

INVITATION TO SUBSCRIBE FOR CLASS B SHARES IN NIVIKA FASTIGHETER AB (PUBL)

nivika.



Joint Global Coordinators och Joint Bookrunners

Danske | **Bank**

SEB

IMPORTANT INFORMATION

This prospectus (the "**Prospectus**") has been prepared by Nivika Fastigheter AB (publ), reg.no 556735-3809 ("**Nivika**", the "**Company**" or regarding the Company and/or one or more of its direct or indirect subsidiaries the "**Group**"), by reason of the offering to the public in Sweden and the listing of the Company's Class B shares on Nasdaq Stockholm (the "**Offer**"). Danske Bank A/S, Denmark, Sverige Filial ("**Danske Bank**") and Skandinaviska Enskilda Banken AB (publ) ("**SEB**") are "**Joint Global Coordinators and Joint Bookrunners**" in connection with the Offer. See section "Definitions" for the meaning of the defined terms used in the Prospectus.

A separate prospectus in Swedish has been approved and registered by the Swedish Financial Supervisory Authority (the "**SFSA**") (Sw. *Finansinspektionen*) in accordance with Regulation EU 2017/1129 (the "**Prospectus Regulation**"). The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency stipulated by the Prospectus Regulation. This approval should not be regarded as any type of support for the issuer referred to in this Prospectus or for the quality of the securities referred to in the Prospectus and investors should make their own assessment of whether it is appropriate to invest in these securities. This English language Prospectus constitutes a translation of the Swedish Prospectus. In the event of any discrepancies between the Prospectus and the Swedish Prospectus, the Swedish Prospectus shall prevail.

Any dispute arising from this Prospectus, the Offer and related legal matters shall be exclusively governed by Swedish law and exclusively settled by Swedish courts, whereby Stockholm District Court shall constitute the first instance.

The Swedish Prospectus was approved by the SFSA on 22 November 2021 and is valid for up to 12 months from this date. The obligation to provide supplements to a prospectus in the event of new circumstances of significance, factual errors or material inaccuracies will not apply once a prospectus no longer is valid.

The Offer is not directed to the general public in any country other than Sweden. Nor is the Offer directed to such persons whose participation requires additional prospectuses, registration or other measures other than those prescribed by Swedish law. No measures have been or will be taken in any other jurisdiction than Sweden, that would allow that securities are offered to the public or allow possession or distribution of the Prospectus or any other documents pertaining to the Company or the Company's securities in such a jurisdiction. Applications to acquire shares that violate such rules may be deemed invalid. Persons who take part of the Prospectus are urged by the Company and Joint Global Coordinators and Joint Bookrunners to inform themselves about and comply with all such restrictions. Neither the Company nor Joint Global Coordinators and Joint Bookrunners assumes legal responsibility for violations of such restrictions, regardless of whether the violation is committed by a potential investor or someone else.

The securities in the Offer have not been and will not be registered under the United States Securities Act as of 1933 ("**US Securities Act**"), as amended, or with any securities regulation in any state or other jurisdiction in the United States and may not be offered or sold or in any other way be transferred directly or indirectly within or to the United States except in accordance with an applicable exemption from, or through a transaction not subject to, the registration requirements in the US Securities Act and in compliance with any applicable securities regulation in the state or other jurisdiction in the United States. The securities in the Offer are offered outside of the United States in compliance with Regulation S under the US Securities Act. The securities have neither been approved nor been failed by the United States Securities and Exchange Commission, any state securities authority or any other United States authority. Nor has any such authority assessed or confirmed the accuracy or reliability of this Prospectus. To assert the opposite is a criminal offence in the United States.

An investment in securities is associated with risks (see section "Risk factors"). In making an investment decision, investors must rely on their own assessment of the Company and the offer pursuant to the Prospectus, including the current circumstances and risks. Before making an investment decision, potential investors should use their own professional advisers and carefully evaluate and consider the investment decision. Investors may only rely on the information in the Prospectus and any supplements to the Prospectus. Nobody has been authorised to provide any information or make any statements other than those contained in the Prospectus. Should this happen, such information or statements should not be considered to have been approved by the Company, and the Company is not responsible for such information or statements. Neither the publication of the Prospectus nor any transactions effected as a result of the Prospectus shall under any circumstances be considered to mean that the information in the Prospectus is accurate and applicable at any time other than at the date of publication of the Prospectus, or that there has been no change in Company's operations after that date.

Stabilisation

In connection with the Offer, Danske Bank may, as stabilisation agent for Joint Global Coordinators and Joint Bookrunners (the "**Stabilisation agent**"), to the extent permitted by Swedish law, carry out transactions aimed at supporting, maintaining or in other ways affect the market price of the Company's Class B shares for up to 30 days after the first day of trading with the Company's Class B shares on Nasdaq Stockholm. The Stabilisation agent may over-allot shares or carry out transactions in order to maintain the market price of the shares at a higher level than could otherwise have prevailed in the market. However, the Stabilisation agent is not obliged to carry out such transactions and there is no guarantee that such activities will be carried out. Such stabilisation transactions may be carried out on all types of stock markets, the OTC market or in other ways. If the transactions still are carried out, they may be discontinued at any time without notice thereof, but must be ended by the end of the above mentioned 30 day period. At latest by the end of the seventh day of trading following the execution of stabilisation transactions, the Stabilisation agent shall disclose that stabilisation measures have been conducted, in accordance with Article 5(4) in the EU Market Abuse Regulation 596/2014. Within one week after the end of the stabilisation period, the Stabilisation agent will declare whether or not stabilisation was carried out, the date on which stabilisation was initiated, the date on which stabilisation was last carried out and the price range within which stabilisation was carried out for each of the stabilisation transactions. Except as stated in laws or regulations, the Joint Global Coordinators and the Joint Bookrunners or the Stabilisation agent will not disclose the extent of the stabilisation and / or over-allotment transactions in connection with the Offer.

Forward-looking statements

The Prospectus contains certain forward-looking statements reflecting the Company's current view on future events as well as financial and operative development. Wordings such as "intend", "assess", "expected", "could", "plan", "estimate", "anticipate", "should", "presume" "will" and other expressions meaning indications or predictions regarding the future developments and trends, and are not based on historical facts, constitute forward-looking statements. Forward-looking statements are by nature associated with known as well as unknown risks and uncertainties as they depend on future events and circumstances. Forward-looking statements do not constitute guarantees regarding future results or development and the actual outcome may differ materially from what is stated in forward-looking statements. Factors that may cause the Company's future results and development to deviate from what is stated in forward-looking statements include, *inter alia*, those described in the section "Risk factors". Forward-looking statements in the Prospectus only apply as of the day of the publication of the Prospectus. The Company does not undertake to publish updates or revisions of forward-looking statements as a result of new information, future events or similar circumstances other than what follows from applicable rules and regulations.

Industry and market information

Information provided by third parties has been accurately reproduced and, as so far the Company is aware and has been able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The sources from which the Company has retrieved third party information are indicated by way of footnotes in the Prospectus. Market and industry information is by its nature forward-looking, subject to uncertainty and does not necessarily reflect actual market and industry conditions. Although information has been accurately reproduced and the Company considers the sources to be reliable, the Company has not independently verified the information and therefore its accuracy and completeness cannot be guaranteed. As far as the Company is aware and is able to ascertain through comparisons with other data published by these sources, no information has been omitted in a way which would render the reproduced information inaccurate or misleading.

Presentation of financial information

Certain financial and other information presented in the Prospectus has been rounded to make the information more easily accessible to the reader. Consequently, the figures in some columns do not precisely match the stated total amount. All financial figures are in Swedish kronor ("**SEK**") unless otherwise stated. Except as expressly provided herein, no financial information in this Prospectus has been audited or reviewed by the Company's auditor. Financial information relating to the Company in this Prospectus and which is not part of the information that has been audited or reviewed by the Company's auditor in accordance with what is stated herein, has been obtained from the Company's internal accounting and reporting system.

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Summary of the Offer

Offering price

SEK 85.50 per Class B share

Application period for the general public

23 November – 1 December 2021

Application period for institutional investors

23 November – 2 December 2021

First day of trading in the Company's Class B shares

3 December 2021

Settlement date

7 December 2021

Other information

Short name (ticker): NIVI B

ISIN-code Class B shares: SE0017083272

The Company's LEI-code: 549300HXIG611R7YBT33

Financial calendar

Annual report for the financial year that ended 31 August 2021

22 November 2021

Interim report for the period September – November 2021

27 January 2022

Interim report for the period September 2021 – February 2022

28 April 2022

SUMMARY

Introduction and warnings

Introduction and warnings

This summary should be read as an introduction to the Prospectus. Every decision to invest in the securities should be based on an assessment of the Prospectus in its entirety by the investor. An investor may lose all or part of the capital invested.

Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

The issuer

Nivika Fastigheter AB (publ)
Company registration number: 556735-3809
Address: Ringvägen 38, SE-331 32 Värnamo, Sweden
Website: www.nivika.se
Telephone: +46 (0)770-22 01 50
The Company's LEI-code: 549300HXIG611R7YBT33
Short name (ticker): NIVI B

The securities

ISIN-code Class B shares: SE0017083272

Competent authority

The Swedish Financial Supervisory Authority (the "SFSA") (Sw. *Finansinspektionen*) is the competent authority responsible for approving the Swedish language version of the Prospectus (the "Swedish Prospectus"). The SFSA's visiting address is Brunnsgatan 3, SE-111 38 Stockholm, Sweden and postal address is Box 7821, SE-103 97 Stockholm, Sweden. The telephone number is +46 (0)8 408 980 00. The SFSA's website is www.fi.se. The Swedish Prospectus was approved by the SFSA on 22 November 2021.

Key information on the issuer

Who is the issuer of the securities?

Information on the issuer

Nivika Fastigheter AB (publ), company reg. no. 556735-3809. The Company's registered office is in Värnamo, Jönköping county. The Company is a Swedish public limited liability company formed in Sweden under Swedish law. The Company's form of association is governed by the Swedish Companies Act (2005:551). The Company's LEI-code is 549300HXIG611R7YBT33.

The issuer's main objects

Nivika is a fast-growing real estate 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 objects consist of owning, managing and developing properties and the Company primarily operates in, above all, Jönköping, Värnamo and Växjö, but, to an increasing extent, also in western and southern Sweden, including Helsingborg, Halmstad and Varberg.

The issuer's main shareholders

The table below shows Nivika's largest shareholders as of the day for the Prospectus. There is, as far as the Company is aware of, no party which directly or indirectly controls the issuer independently.

Name	Number of Class A shares	Number of Class B shares	Total number of shares	Capital, %	Votes, %
Värnanäs AB	8,185,600	11,763	8,197,363	18.3	30.5
Santhe Dahl Invest AB	5,352,000	3,644,303	8,996,303	20.1	21.3
Holmgren Group AB	3,900,000	975,000	4,875,000	10.9	14.9
Planch AB	3,233,600	808,400	4,042,000	9.0	12.3
Skandinavkonsult i Stockholm AB	3,233,600	808,354	4,041,954	9.0	12.3
Pollock Invest AB	980,000	245,000	1,225,000	2.7	3.7
GBJ Holding AB	0	2,615,000	2,615,000	5.8	1.0
Riddarberget AB	0	1,277,852	1,277,852	2.9	0.5
Investment AB Öresund	0	1,084,599	1,084,599	2.4	0.4
GBJ Bostadsutveckling Holding VII AB	0	938,777	938,777	2.1	0.3
Total 10 largest shareholders	24,884,800	12,409,048	37,293,848	83.4	97.2
Others	-	7,441,116	7,441,116	16.6	2.8
Total	24,884,800	19,850,164	44,734,964	100.0	100.0

Key managing directors

Board of Directors

Name	Position
Elisabeth Norman	Chairman of the Board of Directors
Viktoria Bergman	Member of the Board of Directors
Santhe Dahl	Member of the Board of Directors
Håkan Eriksson	Member of the Board of Directors
Benny Holmgren	Member of the Board of Directors
Thomas Lindster	Member of the Board of Directors
Anna Carendi	Member of the Board of Directors

Executive Management

Name	Position
Niclas Bergman	CEO
Kristina Karlsson	CFO/Deputy CEO/Head of IR
Jerry Johansson	Head of Property Management

Auditors

Ernst & Young Aktiebolag with responsible auditor Jonas Svensson.

Key financial information of the issuer

Summary of key financial information

Selected income statement items

MSEK	The financial year that ended 31 August		
	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Rental income	327.4	259.1	190.9
Profit before finance income and costs	208.4	154.6	111.3
Comprehensive income for the year	363.1	236.6	172.2
Earnings per share before/after dilution, SEK	10.1	7.2	6.1

1) Derived from the Group's audited historical financial statements for the financial years that ended 31 August 2021, 31 August 2020 and 31 August 2019.

Selected balance sheet items

MSEK	As of 31 August		
	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Total assets	7,311.6	5,245.8	3,750.3
Total equity	2,424.5	1,689.7	1,174.9

1) Derived from the Group's audited historical financial statements for the financial years that ended 31 August 2021, 31 August 2020 and 31 August 2019.

Selected cash flow items

MSEK	The financial year that ended 31 August		
	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Net cash flow from operating activities	156.3	131.6	93.8
Net cash flow from investing activities	1,582.5	-1,444.2	-626.4
Net cash flow from financing activities	1,542.1	1,216.9	657.7
Cash flow for the period	115.9	-95.6	125.1

1) Derived from the Group's audited historical financial statements for the financial years that ended 31 August 2021, 31 August 2020 and 31 August 2019.

Selected key performance measures

MSEK	The financial year that ended 31 August		
	2021	2020	2019
IFRS key performance measures			
Comprehensive income for the year ¹⁾ , MSEK	363.1	236.6	172.2
Investment properties ¹⁾ , MSEK	6,910.1	5,062.7	3,511.5
Alternative key performance measures			
Net operating income ¹⁾ , MSEK	236.4	178.2	128.5
Profit from property management operations ¹⁾ , MSEK	91.3	82.7	67.6
Long-term net asset value ²⁾ , MSEK	2,860.6	2,033.8	1,469.5
Return on equity ²⁾ , %	17.7	16.5	15.0
Net loan-to-value ratio ²⁾ , %	58.4	59.3	57.4

1) Key ratios derived from the Group's audited financial statements as of and for the financial years that ended 31 August 2021, 31 August 2020 and 31 August 2019.

2) Sub-components derived from the Group's audited financial statements as of and for the financial years that ended 31 August 2021, 31 August 2020 and 31 August 2019.

Specific key risks for the issuer

Significant risk factors specific to the issuer

- Risks related to macroeconomic factors risk entailing a material negative influence on the Group's earnings and financial position. Demographic development, as an example, belongs to macroeconomic factors, such as the increasing occurrence of aging populations and an increased migration from the countryside to the cities in Sweden, as well as Nivika is operating on a limited geographic market, which comprises primarily Jönköping, Värnamo, Växjö and the West Coast, and Nivika is therefore dependent on the development in this geographic market and the risks regarding these markets are concentrated. Fluctuations in the demography may, together with the Group's limited geographic market, affect the level of supply and demand for Nivika's properties negatively, with the consequence that the Group's incomes are essentially lower than expected.
- Risks related to rental income and vacancies, which is also related to the composition of tenants, for example if the concentration of a smaller number of tenants should lead to an increased exposure of an increased vacancy rate, particularly if the rental agreements are not signed with differentiated terms. In the case the Group fails to fulfil, or maintain, planned level of occupancy or if the vacancies increase to a larger extent and the Group fails to replace such vacancies with tenants, it could have a substantial negative influence on the Group's operations and earnings.

- Risks related to the acquisition of properties and company transfers. These risks consist of, *inter alia*, that rental relations can end, that the acquired operation may be or will be subject to environmental or tax requirements that could not be foreseen and integration of the acquired companies. If these risks would be realised, this could have a substantial negative impact on the Group's earnings.
- Risks related to related party transactions with the Company's shareholders. Transactions and relations with closely related parties can increase the risk for inaccuracies through transactions being made on non-market rate conditions compared with transactions and relations with external parties and can also negatively affect the public's image of and opinion on the Group.
- Risks related to the interest rate. If the interest rate risks are materialised, they can negatively affect the Group's market value and cash flows as well as entail negative fluctuations in the Group's earnings.
- Risks related to financial commitments in loan agreements and bond terms and conditions, which the Company risks violating with notice of termination and immediate repayment of the loan agreements and bonds as consequence. This could have a substantial negative effect on the Group's ability to conduct its operations.

Key information on the securities

The most important characteristics of the security

Securities offered	Class B shares in Nivika Fastigheter AB (publ), company reg. no. 556735-3809, ISIN-code Class B shares: SE0017083272. The shares are denominated in SEK. The quota value of the shares is SEK 0.1.
Number of shares issued	As of 31 August 2021, the number of shares amounted to 203,565,179, divided into 124,424,000 Class A shares and 79,141,179 Class B shares and as of the day of the Prospectus the number of shares in the Company amounted to 44,734,964, divided into 24,884,800 Class A shares and 19,850,164 Class B shares. All shares are fully paid for.
Rights associated with the securities	Class A shares entitle the shareholder to ten (10) votes per share, and Class B shares entitle the shareholder to one (1) vote per share. At the General Meeting, each shareholder is entitled to vote for the full number of shares held and represented by the shareholder. If the Company issues shares, warrants or convertibles in a cash issue or an offset issue, the shareholders generally have preferential right to subscribe for such securities pro rata to the number of shares held prior to the issue. All shares in the Company give equal right to dividends and the Company's assets and possible surpluses in the event of liquidation, without mutual order of priority. All shareholders registered in the share register maintained by Euroclear Sweden on the record date determined by the General Meeting are entitled to dividends. The rights associated with the shares issued by the Company, including those set out in the articles of association, may only be changed in accordance with the stipulations of the Swedish Companies Act (2005:551).
Restrictions on free transferability	The shares in the Company are not subject to any restrictions on transferability.
Dividend and dividend policy	The Board of Directors of Nivika has adopted the following dividend policy: Nivika's overall goal is to create value for the Company's shareholders. During the coming years, this is primarily done by reinvesting in the business in order to create growth through investments in new development, existing properties as well as in the acquisition of new properties. Therefore, the dividend may be low or non-existing during the coming years. The Company has a long-term goal to pay a dividend of 20-40 percent of the profit from property management after tax paid. Historically, the dividend in Nivika has amounted to approximately SEK 40,750,000 for the financial year that ended 31 August 2020, of which SEK 16,500,000.18 has affected the accounts and an additional extra dividend of SEK 24,251,889.82, decided by the General Meeting on 4 November 2021, which reduces shareholders' equity after closing day and MSEK 13.5 for the financial year that ended 31 August 2019.

Where will the securities be traded?

Admission to trading	Nasdaq Stockholm's listing committee has on 11 November 2021 assessed that the Company fulfils Nasdaq Stockholm's listing requirements, provided that certain conditions are met, including that the Company submits such an application on admission to trading on Nasdaq Stockholm and that the distribution requirement for its shares is met, which the Company intends to submit in connection with the first day of trading of the Company's Class B shares. Estimated first day of trading is 3 December 2021.
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What are the key risks specific for the securities?

Material risk factors related to the securities	<ul style="list-style-type: none"> • The market price of the share can be difficult to predict and be negatively affected by market volatility. Further, there is a risk that liquid trade may not develop for the Company's Class B shares. There is thus a risk that the shares in the Company will not be possible to sell to at acceptable rate for the shareholder at any point in time. • Existing shareholders' sales of Class B shares may cause the price of the shares to drop. Sales of large numbers of shares after the end of the lock up period, or the perception that such sales will occur, may entail a risk that the share price of the Company's Class B shares drop. • Shareholders with significant influence over the management of the Company and the Company's and the Group's operations respectively, may entail that these persons' interests entirely or partly differ from the other shareholders' interests (for example when electing members of the Board of Directors), which may entail a risk that individual shareholders' interests may not be satisfied and thus be negatively affected.
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Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

General conditions	<p>General: The Offer comprises 11,695,906 Class B shares, corresponding to approximately 20.7 percent of the total amount of shares and 4.2 percent of the total amount of votes in the Company after the Offer.</p> <p>Offering price: The subscription price is SEK 85.50 per Class B share. The Offering price has been resolved upon by the Company's Board of Directors in consultation with the Joint Global Coordinators and Joint Bookrunners based on a number of factors, including negotiations with the Cornerstone investors, a comparison with the market price of other comparable listed real estate companies, an analysis of previous transactions for real estate companies, prevailing market conditions and estimates of the Company's operations orientation, earnings capacity, financial position and growth prerequisites.</p> <p>Allotment: The decision on allotment of Class B shares is made by the Company in consultation with Joint Global Coordinators and Joint Bookrunners, at which the goal is to achieve a good institutional ownership base and a broad distribution of the Class B shares among the public in order to enable regular and liquid trading in the Company's Class B shares on Nasdaq Stockholm.</p>
Expected timetable for the Offer	<p>Application period for the public: 23 November – 1 December 2021 Application period for institutional investors: 23 November – 2 December 2021 First day of trading in the Company's Class B shares: 3 December 2021 Settlement date: 7 December 2021</p>
Dilution as a result of the Offer	<p>If the Offer is fully subscribed, the number of shares will increase with 11,695,906 new Class B shares, from 19,850,164 Class B shares to 31,546,070 Class B shares. This corresponds to a dilution of approximately 20.73 percent of the total number of shares and 4.35 percent of the total number of votes in the Company after the Offer.</p> <p>If the Offer is fully subscribed and the Over-allotment Option is utilised in its entirety, the number of shares will instead increase with 13,450,291 new Class B shares, from 19,850,164 Class B shares to 33,300,455 Class B shares. This corresponds to a dilution of approximately 23.12 percent of the number of shares and approximately 4.77 percent of the number of votes in the Company.</p>
Offer costs	<p>Nivika's costs attributable to the Offer and the admission to trade of Class B shares on Nasdaq Stockholm, including payment to advisers and other estimated transaction costs, are estimated to amount to approximately MSEK 70.</p>
Costs imposed on investors	<p>Brokerage will not be issued.</p>
Why is this Prospectus being produced?	
Background, motive and use of issue proceeds	<p>The main purpose of the Offer and a listing of the Company's Class B shares on Nasdaq Stockholm is to create conditions for a good continued growth, primarily through increased and more efficient long-term capital supply from the capital market. In addition, the Offer and the listing on Nasdaq Stockholm are assessed to increase the general knowledge of the Company and its operations, which is expected to strengthen Nivika's profile among investors as well as increase the attractiveness as an employer. Furthermore, a motive for the Offer is to finance the Company's continued growth through acquisitions and project development, with new production of residential and commercial properties for long-term own ownership and management.</p> <p>The Offer comprises a new issue of Class B shares which, upon full subscription of the Offer, provides the Company with issue proceeds of approximately MSEK 1,000 before costs related to the Offer. Costs related to the Offer are expected to amount to approximately MSEK 70, whereof MSEK 0 have been expensed as of 31 August 2021. Consequently, Nivika is expected to receive net issue proceeds amounting to approximately MSEK 930 through the Offer. The Company intends to use the whole net issue proceeds from the Offer in order to finance continued growth through acquisitions and project development with new production of residential and commercial properties for long-term own ownership and management. Furthermore, the Company intends to also use the whole net issue proceeds from the Over-allotment Option in order to finance continued growth through acquisitions and project development with new development of residential as well as commercial properties for long-term own ownership and management.</p>
Issue proceeds	<p>In connection with the Offer, the Company is carrying out a new share issue which is expected to generate gross proceeds of approximately MSEK 1,000.</p>
Conflicts of interest	<p>Danske Bank and SEB are financial advisers in connection with the Offer, for which they will receive customary remuneration. Danske Bank and SEB have, in capacity of financial advisers, economic interest in Nivika consisting of the remuneration Danske Bank and SEB may receive by the implementation of the Offer. Furthermore, Danske Bank and SEB have provided, and may provide in the future, different bank, financial, investment, commercial and other services for the Company for which they have received, may receive respectively, remuneration.</p>

RISK FACTORS

The Group's operations and earnings are affected both by operating risks and financial risks. The risk factor that the Group considers to be the most material with respect to probability and expected significance of its negative effect should it materialise is presented first in each category below. The risk factors in each category thereafter are not ranked in order of significance. The assessment of the significance of each risk factor is based on the probability of its occurrence and the expected extent of its negative effects should it materialise. In addition to information in the Prospectus, each investor should therefore make his or her own assessment of each risk factor and its significance for the Group's future development, as well as a general external analysis. The Prospectus contains forward-looking statements that are dependent on future events, risks and uncertainties.

Risks related to the Group's industry and markets

Risks related to macroeconomic factors

The Group acquires, develops, refines and manages properties with a long-term perspective in certain growth areas in southern Sweden. The Group's property portfolio consisted of 130 properties as of 31 August 2021, mainly in the Company's certain growth areas, Jönköping, Värnamo, Växjö and on the West Coast. The properties in these areas amounted to 96.2 percent of the number of properties in the Group's total portfolio and the revenue from mentioned localities amounted, during the financial year that ended 31 August 2021, to 98.2 percent of the Group's total revenue, see further section "Business overview – Nivika's property portfolio". The fact that the Group's property portfolio is exposed to a few geographical markets means that the risks relating to these markets are concentrated. Of the value of the property portfolio as of 31 August 2021, industrial premises constituted of 36 percent, residential 25 percent, office premises 13 percent, community and social properties 10 percent, retail 8 percent, hospitality 3 percent and other types of properties 5 percent. Supply of and demand for properties and properties within different industries, and consequently the return on property investments, can develop differently in different markets and industries. This may be affected by, for example, demographic trends such as the growing occurrence of aging populations and an increased migration from the countryside to the cities in Sweden. These demographic trends, especially the migration from smaller localities to larger cities, together with the Group's limited geographic market, affect the level of supply of and demand for the Group's properties, whereby demographic changes could lead to, for example, the Group having to write down the value of its properties, which risks having a significant negative impact on the Group's result and financial position. Fluctuations in the demography may, together with the Group's limited geographic market, result in the Group's revenues being significantly lower than expected.

Risks related to rental income and vacancies

Rental income constitutes the Group's main source of revenue and amounted during the financial year that ended 31 August 2021 to MSEK 327.4, whereby the rental value as of 31 August 2021 amounted to MSEK 407. The Group's rent levels and vacancies are strongly affected by general growth in the Swedish economy and also growth in regional and local markets where the Group conducts its operations, such as Småland and especially in Jönköping, Värnamo and Växjö. The risks of decreased rental income and increased vacancy rate are also related to the tenants and assembly of tenants. For example, a concentration to a smaller number of tenants would lead to an increased exposure, particularly if the rental agreements are not signed with differential terms. As of 31 August 2021, the Group's ten largest rental agreements constituted 20 percent of the Group's rental income, and the rental agreements were signed with differentiated terms mainly within the interval 5 to 15 years and had an average remaining term of 9.5 years. As of 31 August 2021, the Group's largest tenant, Holmgren Group AB with subsidiaries, which are controlled by the member of the Board of Directors and shareholder Benny Holmgren, accounted for 8.4 percent of the Group's rental income. There is a risk that the Group's larger tenants do not renew or extend their rental agreements when they expire, which in the long run may lead to reduced rental income and increased vacancies. If, for example, the Group's largest tenant does not renew its rental agreement and vacancy in such premises arises, the Group's rental income, based on the Group's current earnings capacity as of 31 August 2021, would decrease by approximately MSEK 34 per year.

If tenants are unable to fulfil their obligations in accordance with the rental agreements, for example due to bankruptcy, or are in other respects unable to fulfil their obligations towards the Group, this may also lead to a higher vacancy rate with the consequence that the Group's properties are valued to a lower amount. A few tenants are especially exposed towards the effects of the on-going pandemic with SARS-CoV-2 ("Covid-19"), which risks leading to an increased

need for deferral of rent payment and/or rent discounts. During the financial year that ended 31 August 2021, the Group has entered into business arrangements with and provided rent discounts to a few commercial tenants, mainly operating within the retail and hospitality segment, due to Covid-19, which has had a negative impact on rent payments. As of the day of this Prospectus, the Group has received state aid amounting to SEK 900,000 for the financial year that ended 31 August 2021 and MSEK 3.4 for the financial year that ended 31 August 2020, for provided rental discounts on MSEK 1.8 for the financial year that ended 31 August 2021 and MSEK 6.8 for the financial year that ended 31 August 2020. There is also a risk that rental discounts in the future will be provided without state aid being received. If one or several of the Group's more important tenants do not renew or extend their rental agreements when these expire, it may lead to reduced rental income and/or higher vacancy rate if the Group does not succeed in obtaining equivalent rental income from new tenants.

The development of market rents also affects the Group's rental income and vacancies, where, *inter alia*, political decisions may have a significant effect on the Group's rental income. One example of a political initiative that may affect the Group's rental income is the official report SOU 2021:50 *Free rent determination for new productions* which aims to redesign the market for newly produced rental properties. The effect of drastic changes in rental apartment legislation may have negative effects on the Group's rental income and lead to increased vacancies in rental properties.

If the Group's rental income changes as a result of either larger tenants facing financial difficulties, external factors such as Covid-19 that affects the tenants' ability to pay, and/or current or future policy proposals or reforms, the consequence may be that the Group's rental income is lower than estimated. In the event that the Group fails to achieve, or maintain, the planned occupancy rate or if vacancies increase to a greater extent and the Group fails to replace such vacancies with tenants, this could have a material negative effect on the Group's operations and result. If the Group's occupancy rate during the financial year that ended 31 August 2021 would have decreased with 1 percent, it would have had a negative effect on the Group's earnings with MSEK -3.5. There is also a risk with too low vacancy rate, which could make it more difficult for the Group to offer premises to current tenants with the risk that they will not renew their rental agreements with the Group, which could have a significant negative effect on the Group's rental income and earnings.

Risks related to a competitive sector

The geographic market in which the Group conducts its operations is characterised by competition, *inter alia* from the public interest, larger property companies and also private actors and regional property owners. The Group's competitiveness is primarily dependent on its ability to acquire land

and properties in attractive locations. Examples of Nivika's competitors are Tosito Invest AB, Nyfosa AB, Fastighetsbolaget Emilshus AB, K-Fast Holding AB (publ), Samhällsbyggnadsbolaget i Norden AB (publ) and K2A Knaust & Andersson Fastigheter AB:s (publ). In addition, the Group competes for tenants, *inter alia* based on property location, rents, size, availability, quality, tenant satisfaction, convenience and the Group's reputation. The Group's competitors may have greater financial resources and better capacity to withstand market downturns, better access to potential acquisition objects, be more skilled at retaining competent staff and react more quickly to changes in the local markets. In addition, the competitors may have a higher tolerance for lower required rates of return and more efficient technical platforms. Furthermore, the Group may need to incur additional investment costs to keep its properties competitive in relation to competitors' properties. The Group assesses that the competition is most evident with regard to access to residential development and commercial land, especially in Jönköping and Växjö. If the Group is not able to compete successfully, it could significantly negatively affect rental levels and vacancy rates and the Group's revenues could decrease.

Risks related to the Group's operations **Risks related to new development and project development**

One part of the Group's business operations consists of new development and project development. To implement property projects with conversions or new developments, primarily for residential purposes, has become a more important part of the Group's growth strategy over time. The Group completed property projects with a property value of MSEK 717 with an estimated lettable area of 19,778 square meters during the financial year ending 31 August 2021, property projects with a property value of SEK 443 million with an estimated lettable area of 25,398 square meters during the financial year that ended 31 August 2020 and property projects with a property value of MSEK 327 with an estimated lettable area of 22,506 square meters during the financial year that ended 31 August 2019. Large-scale and adjusted projects entail considerable investments, which may lead to an increased credit risk, in particular if the Group's tenants fail to fulfil their obligations in relation to the Group. Project development may be delayed, due to suppliers being unable to deliver on time or contracting parties being unable to complete project according to plan, while tenants may be unable to use the facilities from the anticipated date or risk to gain access to premises with lower quality than expected. This will typically entail rental payments being postponed or being lower than expected, which may result in the Group receiving lower rental income, if the Group does not receive compensation in corresponding extent. Further, project development may be more expensive than what was initially budgeted, which may result in the Group incurring increased costs, to the extent of which the Group does not receive compensation for such increased costs. If one or several of the factors above were to be

developed negatively, it could have a negative impact on the Group's ability to generate good returns and to develop value-creating projects, and thereby influence the Group's conditions to realise its growth strategy.

