) ("Nivika" or the "Company") has appointed ABG Sundal Collier AB ("ABG Sundal Collier"), Arctic Securities AS, filial Sverige ("Arctic Securities"), Danske Bank A/S, Danmark, Sverige Filial ("Danske Bank") and Skandinaviska Enskilda Banken AB ("SEB"), jointly (the "Joint Bookrunners"), to explore the conditions to carry out a directed new share issue of class B shares of approximately SEK 750m through an accelerated bookbuilding procedure, which commences immediately (the "Share Issue"). The net proceeds from the Share Issue are intended to be used to repay a large amount of the Company's outstanding bonds. Furthermore, Nivika intends to initiate a dialogue with the bondholders to amend the bond terms in the near future.

Nivika's Board of Directors (the "**Board**") intends to resolve on the Share Issue, subject to the subsequent approval of an extraordinary general meeting (the "**EGM**"). The Company's largest shareholders Santhe Dahl, CEO Niclas Bergman, Benny Holmgren and Håkan Eriksson, together holding 47.1% of the share capital and 78.8% of the votes, have expressed their support for the Share Issue and intend to participate in the Share Issue with an amount of just over SEK 300m. Furthermore, these owners as well as additional existing owners, who together represent 75.6% of the share capital and 95.0% of the votes, have undertaken or intend to vote in favour for the Share Issue at the EGM. The subscription price and the final number of shares will be determined through an accelerated bookbuilding procedure. The new shares will be offered to Swedish and international professional and institutional investors. Furthermore, the existing owner Weland intends to vote in favour for and subscribe to the Share Issue with approximately SEK 300m. Given Weland's commitment in the Share Issue, some of the main owners in Nivika have undertaken to exchange parts of Weland's class B shares for existing class A shares.

Nivika assesses, based on the unforeseen and rapid change in the interest rate environment as well as current market views of future interest rates, that Nivika's growth ambitions are challenged by higher financial costs and the uncertainty around the upcoming bond maturities. Therefore, the Board believes that it is a priority to strengthen the balance sheet and the interest coverage ratio, improve cash flow and increase the financial flexibility through the Share Issue. Furthermore, Nivika is experiencing a strong rental market with good demand from existing and new tenants for both residential and commercial properties and has the ambition to continue working towards a strengthened balance sheet.

The Board has carefully considered the option to raise the proceeds through a rights issue and makes the assessment that there are currently several reasons why it is preferable for the Company and the shareholders to raise the proceeds through a directed new share issue. A rights issue would entail higher total costs for the Company, mainly due to the procurement of a guarantee consortium, especially in the current volatile market environment. Furthermore, a rights issue would be significantly more time consuming, which would have a negative impact on the Company's ability to act and on its financial situation, and thus lead to generally higher risks in the prevailing, volatile, financing market where the Board's and the Company's ambition is to strengthen the financial position. Furthermore, a rights issue would likely lead to higher dilution for non-participating shareholders. In addition, the Board considers it positive that the Company's shareholder base expands and strengthens with both Swedish and international professional and institutional investors, which will also contribute to increased liquidity in the share after the Share Issue. Against this background, the Board's overall assessment is that, in this particular case, the reasons for carrying out the Share Issue in this manner outweigh the principal rule that new share issues shall be carried out with pre-emptive rights for existing shareholders, and that a new share issue with deviation from the shareholders' pre-emptive rights is in the interest of the Company and all shareholders.

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The Company's outstanding bonds currently amount to a total of SEK 1,250m with first maturity in September 2023. Nivika intends to use the net proceeds from the Share Issue to repay the bonds up to a corresponding amount and intends to initiate a dialogue with the bondholders to amend the bond terms. This would overall lead to substantially lower financial costs, greater financial flexibility and a strengthened long-term financial position for the Company.

The Share Issue is intended to be carried out with deviation from the shareholders' pre-emptive rights and is resolved by the Board subject to subsequent approval from the EGM. The Company intends to prepare a prospectus regarding the admission to trading of the new class B shares which are issued (the "**Prospectus**"). The Prospectus is subject to approval from the Swedish Financial Supervisory Authority. The subscription price and the total number of new class B shares will be determined through an accelerated bookbuilding procedure which will be conducted by the Joint Bookrunners and will commence immediately after the publication of this press release. Pricing and allocation is expected to be communicated no later than 28 March 2023 and admission to trading of the new class B shares is planned for after the approval from the EGM and the Swedish Financial Supervisory Authority's approval of the Prospectus. By establishing the subscription price through an accelerated bookbuilding procedure to Swedish and international professional and institutional investors, it is the assessment of the Board that the subscription price will accurately reflect current market conditions and demand. The closing, pricing and allocation of the bookbuilding procedure is at the discretion of the Company and may be cancelled at any time. The Company will announce the outcome in a press release after the bookbuilding procedure has been completed and before commencement of trading on Nasdaq Stockholm, main market. Provided that the Board resolves on the Share Issue as set forth above, a notice to the EGM will be announced separately.