Risks related to acquisitions

A large part of the Group's operations consists of property acquisitions. Property acquisitions are mainly made through indirect company transfers, but also directly through the acquisition of properties. In addition, the Company has, through an acquisition during 2021 from Popånäs Invest AB, which is controlled by Niclas Bergman and Viktoria Bergman, acquired an operating business, Husgruppen Modulsystem Jönköping AB, a manufacturer of building components and apartment modules. During the financial year that ended 31 August 2021, the Group has directly or indirectly acquired 38 properties with a total property value of BSEK 1.13.

All acquisitions made by the Group are associated with risks with connection to the acquired operations. The risks are, *inter alia*, that rental conditions may cease, that the accounting for the acquired operations may be defective, and/or that the acquired operations can be or may be subject to environmental or tax requirements that could not be foreseen. There is also a risk that the protection that the Group has agreed with the seller in the acquisition agreements does not fully cover defects that are discovered after the Group's access to the acquired operations. If such risks regarding completed or future acquisitions are realised, the Group's costs may increase and its earnings may be materially negatively affected.

Acquisitions of property companies and of operating operations may also expose the Group to additional risks. These risks are mainly associated with the integration of the acquired companies, which may manifest itself in the form of merger costs, organisational costs, other unforeseen costs and difficulties to achieve the expected synergy effects of the acquisitions and a successful implementation of the Group's strategy after the acquisition. As the Group continuously acquires properties, these risks may be recurring and consequently acquisitions as a whole may entail significantly higher costs than what was originally expected. The Group continuously evaluates opportunities to acquire properties and property companies and is thus exposed to risks such as unforeseen increases of transaction costs or cancelled acquisitions.

In addition to the risks associated with the acquired properties or the property companies themselves, some acquisitions can be very complex or difficult to integrate and thus require a lot of management's time and resources. Should these risks regarding future acquisitions be realised, this could have a material negative effect on the Group's earnings.

Risks related to incorrect valuations and changes in value of properties

As of 31 August 2021, the market value of the Group's properties amounted to BSEK 6.9. The Group's properties are accounted for in fair value in accordance with IFRS. The property valuations are based on valuations carried out by Forum Fastighetsekonomi AB, Svefa Holding AB, Winna Fastighet AB, Värderingsbyrå i Syd AB and Jones Lang LaSalle Holding AB ("JLL"). The Company compiles the valuation certificates on basis of actual figures and assumptions. The underlying assumptions are tested by the Company in consultation with the valuation institutes, in customary manner, by random selection. Furthermore, property valuations are based on a number of assumptions that may prove to be incorrect. Such assumptions include, *inter alia*, property-specific assumptions about rental levels, occupancy rates and operating costs as well as market-specific assumptions about macroeconomic development, general economic trends, regional economic development, employment rate, production rate for new properties and buildings, changes in infrastructure, inflation and interest rates.

It is possible that the Group's valuations do not correspond to the current value of the Group's properties or reflect the amounts for which the properties can be sold. The valuation methods that are currently accepted and have been used to compile valuation certificates for the Group's property portfolio may afterwards be proved unsuitable. Nor can it be ruled out that the underlying assumptions in previous or future valuations of the properties may prove to be incorrect. The property market and property prices are subject to fluctuations. If the market value of the properties falls, the decrease in value can have a material negative effect on the Group's assets, profitability and earnings.

Risks related to operating and maintenance costs

All properties owned by the Group require future repairs and maintenance to a varying extent, either after existing rental agreements have expired or for some other reason. Operating costs consist primarily of costs for property maintenance, electricity, waste disposal, water, heating, cleaning, and snow clearance. The Group's operating costs have historically varied between different quarters with higher costs during certain quarters, especially during the winter months. Maintenance costs mainly relate to costs for maintaining the standard of the property portfolio. Regular property maintenance is necessary to maintain the market value and rental levels in the Group's property portfolio. Maintenance and repair costs in the Group have amounted to MSEK 5.4 for the financial year that ended 31 August 2021, MSEK 5.4 for the financial year that ended 31 August 2020 and MSEK 4.6 for the financial year that ended 31 August 2019. The scope of necessary maintenance and repair work may increase, for example due to changed energy efficiency rules or other requirements on residential properties and other types of properties, or as a result of damage caused by tenants or other

parties. Furthermore, maintenance costs may increase due to inflation, which is beyond the Group's control. The Group's repair costs and investments in modernisation may increase more than the Group expects in the present situation, as a result of its growth strategy, acquisitions and property development projects. If certain maintenance needs are not noticed in time or the level of maintenance is insufficient, this may lead to lower values of such properties and the Group may also need to lower the rental levels in such properties, which may negatively affect the value of the Group's assets and earnings. Furthermore, deficiencies in maintenance level can lead to Nivika's reputation and renown being damaged, which in turn can lead to difficulties in retaining existing tenants and in attracting new ones.

Being active in the property industry also involves technical risks. Technical risks refer to the risks associated with the technical operation of properties, such as the risk of construction defects, other hidden defects or deficiencies, damages (for example fire or other force of nature or by tenants) and pollution. If technical problems arise, these can lead to a significant cost increase for the Group with a negative effect on the Group's earnings.

Risks related to the Group's growth strategy

The Group has a growth strategy which means that the Group has an ambition to increase the value of its property portfolio, in order to achieve the growth goal for the property value of MSEK 12 at the end of 2025. The Group also has an operational goal that 60 percent of the property portfolio by the end of 2025 shall constitute residential and community and social properties, based on property value. In order for the Group to achieve this annual growth, it is a prerequisite that the Group's operations are conducted successfully, for example that projects are finished and completed within the expected time frame and that contacts with concerned and relevant authorities in connection with planning, development and other matters are successful. Achievement of the growth goal will also require that the Group can maintain its key ratios, for example loan-to-value ratio, equity/assets ratio and interest coverage ratio, at levels in line with the Group's financing policy. Thus, the implementation of the growth strategy is dependent on favourable future financing conditions. There is a risk that the Group will fail to carry out and implement the growth strategy at all or with the desired result, which may have a material negative effect on investors' view of, and trust in, the Group and may have negative effects on the Group's market value, revenue and financial position.

Risks related to related party transactions

The Group purchases services from its shareholder Värnanäs AB ("**Värnanäs**"), which is controlled by the CEO Niclas Bergman and the member of the Board of Directors Viktoria Bergman, and, as of the date of this Prospectus, owns shares corresponding to 30.5 percent of the votes and 18.3 percent of the capital in Nivika, and Holmgren Group AB ("**Holmgren Group**"), which is controlled by the

member of the Board of Directors Benny Holmgren, who as of the date of this Prospectus owns shares corresponding to 14.9 percent of the votes and 10.9 percent of the capital in Nivika. Furthermore, the Company has during 2021 entered into share transfer agreements with Santhe Dahl Invest AB ("**Santhe Dahl Invest**"), which is controlled by the member of the Board of Directors Santhe Dahl, who as of the day for the Prospectus owns shares corresponding to 21.3 percent of the votes and 20.1 percent of the capital in Nivika.

The purchases of services from Värnanäs amounted, for the financial year that ended 31 August 2021, to a value of MSEK 24.6 and comprised outsourcing of personnel to the Group until 31 May 2021, when the staff became employed by the Group, payroll management services to the Group from 1 July 2021, and leasing of a storage premises to the Group.

Furthermore, the Company has four rental agreements with Holmgren Group (with Holmgrens Bil AB and Holmgrens Fritid AB), which makes Holmgren Group to the single largest tenant in terms of rental income. The Company's annual revenue on the rental agreements amounted to a value of MSEK 31.9 as of the financial year that ended 31 August 2021. The Company also leases cars from the Holmgren Group through Danske Finans. The monthly cost for the leased cars for August 2021 amounted to SEK 92,000.

On 11 October, Nivika, as buyer, entered into two share transfer agreements regarding acquisitions of property-owning companies with, *inter alia*, Santhe Dahl Invest as seller. The preliminary purchase price for the acquisitions amounted to SEK 93,380,085 and SEK 4,386,753 respectively, and was paid through an offset issue of shares in Nivika on 15 November 2021.

The Company has purchased and purchases additional goods and services from related companies, which are described in the section "Legal considerations and supplementary information – Related party transactions". Transactions and relations with related parties can increase the risk of errors by making transactions on non-market terms compared to transactions and relations with external parties with negative effect on the Group's earnings and can also negatively affect the general public's image and opinions about the Group.

Risks related to the Group's employees

As of 31 August 2021, the Group had 46 employees. Some of these are key persons in the Group's operations on which the Group is dependent, including Niclas Bergman in his capacity as founder and CEO, Kristina Karlsson (CFO, Deputy CEO and Head of IR) and Jerry Johansson (Head of Property Management). The Group's future development and implementation of the Group's growth strategy is strongly dependent on the skill, the local networks and the local knowledge that the Group's key persons possess. The Group's key personnel, including the Group's management and local property management, have built up profound knowledge of, and good relations within, the local proper-

ty market in Jönköping, Värnamo, Växjö and on the West Coast, where the Group mainly conducts its operations. Thus, the Group is to a material degree dependent on these key persons, especially since the Group's ability to successfully carry out transactions and acquisitions is to a large extent based on profound knowledge and insights about the property categories and the geographical areas in which the Group operates. If key personnel were to leave the Group and suitable and experienced replacements could not be recruited, this could have a significant negative impact on the Group's operations. In order to attract, motivate and retain certain key persons, the Group may need to increase the remuneration of these key persons with increased costs as a result.

Legal risks

Dependency upon laws, regulations and decisions

Property operations are to large extent affected by laws, government regulations and decisions regarding, for example, environment, taxes, subsidies and support, security, permitted building materials and building standards, antiquarian building classification and various forms of cultural marking, as well as leasing and the regulated rent determination for rental apartments. All aforementioned laws and regulations have a major impact on the Group's operations and can be changed in a negative manner for the Group with relatively short notice, without possibility for the Group to influence decisions. General laws and regulations are also applicable to Nivika, such as General Data Protection Regulation (EU) 2016/679 ("GDPR"), and have a direct impact on the way in which Nivika conducts its operations. Lack of compliance with laws and regulations may result in the Group being forced to pay fees, fines or be subject to executive measures. For example, the administrative fine for defective compliance of GDPR may amount to maximum 4 percent of the Group's annual turnover, corresponding to approximately MSEK 13.1 for the financial year that ended 31 August 2021. Furthermore, in order for the Group's properties to be used and developed as intended, various forms of permits and decisions may be required, including, *inter alia*, zoning plans, building permits and various forms of property formations, which are granted and given by authorities and decided at both political and official level. There is thus a risk that the Group, in the future, will not be granted the permits or receive the decisions required to conduct and develop the operations in a desirable manner.

There is also a risk that the Group's interpretation of applicable laws and regulations is incorrect, or that the accepted interpretation of these laws may change in the future, which may lead to the Group incurring increased costs or risking significant fines or penalties. Furthermore, there is a risk that laws or regulations may prevent the Group from developing or managing the properties in accordance with the Group's intentions, or that the projects are delayed or more costly than expected, which could have a negative effect on the Group's operating costs and earnings.

Environmental risks

One part of the Group's business operations consists of property management and property development. These business operations are of such a nature that environmental factors constitute a significant risk (for example through liability according to the Environmental Code (1998:808)). The Group is thus covered by environmental regulations, which means that claims can be made against the Group in the event of a lack of compliance.

Even if the Group carries out inspections in connection with acquisitions of individual properties, there is a risk that the environmental regulations have not been complied with before and that environmental damage and environmental pollution is not discovered at the time of acquisition. According to current environmental legislation, anyone that conducts operations that have contributed to the pollution of a property has a responsibility for clearance. If the operator is unable to carry out or pay for the clearance of a property, the person who acquired the property and who at the time of the acquisition knew or should have discovered the pollution, can be held liable. This means that the Group, under certain circumstances, may be required to restore a property in a condition that meets relevant environmental legislation requirements. Such restoration may include, *inter alia*, clearance of suspected or actual pollution in land, water areas or groundwater. The Group's costs for investigation and measures, such as removing or restoring land in accordance with applicable environmental legislation, can be significant. Such injunctions may therefore negatively affect the Group's earnings, cash flow and financial position.

Potential future changes of laws, regulations and regulatory requirements from government agencies in the environmental area may also lead to increased costs for the Group with regard to clearance of properties that the Group currently owns or may acquire in the future. Such changes may also result in increased costs for the Group.

Pollution that demands measures could furthermore be detected on properties and in buildings, especially during renovation processes or when buildings are upgraded for environmental certification. The discovery of pollution or residual pollution in connection with the leasing or sale of a property can set off claims for rent reductions, damages or terminations. Measures to remove such pollution may be required as a part of the Group's ongoing operations and may, depending on the extent of the pollutions, entail significant costs and a significant negative impact on the Group's earnings.

Risks related to disputes

The Group has historically been involved in and may become involved in legal or administrative proceedings, which may involve extensive claims for damages or other claims for payments. For example, the Group was a party to an arbitration proceeding regarding the final settlement of the purchase price for the Group's acquisition of certain

properties from a seller. The seller called for the arbitration in October 2020, but the parties reached a conciliation in September 2021 whereby an agreement was reached that Nivika would pay MSEK 7 to the seller instead of the original claim of approximately MSEK 15. There are inherent difficulties in predicting the outcome of legal, administrative and other proceedings or claims. Furthermore, the handling of disputes or other procedures or claims is time-consuming for the Group and its management, and in some cases cost consuming. Regardless of whether the requirements in ongoing disputes or potential future disputes would lead to the determination of significant legal liability, the requirements could lead to financial loss or could damage the Group's reputation, which could have a material negative effect on the Group's operations, earnings and financial position.

Financial risks

Risks relating to interest rate

The Group's operations are primarily financed by shareholders' equity, outstanding bond loans and through external loans with mainly variable interest rates from credit institutions engaged on the Swedish market. Interest rate risk is the risk of fluctuation in earnings and cash flow due to changes in the interest rate of the Group's liabilities. In addition to the size of interest-bearing debt, interest expenses are mainly affected by current market interest rates, credit institutions' margins and the Group's strategy regarding fixed interest terms. The interest rate market in Sweden is mainly affected by the expected inflation rate and the repo rate of the Swedish Riksbank.

As of 31 August 2021, the Group's interest-bearing debts amounted to MSEK 4,265.3 with an average interest rate of approximately 2.43 percent. The Group's total interest expenses for the financial year that ended 31 August 2021 amounted to MSEK 111.8. As of 31 August 2021, 17.5 percent of the long-term debts were interest-hedged through derivatives in the form of interest rate swaps. The total proportion of variable interest on the debt portfolio as of the same date amounted to 100 percent. The interest sensitivity in the event of a +/- 1 percent change in loan interest rates thus amounted to MSEK 41 / - 41 as of 31 August 2021. Interest rate increases can have a negative effect on the Group's ability to finance future property acquisitions and thereby realise its growth strategy. If the interest rate risks are realised, they may have a negative effect on the Group's market value and cash flows and lead to negative fluctuations in the Group's earnings.

Financing, refinancing and liquidity risks

When planning financing for the Group's operations, there is a risk that the Group fails to make a correct assessment of the financing need, which may result in the Group not being able to receive additional financing or refinancing at the end of the term, or only at a higher cost. As of 31 August 2021, the Group's total interest-bearing debts amounted to MSEK 4,265.3 and the average debt maturity was 1.92

years. Out of the Group's interest-bearing bank financing, MSEK 1,005.1 was extended during the financial year that ended 31 August 2021. In addition to this, bonds of MSEK 470 were subject to early redemption in connection with new bonds being issued. MSEK 1,083.8 are extended during the financial year ending 31 August 2022¹, MSEK 1,038.5 are extended during the financial year ending 31 August 2023, MSEK 1,863.7 are extended during the financial year ending 31 August 2024 and MSEK 279.4 are extended during the financial year ending 31 August 2025 or later.

There is a risk that debt financing, which forms part of the Group's financing, cannot be obtained, or can only be obtained on conditions that are unfavourable to the Group. If the Group should fail to obtain the necessary debt financing in the future, it may have a material negative effect on the Group's liquidity and ability to conduct its operations. The Group may, on one or several occasions, need to divest all or parts of its property portfolio in order to finance its operations. There is a risk that the Group will not be able to carry out such divestments on favourable terms, or at all. If the Group would have to sell all or parts of its property portfolio, for example if the Group's creditors were to realise collateral, it is probable that the sale price would be lower than what the Group would receive through voluntary sales.

Liquidity risk refers to the risk that the Group will not be able to meet its obligations when they mature without a significant cost to obtain the necessary funds. As of 31 August 2021, the Group's cash and cash equivalents amounted to MSEK 210.8. If the Group's liquidity proves to be insufficient, it may have a material negative effect on the Group's ability to conduct its operations.

Risks related to financial commitments in loan agreements and bond terms

As of 31 August 2021, the Group's long-term interest-bearing debt amounted to MSEK 4,091.5, of which bank financing amounted to MSEK 2,821, bond loans to MSEK 1,100 and other interest-bearing debt amounted to MSEK 170. The Group's borrowing from credit institutions is mainly divided into two different credit institutions towards which the Company and the subsidiaries concerned have certain financial commitments. The conditions for the Group's balances with the two primary credit institutions and the conditions for the bond loans include certain financial commitments, such as limiting the loan-to-value ratio, and that the Group must maintain a certain interest coverage ratio and equity/assets ratio. The terms for the bond loans also contain limitations for the Company to pay dividends as well as regulations on owner changes (change of control), which are described in the section "Legal considerations and supplementary information – Material agreements – The Company's bonds". If the Company, or relevant subsidiary of the Company, breaches the financial commitments in any loan agreement with a credit institution, the credit institution is entitled to terminate its credits (where applicable

¹ These debts have been extended with 18-36 months.

through so-called cross default provisions) for immediate repayment or to use relevant securities. If the Company violates its commitments in the conditions of the bond loans, does not pay its matured debt or if a creditor terminates a credit due to a breach of the agreement (so-called cross payment provisions and cross acceleration provisions), the bondholders have the right to terminate the bond loans to immediate repayment to a price of 101 percent of the nominal amount together with accrued but unpaid interest and take other permitted measures in accordance with the bond conditions. This could have a significant negative effect on the Group's liquidity and ability to conduct its operations, which is partly dependent of bank and debt financing.

Risks related to credit risks

The Group bears a credit risk if its counterparties cannot fulfil their financial obligations towards the Group. In addition to the Group's tenants, there are such counterparties in connection with the signing of interest rate swap agreements as well as upon receipt of long- and short-term credit agreements. As of 31 August 2021, the Group had outstanding rent receivables amounting to MSEK 7.9 and other receivables amounting to MSEK 3.8 and after reservations were made, the rent receivables amounted to KSEK 7,946 and other receivables to KSEK 3,854. If the Group is unable to successfully manage the credit risk, or if its counterparties are unable to fulfil their obligations towards the Group, this may negatively affect the Group's liquidity and thereby increase the Group's financing need. If the Group's counterparties are unable to meet their financial obligations towards the Group, this could have a negative impact on the Group's earnings and financial position.

Risks related to Nivika's shares and the Offer

The market price, volatility and liquidity of the share

The Company's shares have not previously been subject to trade on a marketplace. It is therefore difficult to predict the level of trading or interest that will be shown for the Company's Class B shares when these are admitted to trading on Nasdaq Stockholm. The price at which the shares are traded and the price at which investors can make their investment will be affected by a large number of factors, some of which are company-specific and others are linked to the stock market as a whole.

The share price may be negatively affected as a result of market volatility, as a result of shares being sold on the market or as a result of an expectation that such a sale will take place or otherwise as a consequence of, or in relation to, the Offer. The sale of shares may also make it difficult for the Company to raise capital in the future through a new issue of shares or other securities.

It is not certain that an admission to trading on Nasdaq Stockholm will entail that there will be a liquid market for the Company's Class B shares. Furthermore, there is a risk that

the price of the shares will be volatile in connection with the listing and if an active and liquid trading does not develop or does not remain sustainable, this may lead to difficulties for shareholders to sell the shares. There is also a risk that the market price may differ significantly from the share price in the Offer. Limited liquidity in the Company's shares can also cause problems for individual shareholders in selling major trading items. There is a risk that shares in the Company will not be able to be sold at a price acceptable to the shareholder at any time.

Existing shareholders' sales of shares may cause the share price to fall

As of the date of the Prospectus, Värnanäs AB, Santhe Dahl Invest AB, Planch AB, Skandinavkonsult i Stockholm AB, Holmgren Group AB and Pollock Invest AB, together the "**Principal Owners**" of the Company, control 95.0 percent of the votes and 70.0 percent of the capital in the Company. Provided that the Offer is fully subscribed and that the Over-allotment Option is utilised, the Principal Owners will control 90.8 percent of the votes and 53.9 percent of the capital in the Company. The Principal Owners have undertaken to, subject to certain exceptions and for a certain period, not sell their shares or otherwise enter into transactions with a similar effect without the prior written consent from the Joint Global Coordinators and Joint Bookrunners (so-called "Lock up-period"). After the Lock-up period, shareholders who have undertaken restrictions on their ability to sell shares in the Company have the opportunity to sell shares in the Company freely. The sale of large quantities of shares after the end of the Lock-up period, or the perception that such a sale will take place, may entail a risk that the price of the Company's Class B shares will fall sharply.

Shareholders with significant influence

The Company has issued shares of two types, Class A shares and Class B shares. The Class A shares carry ten votes per share and the Class B shares carry one vote per share. All of the Company's issued Class A shares are held by the Principal Owners. The Class A shares will not be traded on Nasdaq Stockholm. Following the completion of the Offer, the Principal Owners' holdings will, provided that the Offer is fully subscribed and that the Over-allotment Option is utilised, together amount to 90.8 percent of the votes and 53.9 percent of the capital in the Company, if over-allotment is fully utilised. Thus, the Principal Owners will, even after the completion of the Offer, hold a significant proportion of the Company's votes and capital, which entail a significant influence over the management of the Company and the Company's and the Group's operations, respectively. Thus, there may be situations where the Principal Owners' interests differ in whole or in part from the interests of other shareholders (for example when electing members of the Board of Directors), which may entail a risk that individual shareholders' interests may not be satisfied and thus be negatively affected.

Future issues of shares or other securities in the Company may dilute the shareholding and affect the price of the shares

The Company has historically partially financed its operations through new issues of shares and may need additional capital to finance its operations. During the financial year that ended 31 August 2021, the Company raised capital through a new share issue amounting to an amount of MSEK 388.2. The company's Board of Directors has an authorisation from the Extraordinary General Meeting on 3 March 2021 to issue shares, warrants and/or convertibles until the next Annual General Meeting. The authorisation has been used, but not in full. If the Company chooses to raise additional capital through a directed new issue of shares, warrants and/or convertibles, the proportions of non-subscribed shareholders will be diluted and their financial interest may be negatively affected. If the Company chooses to raise additional capital through a new issue of shares with preferential rights for existing shareholders, shareholders who choose not to exercise their subscription rights in such rights issue will receive reduced ownership and reduced voting rights in the Company.

The Company's ability to pay dividends to the shareholders

Nivika's overall goal is to create value for the Company's shareholders. During the coming years, this will be done primarily by reinvesting in the operations to create growth through investments in new development, existing properties and in the acquisition of new properties. The dividend may therefore be low or non-existent during the coming years. In the long term, the Company's goal is to distribute 20-40 percent of the profit from property management after tax paid. Historically, the dividend in Nivika amounted to SEK 40,751,890 for the financial year that ended 31 August 2020, of which SEK 16,500,000 have affected the accounts and an additional extra dividend of SEK 24,251,889.82 decided by the General Meeting on 4 November 2021 which reduces shareholders' equity after closing day and MSEK 13.5 for the financial year that ended 31 August 2019. For the financial year that ended 31 August 2021, the Board of Directors of Nivika has proposed that retained profits are transferred into new account in accordance with the Company's dividend policy. However, the size of any future dividends from Nivika depends on a number of factors, such as Nivika's future profit, financial position, cash flow, need for working capital, investments and other factors. There is a risk that the Company may not have sufficient

distributable funds to implement dividends at all or to the extent that the shareholders expect in the future. There is also a risk that the Company and/or its major shareholders will, for various reasons, prevent or limit future dividends. In the event that no dividend is paid, an investor's possible return will depend on the future development of the share price.

Undertakings from Cornerstone investors are not secured

The Cornerstone investors have undertaken to acquire shares in the Offer to a total of MSEK 600. The number of shares that the Cornerstone investors have undertaken to acquire corresponds to, in total, 12.06 percent of the total number of outstanding shares in the Company after the Offer, provided that the Offer is fully subscribed and that the Over-allotment Option is utilised in its entirety. However, the Cornerstone investors' commitments are not secured by bank guarantees, blocked bank funds, pledges of collaterals or similar arrangements, which is why there is a risk that the Cornerstone investors will not fulfil their undertakings. The Cornerstone investors' undertakings are also subject to certain conditions. If any of these conditions is not satisfied, there is a risk that the Cornerstone investors refrain from fulfilling their undertakings, which could have a negative impact on the completion of the Offer.

INVITATION TO SUBSCRIBE FOR CLASS B SHARES IN NIVIKA

The Board of Directors of Nivika has, with the purpose to promote the Company's continued growth and development, resolved to implement a spread of ownership in the Company's Class B shares through a new share issue, with deviation from existing shareholders' preferential rights. The Company's Board of Directors therefore intends to apply for admission to trading in the Company's Class B shares on Nasdaq Stockholm, based on Nasdaq Stockholm corporate committee's assessment that the Company fulfils the listing requirements. Application on admission to trade of the Company's Class B shares on Nasdaq Stockholm will be approved, provided that the dispersion requirement for the Class B share is fulfilled and Nasdaq Stockholm resolves on admission to trading of the Class B shares. The first day of trading is estimated to 3 December 2021.

In accordance with the conditions stated in the Prospectus, investors are hereby offered to subscribe for 11,695,906 Class B shares. The Offering price is SEK 85.50 per share. With support of authorisation from the Company's Extraordinary General Meeting held 3 March 2021, the Company's Board of Directors intends to decide on the final terms for the new issue of shares, which is expected to give the Company a settlement of at highest approximately MSEK 1,000 before issue costs. The Company's share capital (after the Offer) will thus amount to SEK 28,215,435 distributed on 56,430,870 shares, divided into 24,884,800 Class A shares and 31,546,070 Class B shares.

In order to cover potential over-allotment in the Offer, the Company has undertaken to issue an option to Joint Global Coordinators and Joint Bookrunners, meaning that Joint Global Coordinators and Joint Bookrunners, no later than 30 days from the first day of trading in the Company's Class B shares on Nasdaq Stockholm, have right to request that an additional maximum of 1,754,385 Class B shares is issued, corresponding to 15 percent of the total number of shares in the Offer, at a price corresponding to the Offering price (the "**Over-allotment Option**").

E. Öhman J:or Fonder AB, Swedbank Robur Fonder AB, Tredje AP-fonden and Weland Värdepapper AB (together the "**Cornerstone investors**") have, subject to certain conditions, undertaken to subscribe for a total of 7,017,541 Class B shares in the Offer, which corresponds to a total of MSEK 600 and approximately 52 percent of the number of shares in the Offer, provided that the Over-allotment Option is exercised in full.

Provided that the Offer is fully subscribed and the Over-allotment Option is fully exercised, the number of shares in the Company will increase with 13,450,291 newly issued Class B shares from 44,734,964 shares to 58,185,255 shares, which corresponds to approximately 23.12 percent of the capital and approximately 4.77 percent of the votes in the Company after the Offer.

The total value of the Offer amounts to approximately MSEK 1,000 and approximately MSEK 1,150 if the Over-allotment Option is exercised in full.

Värnamo on 22 November 2021

Nivika Fastigheter AB (publ)

Board of Directors

BACKGROUND AND REASONS

Nivika is a fast-growing real estate company with focus on generating strong cash flows through long-term management of both self-developed and acquired residential and commercial properties. Nivika was founded in 2000 by the Company's current CEO and one member of the Board of Directors, also current principal owner², the spouses Niclas and Viktoria Bergman. The head office is located in Värnamo and the property portfolio is concentrated to localities with a good long-term demand such as Jönköping, Värnamo and Växjö as well as, to an increasing extent, localities in western Sweden such as Helsingborg, Halmstad and Varberg.

The Company's business concept is to, by means of good business acumen and fast decision-making routes, create conditions for continued good expansion, and Nivika shall be a long-term and secure property owner with focus on sustainability. In addition, Nivika shall refine, develop and acquire properties with local connection and with the tenant in focus. Development shall preferably be carried out utilising wood through industrial in-house construction, sustainably and economically advantageous. Nivika shall continue to grow through acquisitions and new development with maintained geographical focus on Småland and localities with good growth opportunities and stable rental markets in southern Sweden. As the purpose of the operations are to own, manage and develop properties in the long-term, Nivika has already from the start placed great emphasis on sustainability. This is reflected in several parts of the operations, such as selection of materials in the construction but also through green financing.

On 31 August 2021, Nivika's property portfolio consisted of 130 properties with 1,127 apartments and 372,145 commercial non-residential floor area ("NRFA") under management. The total lettable area amounted to 428,850 square meters with a property value of BSEK 6.9, of which residential properties corresponded to 25 percent, community and social properties 10 percent and commercial properties 65 percent. Within the frame for Nivika's new development there was, at the end of the financial year, nine projects under construction in progress, as well as 21 projects under project development. As of 31 August 2021, Jönköping was the locality with the biggest proportion of Nivika's property holdings, seen to property value, where the city accounted for 43 percent. Nivika's founders, management and Board of Directors place great importance in local involvement and relations and believe that this focus has contributed to the Company being able to create efficient property management with associated operations. This includes both identifying and acting quickly on acquisition opportunities, but also at sourcing of building rights and projecting for new development. Nivika has as an ambition to continue growing the property portfolio with the goal that the value shall amount to BSEK 12 by the end of 2025, of which the proportion of residential and community and social properties shall constitute 60 percent. The growth shall occur with an average annual increase of at least 15 percent in profit from property management per share over the economic cycle.

The main purpose of the Offer and a listing the Company's Class B shares on Nasdaq Stockholm is to create conditions for a good continued growth, primarily through increased and more efficient long-term supply of capital from the capital market. In addition, the Offer and the listing on Nasdaq Stockholm is deemed to increase the general knowledge about the Company and its operations, which is expected to strengthen Nivika's profile among investors as well as increase the attractiveness as an employer. Furthermore, a motive for the Offer is to finance the Company's continued growth through acquisitions and project development, with new production of residential and commercial properties for long-term own ownership and management.

The Offer comprises a new issue of Class B shares which, upon full subscription in the Offer, provides the Company with issue proceeds of approximately MSEK 1,000 before costs related to the Offer. Costs related to the Offer are expected to amount to approximately MSEK 70, whereof MSEK 0 have been expensed as of 31 August 2021. Consequently, Nivika is expected to receive net proceeds amounting to approximately MSEK 930 through the Offer. The Company intends to use the whole net issue proceeds from the Offer to finance continued growth through acquisitions and project development with new development of residential as well as commercial properties for long-term own ownership and management. Furthermore, the Company also intends to use the whole net proceeds from the Over-allotment Option to finance continued growth through acquisitions and project development with new production of residential and commercial properties for long-term own ownership and management.

The Board of Directors of Nivika is responsible for the content of the Prospectus. The Board of Directors of Nivika hereby ensures that, as far as the Board of Director's is aware, the information given in the Prospectus is in accordance with the factual circumstances and that no information that would probably affect its meaning has been omitted.

Värnamo 22 November 2021

Nivika Fastigheter AB (publ)

Board of Directors

² Through the company Värnanäs AB.

Västergöken 1 on Kungsängen in Jönköping. Mainly constructed in wood, completed during 2021 and consists of 89 apartments and 6 commercial premises. Investment MSEK 219.



MARKET OVERVIEW

This Prospectus contains some information about markets, market size and other industry data regarding the sectors and regions in which Nivika operates. Such information has been retrieved from different sources, such as industry publications and reports. Information that has been acquired from a third party has been reproduced correctly and as far the Company is aware of and can ascertain from the information that has published by this third party, no facts have been omitted that could make the reproduced information incorrect or misleading. However, Nivika has not independently verified the information, why its accuracy and completeness cannot be guaranteed. The sources from which the Company has obtained third-party information are stated in footnotes on an ongoing basis in the Prospectus. Market studies are often based on information and assumptions that may not be accurate or appropriate, and their method is by its nature forward-looking and speculative. Nivika's competitors may define their respective markets and market positions differently than the Company and may also define operations and earnings measures in a way that makes the information incomparable with the one provided by Nivika in this Prospectus. The market overview contains hyperlinks to websites. The information on these websites does not constitute a part of the Prospectus and has not been reviewed by the competent authority.

Introduction

Nivika is operative in the Swedish property market, with focus on residential properties, commercial properties and community and social properties. The Company has its primary operations in Jönköping, Värnamo and Växjö ("**Nivika's regions**"), and, to an increasing extent, in the western part of Sweden. According to Nivika, these regions have good growth opportunities with a steady population development, expansive business and a stable rental market. Furthermore, Sweden's property market at large is affected by several macro and micro factors that steer the development of the market at national and local level.

The Swedish market for residential properties is characterised by an increasing residential shortage and a rising interest for residential rental properties. The market for residential rental properties is characterised by a rent regulation and has had steadily rising rents over time. Furthermore, the Swedish residential market has shown stability and resilience with regard to transaction volume during Covid-19. Residential rental properties³ is considered to be the segment that performs best in periods of economic unrest (both in the form of direct and indirect investments).⁴

Within the market for commercial properties⁵, industrial and storage/logistics properties is Nivika's single largest property category. Industrial properties have shown a low vacancy level and benefit from a positive rental trend with declining required rate of returns. As a result of Covid-19, major changes have taken place in the consumers' buying patterns, which has driven e-commerce to new record levels. During 2020, the e-commerce in Sweden increased by 40 percent and is expected to continue to grow during the coming

years. Growth and development in the e-commerce entails in increased focus on efficient logistics chains which can meet the requirements of fast lead times. The development has created a need for properties in central locations and flexible inventories located in strategic locations.

The market for community and social properties⁶ has managed Covid-19 well and demonstrated a strong investments interest. Community and social properties are characterised by long contracts with government agencies as tenants which contributes to a reduced credit risk. During the last year, the shortcomings in health care and social care have received more attention and in light of this, investments in "society necessary" infrastructure are expected to increase.⁷

Swedish properties as type of investments have historically given a good return with lower volatility, relatively to other types of investments. The residential prices have risen strongly during recent times as a result of rising demand for residential and the Riksbank having a low repo rate to stimulate the economy.⁸

Nivika considers that the factors above, presented in detail in this section, create good conditions for a high and stable demand for residential properties, community and social properties and commercial properties in the municipalities where the Company operates.

The economic situation in Sweden

As a result of the great uncertainty regarding the duration of Covid-19 and its total impact on the economic situation in Sweden, economic assessments in this Prospectus are characterised by great uncertainty.

3 Residential rental properties refer to house, apartment, room or other space to live in. A home can be either a permanent home or a holiday home.

4 Svefa: Swedish property market, 2021.

5 Commercial properties refer to properties owned for the purpose of generating income through leasing to tenants where income predominantly does not come from residential. These include, *inter alia*, office, retail and industrial/storage properties.

6 Community and social properties refer to properties used predominantly for tax-financed activities and are specifically adapted for community services.

7 Svefa: Swedish property market, 2021.

8 Svefa: Swedish property market, 2021.

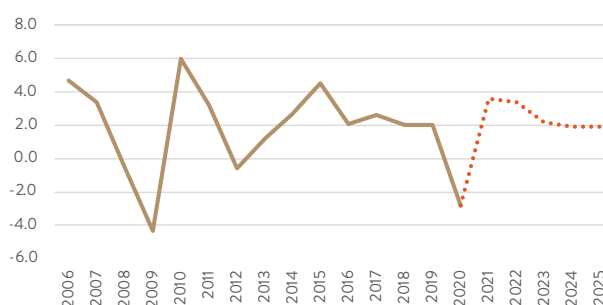
Sweden has an open economy characterised by a transparent business climate, high level of education, sustainable government finances and high productivity. From an international perspective, the country's economy is relatively small and strongly dependent on exports. Thereby, the development of the Swedish economy and its property market is strongly dependent on the global economic situation.

Sweden is Scandinavia's largest economy and had a GDP of approximately BSEK 4,997 during 2020. The GDP-growth in Sweden has in average been 2.1 percent between the years 2010 and 2020.⁹ Approximately 20 percent of Sweden's GDP is attributable to the public sector and 80 percent to the private sector, of which property operations constituted 9 percent of the total GDP-value during 2020.¹⁰

In order to counteract the spread of Covid-19, the Swedish measures have been less aggressive than measures in many other countries. Sweden has not implemented any complete lock-down and focus has been on slowing down the pandemic rather than to stop it. This has resulted in that the economic impact of Covid-19 in Sweden is estimated to have been a bit more limited compared to other countries in Europe and the outlooks for economic recovery is relatively better. During 2020, Sweden's GDP was reduced by 2.8 percent compared to the average of the member states in EU of 6.1 percent.¹¹ Furthermore, Sweden has a relatively low debt ratio of 39.9 percent of GDP for 2020 compared to the average of the member states in EU of 92.4 percent.¹²

During the first six months of 2021, Sweden's GDP increased by 1.7 percent. Sweden is expected to have a GDP growth of 3.6 percent during 2021 and 3.4 percent during 2022.¹³ The forecasts are largely dependent on a successful mass vaccination against Covid-19 and political and economic stimulations. From a global perspective, the GDP is expected to increase by 4.3 percent during 2021 and 4.2 percent during 2022. According to the Riksbank, the strong GDP growth will contribute to an increased resource utilisation and a rising inflation.¹⁴ In the figure below, the historical GDP growth in Sweden between the years 2006 and 2020 and expected GDP-growth between the years 2021 and 2025 are illustrated.

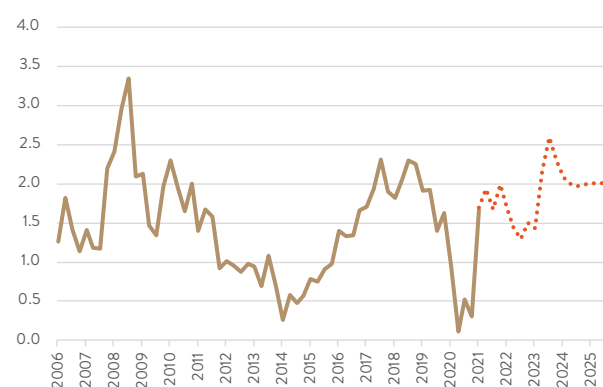
GDP growth in Sweden, %



Source: Statistics Sweden, The Statistical Database, National Accounts, 2006-2021 and The National Institute of Economic Research, The Forecast Database, 2021

During 2020, Sweden had a low and fluctuating inflation due to volatility in energy prices, measurement problems and changed consumption patterns during the pandemic.¹⁵ CPIF-inflation¹⁶ amounted to 0.5 percent during 2020.¹⁷ During the first six months of 2021, the inflation rate according to CPIF amounted to 1.6 percent on a year-round basis. The Riksbank has actively conducted an expansive monetary policy during 2021 in order to support the domestic economy and to reach the inflation target of 2 percent. The repo rate has been left unchanged of zero percent and is expected to stay at that level during the coming years. CPIF is expected to amount to approximately 2 percent during the last six months of 2021.¹⁸ In the figure below, the historical inflation rate according to CPIF between the years 2006 and 2020 and the expected inflation rate between the years 2021 and 2025 are illustrated.

CPIF in Sweden, %



Source: Statistics Sweden, The Statistical Database, Prices and consumption, 2006-2021. The National Institute for Economic Research, The Forecast Database, 2021

9 Statistics Sweden, The Statistical Database, National Accounts, 2010-2020.

10 Statistics Sweden, Sweden's GDP, 2021. www.scb.se/hitta-statistik/sverige-i-siffror/samhallets-ekonomi/bnp-i-sverige/.

11 European Commission: European Economic Forecast – Spring 2021.

12 IMF: Report for Selected Countries and Subjects, April 2021.

13 Statistics Sweden, The Statistical Database, National Accounts, 2021. The National Institute for Economic Research, The Forecast Database, 2021.

14 The Swedish Riksbank: Monetary political report April 2021.

15 The Swedish Riksbank: Monetary political report July 2021.

16 Consumer price index with fixed interest rate.

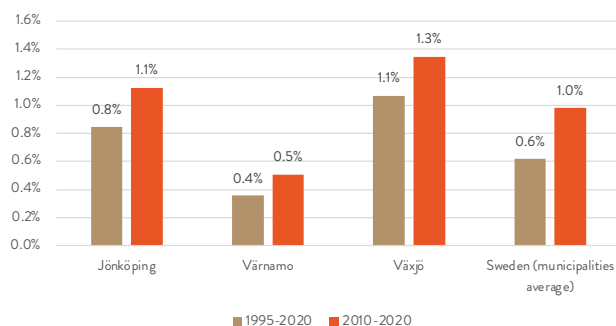
17 Statistics Sweden, The Statistical Database, Prices and Consumption, 2020.

18 The Swedish Riksbank: Monetary political report July 2021.

The population of Sweden has increased strongly during the last ten years, from approximately 9.4 million inhabitants during 2010 to 10.4 million inhabitants at the end of 2020.¹⁹ The average population growth between 2010 and 2020 in Nivika's regions has overall been stronger than the average for Sweden. Jönköping and Växjö have had stronger population growth and Värnamo has had a lower population growth compared to the municipalities of Sweden as a whole.

The expected population growth between 2020 and 2040 in Nivika's regions is in total estimated to be stronger than the average for the municipalities of Sweden. For this period, Jönköping is expected to have an annual average population growth of 0.6 percent, Värnamo 0.2 percent and Växjö 0.5 percent. Sweden's municipalities in average are expected to have a population growth of 0.4 percent between 2020 and 2040. According to Statistics Sweden, the number of inhabitants in Sweden is estimated to amount to over 11 million inhabitants in 2034. This means an annual population growth between 40,000 and 50,000 persons in the coming years.²⁰ In the figure below, the average population growth in Nivika's regions and the municipalities of Sweden between 1995 and 2020 and between 2010 and 2020 are illustrated.

Annual average population growth in Nivika's regions and the average of Sweden, %

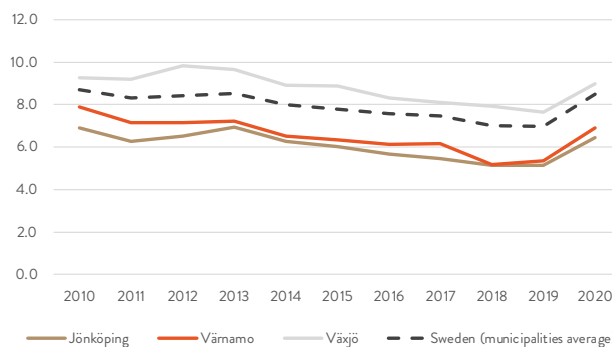


Source: Statistics Sweden, Population 1995-2020

The unemployment rate in Sweden increased to 8.3 percent during 2020 in the wake of Covid-19, which can be compared to an unemployment rate of 6.8 percent during 2019. During 2010-2020, the average unemployment rate in Sweden has amounted to 7.5 percent.²¹ During 2020, the unemployment rate amounted to 6.4 percent in Jönköping, 6.9 percent in Värnamo and 9.0 percent in Växjö.²² Between 2010 and 2020, the unemployment rate has in average been 6.1 percent in Jönköping, 6.5 percent in Värnamo and 8.8 percent in Växjö. Covid-19 has strongly affected the

labour market despite extensive economic-policy measures. Those industries that have employed many young people and foreign-born have been hit hardest by Covid-19. However, the labour market has held up relatively well compared to previous crises.²³ In the figure below, the proportion of unemployed persons in Nivika's regions and the average of the municipalities of Sweden between 2010 and 2020 are illustrated.

Unemployment in Nivika's regions and the average of Sweden, %



Source: The Swedish Public Employment Service, Labour Market Data, 2020-2021

In Sweden, the average monthly income before tax amounts to SEK 28,700 per month for persons between 20 and 64 years old. The average wages within the municipalities where Nivika operates are close to or slightly lower than the average wage in the nation. In Jönköping, the average monthly income is SEK 27,858, in Värnamo SEK 28,758 and in Växjö SEK 26,992. For 2021, the wage increase in Sweden is expected to amount to 2.4 percent.²⁴

The Swedish property market Property transactions in Sweden

The low interest rates in recent years have created a favourable climate for investments and prompted high activity in the Swedish property market. During 2020, the property investments in Sweden amounted to BSEK 196, which was a decrease of 10 percent compared to 2019.²⁵ This can be explained by the prevailing Covid-19-related uncertainty, with several postponed transactions related to offices and retail. Furthermore, 2019 was an unusually active year in the property transaction market. 400 transactions were carried out in total within the property sector during 2020. Sweden accounted for approximately 9.9 percent of the total transaction volume in Europe during 2020.²⁶ Despite continued restrictions linked to the Covid-19 pandemic,

19 Statistics Sweden, The Statistical Database, Population, 2010-2020.

20 Statistics Sweden, Population Forecast, 2021.

21 Statistics Sweden, The Statistical Database, Labour Market, 2021.

22 The Swedish Public Employment Service, Labour Market Data, 2021.

23 The Swedish Riksbank: The Corona crisis and the labour market – effects in short and long term, 2021.

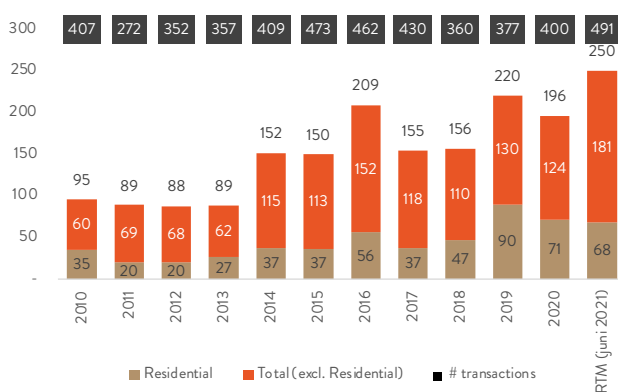
24 Willis Towers Watson: Salary Budget Planning Report, 2020.

25 JLL: Nordic Outlook Spring 2021.

26 JLL Research, 2021.

the transaction activity has accelerated strongly during 2021 with a volume of approximately BSEK 150, which is an increase from approximately BSEK 96 during the first six months of 2020. The market has primarily been driven by structural transactions, which has amounted to a value of in total approximately BSEK 63 (BSEK 28 for the first six months 2020), where Corem Property Group AB (publ)'s acquisition of Klöver AB (publ) to a value of approximately BSEK 49 was the largest transaction in the Swedish property market. In the figure below, the volume and the number of Swedish property transactions between 2010 and 2021 (June 2021 RTM) are illustrated.

Volume and number of property transactions in Sweden, BSEK

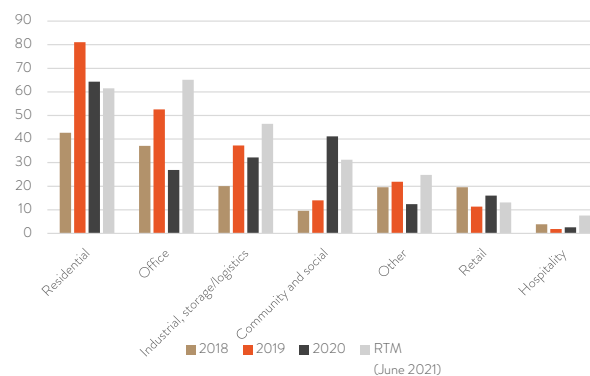


Source: JLL Research, database as of June 2021

Swedish investors account for the majority of the property investments in Sweden, although the interest from international investors for Swedish properties has increased during the last years as a result of a weaker Swedish krona and strong government finances, and a relatively strong underlying economic situation.²⁷ During 2020, international investors accounted for 22 percent of the transaction volume, compared to approximately 36 percent during 2019.²⁸ According to Svefa, an increased interest from international investors is noted regarding new development during 2020 and 2021.²⁹ JLL assesses that the foreign interest also will continue to be strong within the logistics segment and that the sentiment among international investors for the office market is more positive as the rental market in Sweden in general has been stable and the economic situation has been relatively well.

The volume of property transactions decreased between 2019 and 2020 within the segments of residential, office, industry and storage/logistics. The transaction volume within residential decreased from BSEK 81.1 during 2019 to BSEK 64.3 during 2020, corresponding to a decrease of 21 percent. The transaction volume for offices decreased by 49 percent and the volume for industry and storage/logistics decreased by 14 percent. Industry and storage/logistics had an active year during 2019 when Blackstone acquired portfolios of a total of approximately BSEK 9 and JLL assesses that the demand remained strong during 2020 and contributed to push down the required rate of returns. The transaction volume of residential, offices, industry and storage/logistics amounted to BSEK 61.5, BSEK 65.1 respective BSEK 46.5 for the latest twelve months (June 2021). Including structural transactions, the underlying trend continues during the first six months of 2021 which primarily is driven by portfolio transactions within the logistics segment where Blackstone once more acquired a portfolio of 27 properties of approximately BSEK 5 from Castellum AB. In the figure below, annual volumes of Swedish property transactions per property type are presented.

Transaction volume of Swedish properties per property type, BSEK



Source: JLL Research, database as of June 2021

The total transaction volume in Nivika's regions has increased from BSEK 2.1 during 2019 to BSEK 7.0 during 2020, which primarily was driven by an increased activity in Jönköping. However, according to JLL the volumes can fluctuate strongly between the years, which can be seen in the annual transaction volumes for Jönköping where a few large structural transactions have had a significant impact.³⁰ In the figure below, historical transactions within Nivika's regions are presented.

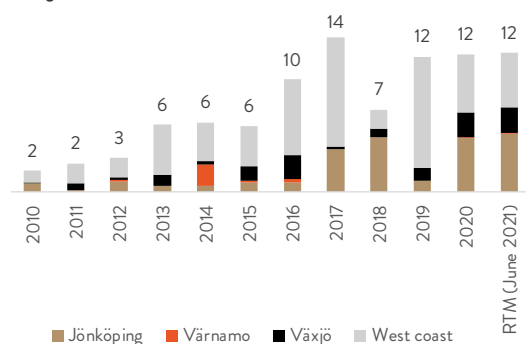
27 JLL: Nordic Outlook Spring 2020.

28 JLL Research, 2021.

29 Svefa: Swedish Property Market, 2021.

30 JLL Research, 2021.

Property transaction volumes in Jönköping, Värnamo, Växjö and the West Coast³¹, BSEK



Source: JLL Research, database as of June 2021

The residential market

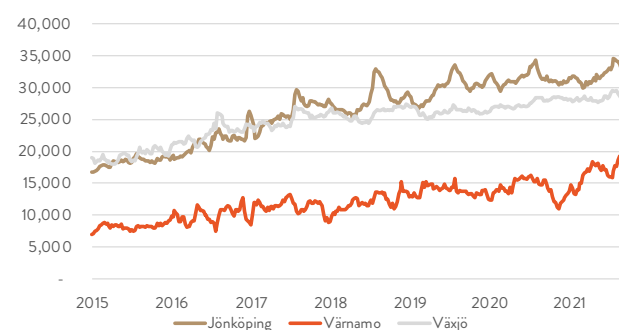
The expected population growth in Sweden until 2029 entails a need of 59,000–60,000 new residential per year.³² During 2020, the construction of 51,500 residential in Sweden was started, including net contributions through conversions, which can be compared to the construction of 48,400 residential during 2019. During 2020, the construction of rental apartments in condominium residential buildings increased by approximately 20 percent compared to 2019.³³ During 2021, 50,000 residential are expected to be constructed, which entails a decrease of 3 percent compared to 2020. Despite a relatively high level of new development during the latest years, there is still a residential shortage within metropolitan regions, university/college localities and regional growth markets.

Covid-19 has changed people's way of working and living. According to Newsec, the average worker will work from home 3–4 days a week after the pandemic.³⁴ In a survey from Kantar Sifo, the average worker stated that he or she would like to work from home two days a week.³⁵ Working remotely entails that many people are expected to move out from the large cities in order to find cheaper and larger accommodations.³⁶ Therefore, the property industry predicts a strong growth in small and medium sized cities in which there are a strong infrastructure across all of the Nordics.³⁷

Despite the downturn in the economy during 2020, the residential market developed strongly, and the residential construction and the residential prices increased. Between December 2019 and June 2021, the residential prices have

increased by 22.5 percent.³⁸ The residential market in Sweden is thereby in line with a global trend of increasing residential prices. The Riksbank predicts that the residential prices will continue to increase which is expected to contribute to more investments in new residential during the coming years. The majority of the households believes in higher prices onwards, according to SEB's residential price indicator for October 2021. 50 percent of the households surveyed believed in increasing prices during the coming year, while 12 percent believed in decreasing prices and 30 percent believed the prices will remain unchanged. The average annual price increase of existing apartments between the years 2015 and 2020 was 10.5 percent in Jönköping, 7.3 percent in Värnamo and 6.9 percent in Växjö.³⁹ In the figure below, square meter price for existing apartments in Nivika's regions is presented.

Square meter price for existing apartments in Nivika's regions



Source: Booli, database as of June 2021

There is still a residential shortage in 207 of the nation's 290 municipalities.⁴⁰ In total, approximately 90 percent of Sweden's population are living in the municipalities stating that they have a residential shortage. According to the National Board of Housing, Building and Planning, common causes of the significant residential shortage are high production costs, difficulties for individuals to be granted loans, shortage of zoning plans on attractive land and difficulties for developers to obtain loans for construction projects. During 2020, the counties of Jönköping and Kronoberg assessed a continued residential shortage for three years onwards regarding Jönköping, Värnamo and Växjö.^{41,42} In the figures below, the residential situation in Nivika's regions and in the municipalities of Sweden are presented.

31 The West Coast includes Helsingborg, Halmstad, Varberg, Laholm and Falkenberg.

32 National Board of Housing, Building and Planning: The National Board of Housing, Building and Planning's indications number 2, December 2020.

33 National Board of Housing, Building and Planning: The National Board of Housing, Building and Planning's indications number 2, December 2020.

34 Newsec: Property Outlook, Spring 2021.

35 Handelsbanken: The Property Report - Insights & Outlook, May 2021.

36 Newsec: Property Outlook, Spring 2021.

37 PwC: Emerging trends in real estate Europe, 2021.

38 Valueguard, database as of June 2021.

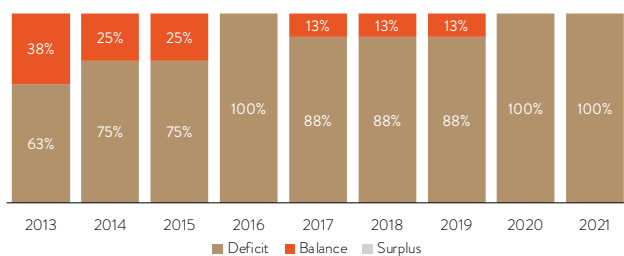
39 Booli, database as of June 2021.

40 National Board of Housing, Building and Planning: The situation in the residential market May 2021.

41 The County Administrative Board of Jönköping: Analysis of the residential situation in Jönköping County 2020.

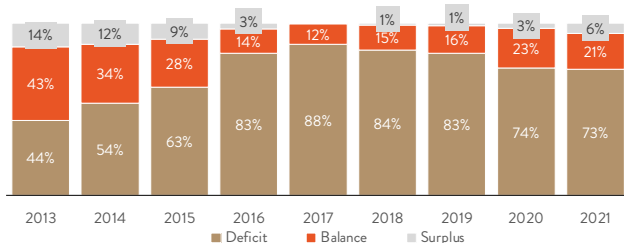
42 Kronoberg County: Residential market analysis 2021.

The residential situation in Jönköping, Värnamo, Växjö and the West Coast⁴³



Source: The National Board of Housing, Building and Planning's residential market survey (HMS), 2020

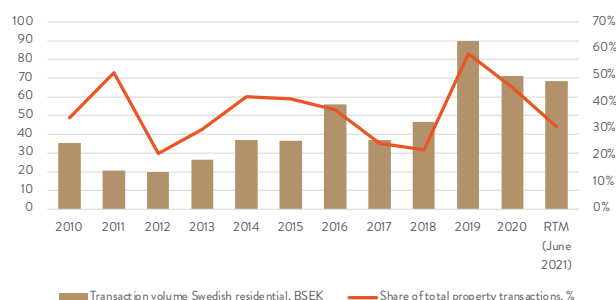
The residential situation in the municipalities of Sweden



Source: The National Board of Housing, Building and Planning's residential market survey (HMS), 2020

In terms of transaction volume of residential properties, Sweden had the third highest volume in Europe during 2020.⁴⁴ During the first six months of 2021, 272 transactions have been completed which can be compared to 202 transactions during the first six months of 2020. The residential sector accounted for 37 percent of the total investment volume within properties during 2020. Although the transaction volumes have decreased since 2019, JLL assesses that there is a strong demand and that the volumes during recent times have been limited by the shortage of sales assignments. The required rate of returns continues to decline with emphasis on newly produced residential in the large cities, driven by both international and domestic capital. In the figure below, transaction volumes of Swedish residential are presented.

Transaction volumes of Swedish residential



Source: JLL Research, database as of June 2021

Rental apartments and regulations

The Swedish market for rental apartments is characterised by steadily increased rents. The rents for rental apartments in Sweden are not priced through market based pricing but are regulated by the utility value system. The rent regulation entails that the rent level can fall below the household's willingness to pay for a corresponding residential. In the same way, the rent cannot decrease even if the ability to pay falls. In the case of standard-raising measures implemented by the landlord, there may be room to adapt the current rent which is closer to the market's willingness to pay.

Approximately 52 percent of the Swedish population live in detached or semi-detached houses and approximately 42 percent in apartments, of which 60 percent of these are living in a rental apartment.⁴⁵ As of 31 December 2020, the number of residential apartments in the country amounted to approximately 5 million with approximately 51 percent located in apartment buildings, 42 percent in detached or semi-detached houses, 16 percent in special residential and 5 percent in other houses. The rental apartment is the usual form of lease in apartment buildings and constitutes 57 percent of the residential apartment stock in Sweden.

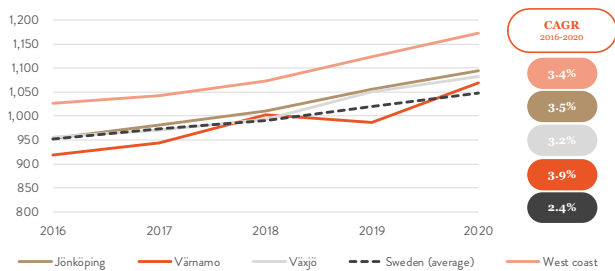
During 2020, the average annual rent in Jönköping amounted to SEK 1,094 per sqm, SEK 1,069 in Värnamo, SEK 1,083 in Växjö and SEK 1,173 in the West Coast, which can be compared to SEK 1,047 per sqm as average for Sweden. The average annual rent increase for apartments between the years 2016 and 2020 was 3.5 percent in Jönköping, 3.9 percent in Värnamo, 3.2 percent in Växjö and 3.4 percent in the West Coast, which can be compared to 2.4 percent as average in Sweden. In the figure below, the average annual rent per sqm in Nivika's regions is presented.

43 The West Coast includes Helsingborg, Halmstad, Varberg, Laholm and Falkenberg.

44 JLL: Nordic Outlook Spring 2021.

45 Statistics Sweden, Living in Sweden, 2021. www.scb.se/hitta-statistik/sverige-i-siffror/manniskorna-i-sverige/boende-i-sverige/.

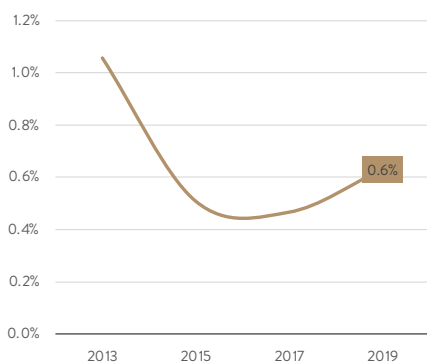
Average annual rent per sqm for rental apartments in Nivika's regions



Source: Statistics Sweden, The Statistical Database, Housing, Construction and Development, 2016-2020

The vacancy rate for residential in Sweden has been very low during the latest years, which is illustrated in the figure below. The low vacancy rate relates primarily to moving vacancy and shows the strong demand for residential in Sweden.

Vacancy rate within residential in Sweden, 2013-2019



Source: Statistics Sweden, The Statistical Database, The Households' Economy, 2013-2019

Sweden has had a steadily increasing construction of residential between the years 2010 and 2019 with a slowdown during 2020. The National Board of Housing, Building and Planning estimates that approximately 628,100 residential need to be built until 2029 in order to meet the prognosticated population growth and to "build away" the current shortage. The forecast of the National Board of Housing, Building and Planning means a yearly construction need of approximately 62,810 residential until 2029. Out of these, seven out of ten is estimated to be needed to be built within metropolitan areas. In the figure below, the number of completed residential in Sweden is presented.

Number of completed residential in Sweden compared to the National Board of Housing, Building and Planning's residential needs estimate, 2010-2020

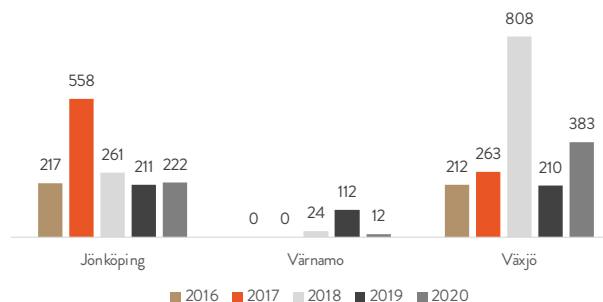


Source: Statistics Sweden, The Statistical Database, Living, Construction and Development, 2000-2021. The National Board of Housing, Building and Planning, Residential Construction Needs 2020-2029, 2021.

During 2020, the construction of 27,000 rental apartments was started in Sweden. Rental apartments account for half of the residential constructions. The increase of rental apartments may be due to the fact that investment aid was granted for 15,800 rental apartments and student residential from July 2019 until June 2020.⁴⁶ There has been a higher activity in Jönköping and Växjö and it is constructed more rental apartments and condominiums per inhabitant compared to Värnamo.

According to JLL, the lower activity in Värnamo can be attributable to low prices in the succession market relative to the new development cost, which periodically has acted as a catch-22 for the market since the net occupancy is assessed to have been negatively affected by a low rate of new development. During the latest 12 months, the conditions have improved in Värnamo which is driven by higher prices in the succession market and lower required rate of returns for newly constructed rental apartments with investment aid, which creates higher volumes and higher project profits. The new development of condominiums has shown a more even development compared to rental apartments within Nivika's regions. In the figures below, completed rental apartments and condominiums in Nivika's regions are presented.