Subject to the Share Issue being carried out, the Company's board members and senior executives have, towards the Joint Bookrunners, subject to customary exemptions, agreed to not divest any shares in Nivika during a period of 180 calendar days from the first settlement date of the Share Issue.

Advisers

ABG Sundal Collier, Arctic Securities, Danske Bank and SEB act as Joint Bookrunners in connection with the Share Issue. Born Advokater is legal adviser to the Company in connection with the Share Issue. Baker McKenzie is legal adviser to the Joint Bookrunners.

For further information, please contact:

Niclas Bergman, CEO
Mobile: +46 70 516 75 22
Email: niclas@nivika.se

Kristina Karlsson, CFO & IR
Mobile: +46 70 614 20 20
Email: kristina@nivika.se

This information constitutes insider information that Nivika Fastigheter AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 27 March 2023 17.31 CET.

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About Nivika

Nivika is a property company based in Småland with focus on long-term ownership, efficient new development and an investment strategy that aims to be flexible and adaptable towards the property market. The Company's main operations consist of owning, managing and developing properties. The Company is mainly present in regions such as Jönköping, Värnamo, Växjö, as well as in western Sweden. As of 30 November 2022, Nivika owned properties valued at SEK 10,810m, of which 90% are investment properties. The property portfolio consists of approximately two-thirds commercial properties focused on industry, warehouses, offices and community service properties and approximately one-third of residential properties.

Please read more at www.nivika.se

Important information

This press release is not and does not form a part of any offer for sale of securities. Copies of this communication may not be made in, and may not be distributed or sent into, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa, Switzerland, the United States, or any other jurisdiction in which distribution of this press release would be unlawful or would require registration or other measures. The distribution of this announcement in other jurisdictions may be restricted by law and persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions.

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The securities referred to herein have not been and will not be registered under the applicable securities laws of Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or Switzerland 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, Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or Switzerland. There will be no public offering of the securities described herein in Australia, Canada, Hong Kong, Japan, New Zealand, Singapore, South Africa or Switzerland.

This press release is not a prospectus for purposes of Prospectus Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 and its delegated and implemented regulations (the "Prospectus Regulation") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of securities in any EEA Member State and no prospectus has been or will be prepared in connection with the directed new share issue. In any EEA Member State, this communication is only addressed to and is only directed at qualified investors in that Member State within the meaning of the Prospectus Regulation.

In the United Kingdom, this document and any other materials in relation to the securities described herein is only being distributed to, and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged in only with, "qualified investors" who are (i) persons having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, any investment or investment activity to which this communication relates is available only to, and will be engaged in only with, relevant persons. Persons who are not relevant persons should not take any action on the basis of this press release and should not act or rely on it.

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Any investment decision in connection with the directed new share issue must be made on the basis of all publicly available information relating to the Company and the issued shares. The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement does not purport to identify or suggest the risks (direct or indirect) which may be associated with an investment in the Company or the new shares.

None of the Company, the Joint Bookrunners or any of their respective affiliates directors, officers, employees, agents, affiliates or advisers is under any obligation to update, complete, revise or keep current the information contained in this press release to which it relates or to provide the recipient of with access to any additional information that may arise in connection with it.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market rule book for issuers.

INFORMATION TO DISTRIBUTORS

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 MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Nivika have been subject to a product approval process, which has determined that such 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 shares in the Company has led to the conclusion that: (i) the target market for such shares 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 shares to eligible counterparties and professional clients are appropriate (the "UK Target Market Assessment" and,

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together with the EU Target Market Assessment, the "Target Market Assessment"). Notwithstanding the Target Market Assessment, Distributors should note that: the price of the shares in Nivika may decline and investors could lose all or part of their investment; the shares in Nivika's offer no guaranteed income and no capital protection; and an investment in the shares in Nivika 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 directed new share issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners 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 UK MiFIR; 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 shares in Nivika.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Nivika and determining appropriate distribution channels.

Every care has been taken into consideration when translating this press release into English. In the event of differences between the English version and the Swedish original, the Swedish version shall apply.