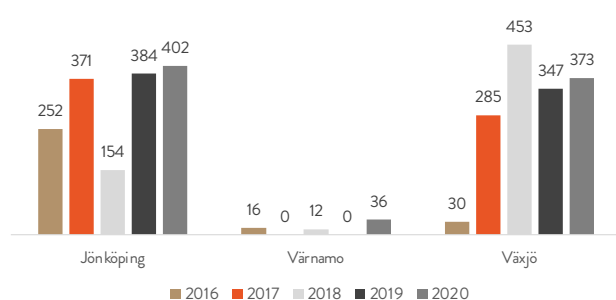
Number of completed rental apartments in Jönköping, Värnamo and Växjö, 2016-2020



Source: Statistics Sweden, The Statistical Database, Living, Construction and Development, 2016-2020

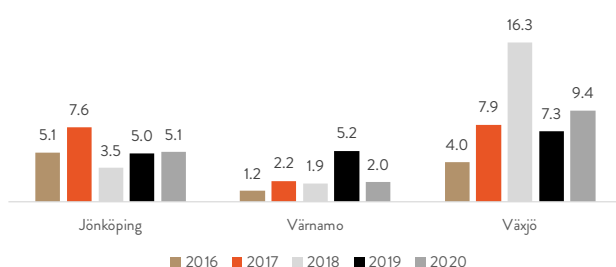
46 The National Board of Housing, Building and Planning: Indications number 2, December 2020.

Number of completed condominiums in Jönköping, Värnamo and Växjö, 2016–2020



Source: Statistics Sweden, The Statistical Database, Living, Construction and Development, 2016-2020

Completed apartments in apartment buildings and detached or semi-detached houses per 1,000 inhabitants in Nivika's regions



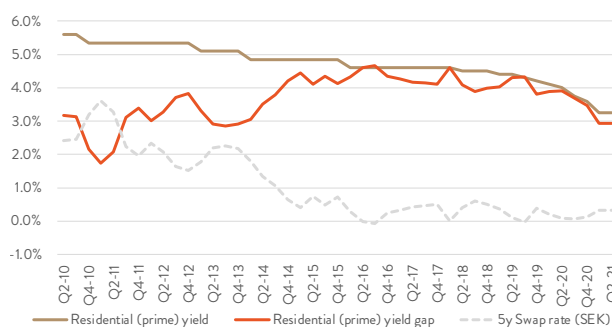
Source: Statistics Sweden, The Statistical Database, Living, Construction and Development, 2016-2020

Prime yield⁴⁷ for residential has decreased during the latest years which can be explained by the low interest rates. JLL assesses that the strong underlying demand for residential continues to support lower required rate of returns during the first six months of 2021 with positive outlooks for a continued high activity during the rest of the year.

Yield gap⁴⁸ for prime residential has decreased from 3.5 percent during the fourth quarter of 2020 to 2.9 percent during the second quarter of 2021. Historically, the yield gap for residential has been traded on higher levels than for, *inter alia*, offices, however, in recent times these have converged to now being traded on similar levels. A large supply

of capital and low vacancy risks supports lower required rate of returns for residential compared to offices, which JLL believes will remain even after the Covid-19 pandemic. In the figure below, the yield development for residential in Sweden (prime) is presented.

Yield development and yield gap development for residential in Sweden (prime), %



Source: JLL Research, database as of June 2021

The market for commercial properties

In the market for commercial properties, industrial and storage/logistics is Nivika's single largest property category, but the Company also holds properties within community and social properties, offices, retail, and hotel and restaurants.

Industrial and storage/logistics properties

The market for industrial properties in Sweden has shown a low vacancy rate and has benefited from a positive rental trend with declining required rate of return. The main drivers for the development are of structural character, as a strong increasing e-commerce and conversion of areas close to the city which contributes to an increasing demand for industrial premises.

The market for storage and logistics properties is still strong in Sweden and has benefited from the structural change driven by e-commerce. During 2020, the property transaction volume within logistics and industrial amounted to BSEK 32, which constituted 16 percent of the total transaction volume within properties in Sweden. During the first six months of 2021, the investment volume within storage and logistics properties is expected to increase by 224 percent compared to the first six months of 2020.⁴⁹ International investors were active within the market for storage and logistics, among them Blackstone, DWS and Barings.⁵⁰

47 Prime yield: the return for a property that is of the highest quality and is located within an excellent area.

48 Yield gap: consists of the difference between the market's yield requirements for properties and the risk-free interest rate. The market's direct yield requirement is defined as the market's assessment of what the yield requirement is for the will to invest, which reflects risks and expectations about future value.

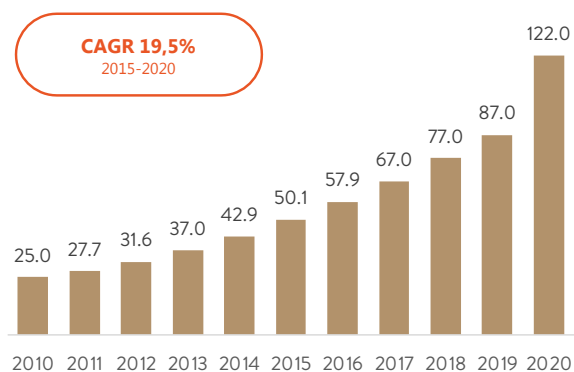
49 JLL Research, 2021.

50 JLL Research, 2021.

A fundamental motive power of the demand for storage and logistics properties is how commodity flows changes. The main motive power for increasing commodity flows is the development of the e-commerce. The turnover for e-commerce has had an annual average growth of approximately 19.5 percent between 2015 and 2020.⁵¹ The already strong e-commerce trend has, in addition, strongly increased during Covid-19 and the e-commerce is stated as one of the strongest motive powers of the increased demand for storage and logistics properties.⁵² During 2020, Swedish e-commerce had BSEK 122 in turnover, an increase of 40 percent since 2019. The turnover within e-commerce in Sweden 2010–2020 is presented in the figure below. Furthermore, the growth within e-commerce in Sweden amounted to 53 percent during the first quarter of 2021 and 16 percent during the second quarter of 2021, compared to the same periods in 2020.^{53,54}

CBRE estimates that e-commerce in average requires 2.4 times more logistics area compared to store-based retail. In addition, Covid-19 has shown risks in the current supply chains and in the future, this can lead to a higher demand for logistics facilities, distribution hubs and storage.⁵⁵

Turnover within e-commerce in Sweden 2010–2020



Source: PostNord, Swedish Digital Commerce, HUI Research, 2021

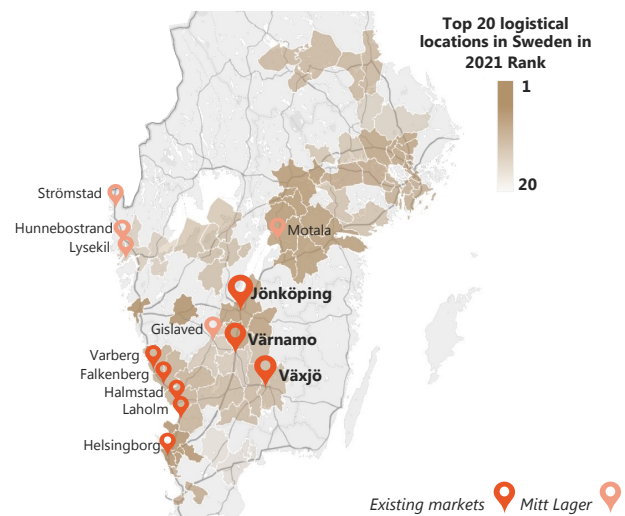
In Jönköping, prime rent⁵⁶ within logistics with premises exceeding 5,000 square meters has increased by approximately 5 percent since the first quarter of 2019. The rental levels for industrial and logistics premises are stable and there are few vacant premises. The contract period is usually between five and ten years within the municipality. During the same period, prime yield has decreased from 5.0 percent to 4.3 percent. Jönköping is strategically located next to European highway 4 (E4) and the Swedish national road

40 and with a good railway connection in Nässjö. The region has the conditions to supply both Finland, Denmark, and Norway with day-after-deliveries from a storage point.

Växjö is also strategically located close to the main railway line and coast to coast railway-line, the local airport Växjö Småland Airport and a hub in a network of Swedish national roads. This position has contributed to that Växjö is a growing logistics region. Växjö has a diversified business and operators as PostNord, Atea and Micropower have built up businesses in the city.

Intelligent Logistik has produced a list of Sweden's best logistics locations for 2021 which combines clear criteria as infrastructure, freight flows, land access, logistics stock and establishments with softer values as access to logistics competence and regional cooperation climate. The list can be compared to Nivika's geographical exposure which indicates that the Company is operative in regions generally ranked high among Sweden's regions. The best logistics locations in Sweden 2021 are illustrated in the figure below.

The best logistics locations in Sweden 2021 and Nivika's current markets⁵⁷



Mitt Lager is a part of Nivika's so-called "self-storage" operation. For more information, see section "Business Overview – Business Areas – Mitt Lager".

Source: Intelligent Logistik, Nivika, 2021

51 PostNord, Swedish Digital Commerce, HUI Research.

52 CBRE: The Future of Nordic Logistics Beyond the COVID-19.

53 PostNord, The E-barometer Q1 2021.

54 PostNord, The E-barometer Q2 2021.

55 CBRE: The Future of Nordic Logistics Beyond the COVID-19.

56 Prime rent: the market rent for a room on the mezzanine floor in a building of the highest quality in the best location on the market, normally the area shall be over 500 square meters.

57 Umeå (ranked 18) excluded from the map.

New development and new leasing of storage, logistics and light industrial properties

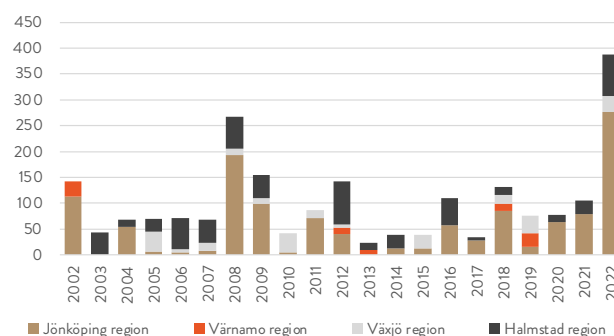
*The Jönköping region*⁵⁸: The new leasing in the region amounted to approximately 140,000 sqm during 2020 which is approximately two times higher than the average since 2010. During the first six months of 2020, the new leasing amounted to 211,000 sqm which is the highest ever in the region. The strong new leasing supports the region's position in the market and enables a strong increase of new development and JLL expects that close to 300,000 sqm will be completed during 2022 which is an increase of approximately 6 times compared to the average since 2010. Thus, the supply continues to be lower than the demand and supports a continued strong project market.

*The Värnamo region*⁵⁹: There has been a relatively low activity in the Värnamo region within new development and new leasing of storage, logistics and light industrial properties larger than 5,000 sqm. JLL assesses that it is, at present, a balanced market without any larger supply coming to the market that could put pressure on the rental market or the vacancies.

*The Växjö region*⁶⁰: The Växjö region has had a strong development of new leasing of approximately 30,000 sqm during the first six months of 2021 which can be compared to approximately 15,000 sqm which has been an annual average in the region since 2015. A strong demand supports an increase of the new development where JLL expects that approximately 30,000 sqm will be completed during 2022, which is approximately two times higher than the average since 2010, however still significantly lower than the increased demand which provides support for approximately three times higher than the average since 2010.

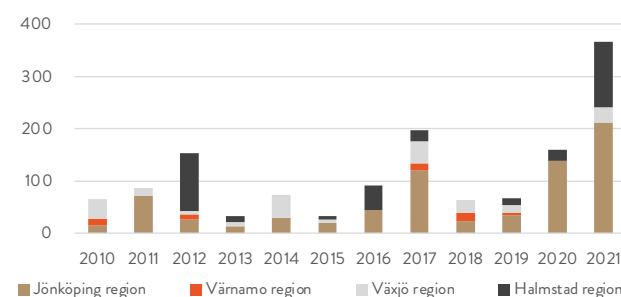
*The Halmstad region*⁶¹: The Halmstad region has had a very strong development of new leasing and JLL assesses that the region's new leasing amounts to approximately 12,000 during the first six months of 2021 which is significantly higher than the annual average of 21,000 sqm since 2010. The market for new development in Halmstad has not been able to supply for the large demand where JLL expects that approximately 81,000 sqm will be completed during 2022 which is an increase compared to the average of 21,000 sqm since 2010.

New development of storage, logistics and light industrial properties >5,000 sqm, thousands of sqm



Source: JLL Research, database as of June 2021

New leasing of storage, logistics and light industrial properties >5,000 sqm, thousands of sqm



Source: JLL Research, database as of June 2021

Rental development for logistics properties (prime) >5,000 sqm

The rental cost for premises exceeding 5,000 sqm has been stable since 2019 in Stockholm, Gothenburg and Jönköping. Between 2010 and 2020, the average annual rental cost has increased from SEK 450 to SEK 500 per sqm in Jönköping. JLL assesses that the rental levels have been relatively stable since 2010 which is driven by stable tenants and a good access to land. However, the signals indicate a potential for rental growth which is driven by a strong demand, especially in locations with delayed plan processes.

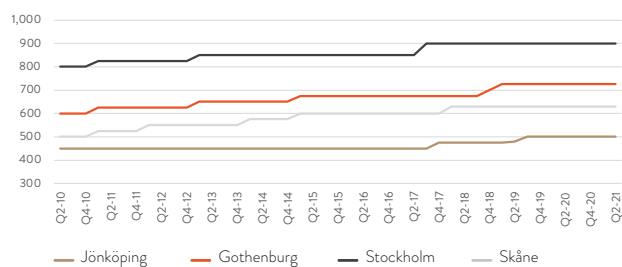
58 The Jönköping region: Jönköping, Nässjö, Vaggeryd, Habo, Tranås, Vetlanda.

59 The Värnamo region: Värnamo, Gnosjö, Gislaved, Svenljunga.

60 The Växjö region: Växjö, Alvesta, Sävsjö, Älmhult, Ljungby, Markaryd.

61 The Halmstad region: Halmstad, Varberg, Falkenberg, Hylte, Laholm.

Annual rental cost per sqm (prime) for logistics properties >5,000 sqm

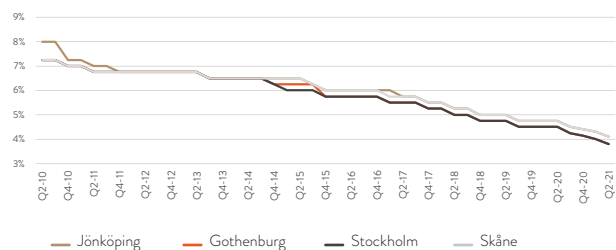


Source: JLL Research, database as of June 2021

Prime yield development for logistics properties >5,000 sqm

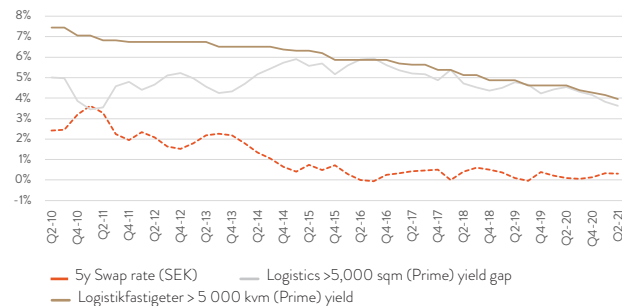
Prime yield for logistics properties has decreased in Gothenburg, Stockholm and Jönköping. Regarding larger properties in Jönköping, the prime yield has decreased from approximately 8.1 percent during 2010 to approximately 4.6 percent during 2020. JLL assesses that the main reason for the decrease is a strong demand for logistics premises driven by e-commerce and the low interest rate situation.⁶² JLL assesses that the yields will continue to decrease to 3.8 percent during the first six months of 2021 regarding prime properties in Stockholm, Gothenburg, Skåne and Jönköping. Structural growth in combination with access to capital and lower yields in other parts of Europe drive the demand, according to JLL.

Prime yield development for logistics properties >5,000 sqm



Source: JLL Research, database as of June 2021

Prime yield and yield gap for logistics properties >5,000 sqm in Jönköping

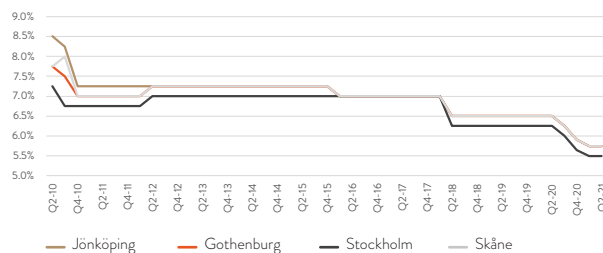


Source: JLL Research, database as of June 2021

Prime yield development for smaller industrial properties

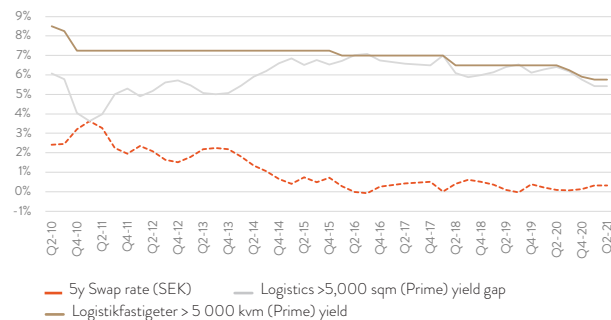
Prime yield for smaller industrial properties in Gothenburg, Stockholm and Jönköping has decreased from 7.3 percent at the end of 2010 to approximately 6.4 percent during 2020. JLL assesses that industrial properties follow the positive trend of value growth and lower yields within the logistics segment, but that it is also a larger difference of required rate of returns depending on type of tenant, contract period and location.

Prime yield for smaller industrial properties



Source: JLL Research, database as of June 2021

Prime yield and yield gap for smaller industrial properties in Jönköping



Source: JLL Research, database as of June 2021

62 JLL Research, 2021.

Community and social properties

For community and social properties, it is usually easier to assess the long-term demand for the operations based on demographic forecasts compared to other property types. The credit risk among tax-financed activities is significantly lower than for tenants which are not tax-financed. Tenants in community and social properties often require a higher degree of premises adaption which sometimes is seen as a risk, that is the residual value risk in terms of conversion costs if the tenants move out. At the same time, the degree of adaption makes it more difficult for the tenants to find new premises, which entails that rental relationships with tenants in community and social properties typically are long. Government agencies typically stay in the same premises for more than ten years, which differs from tenants in commercial properties where the rental period normally is between three and five years. If a rental agreement extends to more than six years, government agencies need to obtain an approval from the government, which in practice often is more of a formality, but can lead to more protracted negotiation processes. During the latest year, the shortcomings within health care and social care have received greater attention which is expected to drive increased investments in “society necessary” infrastructure.⁶³

JLL assesses that the value growth within community and social properties in Sweden has been as good for both the Logistics and the Residential segment. Large structure transactions point at a portfolio premium of approximately 5–10 percent of the properties values which takes time for valuers and the transaction market to absorb. An important factor for value growth within the segment is the length of rental agreements, which enables a higher proportion of external financing to continued lower cost which increases the return for buyers. However, the competition for state/municipal tenants is significant which is a risk accounted for in shorter rental agreements. There is a development potential for both investments and new development driven by environmental and well-being requirements from employees in state/municipal tenants. With regard to community and social properties within Nivika’s regions, JLL assesses that the trend is as good in these markets as for Sweden as a whole.

Office properties

After many years of high demand and low supply for offices, the uncertainty during 2020 has increased in the market as a result of Covid-19, which has entailed a decreased demand. The vacancy rate for offices in Sweden has increased during the latest year, however, the transaction volume does not indicate any clear direction of an increased or reduced interest.⁶⁴ JLL sees a large demand for collective

and flexible office areas centrally located in the future.⁶⁵ An increased proportion of work from home drives changes in the commercial property market where design and location will receive greater attention with regard to offices.⁶⁶

The office market in Jönköping has had a positive development with a large demand, rising rents for efficient offices and low vacancies. However, the vacancies have slightly increased during Covid-19.⁶⁷ The office market in Växjö has a strong demand for modern and efficient offices and rising rents. The transaction volume within commercial properties is by tradition small in the municipality. There is an increased supply of new production with modern offices and the vacancies in the office market refers to a large extent to unmodern office premises of the older stock.

Retail properties

During the recent years, retail properties have been under great transition with a large relocation of retail of durable goods from the central parts of the cities to e-commerce and shopping centres. This has contributed to a transition of older shop premises to other activities in the form of, for example, restaurants, gyms, and offices. Covid-19 has entailed a changed consumer behaviour where increasingly more consumers chose to shop online and instead avoiding shops, restaurants, and shopping centres. However, the volume and nondurables market has had a positive development of sales since people have spent more time at home. As the society begins to reopen and with a successful vaccination, the future prospects in retail are slightly brightened. An increased consumer confidence and the roll-out of Covid-19 vaccine should limit short-term risks although investors and banks still favour retail with income resistance, and which are located on attractive places.⁶⁸

Hospitality properties

During the beginning of 2020, the global economic situation and market conditions deteriorated markedly for hotel operators as a result of the Covid-19 pandemic. Hotel properties has been the segment affected most clearly during the Covid-19 pandemic. Concerns about the spread of infection, decisions and recommendations from governments and authorities such as travel ban and ban on public gatherings, travel restrictions within companies and organisations, and larger economic uncertainty have entailed that the total demand for tourism and business and conference travels has decreased drastically. The metropolitan markets have been hit the hardest by the restrictions with reduced occupancy and income. The hotel market has been slightly stabilised during 2021 but the recovery is expected to take time and entails an uncertainty for property owners.⁶⁹

63 Svefa: Swedish property market, 2021.

64 Handelsbanken: The property report, May 2021 – insights & outlooks.

65 JLL: Why flexible space is making a comeback, March 2021.

66 Handelsbanken: The property report, May 2021 – insights & outlooks.

67 Svefa: Swedish property market, 2020.

68 JLL: Nordic Outlook Spring 2021.

69 Svefa: Swedish property market 2020.

Properties as an investment

Return and volatility against the stock market

The Swedish property market is the largest market in the Nordics. The high transaction volumes in recent times indicates a big interest for properties as investment type. Today's low interest rate contributes to a favourable environment for property investments in Sweden.

Historically, properties have had a good return compared to other investment objects in Sweden. Between 2005 and 2020, the return for the property segments in Sweden was higher than for OMX Stockholm Allshare, 15.8 percent compared to 8.3 percent.⁷⁰ In the Nordics, there are 75 public property companies.⁷¹ As of 31 August 2021, the property sector is valued to a 44 percent premium of net asset value (median), which means a premium of 19 percent of the total value of the assets.⁷²

The total return for residential properties consists of yield and changes in value. Yields have decreased during the recent years as a result of low interest rates and higher valuations. The decreased yields indicates a high interest from investors.

Return and standard deviation per type of asset 2005–2020

Assets	Average yearly return 2005–2020	Cumulative return 2005–2020	Standard deviation, yearly return
All real estate segments	15.8	409.6	24.0
OMXS Allshare	8.3	153.7	20.4
Swedish government bond (10years)	1.9	32.6	1.4

Source: Factset, Thomson Reuters 2021

Valuation of listed real estate companies

JLL has with the help of Sedis AB analysed historical discount and premiums compared to the valuation of Nordic real estate companies listed on Stockholm Stock Exchange (Nasdaq OMX and Nasdaq First North Growth Market). The number of listed real estate companies is currently 39 representing a total market capitalisation of approximately BSEK 968 (as of 31 August 2021) and owning properties for approximately BSEK 1,391 (reported values as of Q2 2021).

As of 31 August 2021, the real estate sector is valued to a premium of 44 percent compared to the latest reported long-term net asset value. The premium of 44 percent can be compared to a historical discount of 4 percent to which the real estate sector has been traded since 2015. The real estate sector has had a strong development since the half-year change 2021 where the sector was traded to a premium of 20 percent compared to the net asset value. JLL considers that this primarily is driven by strong quarterly reports, continued low and in some cases slightly lower interest rates, and an ongoing consolidation with several public takeover bids on listed real estate companies. In a comparison of today's premium compared to the net asset value in relation to the latest reported property value, today's premium of 44 percent implies approximately 19 percent higher property values for the sector (on the assumption that the real estate sector is traded in line with its long-term net asset value). This is higher than the historical discount of approximately 2 percent to which the sector has been traded since 2015, compared to the latest reported long-term net asset values.

Retail properties⁷³: Retail properties are currently traded to a discount to the latest reported long-term net asset value of 11 percent, which is an improvement compared to 22 percent discount at the half-year change 2021. The current discount of 11 percent can also be compared to the historical discount valuation of 14 percent since 2015. However, the spread between the companies is large, as the market rewards consumer nondurables properties with a premium valuation and has a more careful approach to external trading venues.

Office properties⁷⁴: Office companies are currently traded with a premium to the latest reported long-term net asset value of 20 percent, which is a sharp increase from being traded to around the net asset value at the half-year change 2021. The current premium of 20 percent can also be compared to the historical discount valuation of 8 percent since 2015.

Residential properties⁷⁵: Residential properties are currently traded to a premium of 55 percent to the latest reported long-term net asset value, which is an improvement compared to 41 percent premium at the half-year change 2021. The current premium of 55 percent can also be compared to the historical discount valuation of 2 percent since 2015. Many newly listed real estate companies are currently trad-

70 JLL, database as of 31 August 2021.

71 JLL: Nordic Outlook spring 2021.

72 JLL, database as of 31 August 2021.

73 Retail properties: JLL has classified Atrium Ljungberg AB, Cibus Nordic Real Estate AB, Citycon AB, Hufvudstaden AB as companies with the character of retail properties. The previously listed companies Maxfastigheter i Sverige AB and Tre Kronor Property Investment AB have also been included in this analysis during the period that they were listed.

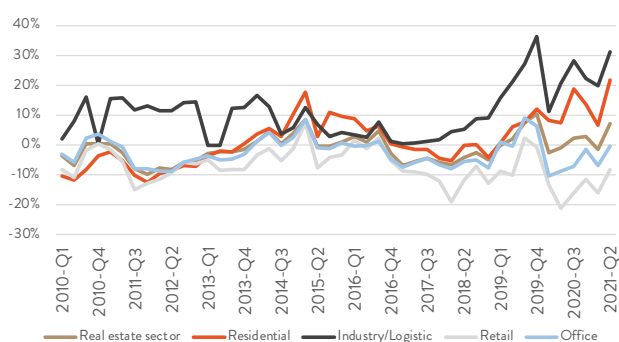
74 Office properties: JLL has classified Castellum AB, Diös Fastigheter AB, Entra ASA, Fabège AB, Kungsleden AB, Platzer Fastigheter Holding AB and Wahlborgs Fastigheter AB as companies with the character of office properties. Klöver AB which was acquired by Corem Property Group AB during the second quarter of 2021 is included in the historical comparison.

75 Residential properties: JLL has classified Fastighets AB Balder, Heba Fastighets AB, John Mattson Fastighetsföretagen AB, K2A Knaust & Andersson Fastigheter AB, K-Fast Holding AB, Kojamo Oyj, Fastighets AB Trianon and Wallenstam AB as companies with the character of residential.

ed to high premium valuations, which makes the historical discount somewhat misleading as it is based on significantly fewer companies.

Logistics and industrial properties⁷⁶: Logistics and industrial properties are currently traded to a premium of 120 percent to the latest reported long-term net asset value of 120 percent, which is an improvement from 73 percent discount at the half-year change 2021. The current premium of 120 percent can also be compared to the historical premium valuation of 34 percent since 2015.

Premium (+) / discount (-) compared to net asset value (%) 2010–2021



Source: JLL Research, database as of June 2021

Nivika's market

Nivika is operative in Småland and on the West Coast, with the largest operations in Jönköping, Värnamo and Växjö. The Company owns residential, community and social properties and commercial premises. The distribution of the Company's property portfolio as of 31 August 2021, based on municipality and value, is as follows: 43 percent in Jönköping, 26 percent in Värnamo, 21 percent in Växjö, 9 percent in the West Coast and 1 percent in other municipalities. The total number of inhabitants in Jönköping, Värnamo and Växjö amounts to approximately 271,816 people.⁷⁷ The municipalities assess a continued residential shortage for these cities in the municipalities' urban areas during the coming three years. The population growth in the municipalities where Nivika manages and builds residential has been pos-

itive. Both Jönköping and Växjö have shown a higher population growth than Sweden in average while Värnamo has shown a lower growth than the country as a whole.⁷⁸ Today, Jönköping has approximately 142,427 inhabitants, Värnamo 34,520 inhabitants and Växjö 94,859 inhabitants.⁷⁹

Jönköping

- Number of inhabitants: 142,427⁸⁰
- Population growth 2017–2020: 3.6%⁸¹
- Land area: 1,480 square kilometres⁸²
- Population density: 96 inhabitants per square kilometre
- Average annual rent: SEK 1,094 per square meter⁸³

Jönköping is located at the southern end of Vättern, an expansive municipality which has grown together with Huskvarna and Norrahammar, now constituting a contiguous urban area since 1971. Jönköping is an administrative centre with several government agencies and many larger employers such as Huskvarna AB, IKEA, Jönköping University, SAAB AB and KABE Group AB. Jönköping has a high proportion of industrial premises which is explained by Jönköping's location, acting as a logistical hub in southern Sweden, where various types of storage premises serve an important purpose.

Jönköping is an attractive business area thanks to the increasing population growth. The municipality of Jönköping has a population of approximately 142,427 inhabitants.⁸⁴ In terms of the number of inhabitants, Jönköping is Sweden's tenth largest city. The unemployment rate of 6.4 percent in the municipality during 2020 was low in relation to the average in Sweden of 8.5 percent.⁸⁵ During 2019, Jönköping reported an approximately 2.4 percent higher median income compared to the average in Sweden.⁸⁶ The population in the municipality is expected to amount to 150,000 inhabitants in the mid 20's which places great demand for new development.⁸⁷

Data in the figure below shows the demographical development in Jönköping and illustrates that the majority of the households are in the ages 20–35 years old, which is an age that is overrepresented in rental apartments. Forecasts of the population development in Jönköping show that the age-group that is currently in the ages of 20 and 40 is growing fastest until 2030.

76 Logistics and industrial properties: JLL has classified Catena AB, Corem Property Group AB, NP3 Fastigheter AB, and Sagax AB as companies with the character of logistics and industrial properties.

77 Statistics Sweden, The Statistical Database, Population, 2020.

78 Nivika, interim report Q2, 2020-2021.

79 Statistics Sweden, The Statistical Database, Population, 2020.

80 Statistics Sweden, The Statistical Database, Population, 2020.

81 Statistics Sweden, The Statistical Database, Population, 2017-2020.

82 Statistics Sweden, The Statistical Database, Environment, 2021.

83 Statistics Sweden, The Statistical Database, Living, Construction and Development, 2020.

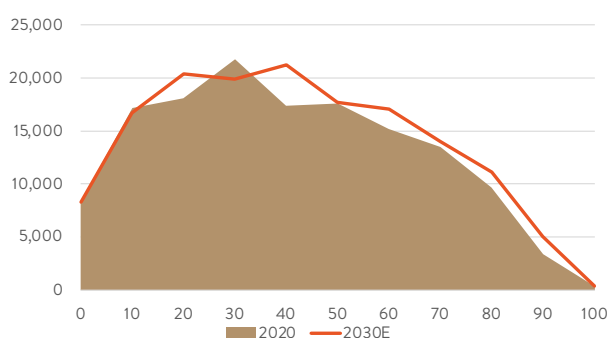
84 Statistics Sweden, The Statistical Database, Population, 2020.

85 Statistics Sweden, The Statistical Database, Labour Market, 2020.

86 Statistics Sweden, The Statistical Database, Labour Market, 2019.

87 Svefa: Swedish property market, 2020.

Population development in terms of age, Jönköping



Source: Statistics Sweden, The Statistical Database, Population, 2020. Statistics Sweden, Population Forecast, 2021.

The demand for residential grows in line with the population growth. During the recent years, the production of residential has therefore been intensified. However, the production has not matched the growing population why it has created a pent-up demand for residential in all price segments. According to the National Board of Housing, Building and Planning, there is an annual construction need 2018-2027 of 1,650 residential, while the annual average of completed residential 2018-2020 was 638.⁸⁸ The municipality of Jönköping also assesses that there is a pent-up residential need of 1,600 residential in order for the municipality to be in balance with regard to supply and demand for residential. Current new development objects are expected to contribute with approximately 2,000 residential per year between the period 2021-2026.⁸⁹ During 2020, 624 apartments were completed and during the first six months of 2021, construction of 1,207 apartments has started and, for the same period the previous year, the number was 231.⁹⁰ There are approximately 69,000 residential in the municipality of Jönköping, of which 44 percent are rental apartments. The number of unlet apartments is basically non-existent.⁹¹ The number of students in the municipality of Jönköping has increased during the recent years, which in step with the general residential shortage, results in students having difficulties to find residential in Jönköping.

The average annual rent with regard to rental apartments in the municipality of Jönköping increased by 3.6 percent since 2019 and by 8.3 percent since 2018.⁹² The increase in rent is in line with similar municipalities, however, the average annual

rent for rental apartments is slightly lower in comparison. The prices of condominiums in the municipality increased by 6.2 percent during the first six months of 2021.⁹³

Jönköping's largest private employer is Husqvarna AB.

Värnamo

- Number of inhabitants: 34,530⁹⁴
- Population growth 2017-2020: 0.9%⁹⁵
- Land area: 1,216 square kilometres⁹⁶
- Population density: 28 inhabitants per square kilometre
- Average annual rent: SEK 1,069 per square meter⁹⁷

Värnamo is located at the hub the "Southern Swedish crossing", where on a daily basis passes approximately 24,000 vehicles. The E4 in north-southern direction and road 27 in east-western direction cross each other here. In addition to the good road communications, Värnamo has been pointed out as one of the stations in the planned high-speed railway which will run between Stockholm and Malmö.

Nivika considers Värnamo as a sustainable and safe municipality with focus on growth. The entrepreneurship that, according to the Company, exists in the region results in robust and viable companies. Furthermore, the Värnamo area belongs to one of Sweden's most interesting small business regions, the Gnosjö region, which is one of the country's most important growth engines, according to the Company. During 2019, the municipality of Värnamo placed on second place in "Best Growth in the county of Jönköping". This prize is awarded the municipalities in each county with the largest proportion of companies that hires, increases its turnover and make profits.

The municipality of Värnamo has a population of approximately 34,530 inhabitants.⁹⁸ The unemployment rate of 6.9 percent in the municipality during 2020 was low in relation to the average in Sweden of 8.5 percent.⁹⁹ During 2019, Värnamo had approximately 4.4 percent higher median income compared to the average in Sweden.¹⁰⁰ The annual average population growth is expected to increase by 400 people the coming years until 2029.¹⁰¹

Data in the figure below shows the demographical development in Värnamo which illustrates an even distribution among the households between the ages 10 to 70 years old.

88 Statistics Sweden, The Statistical Database, Living, Construction and Development, 2018-2020.

89 The municipality of Jönköping: Municipal residential supply program 2021-2026, March 2021.

90 Statistics Sweden, The Statistical Database, Living, Construction and Development, 2019-2021.

91 The municipality of Jönköping: Municipal residential supply program 2021-2026, March 2021.

92 Statistics Sweden, The Statistical Database, Living, Construction and Development, 2018-2020.

93 Booli, database as of July 2021.

94 Statistics Sweden, The Statistical Database, Population, 2020.

95 Statistics Sweden, The Statistical Database, Population, 2017-2020.

96 Statistics Sweden, The Statistical Database, Environment, 2021.

97 Statistics Sweden, The Statistical Database, Living, Construction and Development, 2020.

98 Statistics Sweden, The Statistical Database, Population, 2020.

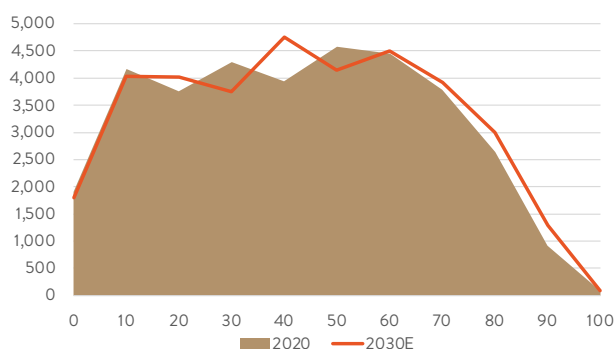
99 Statistics Sweden, The Statistical Database, Labour Market, 2020.

100 Statistics Sweden, The Statistical Database, Labour Market, 2019.

101 The municipality of Värnamo: population forecast 2019-2029.

Forecasts of the population development in Värnamo show that the age group that is currently in the age of 40 is growing fastest until 2030.

Population development in terms of age, Värnamo



Source: Statistics Sweden, The Statistical Database, Population, 2020. Statistics Sweden, Population Forecast, 2021.

There is a residential shortage in the municipality.¹⁰² Current new development objects are expected to contribute with approximately 187 residential per year between the period 2021–2026.¹⁰³ The prices of condominiums increased by 24.4 percent in the municipality of Värnamo during the first six months of 2021.¹⁰⁴

As the population grows, so does the demand for residential, according to an analysis that the County Administrative Board of Jönköping has carried out (prior to the outbreak of Covid-19), there is still a prevailing residential shortage. In Värnamo, 1,750 residential are expected to be constructed until 2029.

The average annual rent with regard to rental apartments in the municipality of Värnamo has increased by 8.4 percent since 2019 and by 6.6 percent since 2018.¹⁰⁵

The largest private employer in Värnamo is DS Smith Packaging Sweden AB.¹⁰⁶

Växjö

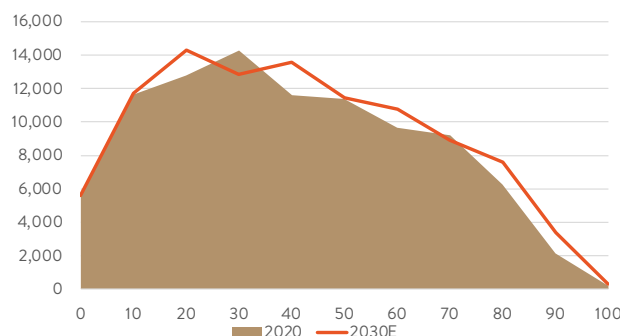
- Number of inhabitants: 94,859¹⁰⁷
- Land area: 1,665 square kilometres¹⁰⁸
- Population growth 2017–2020: 4.2%¹⁰⁹
- Population density: 57 inhabitants per square kilometre
- Average annual rent: SEK 1,083 per square meter¹¹⁰

Växjö is Småland's second largest city, the regional city of Kronoberg and also a city of residence. The business community in Växjö is rich and multifaceted with approximately 7,000 companies in a dynamic mix of sizes and industries. In the municipality of Växjö, we find, *inter alia*, the furniture kingdom's heart in Lammhult and also Glasriket. Växjö is one of Europe's most sustainable cities and the municipality is working for a better environment and for a reduced climate impact.

The municipality of Växjö has a population of approximately 94,859 inhabitants.¹¹¹ During 2019, Växjö had approximately 0.5 percent lower median income compared to the average in Sweden.¹¹² The unemployment rate was 9 percent during 2020 which is slightly higher than the average in Sweden of 8.5 percent.¹¹³ The municipality of Växjö predicts that the population reaches 100,000 inhabitants during 2024.

Data in the figure below shows the demographical development in Växjö and illustrates that the most of the households are in the ages 20–30, which is an age that is overrepresented in rental apartments. Forecasts of the population development in Växjö show that the age group that is currently in the ages of 20 and 40 is growing fastest until 2030.

Population development in terms of age, Växjö



Source: Statistics Sweden, The Statistical Database, Population, 2020. Statistics Sweden, Population Forecast, 2021.

102 The National Board of Housing, Building and Planning, 2020.

103 The municipality of Värnamo, population forecast 2019–2029.

104 Booli, database as of July 2021.

105 Statistics Sweden, The Statistical Database, Population, 2018–2020.

106 The municipality of Värnamo.

107 Statistics Sweden, The Statistical Database, Population, 2020.

108 Statistics Sweden, The Statistical Database, Environment, 2021.

109 Statistics Sweden, The Statistical Database, Population, 2017–2020.

110 Statistics Sweden, The Statistical Database, Living, Construction and Development, 2020.

111 Statistics Sweden, The Statistical Database, Population, 2020.

112 Statistics Sweden, The Statistical Database, Labour Market, 2019.

113 Statistics Sweden, The Statistical Database, Labour Market, 2020.

During several years, the municipality of Växjö has had a residential shortage.¹¹⁴ During 2019, there was approximately 46,600 residential in the municipality of Växjö, whereof 47 percent were rental apartments.¹¹⁵ Compared to other municipalities in the county, Växjö has a significantly higher proportion of rental apartments.¹¹⁶ The population forecast entails a residential need of approximately 1,000 residential per year and if the pent-up need due to previously insufficient constructions is included, the need is an additional 800 residential per year.¹¹⁷ Linnaeus University makes Växjö a university city. The university is located in both Växjö and Kalmar and has approximately 44,000 students in total. In addition, there is a prevailing residential shortage in the municipality for young people and students. The prices of residential in the municipality were unchanged during the first six months of 2021.¹¹⁸ The average annual rent for rental apartments in the municipality of Växjö has increased by 3.0 percent since 2019 and by 9.1 percent since 2018.¹¹⁹

The largest private employer in Växjö is Volvo Construction Equipment AB.

The West Coast

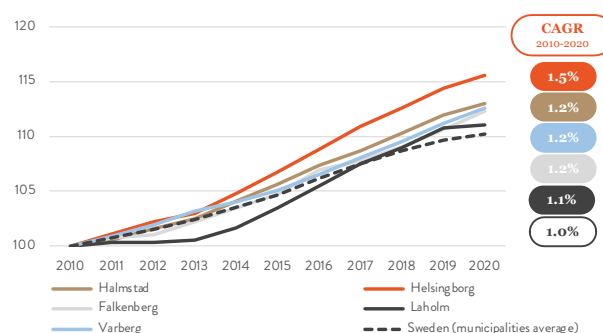
The West Coast comprises, according to the Company, Helsingborg in the south to Gothenburg in the north. The West Coast is a relatively new market for Nivika as the Company closed its first acquisition during March-May 2021. As of 31 August 2021, the Company owned properties in Falkenberg, Halmstad, Helsingborg, Laholm and Varberg. The Company is actively working to find additional properties to acquire on the West Coast which are suitable for future residential projects. All localities where Nivika has been established have an expansive business community and a steady population growth which contributes to a favourable climate for the property market, according to the Company.

Falkenberg, Halmstad, Laholm and Varberg are located in the growing county of Halland, midway between the Gothenburg region and the Skåne/Öresund region which creates good conditions for a strong growth according to the Company. There is a residential shortage in all four above-mentioned municipalities.¹²⁰

Helsingborg has a strategic logistic location in Skåne with a growing number of storages and logistic establishments in connection to E4/E6/E20. The residential market is considered strong¹²¹ and moreover, Helsingborg is considered to have a residential shortage.¹²²

All municipalities have had a higher population growth than the average in Sweden between 2010 and 2020.

Historical population development in Nivika's regions on the West Coast, indexed



Source: Statistics Sweden, The Statistical Database, Population, 2010-2021

Competitors

Today, Nivika operates primarily in Småland and is one of several operators within the region concerning residential rental properties, community and social properties and commercial properties. The Company is active in a market exposed to competition, which is characterised by competition exposed acquisition processes in all size classes. The Company considers that the following companies are the main competitors within Nivika's markets: Tosito Invest AB, Nyfosa AB, Fastighetsbolaget Emilshus AB, K-Fast Holding AB (publ), Samhällsbyggnadsbolaget i Norden AB (publ) and K2A Knaust & Andersson Fastigheter AB:s (publ).

114 The municipality of Växjö: Residential supply needs analysis 2020 and onwards.

115 The municipality of Växjö, 2019.

116 The County Administrative Board of Kronoberg: residential market analysis 2020.

117 Svefa: Swedish property market, 2020.

118 Booli, database as of July 2021.

119 Statistics Sweden, The Statistical Database, Living, Construction and Development, 2018-2020

120 The County Administrative Board: Residential market analysis Halland 2020.

121 Svefa: Swedish property market 2020.

122 The County Administrative Board: Regional residential market analysis for Skåne, 2021.

Vråken 1, Jönköping. Property built mainly in wood, with 5 buildings consisting of 66 apartments as well as underground multi-storey car park. Was completed during 2021.



BUSINESS OVERVIEW

Introduction

Nivika was founded in 2000 by Niclas and Viktoria Bergman, currently operative as the Company's CEO and as a member of the Board of Directors, and is a fast-growing real estate company focusing on long-term ownership, an efficient new development and an investment strategy aiming to be flexible and adaptable towards the property market. The head office is located in Värnamo and the property portfolio is primarily concentrated to growth localities in Småland which the Company deems have long-term good demand for both residential and commercial properties. The property portfolio also consist of, to an increasing extent, properties in western Sweden where the Company believes that the development potential is favourable. As of 31 August 2021, Nivika owned properties primarily in Jönköping, Värnamo and Växjö, but to an increasing extent also in the western and southern parts of Sweden, including Helsingborg, Halmstad and Varberg.

Nivika's business concept is to create conditions for continued good expansion through good business acumen and quick decision-making paths, and for Nivika to be a long-term and secure property owner with focus on sustainability. In addition, Nivika shall, with local connection and with the tenant in focus, refine, construct and acquire properties. Development shall preferably be carried out utilising wood through industrial in-house construction, sustainable and economically advantageous. The business concept is realised through a strategy that consists of four main components: (i) refurbishment; (ii) acquisitions of properties; (iii) sourcing of building rights; and (iv) new development and management. Furthermore, Nivika considers the Company's local engagement and relationships to have contributed to the fact that the Company has been able to build an efficient property management and acquisition and project operations, especially in the core geographies Jönköping, Värnamo and Växjö. Local engagement and relationships will continue to be a central part in new markets as well. The local knowledge and connection provide, in the Company's opinion, flexibility and thereby possibility to identify and act fast on acquisition possibilities, and good conditions to conduct business with limited competition and at attractive valuations. Furthermore, the local connection has been favourable for the Company in order to drive successful processes with regards to sourcing of building rights and in the case of new development by means of a deep understanding of

the local needs. Nivika's ambition is to continue to grow the property portfolio through acquisitions and new development with the goal that the value at the end of 2025 shall amount to BSEK 12, of which the proportion of residential and community and social properties shall constitute 60 percent. The growth shall be an average annual increase of at least 15 percent in profit from property management per share over the economic cycle.

Since the purpose of the operations is to own, manage and develop properties over a long time, it has been natural to already from the start put great emphasis on sustainability. Nivika's view on sustainability is built on an aspiration to create long-term values, both economic and human. According to Nivika, the creation of attractive living environments in resource efficient properties with durable materials to a reasonable cost, is the foundation of a lasting value creation. According to the Company, this presupposes a sustainable view with long-term responsibility, sound business acumen and a stable financial position. Nivika places special emphasis on the latter, as the possibility to be a financially stable business partner promotes the relationship with the Company's stakeholders and is seen as a prerequisite to drive sustainable development. Nivika also considers that long-term value development entails that all operations are imbued by long-term work for a sustainable supply chain and transparent reporting on sustainability data. In addition to this, Nivika's goal is to create economic stability that transcends and goes beyond economic conditions, as the Company does not invest to reach short-term profit and rarely divests the properties which they develop and construct.

As of 31 August 2021, the property portfolio consisted of 1,127 apartments, corresponding to 56,705 square metres lettable habitable area, and commercial premises corresponding to 372,145 square meters lettable commercial area, with a total property value of BSEK 6.9. The Company's total lettable area amounted to 428,850 square meters and the total rental value amounted to MSEK 407 with an economic occupancy rate amounting to 98 percent for residential and 94 percent for commercial premises.

Nivika's geographical presence



Nivika has a goal to increase the proportion of residential and community and social properties from 35 percent as of 31 August 2021 to 60 percent of the total property value at the end of 2025. Included in the concept community and social properties are properties for different types of community services such as education, health care and judiciary, largely tax-financed operations. Nivika considers community and social properties for education and social care to be in close relation to residential construction and development of new residential areas in order to meet population growth and people's needs through life. At the same time, they are commercial premises based on rental agreements, which is why they are not presented together with residential in the reporting, but with the other commercial premises that the Company owns. Nivika intends to reach the growth primarily through in-house projecting and new development, which it intends to carry out cost efficient through the newly acquired subsidiary Husgruppen Modulsystem Jönköping AB ("**Husgruppen**"). Commercial properties include, for example, industrial/storage, office and retail, and within the operations, also the storage and warehousing operation (so-called "self-storage") "Mitt Lager", which accounted for 5 percent of Nivika's industrial and storage area¹²³ as of 31 August 2021.

123 Also includes certain areas which is rented by Mitt Lager but is owned by other companies in the Group.



The courtyard of the property Vråken 1 at Kungsängen in Jönköping. The greenhouse provides the residents the possibility for cultivation and the solar cells on the roof can, among other things, charge batteries to the electric bicycle pool next door.

History

2000	<ul style="list-style-type: none">• Nivika is founded by Niclas and Viktoria Bergman• Initially, five residential properties are acquired in Värnamo and Nivika owned 17 properties at year-end
2006	<ul style="list-style-type: none">• Nivika acquires HLM Fastigheter AB, which means a doubling of the portfolio, measured in lettable area
2007	<ul style="list-style-type: none">• Nivika continues to develop its investment properties by, <i>inter alia</i>, renovations of apartments to enable rent increases
2008	<ul style="list-style-type: none">• Håkan Eriksson becomes a new part-owner
2009	<ul style="list-style-type: none">• A majority of larger renovations are completed, for example Timmermannen
2010	<ul style="list-style-type: none">• Through the acquisition of two central commercial properties and a residential property, Nivika establishes in Jönköping
2011	<ul style="list-style-type: none">• During the year, Nivika converted the residential property in Jönköping that was acquired in 2010 to condominiums and sold the property
2012	<ul style="list-style-type: none">• Continued expansion through acquisitions of residential properties in Värnamo
2013	<ul style="list-style-type: none">• The greater part of the smaller residential properties of the holdings in Värnamo are disposed to a local operator in order to enable further expansion in Jönköping
2014	<ul style="list-style-type: none">• In connection to Nivika's acquisition of a larger property (Vinkeln 6) in Jönköping by Holmgrens Bil AB, Benny Holmgren becomes a part-owner of Nivika
2015	<ul style="list-style-type: none">• Nivika is receiving the award "This year's growth actor 2015" in Värnamo• Several larger projects are completed, for instance Advokaten in Jönköping which holds 100 office spaces and restaurant and shop, and Bredasten in Värnamo which holds a shop and a premises for car sales
2016	<ul style="list-style-type: none">• Nivika's CEO Niclas Bergman is nominated to "Entrepreneur of the Year" by EY• Larger acquisitions in central parts of Värnamo are completed through the block Kärleken, which also becomes the Company's first residential development through apartment modules
2017	<ul style="list-style-type: none">• A construction project of 50 new apartments is completed in central Värnamo• Through the acquisition of a commercial property, Nivika expands to Växjö• Elisabeth Norman becomes chairman of the Board of Directors of Nivika
2018	<ul style="list-style-type: none">• Through the acquisition of a property portfolio of 11 properties in Värnamo, Nivika increases its holdings in Värnamo with 50 apartments and industry, shop and office premises• Two larger residential projects, Operan and Valplatsen, are acquired in Jönköping• Nivika issues its first corporate bond of MSEK 250, listed on Nasdaq Stockholm
2019	<ul style="list-style-type: none">• Santhe Dahl becomes a new part-owner and a member of the Board of Directors of the Company through an oversubscribed new issue of MSEK 300• Continued expansion through the acquisitions of eight properties in Jönköping and Växjö
2020	<ul style="list-style-type: none">• Nivika expands in Växjö through the acquisition of Alhansa Fastigheter AB with a portfolio of 21 commercial properties and thereby establishes a local management organisation in Växjö• Construction start of 200 rental apartments in the first stage at Valplatsen in Jönköping, which are constructed by Husgruppen
2021	<ul style="list-style-type: none">• Nivika acquires Fortnox Arena in Växjö and commences the construction plans for Nivika Center (Värendsvallen 12)• Nivika broadens its project operations through the strategic acquisition of Husgruppen• Nivika expands to a new market, the West Coast, through acquisitions of commercial properties in, <i>inter alia</i>, Helsingborg, Halmstad and Varberg• Prior to the listing on Nasdaq Stockholm, Nivika carries out a new issue of MSEK 300• As of 31 August 2021, Nivika's property portfolio consisted of 1,127 apartments and 372,145 square meters commercial premises, with a property value of BSEK 6.9• After the end of the financial year, Nivika acquires two property portfolios, Riddarberget and SantHem

Vision

Nivika has as a vision to, with Småland intuition and a sense of quality, develop and manage houses for generations.

Business concept

Nivika's business concept stands on three legs:

- Through good business acumen and fast decision-making paths, create conditions for a continued good expansion.
- Nivika shall be a long-term and secure property owner with focus on sustainability.
- In addition, Nivika will, with local connection and with the tenant in focus, refine, construct and acquire properties. Development shall preferably be carried out utilising wood through industrial in-house construction, sustainably and economically beneficial.

Operational targets

- The proportion of residential and community and social properties of the property portfolio shall amount to 60 percent of the property value at the end of 2025.
- The economic occupancy rate for residential shall amount to not less than 95 percent.
- The economic occupancy rate for commercial properties shall amount to at least 90 percent.

Financial targets

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 percent over the economic cycle.
- The net loan-to-value ratio shall in the long-term be below 65 percent.
- The interest coverage ratio for the Group shall in the long-term be at least 1.75x.
- Nivika's shareholders' equity/assets ratio shall amount to at least 25 percent.

Dividend policy

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. Long-term, the Company's goal is to distribute 20-40 percent of the profit from property management after tax paid.

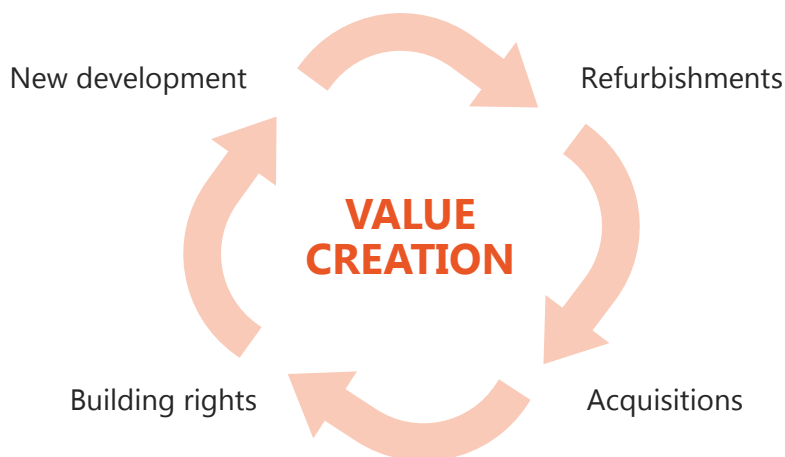
Overall strategies and business plan

Nivika's strategic focus takes hold in property portfolio which will be further developed with a long-term perspective, so the rental potential of the different properties is maximised while 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 its property value and the return. Within property development, renovation of existing properties and environmental improvement measures such as solar cell montage are included.
- (ii) **Acquisitions of properties** are one part of the operation, where Nivika is continuously working to identify new and interesting properties in order to increase the portfolio. The starting point is that additional properties shall contribute with additional value to the organisation through, for example, the possibility for renovation and subsequent rent increases as well as new development after preparation of a new zoning plan.
- (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 on the property in question in new zoning plans. Existing properties contribute, generally, with cash flow all the way to the start of construction.
- (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 has acquired. The use of environment and resources is a central part of new development, which for Nivika means Environmental Certification of residential, energy efficient buildings, long-term quality according to Nivika-standard in order to create attractive environments and sustainable, long-term management. Long-term management creates stable cash flows which in turn provides the possibility of additional investment and expansion.

The four components do not constitute a chronological working method but are rather applied when the Company considers it appropriate. This means that all components do not apply to all properties. Instead, an assessment is done in every single situation based on what creates most value for the Company. The four strategies in turn result in two legs

on which Nivika's business stands: the acquisition activities and the project activities. Nivika is planning to, through these strategies, maintain its growth onwards, primarily through acquisitions as well as the ongoing and planned projects that the Company currently is working with.

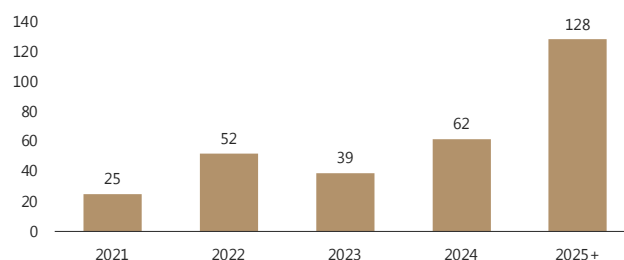


Overview of Nivika's current property portfolio

Based on the Company's geographical presence and operations, the property portfolio is divided into four business areas: Jönköping, Värnamo, Växjö and the West Coast. As of 31 August 2021, Jönköping was the largest business area with 43 percent of the property value, followed by Värnamo with 26 percent, Växjö with 21 percent, and the West Coast with 9 percent. The remaining 1 percent of the property value are found in the other properties located outside the business areas belonging to the subsidiary Mitt Lager. The portfolio included 1,127 apartments and 372,145 square metres lettable commercial area distributed according to the following: 803 apartments and 121,925 NRFA in Jönköping; 244 apartments and 91,866 NRFA in Värnamo; 80 apartments and 92,659 NRFA in Växjö; and 53,408 NRFA on the West Coast. The property portfolio is geographically concentrated which the Company considers to create management advantages that strengthen Nivika's trademark locally. Furthermore, Nivika's focus on long rental agreements and many different tenants, customer sizes and industries reduces the risk for vacancies and rental losses, which the Company considers to provide the conditions for stable cash flows, which in turn enables further expansion

through acquisitions and new development. As of 31 August 2021, the weighted remaining contract period was 4.8 years, excluding residential and parking, with good spread of maturity dates. Nivika's income base is well diversified as it rests on 430 contracts and the tenants consist of both well-established multinational companies, small and medium sized companies and public administration. As of 31 August 2021, the ten largest contracts accounted for 20 percent of the total annual basic rent and the weighted average contract period was 9.5 years.

Contract value of rental agreements of premises, maturity date distribution as of 31 August 2021, MSEK



The acquisition operations

Nivika works continuously to identify new properties in order to increase the current property portfolio. The starting point for the Company's work with property acquisitions is that additional properties shall contribute with additional value to the organisation through, for example, the possibility of renovation and subsequent rent increases as well as new development after preparation of a new zoning plan. Nivika focuses on densifying the property portfolio in Jönköping, Värnamo and Växjö with the possibility of considered acquisitions of properties in new localities where the development potential is considered beneficial. The acquisition operations primarily revolves around commercial properties as the Company deems it is more profitable to project and produce residential in-house rather than to acquire completed residential objects, however, there is also a possibility for the Company to, on special and well-considered occasions, acquire residential properties. Acquisitions of commercial properties also provide the Company the possibility of establishment in new localities through a local connection, which in turn enables more profitable new development. Hence, acquisitions are an

important component in Nivika's expansion to new markets. According to the Company's assessment, acquisitions of commercial properties is the most efficient way to establish oneself in a new locality since they are existing properties with existing cash flows, creating a financial stable ground to recruit and maintain a local organisation for management. The Company also acquires site leaseholds and building rights, which are later used in future new development.

Local presence and a wide network are key factors in the acquisition operations. A geographical concentrated portfolio yields management advantages that strengthens the brand locally, which, according to the Company, leads to further good business opportunities. Given Nivika's local connection, the Company is provided with good opportunities for property acquisitions outside highly competitive and structured processes, according to the Company. In order to be able to use these opportunities, the Company has created a clear acquisition process consisting of identification, strategic evaluation, analysis and due diligence, which lead to an investment decision. A typical acquisition process runs from one to three months.

SOURCING



Management through local network



STRATEGIC EVALUATION



Executive management, head of transactions and financing as well as project manager



ANALYSIS



Executive management, project manager, leasing and facility management departments



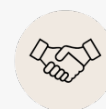
DUE DILIGENCE



Executive management, finance department and external auditors



DECISION



Nivika's Board of Directors

- **Sourcing** of acquisitions is an ongoing process that is primarily led by the Group management with the help of the Company's network. This work is conducted within the geographical areas that constitute Nivika's business areas and / or within geographical areas in which the Company sees potential expansion possibilities. As a result of Nivika's strong local presence and trademark, the Company considers itself to have access to a large number of potential acquisition candidates within the core geographies Jönköping, Värnamo and Växjö, and, to an increasing extent, also on the West Coast.
- **Strategic evaluation** is led by the Company's executive management together with the transaction and financing manager and a project manager, who is appointed in connection to an acquisition candidate has been identified and is starting to get evaluated. The potential acquisition candidate is evaluated based on how well it fits the Company's business strategy within the Company's geographies in Småland and on the West Coast, and in connection to the strategic evaluation, a valuation of the property portfolio is conducted.
- **Analysis** is conducted after a strategic evaluation of the potential acquisition candidate has been conducted, during which the executive management, the project manager, and the leasing and management departments

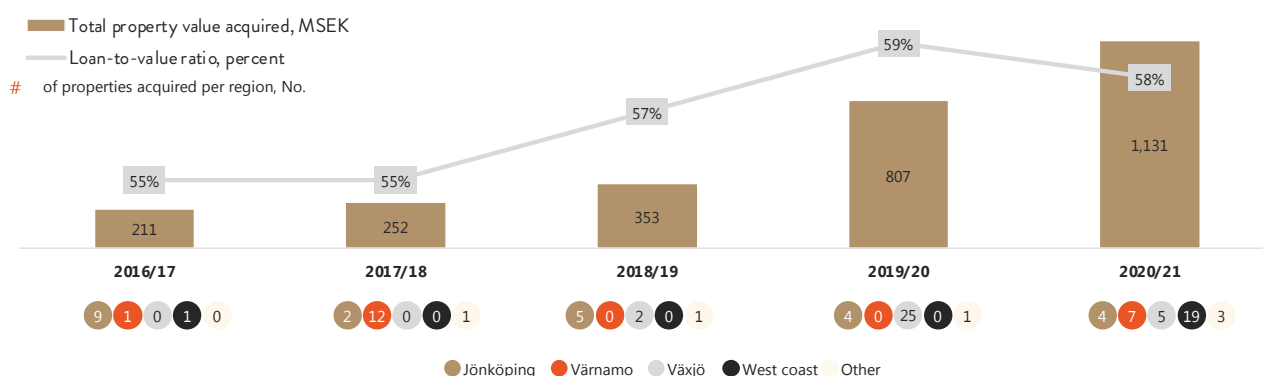
analyse the property based on a variety of technical criteria, such as surplus ratio, yield, economic occupancy rate and development potential. Nivika considers itself to have access to an appropriate technical knowledge within the organisation which makes the analysis period relatively short compared to what the Company experiences from competitors in the market. This, together with the Company's local network and experiences from previous processes within nearby geographies, strengthen the Company's competitive advantage in its speed in acquisition processes.

- **Due Diligence** of the potential acquisition candidate is later conducted by the executive management, the accounting and finance department and externally hired auditors, lawyers and environmental specialists that review the potential acquisition candidate based on its legal, financial and sustainability position.
- **Investment decision** regarding potential acquisitions are made by the Board of Directors, which gives approval to the Company to proceed in the process with the acquisition candidate or not. During the process, it also assessed whether the acquisition consideration in whole or in part shall include a directed share issue to sellers, based on a financing proposal made by the executive management and transaction and financing manager.

Nivika primarily considers the strength in the Company's acquisition process to be the Company's local knowledge and presence as well as internal competence, which also includes the Company's management organisation. This enables the Company to be flexible and act fast on acquisition possibilities, which Nivika deems to be an important component in a good acquisition track record. At the same

time, the Company believes that the process ensures identification and execution of acquisitions in a commercial way that benefits the whole operations, and that the acquisitions are carried out with a reasonable financial risk. The net borrowings amounted, as of 31 August 2021, to 58 percent, which is in line with previous years when the net loan-to-value ratio has been between 55–59 percent.

Nivika's acquisition history during the latest five years¹²⁴



The acquisition of Alhansa Fastigheter AB in Växjö during April 2020 and the 17 properties that the Company acquired on the West Coast during spring 2021 are clear examples of how acquisitions enable local establishment.

Examples of recent completed acquisitions

Alhansa Fastigheter AB in Växjö

The acquisition of Alhansa Fastigheter with associated subsidiaries in Växjö is Nivika's single largest investment and has given the Company a strong foothold in Växjö. The property portfolio that was possessed during April 2020 included 21 commercial properties of 72,000 sqm with a rental stock primarily consisting of business-to-business operations, but also consisted of 20 percent of community and social properties. The properties are well gathered, mainly within the district Väster, in close connection to Arenaområdet in Växjö. Through the acquisition, Nivika has been able to continue its strategy of acquisitions and project development in the area, with the goal of achieving a diversified holding in Växjö that within three years from the acquisition shall amount to no less than BSEK 1.5. The current value of the portfolio amounted to BSEK 1.4, as of 31 August 2021, corresponding to a goal fulfilment of 96 percent in just over half of the time that the goal comprises. The acquisition established an important local management organisation that, in addition to the acquisition in question, also will manage existing properties and coming rental apartments under construction. Since the acquisition, the Company has commenced the construction of two residential properties corresponding to 240 apartments, of which one property of 80 apartments was completed as of 31 August 2021.



Växjö

Company	Alhansa Fastigheter AB
Property type	Commercial
Location	Växjö
Area	72,000 sqm
Number of properties	21
Acquired	Q3 2019/2020
Investment	MSEK 800
Current valuation	MSEK 867

¹²⁴ Includes properties acceded during the period.

Establishment on the West Coast

During the second and the third quarters of the financial year that ended 31 August 2021, Nivika completed the strategic acquisitions of 17 properties in total on the West Coast of a property value of MSEK 526 and thereby the West Coast became a new market area for the Company. The properties are distributed in six localities, of which six properties are located in Varberg, five in Helsingborg, three in Halmstad, and one each in Falkenberg, Laholm and Vinberg. The Company considers Halland and northern Skåne to be located in an attractive part of Sweden which creates good conditions for a high growth. Commercial properties are a stable base for the Company upon establishment within a new geographic area and provide access to cash flow from day one. The safe base creates possibility for the build-up of an organisation, recruitment of new co-workers with local connection and location of building rights that opens up for project development and new development. The portfolio's current value amounted to MSEK 555 as of 31 August 2021, corresponding to a development of 6 percent in one quarter.



The West Coast

Properties	Ametisten 2 and 7, Bikupan 4, 5, 19, 20 and 22, Brilljanten 4, Bälgen 15, Falkenberg Företagaren 2, Falkenberg Töringe 7:40, Fyllinge 20:412, Kruthornet 3, Opalen 2, Sylen 3, Stegen 1 and Tandborsten 7
Property type	Commercial
Locations	Falkenberg, Halmstad, Helsingborg, Laholm, Varberg and Vinberg
Site area	43,079 sqm
Number of properties	17
Acquired	Q2 and Q3 2020/2021
Investment	MSEK 526
Current valuation	MSEK 555

Divestment of properties

Nivika's work with property acquisition also includes a strategic evaluation of the existing property portfolio, which may also involve divestments. The evaluation of the existing portfolio is based on three criteria: (i) the location of the property; (ii) the form of the property; and (iii) its operating costs and financing. Nivika prioritises a geographically cohesive property holding as it provides the possibility to achieve economies of scale within the property operations. The Company's project operations presupposes that there is a possibility to further develop properties from their existing form, either within the framework of an existing zoning plan or through sourcing of building rights. The operating cost and financing of a property are also taken into consideration in the evaluation in connection with the other criteria. During the second quarter of the financial year that ended 31 August 2021, Nivika divested the properties Operan 1 in Jönköping and Ödlan 1 in Värnamo as a result of a strategic overview.

Project development operations

The project development operations are a central part for Nivika in creating long-term and sustainable value growth. Beside strategic acquisitions, the Company works actively with refinement of existing properties and preparation of zoning plans to create building rights as well as project development in attractive locations. Nivika's project development operations are thus based on three of the Company's four overall strategies: refurbishments, sourcing of building rights as well as new development and management.

Sustainable project development

Sustainability is a natural and integrated part of the Company's business model, which also imbues new development and refurbishments. Nivika cooperates with customers, suppliers and municipalities to create sustainable cities and communities together. Nivika's framework for green financing¹²⁵ enables investments in both the new development of properties and the redevelopment of properties, and ensures that investments in new development are sustainable and energy efficient.

Sustainable city development

Sustainable city development is one of Nivika's four overall focus areas within the sustainability work. For Nivika, sustainable property development goes hand in hand with sustainable city development. Nivika considers the Company to have a long-term responsibility in the construction, development and management of properties, and has as a goal to create sustainable blocks and districts that shall manage climate change and societal transformation. This goal is reflected in the zoning plan work, which, besides the forming of districts, also includes efforts to ensure that the property contributes to a mixed city environment. According to Nivika, a mixed city environment creates conditions for large diversity and variation between old and new buildings, both in form and function for residents, retail, service, recreation, culture and workplaces.

Nivika also strives to create a city where individuals' lives and businesses can cause a minimal negative burden and an increased positive effect on nature and human beings. This is achieved by sustainable construction and forward-looking solutions, for example a robust and secure water supply and sewerage provision and energy provision, as well as communication that can withstand different types of potential crises and threats. Through cooperation, participation and strategic ventures, Nivika sees the creation of new opportunities for business and operations, which increases the whole city's power of attraction.

Within the area sustainable city development, Nivika also strives to promote the biodiversity in the zoning plan work, at projecting as well as at new development and redevelopment. The Company's overall goal is to have a good and

attractive property portfolio, which has no negative influence on neither the human being nor the environment. The preservation of biodiversity is, to Nivika, a matter of planning green spaces and runoff spaces in the zoning plan work and projecting, preserving existing greenery such as trees, watercourse and meadow land as well as to adjust construction to surrounding environments and wildlife. Sedum roofs, that is to say green roofs, contribute to wildlife as well as improvement of air quality and the Company adds it where it is suitable. Green roofs can today be found on the block Snöflingan in Växjö as well as on Västergöken in Jönköping, and extra consideration to preserve existing greenery has been made on Valplatsen in Jönköping but is also of interest at the project planning of Hovslätts Ängar, located just south of Jönköping.

Environmental certification

Environmental certification of residential is, according to Nivika, one of the most important tools to ensure that the residential properties owned and administrated by the Company become sustainable. The certification also contributes to that the properties' environmental performance become more comparable and the communication with tenants become clearer.

In August 2020, Nivika's Board of Directors decided to construct new residential in accordance with the certification system "Miljöbyggnad Silver", which is handled by Seden Green Building Council ("SGBC") and makes demands on energy use, material use and indoor environment. All planned residential projects, which includes ten projects, are constructed in accordance with Miljöbyggnad Silver which measures 16 different points, *inter alia* ventilation, admission of daylight and documentation of the construction materials. These are then examined by a third party before certification is granted. A follow-up control is made within three years, to ensure that the construction still fulfils the requirements. As of 31 August 2021, Nivika had three ongoing new development projects, Valplatsen 8, Sadelmakaren and Nivika Center, as well as ten projects in the planning stage being built according to "Miljöbyggnad Silver". The target that each new development of residential shall be built in accordance with "Miljöbyggnad Silver" will enable that a large part of the future property value continues to be generated in a sustainable way.

Reduced energy use

Energy use connected to the property operations is, according to the Swedish Construction Federation (Sw. *Sveriges Byggindustrier*), the biggest cause for carbon dioxide emissions during a property's life cycle after the property has been completed.¹²⁶ Electricity accounts for a substantial part of the energy use, and Nivika has as a goal to, during the coming years, reduce the energy use with ten percent, measured in kWh/m² A_{temp}, regarding the energy controlled by the Company itself.

125 See section "Sustainability work – Green framework".

126 The Swedish Construction Federation (SBUF long report PÅ_181112_TM181106).

Normally, Nivika provides its tenants with electricity, water and hot water and charges them from actual use, which the Company considers should increase the tenant's interest in increasing the efficiency of their energy use and, together with Nivika, contribute to the Company's sustainability goals. The electricity that the Company purchases is, for the most part, produced in an environmentally friendly way, which means that it is renewable from hydroelectric power, is origin-declared and does not cause operation discharge of carbon dioxide, sulphur dioxide or nitric oxide at the production. As heating source, district heating is used for the majority of the properties.

Since 2017, Nivika has also installed approximately 1,974 kWp in solar panels on 27 buildings, mainly commercial, which yield an annual production of approximately 689,629 kWh, as of 31 August 2021. The Company has as a goal to install production capacity corresponding to 1 MWh solar energy per year.

Nivika standard for long-term management

Nivika's residential are always built with "Nivika standard", which means that the starting point for the choice of material and specifications is long-term management, for both renovations and new development. Nivika's properties are, as much as possible, designed to be flexible and easy to adjust to changed needs, which decreases the need for redevelopments. For the tenant, Nivika standard means that the hallway floor is durable and maintenance-free in granite or ceramic clinker, and durable three strip oak parquet flooring for the remaining floors. All skirting strips are in oak and window boards in stone or white marble. The kitchen is white with durable compact laminate on the kitchen worktop. The toilet and bathroom have granite or ceramic clinker on the floor and tiles on the walls. The apartment has a mechanical supply and exhaust air ventilation with heat recovery and FTX unit.¹²⁷ The goal of long-term management is a matter of having properties of high quality to attract tenants as well as contribute to increased sustainability. Long-term sustainable and qualitative material is an important part during new developments and renovations, where wood that is being bought is traceable and sustainably extracted, ensured through certification according to FSC¹²⁸ or PEFC¹²⁹.

Example of sustainable constructing

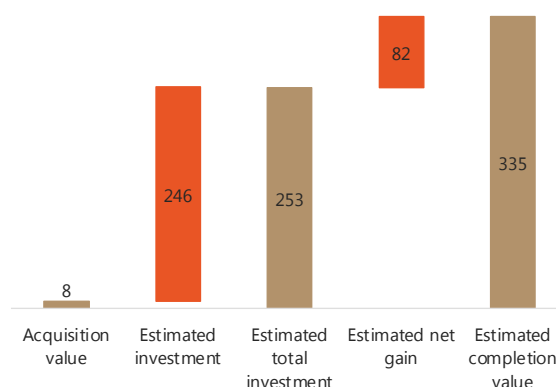
Sadelmakaren 1 is one of Nivika's new developments of residential in Värnamo. Earlier, the property belonged to a commercial premises where Ö&B was a tenant, which Nivika is now transforming to 130 rental apartments distributed across four building sections that are scheduled to be completed in 2023, and is carried out in accordance with Nivika's goal of, in a sustainable way, constructing new

residential for long-term management. The buildings are certified according to Miljöbyggnad Silver and are built in accordance with the National Board of Housing, Building and Planning's building regulations ("NBR") for investment grants, implying they reach 56 percent of NBR for the energy consumption.¹³⁰ Nivika also invests in solar panels and charging points, as well as individual measuring for each apartment for electricity, water and sewage.

Sadelmakaren is constructed in a circular way, which means that significant amounts of the earlier commercial premises located in its place are reused. The property has been demolished in different stages, where the walls of Siporex lightweight concrete, the steel frame, ceilings, roof insulation, roofing sheets, windows, doors and gates are used to construct two of the four new buildings. The ventilation unit will be reused in another of Nivika's properties. Through circular construction, the climate emissions decrease considerably, whilst material and products are used more resource efficiently.



Värnamo	
Property	Sadelmakaren 1
Property type	Residential property with rental apartments
Location	Gröndal, Värnamo
Area	8,111 sqm HA
Number of apartments	130 rental apartments
Estimated completion ¹³¹	Q1 2023 and Q3 2023
Estimated investment ¹³²	MSEK 253



127 A FTX unit is a ventilation system which, in most cases, consists of two fans, one heat exchanger and two filters.

128 Independent international member organisation that encourages to environmental suited, socially useful and economically vigorous use of the world's forests, through its certification system FSC.

129 A system for certification of environmentally friendly and resource economising forestry.

130 This contains an authorisation to apply for increased support if the building has an even better energy performance than corresponding 56 percent of the energy economising requirements.

131 Concerns quarter per calendar year.

132 The calculations for Sadelmakaren 1 are made with the assumption of received investment grant from the National Board of Housing, Building and Planning.

Sourcing of building rights

According to Nivika's business strategy, work with the sourcing of building rights on existing properties is also included within project operations. It is performed in close cooperation with the local municipality and is mainly concentrated on the development of residential rental properties and commercial premises on actual properties in new zoning plans. The sourcing of building rights is made possible for the Company through existing cash flows from existing properties, which as a rule contribute with cash flow right up to construction start. Nivika's work with sourcing of building rights is also the basis for the Company's work with new development and management. In order to make new development possible in the pace intended by the Company, Nivika also acquires already prepared building rights. In all, the Company, by plan changes for new zoning plans, works through 400-500 apartments in building rights per year, including purchases of finished building rights. As of 31 August 2021, the Company had 175,000 square metres building rights in its portfolio attributable to commercial properties and 1,762 building rights regarding residential. The building rights had, as of 31 August 2021, a value on the balance sheet of MSEK 125 and MSEK 75, respectively.

Refurbishments

Nivika's long-term work with property development includes, *inter alia*, development and change of existing properties. This property development is carried out from each property's unique condition, with the goal of increasing the property value and the return.

As a general rule, the Company renovates the existing property portfolio in connection with apartments becoming vacant, and renovation then occurs in accordance with Nivika standard like Nivika's new development. Commercial premises are also renovated upon renewed contracts, caused by needs for operation adjustments for both existing and new tenants. A renovation then provides the Company with the opportunity of carrying out a rent increase corresponding to the achieved refinement. Currently, the renovation pace corresponds to between 10-15 apartments per year, and during the financial year that ended 31 August 2021 11 apartments were renovated.

Examples of refurbishments

During August 2021, Nivika renovated an apartment on Myntgatan in Värnamo. The renovation was carried out in connection with the previous tenant moving out and prior to the new tenant moving in. It resulted in a rent increase of SEK 535 per square meter and year, corresponding to a return on invested capital of 10 percent.

Värnamo	
Property	Snipen 18
Property type	Residential property with rental apartments
Location	Myntgatan, Värnamo
Area	65 sqm HA
Number of apartments	1 rental apartment of 2 RAK
Completed	August 2021
Investment	KSEK 350
Investment per square meter	SEK 5,385
Rent increase per month	SEK 2,900
Ren increase per square meter and year	SEK 535
Return on invested capital	10 percent

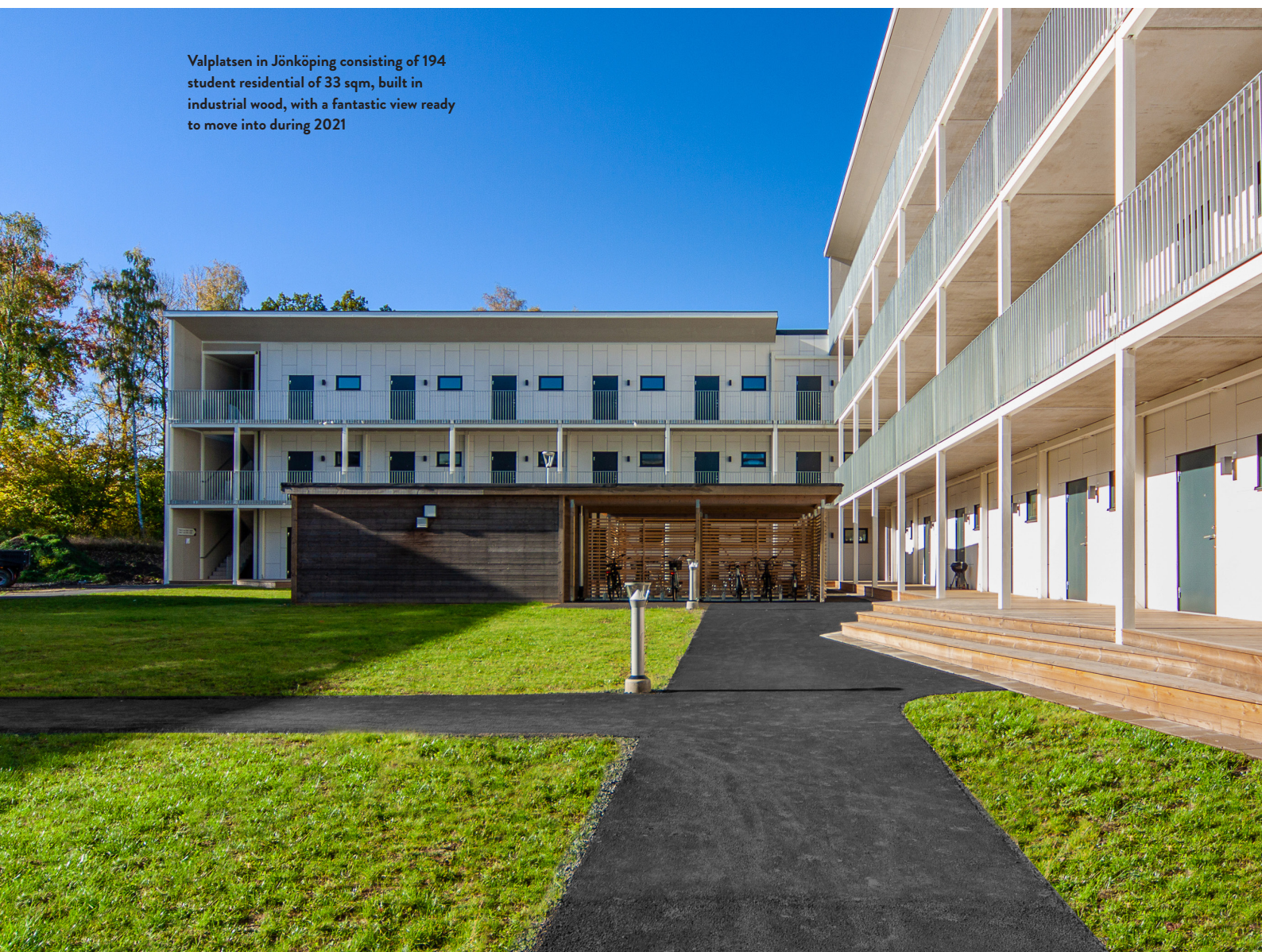
Before



After



Valplatsen in Jönköping consisting of 194 student residential of 33 sqm, built in industrial wood, with a fantastic view ready to move into during 2021

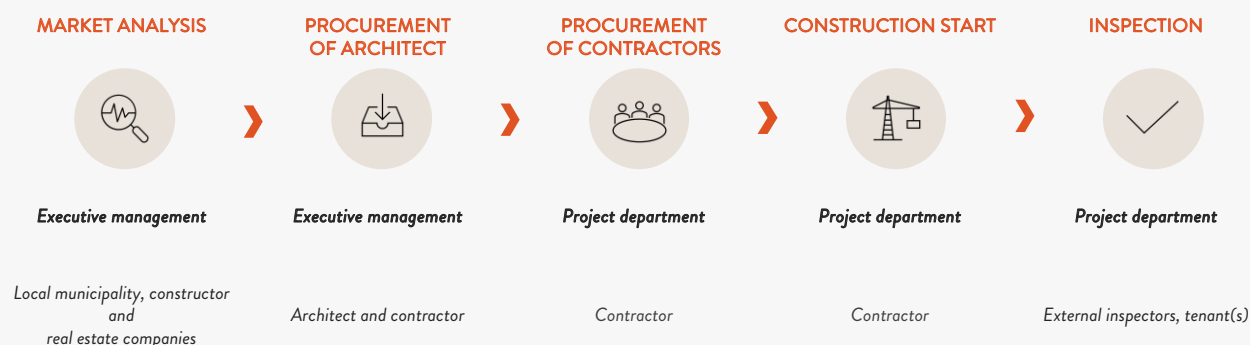


New development

New development for own management is an important part of Nivika's work to achieve the goal of a long-term secured expansion, increased return and value growth through decreased vacancy and a higher rent level. New development of residential is also a central component in order to achieve the Company's goal of the property portfolio, by the end of 2025, consisting of 60 percent of residential and community and social properties, in terms of property value. It is also a priority for the Company that the new development of residential is carried out in accordance with the requirements to achieve environmental certification according to Miljöbyggnad Silver, in as large an extent as possible.

Sustainable and profitable new development is enabled through a clear process model for project management. The process model ensures a systematic and quality assured project process for new development and larger renovations of both residential and commercial premises. The model varies slightly depending on whether it concerns a residential property or a commercial one, even if the foundation is the same for both. The primary difference is that Nivika carries out a specific assessment of the potential premises tenant(s) in the case of the development of a commercial property. The parts of the process model include market analysis, request, procurement, construction start and, finally, inspection.

Nivika's process model at new development



- **Market analysis** includes surveying the market in order to explore the possibilities for residential construction and in the case of commercial premises, an assessment is made of the potential premises tenant(s). Construction start for commercial properties always takes place when a rental agreement is signed, and regarding residential when there is demand. The risk analysis is conducted by the executive management together with a local representative from the municipality, the developer and other residential companies.
- **A request** is sent by the project department to an architect who produces building permit documents and is later procured through a framework agreement with a budget. This is the basis for the Company's request to contractors.
- **Procurement** includes a review of offers with a procurement meeting that is led by Nivika's project department, where resetting of offers is documented and contract is signed with a schedule for the contractor in question. Nivika goes through the process with the help of collaborations and its local network of contacts. In some cases, the Company collect offers in order to expose the market for competition based on requested documentations in order to ensure the correct content and cost expectations.

Generally, the procurement stage is relatively limited as the Company prefers to work with already close collaborators and Nivika assesses that they, through long-term and close relationships and experiences from previous processes, can ensure the competitiveness of an offer.

- **Construction start** takes place after approved building permit and detail projecting after which documents have been stamped to construction documents. Nivika primarily works with turn-key contracts where the payment plan is established prior to construction start and the cost expectation is updated on an ongoing basis, which the Company believes reduces risks related to the construction stage. Nivika's project department works closely with the contractor during the construction.
- **Inspection** takes place, for the most part, through external inspectors where the completion time and contracted late charges always are a part of the agreement. Afterwards, handover to tenant(s) takes place with a briefing of the operation and maintenance and also planning prior to warranty inspection (2 years). In the case of residential construction, verification and a follow-up for the certification of Miljöbyggnad Silver also takes place.

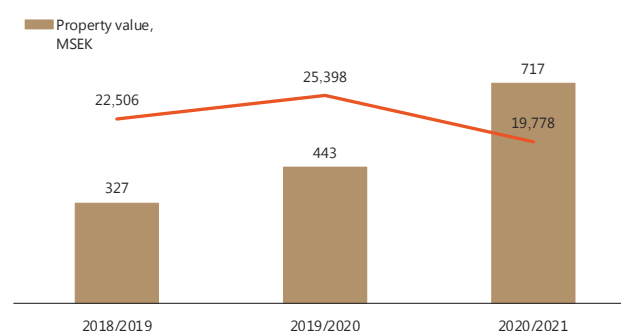
The process model is primarily applied to projects with an investment budget exceeding MSEK 5, including both commercial and residential properties. In smaller projects, the Company considers that there are stages in the process that can be shortened, but the overview still serves as support in order to ensure a systematic and quality-assured project process.

Parallel to Nivika's process model, the Company categorises its planned projects with an investment budget of at least MSEK 5 according to six stages: (i) future zoning plan; (ii) planning work commenced; (iii) zoning plan adopted; (iv)

building permit application; (v) building permit granted; and (vi) investment decision taken. As of 31 August 2021, Nivika works with production of a zoning plan in one project; has commenced planning work for seven projects; with an adopted zoning plan for eleven projects and has building permit applications in two projects. In addition to these, there are also a number of smaller projects in the Company's project portfolio. After the building permit is granted and the investment decision is taken, a project is reclassified from a planned project to an ongoing project. As of 31 August 2021, there are nine ongoing projects with an investment budget exceeding MSEK 5.

During the financial year that ended 31 August 2021, Nivika has completed, *inter alia*, Västergöken 1, Snöflingan 16 and Vinkeln 6. In total, 409 apartments and corresponding to 24,187 square meters lettable area and 43,495 square meters commercial lettable area have been completed during the three latest financial years. The Company has the ambition to continue the project development according to the structured process.

The development of Nivika's project operations during the latest three years



Completed new developments during the latest three financial years ended 31 August 2019, 31 August 2020 and 31 August 2021¹³³

Completed projects by property type	Number		Lettable area (sqm)			Rental value		Total investment		Land		Developer costs		Net operating income	Investment yield	Unrealised change in value
	Pro-jects	Resi-dential	Premises	Resi-dential	Total	MSEK	SEK / sqm	MSEK	SEK / sqm	MSEK	SEK / sqm	MSEK	SEK / sqm	MSEK	Percent	MSEK
Residential ¹³⁴	6	409	n.a.	24,187	24,187	45	1,842	746	30,843	76	3,142	670	27,701	37	5	151
Commercial properties	12	n.a.	43,495	n.a.	43,495	40	929	467	10,737	45	1,035	422	9,702	37	8	122
Total / average	18	409	43,495	24,187	67,682	85	1,255	1,213	17,922	121	1,788	1,092	16,134	74	6	273

Completed projects by geography

Jönköping ¹³⁵	7	329	13,288	19,237	32,525	43	1,336	697	21,430	72	2,214	625	19,216	37	5	139
Värnamo	6	n.a.	23,530	n.a.	23,530	24	1,011	285	12,112	11	467	274	11,645	22	8	67
Växjö	4	80	4,589	4,950	9,539	15	1,552	213	22,329	35	3,669	178	18,660	12	6	65
Other geographies	1	n.a.	2,088	n.a.	2,088	3	1,389	18	8,621	3	1,437	15	7,184	2	12	2
Total / average	18	409	43,495	24,187	67,682	85	1,255	1,213	17,922	121	1,788	1,092	16,134	74	6	273

¹³³ Excluding the business area the West Coast, as the Company has not carried out new development within the area since it expanded to the market during the second quarter of the financial year that ended 31 August 2021.

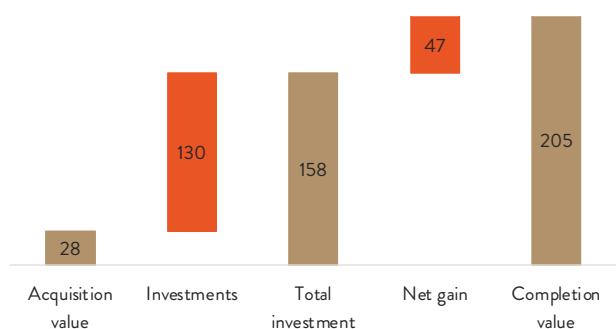
¹³⁴ Including Operan that has since been divested.

¹³⁵ Including Operan that has since been divested.

Examples of completed new developments



Växjö	
Property	Snöflingan 16
Property type	Residential property with rental apartments
Background	In July 2019, Snöflingan was acquired in the neighbourhood Räfte in Växjö where the region during the period resolved on building a new emergency hospital.
Project development	The construction of 80 rental apartments was completed during the first quarter of 2021 with a total lettable area of 4,950 square metres. Sedum roof, green roof is on the community house/refuse sorting point at the property.



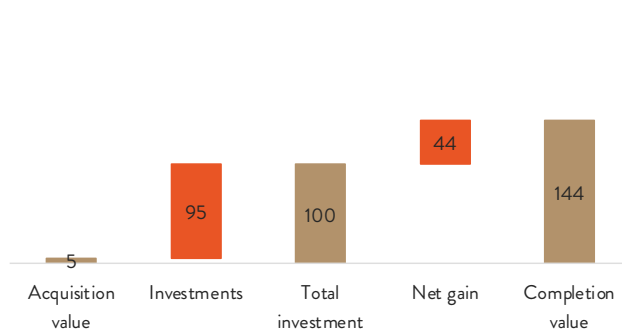
Husgruppen and Nivika's own production capacity

As a part of the project development operations and Nivika's goal to grow the property portfolio as well as increase the proportion of residential, the Company implemented the strategic acquisition of Husgruppen in January 2021. The acquired company is based in Torsvik and produces, via an industrial method, building components in wood, with a portfolio that stretches from curtain walls to complete apartments, and was before the acquisition a supplier in close collaboration with Nivika.

The acquisition contributes with a substantial increase of the production capacity at Nivika. At the time of the acquisition, the production capacity in Husgruppen corresponded to one apartment module per day. Nivika is currently investing in order to triple the production capacity, which will correspond to a daily production of three modules and an annual production of 450-500 apartments. The integration of Husgruppen in Nivika's existing operations has enabled more control of the Company's growth opportunities through new development and the related costs. Husgruppen allows for production to occur within the Group, which secures the access to building components and increases the potential project profit. An additional advantage of the acquisition is the capacity for volume construction that Husgruppen



Värnamo	
Property	Bautastenen 3
Property type	Residential property with rental apartments
Background	Bautastenen is a block located in the middle of central Värnamo which Nivika acquired in June 2015 when it was in commercial use. During September 2016, Nivika completed a plan change work where the property became a residential property for apartments which Nivika later built.
Project development	The project was completed in June 2017. Today, the property consists of 50 apartments from one to five rooms.



has, which enables cost-efficient construction through economies of scale, without forcing the Company to make renunciation on the choice of material and quality.

In addition to the cost advantage and the risk minimisation, Husgruppen and its production is an important part of Nivika's work with sustainability. Husgruppen's focus lies on industrial construction in wood, which is of environmental advantage in comparison with other construction materials such as concrete, as the carbon dioxide emissions are significantly lower in wood constructions. According to the Swedish Construction Federation (Sw. *Sveriges Byggin-dustrier*), the use of a construction platform in cross-laminated wood in comparison with a cast-in-place concrete framework and external wall with remaining form may entail carbon dioxide savings of 109 kg CO₂-eq./m² Atemp over the property's life cycle. Wood is a natural material and does not contain additives or poisonous substances. The material can also be used in industrial construction which shortens the construction time significantly and thus contributes to a more cost-efficient construction. The apartment units are built in industrial environment and can then be transported and assembled in place, as they are relatively lightweight. Husgruppen has its production in Torsvik just south of Jönköping, which is within Nivika's main geographical focus

area and enables for a better control of the value chain. Through locally produced construction materials and finished modules, costs and emissions are reduced in transport and Nivika can, from Torsvik, deliver modules to all locations in which the Company is operational.

An ongoing project in which Husgruppen's volume construction is used is Valplatsen 8 on Österängen in Jönköping, where 194 modern student apartments are being built in an industrial manner. The apartments are completed in the production facility on Torsvik and then transported to the place where only media, that is to say water, heating, ventilation, electricity etc. are connected. All properties are constructed in a sustainable way with government grants from the National Board of Housing, Building and Planning for student residential. In addition to Valplatsen, Nivika has, as of 31 August 2021, eight additional ongoing projects, whereof two are new developments of residential with a total of 290 apartments. The three ongoing residential projects correspond to approximately 86 percent of the ongoing investments of MSEK 855. Aside from these, 3,100 square meters in community and social

properties as well as 12,345 square meters in commercial properties are also under ongoing construction.

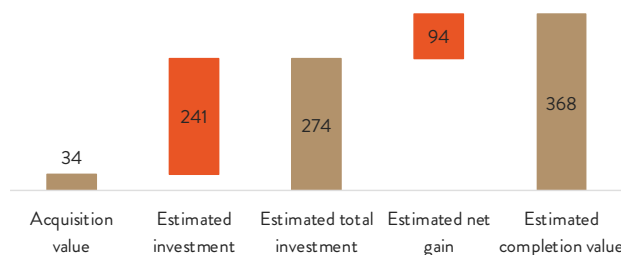
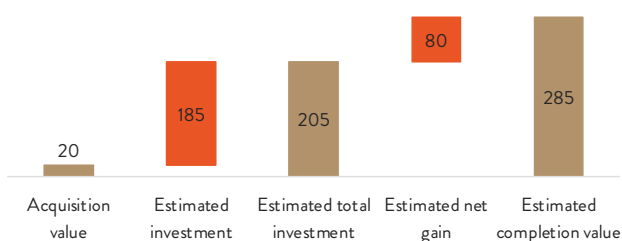
As of 31 August 2021, Nivika's planned property portfolio consisted of 21 new developments with an individual project budget of no less than MSEK 5. In addition to these, there are also a number of smaller projects with an individual budget below MSEK 5, primarily renovations of the existing holdings, including both residential and commercial properties, as well as environment improving measures such as instalment of solar cells on existing properties. Just over half of the planned projects are new developments of residential, corresponding to approximately 55 percent of the total project budget for planned projects, which in all amounts to MSEK 6,200. All planned new developments of residential, 1,660 apartments, are constructed in accordance with Miljöbyggnad Silver, whereof three projects corresponding to approximately 266 apartments are planned to be constructed through Husgruppen's volume construction. By the side of these, also 40,000 square meters in community and social properties as well as 176,207 square meters in commercial properties are planned.

Examples of ongoing projects¹³⁶



Jönköping	
Property	Valplatsen 8
Property type	Residential property with rental apartments for students
Background	On Wadmans linje 10 on Österängen in Jönköping, Nivika builds 194 rental apartments as student residential on a HA of 6,402 square meters with a rental value of approximately MSEK 12. Nivika also receives investment grant from the National Board of Housing, Building and Planning for the investment.
Project development	The first stage was completed during February 2021, while the other is expected to be completed during the third quarter of 2021.

Växjö	
Property	Värendsvallen 12, Nivika Center
Property type	Residential property with rental apartments
Background	In collaboration with Växjö Vipern, Nivika increases their facilities and completes with residential at the same time, above all for young adults who are studying and working in the area. Nivika receives investment grant from the National Board of Housing, Building and Planning for the investment.
Project development	The property will be constructed to be certified according to Miljöbyggnad Silver. The first sod was taken in March 2021 and the project is planned to be finished during the first quarter of 2023.



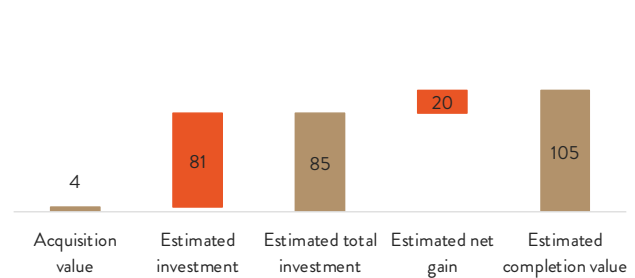
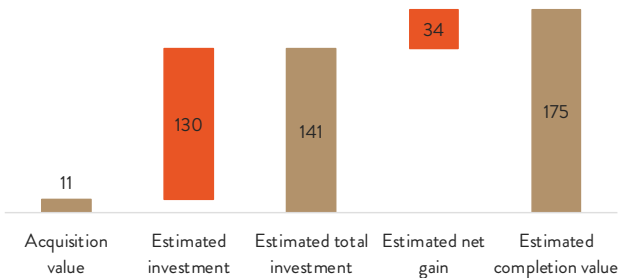
¹³⁶ The information is retrieved from the Group's internal accounting system as of 31 August 2021. Some numerals are based on estimates and assessments of the Company and are thus preliminary. The numerals may change during the project's course. The calculations for Valplatsen 8 and Värendsvallen 12 are made with the assumption of received investment grant from the National Board of Housing, Building and Planning.

Examples of planned projects¹³⁷

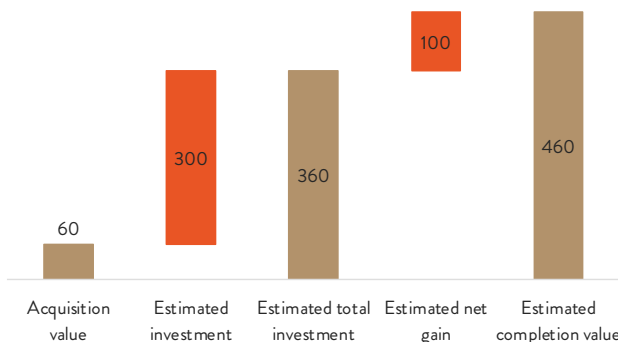
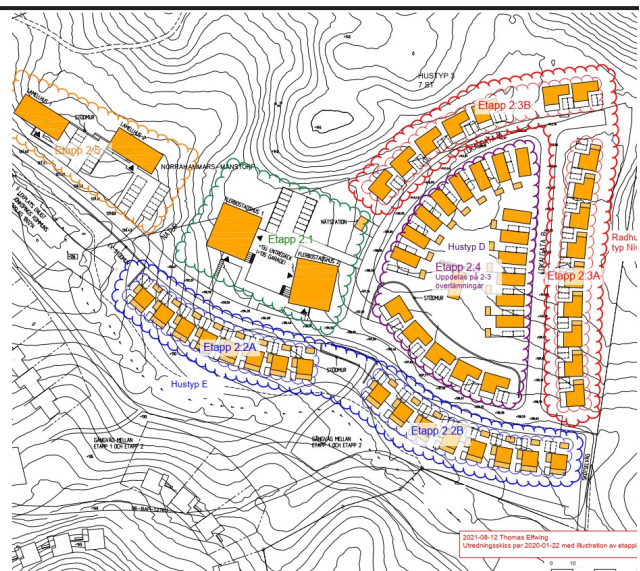


Värnamo	
Property	Vinkelhaken 13
Property type	Residential property with rental apartments
Background	Vinkelhaken 13 is a construction ready lot located in central Ljungby which Nivika acquired in April 2021.
Project development	The lot holds approximately 5,000 square meters HA which Nivika is working on to re-draw to Husgruppen's concept constructions.

Växjö	
Property	Tor 3
Property type	Residential property with rental apartments
Background	Tor 3 is a construction ready lot located in central Nybro which Nivika acquired in May 2021.
Project development	The lot holds approximately 3,540 square meters HA which Nivika is working on to re-draw to Husgruppen's concept constructions.



Jönköping	
Property	Hovslätts Ängar
Property type	Residential property
Background	During Q3 2020/2021, Nivika acquired the residential land with opportunity to construct approximately 14,000 HA from a mix of different types of living.
Project development	To preserve existing greenery, such as trees and meadow land, is important for all Nivika's projects. Extra consideration will be taken at the development of Hovslätts Ängar. The project is expected to be completed between 2022 and 2024.



137 The information is retrieved from the Group's internal accounting systems as of 31 August 2021. Some numerals are based on estimates and assessments of the Company and are thus preliminary. The numerals may change during the project's course.

Business areas

Nivika's operations are pursued in four business areas, which are divided according to the Company's geographical presence with focus on Jönköping, Värnamo, Växjö and the West Coast. The Company has its main geographical focus in Småland, which, going forward, means an effort to densify the existing business areas as well as contemplate acquisitions on new localities, among them the West Coast. Nivika considers all business areas to have good opportunities for growth and to be stable rental markets.

Jönköping

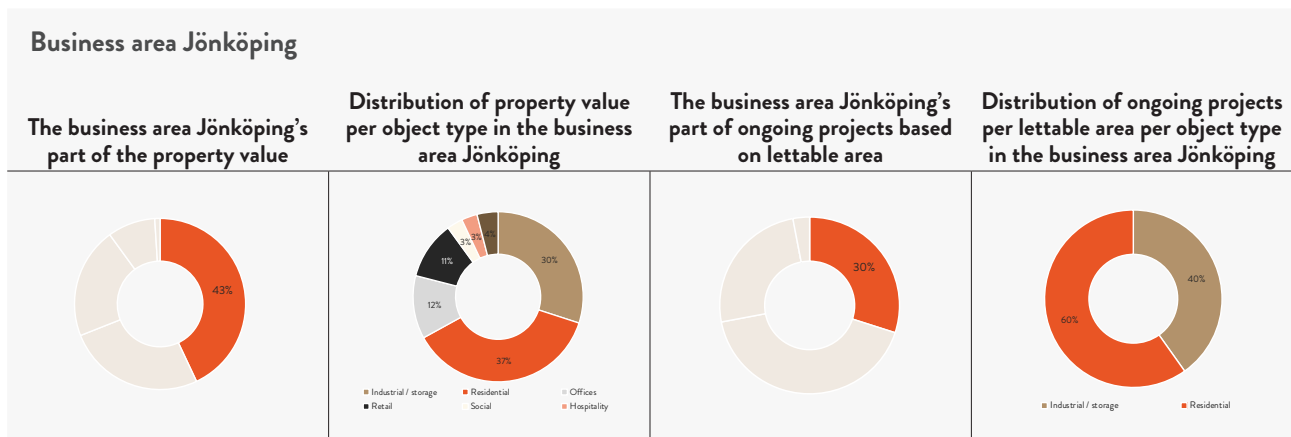
Jönköping is Nivika's largest business area and stands, as of 31 August 2021, for 43 percent of the Company's total property value, corresponding to BSEK 3.0, and 43 percent of the total rental income. Nivika has been operating in Jönköping since 2010.

Jönköping is an attractive business area, thanks to the population growth that is expected to amount to 0.6 percent per year between the years 2020-2040, as well as Jönköping's location which contributes to the city being considered as a logistic hub in southern Sweden. Furthermore, the historical residential production has not met the growing population quantity, which is why a pent-up demand for residential in all price segments has been created. For the years 2018-2027, the National Board of Housing, Building and Planning assesses that the annual construction need amounts to 1,650 residential.

As of 31 August 2021, Nivika owns 32 properties through 23 companies. Student residential is also contained within the business area, which Nivika provides in 1 property with 347 apartments. As of 31 August 2021, there are also 194 rental apartments under ongoing new development in the property Valplatsen 8 in Jönköping.

The property portfolio in Jönköping consists of approximately 37 percent of residential, 3 percent of community and social properties while 60 percent is commercial premises and land. Within the commercial segment, industrial is the most frequently occurring type of property, like in Nivika as a whole. The relatively large proportion of industrial premises in Jönköping is explained through Jönköping's location as a logistic hub in southern Sweden, where various types of storage premises serve an important purpose. In addition to residential and industrial premises, the proportion of premises with tenants within retail is also slightly higher than in the Company's other business areas, a function of Jönköping being a larger city with a larger need and a larger demand for retail. The average occupancy rate was 96 percent in terms of economic rental during the financial year that ended 31 August 2021.

As for the whole Company, the project operations in the business area Jönköping is a central part in order to create long-term and sustainable value growth. Within the business area, the Company therefore works to refurbish existing properties, draw up zoning plans to create building rights as well as develop existing commercial property portfolio. Of the Company's ongoing projects as of 31 August 2021, 30 percent of the lettable area was concentrated to the business area Jönköping.



Värnamo

Värnamo is Nivika's first business area and has since the Company was founded in 2000 grown to 12 companies with 42 properties, which in aggregate, as of 31 August 2021, corresponded to BSEK 1.8 in property value and accordingly accounted for 26 percent of Nivika's property value and 31 percent of the rental income.

Värnamo is well-located by the junction "the south Swedish cross" where the E4 and road 27 cross, which is why approximately 24,000 vehicles pass daily. The locality has also been pointed out as one of the stations for the planned high-speed railway between Stockholm and Malmö. In addition to good communications, Värnamo also has an industrial climate that has contributed to the municipality placing second over Best Growth in Jönköping county 2019. Furthermore, the rate of unemployment is on 6.9 percent, which may be compared with the average in Sweden where the rate of unemployment is 8.5 percent. The National Board of Housing, Building and Planning notes that there is a prevailing residential shortage in Värnamo, and that the annual rent has increased with 8.4 percent since 2019.

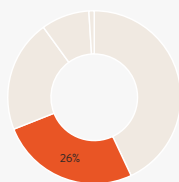
Industrial premises are the most frequent occurring property type in Värnamo, consisting of 31 percent of the property portfolio as of 31 August 2021. The remaining commercial properties, including land, consist of 34 percent of the holdings, community and social properties account for 10 percent while residential account for 25 percent. The average occupancy rate was 95 percent in terms of economic rental during the financial year that ended 31 August 2021. During the first quarter of the financial year ending on 31 August 2021, Nivika enlarged the holdings in Värnamo with the acquisition of Riddarberget AB, a portfolio of 18 properties located in the Småland highlands, primarily in Vetlanda. The portfolio includes 210 apartments which constitute approximately two thirds of the portfolio in terms of lettable area, while the remaining third consists of commercial properties with tenants that the Company considers to be long-term counterparts. The rental value of the portfolio amounts to MSEK 33 while the agreed property value amounted to MSEK 500.



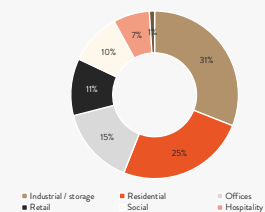
The project development within the business area focuses on refurbishing existing residential, pursuing project development in attractive situations as well as drawing up zoning plans to create building rights. Out of the Company's ongoing projects, 42 percent of the lettable area was concentrated to the business area Värnamo, consisting of both industrial premises and residential.

Business area Värnamo

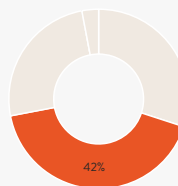
The business area Värnamo's part of the property value



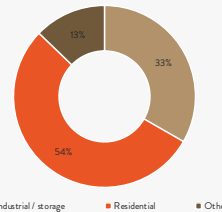
Distribution of property value per object type in the business area Värnamo



The business area Värnamo's part of ongoing projects based on lettable area



Distribution of ongoing projects per lettable area per object type in the business area Värnamo



Växjö

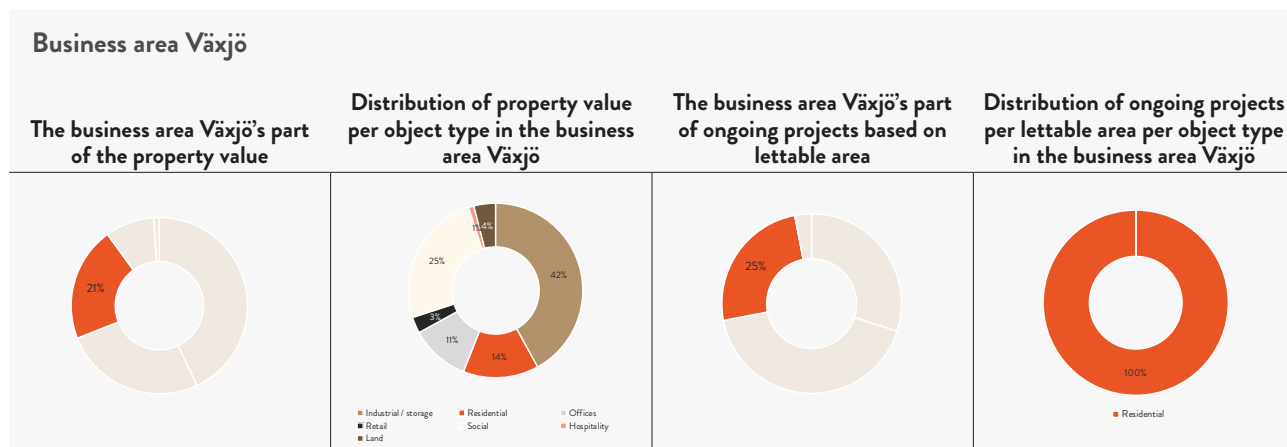
With the acquisition of Nivika Sågaren 2017, Nivika took a first step into the property market in Växjö, and the business area has since then grown to, as of 31 August 2021, consist of 10 companies with 32 properties with a total property value of BSEK 1.4. By the same date, the business area Växjö corresponded to 21 percent of Nivika's total property value and 22 percent of the rental income.

Växjö is one of Europe's greenest cities and the municipality works for a better environment and for reduced climate impact, which the Company considers goes hand in hand with its own work within sustainability. In addition to this, the locality has created opportunities for company establishments and there are approximately 7,000 companies within different industries in Växjö today. There is a residential shortage in the municipality and the population forecast shows a need of approximately 1,000 residential per year. With consideration to the pent-up need because of earlier shortage of new development, it exists a need for additional 800 residential annually, which results in a total residential shortage of 1,800 per year. Through the acquisition of Alhansa Fastigheter AB in April 2020, the Company established a local management organisation for continued expansion in the city. Since then, Nivika has expanded with more properties in Växjö and surroundings, in places such as Nybro and most recently Kalmar through the acquisition of the property portfolio SantHem

during the first quarter of the financial year ending on 31 August 2022. The portfolio consists of five newly constructed properties in Kalmar, as well as a property in each of Båstad and Höganäs respectively, whereby the latter will fall to the business area the West Coast. In total, the portfolio amounts to 16,000 HA distributed on 300 rental apartments with a rental value of MSEK 28. The agreed property value amounted to MSEK 585.

Most of the property portfolio in Växjö consists of industrial premises, corresponding to 42 percent of the local property portfolio. The second biggest category of properties is community and social properties, which includes the Fortnox arena, a preschool as well as premises rented by the police. In addition to these, the property portfolio in Växjö constituted of 19 percent commercial properties, including land, and 14 percent residential. The average occupancy rate was, in terms of economic rental, during the financial year that ended 31 August 2021, 93 percent.

The project development within the business area occurs through refurbishment of existing properties and new creation of building rights. An additional part of the project development is to construct sustainably, in accordance with the municipality's goal. As of 31 August 2021, 25 percent of the lettable area of the Company's ongoing projects was found in Växjö in the form of Värendsvallen 12.



Snöflingan 16 in Växjö. 66 rental apartments built in the calm residential area in Bergunda close to the nature and with the pulse of the city only a few bus stops away.

The West Coast

During the financial year that ended 31 August 2021, Nivika entered the new business area the West Coast, which for the Company comprises Helsingborg in the south to Gothenburg in the north. As of 31 August 2021, Nivika owned properties in Helsingborg, Falkenberg, Halmstad, Laholm and Varberg with a total property value of BSEK 0.6.

The Company considers the West Coast to be a business area that fits well with Nivika's business model. All localities where Nivika has established itself have an expansive industry and commerce as well as a steady population increase, which gives localities and property market with powerful growth and attractive places to reside, work and live in. In all localities within the business area it is assessed, according to the county administrative board in Skåne and Halland, to prevail residential shortage and the historical population growth for the period 2010-2020 has, for all municipalities within the business area, been exceeding the average for Sweden as a whole. Helsingborg is also well-located from a logistic point of view, with connection to E4, E6 and E20, which has led to an increasing number of logistic establishments and storages.

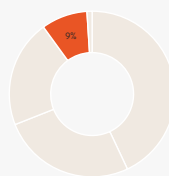
Since the first acquisition of a portfolio consisting of six commercial properties in Varberg, the holdings have grown to 19 properties as of 31 August 2021, corresponding to a property value of MSEK 637. The holdings currently consist of solely commercial properties, including two site leaseholds, where the Company has a purpose to have additional two commercial properties constructed. The economic occupancy rate amounted to, as of 31 August 2021, to 92 percent.

Nivika increased the business area the West Coast through the acquisition of the property portfolio SantHem during the first quarter of the financial year ending on 31 August 2022, which includes two residential properties located in Båstad and Höganäs. The property in Båstad was at the time of the acquisition subject to construction, with tenants anticipated to move in gradually from October to April 2022.

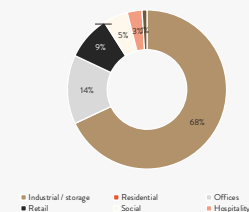
Like the earlier business areas, the project operations in the West Coast are an important part to create long-term and sustainable value growth. The Company therefore works with sourcing of new building rights within the business area, through the existing commercial properties, which in the future shall be used to new development of residential. Currently, the Company has no ongoing project on the West Coast, but there are two planned projects for one industrial and one hotel property in Varberg.

Business area the West Coast

The business area the West Coast's part of the property value



Distribution of property value per object type in the business area the West Coast



Kärleken 1-4 in Värnamo is one of several large and long-term zoning plans which Nivika has in its portfolio with future planned projects.



Mitt Lager

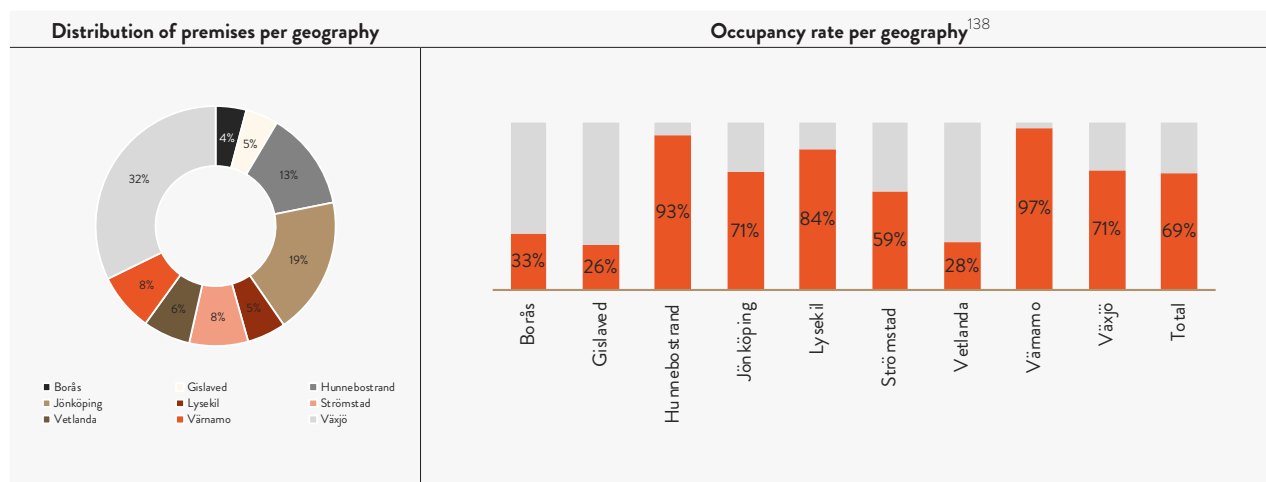
In addition to Nivika's acquisition and project operations, which is operated through the geographical business areas Jönköping, Värnamo, Växjö and the West Coast, the Company also pursues so-called "self-storage" operations under the name "Mitt Lager" on these geographies as well as other geographies. Mitt Lager is, since 2016 a subsidiary to Nivika, operative within storage and storehouse. The operations are mainly pursued in internal rented premises which are owned by Nivika as well as in privately owned properties owned by Mitt Lager, and also in some extent in external rented premises. The rental income amounted to MSEK 11.7, and accordingly corresponded to just over four percent of Nivika's total rental income during the financial year that ended 31 August 2021.

Since its start, the operations have been pursued with the aim to govern vacancies in Nivika's property portfolio. Mitt Lager was started by Nivika in 2016 as a result of two vacant premises in Jönköping and Värnamo, which were suitable for self-storage operations, and has since then grown through strategic acquisitions and by similar operations on localities in western Sweden, such as Lysekil and Strömstad, but also through leasing of premises in Nivika's geographical core districts in Småland. The operations within external rented premises are pursued in Borås and Vetlanda.

As of 31 August 2021, Mitt Lager has 12 facilities on nine localities in southern Sweden, *inter alia* in Nivika's core geographies Jönköping, Värnamo and Växjö with surroundings,

but also on localities in western Sweden such as Strömstad, Hunnebostrand and Lysekil. The majority of the properties are placed along well-trafficked roads, which makes them easily accessible to tenants. As of 31 August 2021, Mitt Lager included 1,817 storehouses. The average occupancy rate during the financial year that ended 31 August 2021 was 69 percent, with the highest occupancy in Värnamo, Hunnebostrand and Lysekil. During the fourth quarter of the financial year that ended 31 August 2021, Nivika acquired one storage property in central Gothenburg with 400 storehouses, as well as an agreement of development of the existing operation corresponding to an additional 800 storehouses. Admission is planned to take place during the first quarter of the financial year ending 31 August 2022, which, after the development, will entail a redouble of Mitt Lager's operations measured to the number of storehouses.

Nivika has, through Mitt Lager, developed a digital system enabling the operations to require low staffing, where booking and payment occur through the digital system, which also gives clients access to the premises they have booked. The service is marketed in social media. Nivika's growth strategy for the stock-keeping operations focuses on both growing with two to three facilities annually on several localities, as well as extending the operations on existing localities. Nivika intends that the growth shall occur both through acquisitions as well as new development, with the goal to only pursue operations within privately owned properties owned by Mitt Lager or in properties owned by Nivika.



¹³⁸ Jönköping includes three premises and Växjö two premises with a total occupancy rate based on area.

Sustainability work

The sustainability work 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 real estate company that drives the development and contributes to a more sustainable society. The overall goal is to secure an attractive property portfolio, which creates long-term persistent value, without negative influence on human beings and environment.

Nivika works actively with four overall focus areas within sustainability, which reflect in the business:

- **Environment and resource use** – Nivika's ambition is to reduce both its own as well as tenants' environmental impact and to increase the efficiency of the use of resource throughout.
- **Sustainable employees** – Nivika is a fast-growing real estate company and considers employees to be crucial for the Company's culture, business and future development, which is why the Company places great importance on its

ability to both attract new employees as well as develop its current employees.

- **Sustainable city development** – for Nivika, sustainable property development goes hand in hand with sustainable city development. Therefore, Nivika believes that it has a long-term responsibility in the construction, development and management of properties, with the goal of creating sustainable blocks and districts that can withstand climate change and societal transformation.
- **Long-term value development** – Nivika also considers long-term value development to mean that all operations are imbued by a long-term work for a sustainable supply chain as well as transparent reporting of sustainability data.

UN's Sustainable Development Goals

Nivika's sustainability work is guided by the UN's Sustainable Development Goals. Sustainable development is defined by the UN as development that meets the needs of the present without comprising the ability of future generations to meet their own needs. In September 2015, the UN's member states adopted Agenda 2030, a universal agenda which contains 17 goals for economic, social and environmentally sustainable development. The goals shall help to decrease poverty, injustices and inequalities as well as solve the climate crisis until 2030.



Nivika has chosen six of the 17 goals found in Agenda 2030, which the Company works actively with.

- **Goal 3 – good health.** Nivika's properties shall be designed to create well-being for human beings staying there. By working for environmental certification of the properties and by choosing locally produced when possible, Nivika contributes to reducing damaging chemicals and building material as well as avoiding pollution of air, water and land. Nivika's long-term zoning plan work includes thoughts on and demands for sustainable city development, which are

developed between the Company and tenants, occupants nearby, associations, industry and commerce and the municipality.

- **Goal 5 – gender equality.** Nivika consistently works to increase equality and counteract discrimination at the workplace, in accordance with the Company's belief in the strength of equality. Being open and curious has, in the Company's opinion, been an important part of Nivika's success, and the Company therefore encourages diversity and variety among own employees and subcontractors.

- **Goal 7 – renewable energy.** By only purchasing electricity from hydroelectric power and installing solar cells on the properties, Nivika contributes to increasing the proportion of renewable energy. Through these measures, the energy use is reduced in the property portfolio, whilst it, simultaneously, encourages to more efficient use of premises areas, which in aggregate contribute to increasing the energy efficiency.
- **Goal 8 – good jobs and economic growth.** Nivika works actively to promote a safe and secure working environment with good working conditions for both own employees and subcontractors.
- **Goal 11 – sustainable cities and communities.** Nivika is, through its operations, an active part in the development of the cities and societies that the Company is operative in. In planning, constructing and management of properties, Nivika collaborates with customers, suppliers and municipalities, to jointly create sustainable cities and societies. Nivika also works to develop industrial districts and create opportunities for an expanding industry and commerce in and around the municipalities wherein Nivika owns properties.
- **Goal 12 – responsible consumption.** Nivika has as an ambition to contribute to a more sustainable consumption and production, which is made through working actively with the own, the suppliers' and the clients' resource efficiency. The Company aims to reduce the energy use, achieve an environment-friendly handling of chemicals and waste as well as reduce pollution, through environmental classification of buildings and to make demands on its suppliers.

Use of environment and resources

Nivika's ambition is to reduce both its own as well as tenants' environmental impact and to consistently increase the efficiency of the use of resources. Measuring the climate impact from carbon dioxide emissions from the management operations is a central part in achieving the ambition.

Climate impact from carbon dioxide emissions

Most of the carbon dioxide from Nivika's property management operations stem from heating the properties, and a smaller part from business trips. Nivika's properties are to a large extent heated with district heating, which is produced locally in each respective municipality. The carbon dioxide emissions from district heating and its environmental impact depends on which fuel is used in the district heating suppliers' facilities. In the district heating production in Jönköping, Värnamo and Växjö, the use of renewable fuels was 97.9 percent, 98.5 percent and 100.0 percent for each respective city during 2020.¹³⁹

During the financial year that ended 31 August 2021, the emissions from the use of company cars were, on average, 94.1g carbon dioxide per kilometre driven. In order to reduce the carbon dioxide emissions from transports, Nivika has as

a goal to increase the proportion of electric cars and plug-in hybrid vehicles as benefit and company cars. During the financial year that ended 31 August 2021, 42 percent of the driven company miles were pertained to electric/plug-in hybrid vehicles, an increase from the financial year that ended 31 August 2020 where the share was 33 percent.

Long-term value development

The strive for and creation of long-term values is, for the Company, a central part of its business, as Nivika develops and invests for an own long-term management. The Company believes that long-term value creation presupposes a sustainable outlook, long-term responsibility, sound professionalism as well as a stable financial position. Nivika places particular emphasis on the latter, as they experience that the quality of being a financially stable business partner promotes the relation with its interested parties and is a condition to drive sustainable city development. Nivika focuses on creating attractive living environments in resource efficient properties with manageable materials to a reasonable cost, which the Company considers to be a part of the basis for a lasting value creation. Long-term value creation also implies long-term efforts for a sustainable supplier's chain as well as a transparent account of sustainability data.

Green finance framework

Nivika has, as a part of its work on financial sustainability, prepared a green finance framework for future financing which creates conditions to issue green bonds and to raise green loans. The green finance framework has been formulated in collaboration with Danske Bank and SEB in accordance with the "Green Bond Principles", created by the International Capital Market Association ("ICMA"). The framework is based on four investment categories: (i) green and energy efficient buildings; (ii) energy efficiency; (iii) renewable energy; and (iv) sustainable transports. In addition to these, it contains, *inter alia*, conditions for the allocation of green financing as well as follow-ups and re-reporting to lenders and investors.

The framework has been evaluated by CICERO Shades of Green ("CICERO"), as independent party. CICERO's evaluation of the framework, as well as related policies and reporting standards, was, during September 2020, rate "Medium Green" according to CICERO's Shades of Green scale.

Green financing shall be allocated to projects and assets such as green and energy efficient buildings, but also investments in measures for energy streamlining and renewable energy. That is, according to Nivika, a responsible financing which is in line with the Company's sustainability strategy. As of 31 August 2021, the Company has issued two green bonds of total BSEK 1.1 under the green framework, and also has three green bank loans amounting in total to MSEK 309.7. The green financing, i.e. green bonds and loans, accounted for 34 percent of the Company's long-term interest-bearing financial debts as of 31 August 2021.

¹³⁹ According to Jönköping Energi AB, Värnamo Energi AB and Växjö Energi AB.

Greenhouse that provides our tenants the possibility to grow own vegetables at Västergöken 1 in Jönköping.



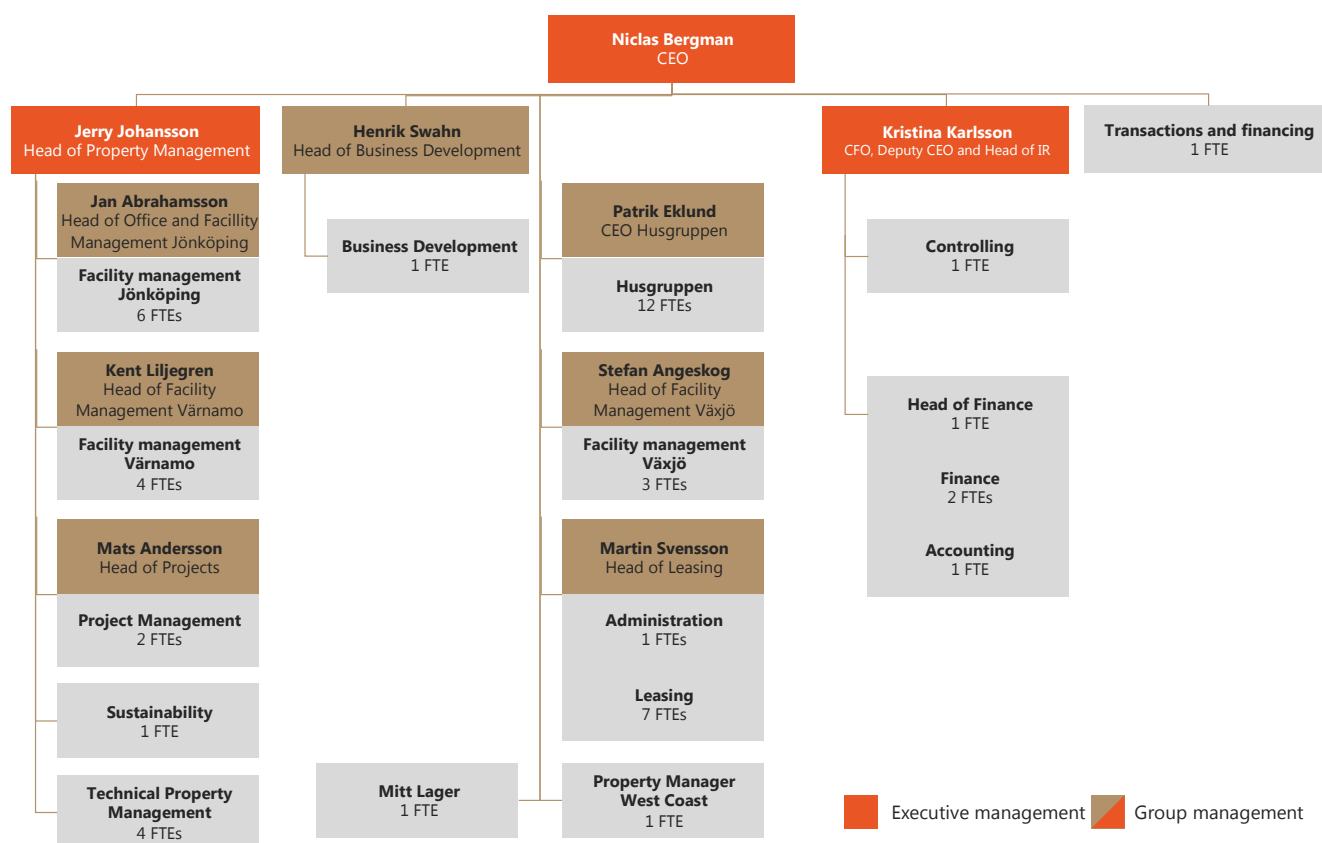
Organisation and employees

Organisation

Nivika's organisation shall be characterised by clarity and transparency, as well as supportive of the Company's strategies and goals. In addition to Nivika's head office, which is located in Värnamo, there are also offices in Jönköping and Växjö. The operations in the Group are organised according to Nivika's business areas and core areas, with a focus on Jönköping, Värnamo and Växjö. In addition, there are also separate departments for Mitt Lager, Husgruppen, business development and leasing. Aside from these, there are also group-wide functions comprising accounting and finance, IT, communication as well as HR. The three last-mentioned are, to a degree, managed by external contracted consultants.

The organisation is managed by an executive management as well as a broader group management, where the executive management has an overall executive responsibility, while the group management is responsible for the operational business. The executive management consists of Niclas Bergman (Group CEO), Kristina Karlsson (CFO, Deputy CEO and Head of IR) as well as Jerry Johansson (Head of Property Management). In addition to the executive management, the group management consists of the business area managers Martin Svensson (Head of Leasing), Patrik Eklund (CEO Husgruppen), Mats Andersson (Head of Projects), Henrik Swahn (Head of Business Development), Jan Abrahamsson (Head of Office and Facility Management Jönköping), Kent Liljegren (Head of Facility Management Värnamo) and Stefan Angeskog (Head of Facility Management Växjö).

Nivika's organisation¹⁴⁰



140 Including one part-time employee within management Värnamo and two part-time within leasing.

Employees

For Nivika, the employees are crucial for the Company's culture, business and future development, which is why sustainable employees is one of the focus areas within the Company's sustainability work. Therefore, the Company gives priority to its ability to both attract and develop its employees, work that is built on the Company's fundamental outlook that all human beings have equal value and the right to equal treatment. Based on this philosophy, Nivika has as a goal that the employees shall be given the same possibilities regarding terms of employment, development and promotion, within the frame for their capability and will. The terms of employment are governed by collective agreements, as Nivika is connected to Almega which implies that all employees are also connected to Almega, excluding the executive management.

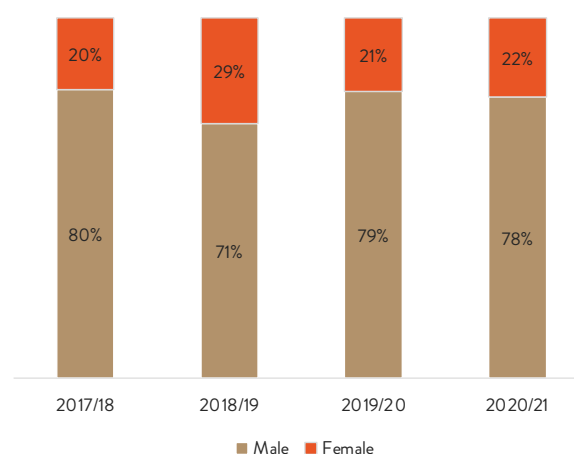
Furthermore, Nivika has, in its sustainability work with sustainable employees, defined values that guide the daily work and the relations the Company and its employees build with each other, customers and partners.

- **Joy** – Nivika strives for all employees to feel that they are having fun at work and enjoy each other's successes, when one succeeds it also favours the colleagues and Nivika.
- **Engagement** – all employees shall work towards the operations' mutual goals with a genuine engagement and shall take good care of the possibilities that are of use for the Company.
- **Honesty** – the Company's employees shall respect each other and each other's differences. Nivika believes in good relations in and outside the Company with a clear and good tone.
- **Sustainability** – Nivika strives for diversity without renouncing for ethics and the operations. In order for everyone to have the same possibilities, all employees are offered stimulating and responsible work, where also the balance between work and private life is important.

Nivika also focuses on offering its employees a secure, safe and healthy working environment, with the goal that no construction site accidents shall occur in the operations. The Company's assessment is that it occurs serious health and safety risks within the property and construction

industry, especially related to physical risks as building and construction work is a living workplace where the conditions constantly change.¹⁴¹ Nivika has as a goal that there shall not occur serious accidents in the operations. The Company regards the health and safety risks in office environment to be, primarily, related to risks that affect mental health.¹⁴² The absence due to illness at Nivika is relatively low, and was during the financial year that ended 31 August 2021 2.4 percent in comparison to the industry average among property companies and property managers on 2.95 percent during 2020, according to Statistics Sweden.¹⁴³ Nivika has as a goal that the short-term absence due to illness shall not exceed two percent. Nivika had 24 employees as of 31 August 2019, 39 employees as of 31 August 2020 and 46 employees as of 31 August 2021. Out of these, 78 percent were men, which is in line with earlier years. The proportion of women among Executive Management is slightly larger than the proportion of women in the organisation at large, with 33 percent and 22 percent respectively during the financial year that ended 31 August 2021.

Gender distribution in Nivika over time



141 The Swedish Work Environment Authority, Construction and establishment work.

142 The Swedish Work Environment Authority, Watch out for the hidden dangers in the workplace.

143 Statistics Sweden, Absence due to illness (KS), percent after branch of industry SNI 2007 and quarter.

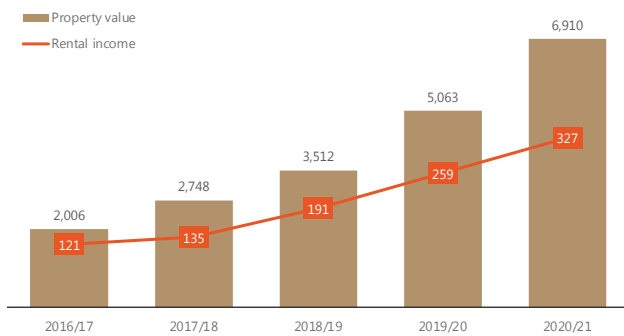
Nivika's property portfolio

As of 31 August 2021, Nivika's property portfolio consisted of 130 management properties, with a total lettable area of 428,850 square meters and a property value of BSEK 6.9. Within the framework for Nivika's ongoing projects there was, by the end of the financial year, 484 apartments, 3,100 square meters in community and social properties and 12,345 square meters in commercial properties under ongoing construction, as well as 1,660 apartments, 40,000 square meters in community and social properties and 176,207 square meters in commercial properties planned under project development.

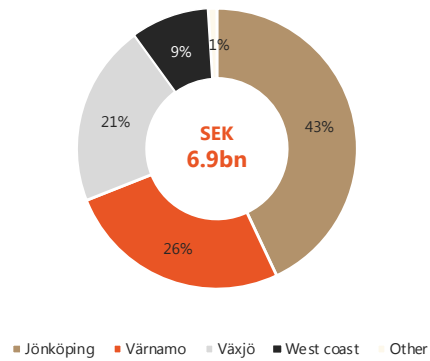
As of 31 August 2021, 43 percent of the property portfolio was found in Jönköping, 26 percent in Värnamo and 21 percent in Växjö. The geographical broadening to the West Coast, which occurred during the second quarter of the financial year that ended 31 August 2021, corresponded to 9 percent of the total property value. The remaining 1 percent constituted premises belonging to Mitt Lager, which are located outside the aforementioned cities.

In addition, Nivika has entered agreements on the acquisitions of 40 properties with an underlying property value of approximately BSEK 1.374. Of these properties, 37 are estimated to close during the first quarter of the financial year ending on 31 August 2022.

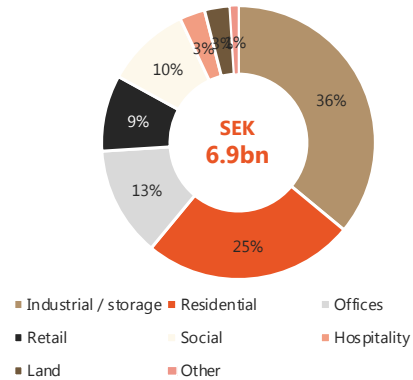
The property portfolio' development MSEK



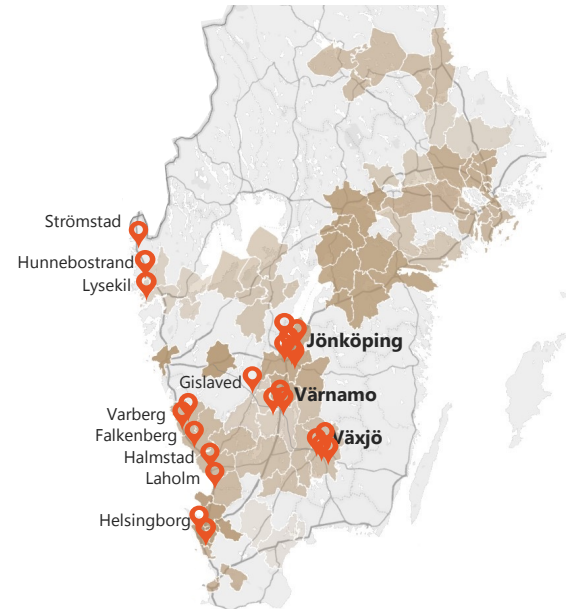
Property value by geography



Property value by property type



Nivika's geographical presence



Property data as of 31 August 2021 by property type¹⁴⁴

	Apartments		Lettable area, sqm		Property value		Rental value		Economic occupancy rate	Contracted rent
	Number	Residential	Premises	MSEK	SEK / SQM	MSEK	SEK / SQM	Percent	MSEK	
Residential	1,127	56,705	-	1,728	30,465	98	1,730	98	97	
Commercial premises	-	-	372,145	5,183	13,926	328	881	94	309	
Total / average	1,127	56,705	372,145	6,910	16,113	426	994	95	327	

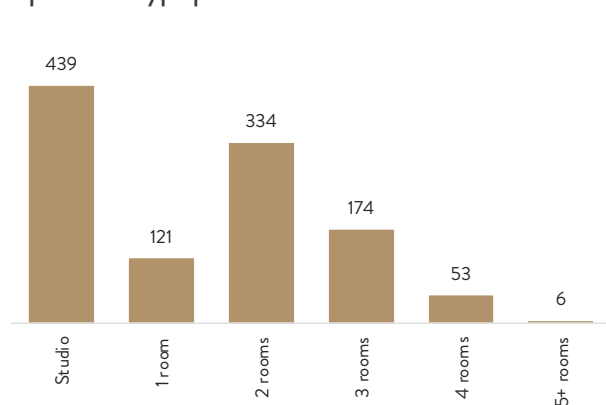
Property data as of 31 August 2021 by geography

	Apartments	Residential	Premises	MSEK	SEK / SQM	MSEK	SEK / SQM	Economic occupancy rate	Contracted rent
Jönköping	803	32,941	121,925	2,962	19,125	174	1,126	96	168
Värnamo	244	18,700	91,866	1,797	16,253	116	1,049	95	111
Växjö	80	5,064	92,659	1,436	14,696	81	830	93	75
The West Coast	0	0	53,408	637	11,918	44	818	92	40
Other geographies	0	0	12,287	78	6,397	11	904	100	11
Total / average	1,127	56,705	372,145	6,910	16,113	426	994	95	406

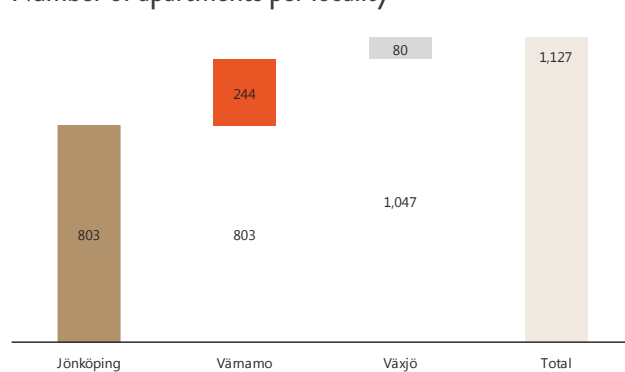
Residential

As of 31 August 2021, residential constituted 25 percent of Nivika's total property value. The Company mainly focuses on developing and managing rental apartments, but also supplies student residential.

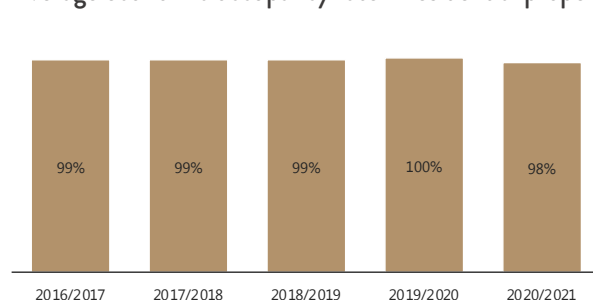
Apartment type per size¹⁴⁵



Number of apartments per locality



Average economic occupancy rate – residential properties



144 The information is retrieved from the Group's internal accounting system as of 31 August 2021. Information as of 31 August 2021 about completed investment properties includes assessments and actual assumptions. Contracted rent concerns signed rental agreements on an annual basis. Rental value concerns signed rental agreements on an annual basis including additions for estimated rent for vacant areas and potential rental discounts on an annual basis. The figures may not add up due to rounding.

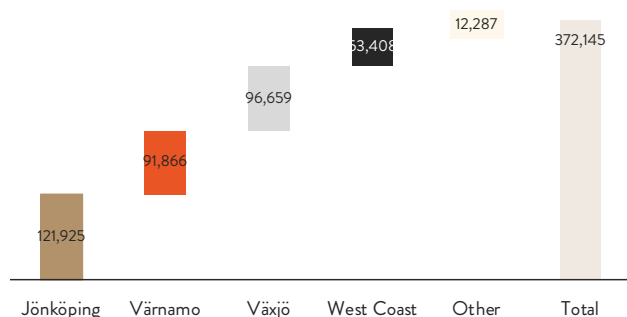
145 1RAK includes up to 2RAK and 2RAK includes up to 3RAK.

Nivika's residential properties primarily consist of one and two room apartments located in Jönköping, Värnamo and Växjö, with 803, 244 and 80 apartments in each area and its surroundings, respectively. During the financial year that ended 31 August 2021, the occupancy rate was 98 percent, which is in line with the last five years where the average occupancy rate on residential were 99 percent. In total, 12 apartments were vacant as of 31 August 2021. Within the segment residential, Nivika's tenants are mainly private individuals that rent the residential, which in all accounted for 23 percent of the Company's total rental value as of 31 August 2021.

Commercial properties

As of 31 August 2021, Nivika's property portfolio consisted of 75 percent commercial properties, of which 10 percent was community and social properties, for example industrial and storage premises, which is a segment consisting of different types of businesses that rent premises in properties owned and managed by Nivika. Industrial and storage were at the same period in time the largest commercial premises type, accounting for 36 percent of Nivika's total property value, and 48 percent of the commercial properties. Mitt Lager accounted for 5 percent¹⁴⁶ of Nivika's industrial and storage premises in terms of square meters. The commercial segment also contains office, retail, hospitality as well as community and social properties.

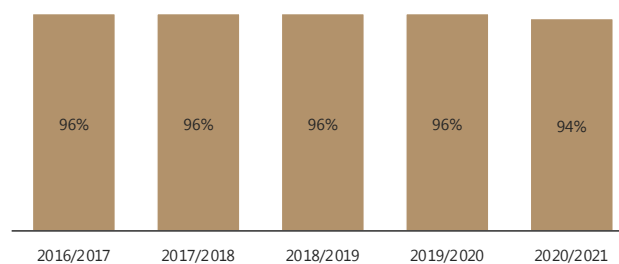
Number of commercial square meters by locality



Nivika strives after signing long rental agreements, that is to say not less than 5 years, with its tenants with a scattered maturity structure, which, in combination with spread on different tenants, client sizes and industries decreases the risk for vacancies and rental loss. The average occupancy rate in terms of economic occupancy for commercial

properties during the financial year that ended 31 August 2021 was 94 percent. The occupancy rate corresponds to 39 premises being vacant, which is in line with the last five years average occupancy rate which was 95 percent. The weighted average remaining term of contract amounted at the same date to 4.8 years, while it among the ten largest tenants remained an average contract period of 9.5 years.

Average economic occupancy rate – commercial properties



During the financial year that ended 31 August 2021, the ten largest rental agreements accounted for 20 percent of the collected base rent from all of the Company's tenants, and were in descending order: Holmgrens Bil AB in Jönköping (7 percent), Brenderup AB (2 percent), Holmgrens Bil AB in Värnamo (2 percent), 1337 Logistics AB (2 percent), Racketcentrum Sports Business AB (2 percent), Rasta Sverige AB (1 percent), Beneli AB (1 percent), the Swedish Police Authority (1 percent), Växjö municipality (1 percent), as well as Mantum Holding AB (1 percent).

146 Also includes certain areas rented by Mitt Lager but are owned by other companies in the Group.

Nivika has premises for several different types of operations. Everything from business premises to offices and industrial premises.



Completed projects during the last financial year¹⁴⁷

Drängen 2, Växjö

In September 2020, Nivika completed an extension for the current tenant in the commercial premises Drängen 2, located on Väster in Växjö. The extension corresponded to a NRFA of 559 square meters with an investment of approximately MSEK 7.



Rosen 1, Värnamo

In October 2020, Nivika completed a renovation at the current tenants in the commercial premises Rosen 1, located in central Värnamo. The renovation covered 2,262 square meters NRFA and corresponded to an investment of approximately MSEK 22.



Ödlan 1, Värnamo

In December 2020, Nivika completed the new development of 36 condominiums on a joint HA on 2,542 square meters in the district Nylund in eastern Värnamo. The investment corresponded to approximately MSEK 65 and was divested through the subsidiary Nivika Ödlan 1 in Värnamo AB during December 2020.



Vinkeln 6, Jönköping

In December 2020, Nivika completed an extension of the commercial premises Vinkeln 6, located on Österängen in Jönköping. The extension corresponded to a NRFA on 1,200 square meters to an investment of MSEK 8.



Västergöken 1, Jönköping

In February 2021, Nivika completed 89 rental apartments and five premises on a total HA and NRFA on 6,318 square meters with a rental value of approximately MSEK 12. The property was built as six buildings with four to five floors and is located on Tellusgatan 59-65 on Kungsängen in Jönköping. The investment amounted to MSEK 219.



Snöflingan 16, Växjö

During February 2021, Nivika completed 80 rental apartments by the, nowadays demolished, Bergsundaskolan in Växjö located on Örsledsvägen 10-18 in Bergunda. The apartments are distributed on five buildings with a HA of 4,950 square meters and a rental value of approximately MSEK 10, corresponding to an investment of MSEK 166.



Vråken 1, Jönköping

During May 2021, Nivika completed 66 rental apartments and two premises on a total HA and NRFA on 3,855 square meters with a rental value of approximately MSEK 7. The property on Tellusgatan 53, 55 and 57 on Kungsängen in Jönköping was built as five buildings with four to five floors, as well as an underground parking garage. The investment amounted to MSEK 138.



Vombaten 2 and Vråken 2, Jönköping

During May 2021, Nivika completed 48 rental apartments on Tellusgatan 47-51 on Kungsängen in Jönköping, with a rental value of approximately MSEK 6. The property was built as three buildings with three floors on a HA of 2,525 square meters, corresponding to an investment of MSEK 105.



147 The information is retrieved from the Group's internal accounting system as of 31 August 2021.

Ongoing projects¹⁴⁸

Ongoing projects with an assessed investment of at least MSEK 5 as of 31 August 2021

Valplatsen 8, Jönköping

On Wadmans linje 10 on Österängen in Jönköping, Nivika is building 194 rental apartments as student residential on a HA of 6,402 square meters with a rental value of approximately MSEK 12. The first stage was completed during February 2021, while the other was completed on 15 September 2021.



Hjortronet 7, Motala

Nivika increases the operations within Mitt Lager through a new storage premises in Motala, with a NRFA on 3,400 square meters corresponding to an expected investment of MSEK 12. The premises is expected to be completed during the third quarter of year 2021.



Solar cell facilities, Jönköping, Värnamo and Växjö

During the financial year that ended 31 August 2021, Nivika has, as a line in its sustainability work, installed 1,422 kWp in effect on commercial premises located in Jönköping, Värnamo and Växjö. The investment is estimated to amount to approximately MSEK 12 and corresponds to a saving of 578,110 kilogram carbon dioxide.



Vinkeln 6, Jönköping

During the year 2021, Nivika started an extension for the current tenant in Vinkeln 6, a property consisting of four buildings with commercial premises on 33,519 square meters on Österängen in Jönköping. The extension refers to solar cells investments as well as façade improvements. The investment is expected to correspond to MSEK 11 and is expected to be completed during the fourth quarter of 2021.



Barnarps-Kråkebo 1:57 and 1:58, Jönköping

In June 2021, Nivika started an extension and new development on 4,300 square meters in NRFA in Barnarps-Kråkebo 1:57 and 1:58, and industrial premises in Torsvik in Jönköping, to make room for new tenants. In connection to the renovation, an exterior wall will be taken down in favour of the extension, whereupon the exterior wall that will be taken down may be reused. The investment is estimated to amount to approximately MSEK 38 and to be completed during the fourth quarter year 2021.



Golvläggaren 1, Värnamo

In the commercial premises Golvläggaren 1 in Hornaryd in Värnamo, Nivika is, at present, constructing a paddle hall on a NRFA corresponding to 1,920 square meters. The investment is expected to amount to approximately MSEK 20 and expected to be completed during the fourth quarter year 2021.



Porfyren 2, Värnamo

On the recently acquired industrial property Profyren 3 in Bredasten in Värnamo, Nivika has started a new development of a storage premises corresponding to 5,000 square meters NRFA. The investment is estimated to amount to approximately MSEK 26 and the premises are expected to be completed during the fourth quarter year 2021.



Fasad mot norr

¹⁴⁸ The information is retrieved from the Group's internal accounting system as of 31 August 2021. The information about ongoing constructions is based on assessment of size, direction and extent of ongoing constructions as well as when in time projects are estimated to start and be completed. Further, the information is based on assessment of future investments and rental value. The assessments and assumptions shall not be seen as a forecast. Assessments and assumption entail uncertainties both regarding the project's implementation, form and size, timetables, project costs as well as future rental value. The information on ongoing projects is regularly reconsidered and assumptions adjusted as a result of ongoing projects are being completed or added as well as conditions change.

Värendsvallen 12, Nivika Center, Växjö

In February 2021, the construction of Nivika Center on Arenaområdet in Växjö started. The project is a collaboration with the floorball club Växjö Vipers, regarding an extension and conversion of the club's facility, Fortnox Arena. The club's facilities shall be extended with 3,100 square meters (NRFA) in forms of sports centre, restaurant and school, and at the same time be complemented with 160 rental apartments on total 5,900 square meters (HA). Nivika estimates a rental value of approximately MSEK 20 and an investment of approximately MSEK 274 with a preliminary final date during the first quarter 2023. Nivika also receives investment grant from the National Board of Housing, Building and Planning for the investment.



Sadelmakaren 1, Värnamo

On Fredsgatan 2B on Gröndal in Värnamo, Nivika is constructing 130 rental apartments with a HA on 8,111 square meters, with a rental value of approximately MSEK 13. The project is planned to be finished in two stages with moving in during the first and third quarter year 2023. The property is built for certification according to Miljöbyggnad Silver and is estimated to become an investment of approximately MSEK 253. Nivika also receives investment grant from the National Board of Housing, Building and Planning for the investment.



Ongoing projects with an assessed investment of at least MSEK 5 as of 31 August 2021

Ongoing projects as of 31 August ¹⁴⁹	Place	Type	Category	Construction start	Estimated completion	Apartments Number	Lettable area, sqm		Property value		Rental value		Investment (Incl. land) MSEK ¹⁵⁰		Book value
							Premises	Residential	MSEK	SEK / SQM	MSEK	SEK / SQM	Estimated	Accrued	
Valplatsen 8	Jönköping	New development	Residential	Q2 2020	Q1 2021 and Q3 2021	194	-	6,402	285	44,517	12	1,843	205	205	285
Hjortronet 7	Motala	New development	Industrial	Q2 2021	Q3 2021	-	1,125	-	20	17,778	3	2,667	12	11	17
Solar cell project	Several	Energy measure	Other	Q1 2021	Q3 2021	-	-	-	-	-	-	-	12	-	-
Vinkeln 6	Jönköping	Refurbishment	Industrial	Q1 2020	Q4 2021	-	-	-	-	-	1	-	11	1	-
Barnarps-Kråkebo	Jönköping	Extension	Industrial	Q2 2021	Q4 2021	-	4,300	-	90	20,930	3	581	38	12	67
Golvläggaren 1	Värnamo	New development	Other	Q2 2021	Q4 2021	-	1,920	-	20	10,417	1	729	20	3	4
Porfyren 2	Värnamo	New development	Industrial	Q2 2021	Q4 2021	-	5,000	-	30	6,000	2	440	30	9	3
Värendsvallen 12	Växjö	New development	Residential	Q1 2021	Q1 2023	160	3,100	5,900	368	40,889	20	2,222	274	68	49
Sadelmakaren 1	Värnamo	New development	Residential	Q1 2021	Q1 2023 and Q3 2023	130	-	8,111	335	41,302	13	1,603	253	41	56
Total						484	15,445	20,413	1,148	181,833	55	10,085	855	350	482

Planned projects¹⁵¹

The table below report on Nivika's planned projects with a project budget exceeding MSEK 5, as of 31 August 2021. In addition to these planned projects, there are, at the same point of time, also a smaller number of projects under pro-

jecting whose budget is less than MSEK 5, which includes renovations and conversions of existing properties as well as environment improving measures such as installation of solar cells.

149 The calculations for Valplatsen 8, Värendsvallen 12 as well as Sadelmakaren 1 are done with the assumption of received investment grant from the National Board of Housing, Building and Planning.

150 Accrued investment concerns total spent cost in each construction respectively.

151 The information is retrieved from the Group's internal accounting system as of 31 August 2021. The information about planned projects is based on assessment of size, direction and extent of ongoing projects as well as when in time planned projects are estimated to start and be completed. Further, the information is based on assessment of future investments and rental value. The assessments and assumptions shall not be seen as a forecast. Assessments and assumption entail uncertainties both regarding the project's implementation, form and size, timetables, project costs as well as future rental value. The information on ongoing projects is regularly reconsidered and assumptions adjusted as a result of ongoing projects being started, completed or added as well as conditions change.

Planned projects with an estimated investment of at least MSEK 5 as of 31 August 2021

Planned projects as of 31 August 2021 ¹⁵²	Type	Category	Status ¹⁵³	Estimated completion	Apartments		Lettable area, sqm		Estimated investment (incl. land), MSEK	Environment- building
					Number	Premises	Residential			
Stigamo 1:49	New development	Industrial	3	2021-2023	-	42,500	-	250	-	
Stigamo 1:51	New development	Industrial	3	2021-2023	-	6,250	-	40	-	
Stigamo 1:52	New development	Industrial	3	2021-2023	-	5,400	-	35	-	
Stigamo 1:53	New development	Industrial	3	2021-2023	-	7,600	-	45	-	
Stigamo 1:47	New development	Industrial	3	2021-2023	-	19,200	-	115	-	
Hovslätts Ängar	New development	Residential	3	2022-2024	130	-	14,000	400	Silver	
Valplatsen 3, 5 & 8	New development	Residential	2	2024-2026	450	-	50,000- 70,000	1,500-	Silver	
Brunstorp 1:55	New development	Residential	2	2024-2026	140	-	6,000	200-240	Silver	
Åkerfältet 3 & 5	New development	Community and social property	2	2024-2026	-	40,000	-	800-1,000	-	
Budkaveln 21 (Maden)	New development	Residential	1	2025-2030	100	-	5,000	150	Silver	
Jönköping					820	120,950	75,000- 95,000	3,535-4,275		
Refugen 6	New development	Office	4	2021-2022	-	1,900	-	60-70	-	
Del av Nöbböle 7:2 (Porfyren)	New development	Industrial	3	2022-2024	-	19,000	-	150	-	
Vinkelhaken 13 (Ljungby)	New development	Residential	3	2022-2023	70	-	5,000	175	Silver	
Tre Liljor 15, 17	New development	Residential	2	2023-2024	124	-	4,000- 5,000	130-170	Silver	
Aftonfalken 1	New development	Residential	2	2023-2025	75	-	5,000	170	Silver	
Kärleken 1-4	New development	Residential	2	2024-2025	415	-	30,000- 35,000	800-1,000	Silver	
Värnamo					684	20,900	44,000- 50,000	1,485-1,735		
Växjö 12:15, Stenladan	New development	Residential	4	2021-2022	90	-	2,500	60-70	Silver	
Tor 3 (Nybro)	New development	Residential	3	2022-2023	66	-	3,540	105	Silver	
Skogskärret 1	New development	Industrial	3	2022-2024	-	30,000	-	200	-	
Växjö					156	30,000	6,040	365-375		
Bikupan 4	New development	Industrial	3	2022-2023	-	4,000	-	30	-	
Bikupan 22	New development	Hospitality	2	2022	-	357	-	15	-	
West Coast					-	4,357	357	45		
Total					1,660	176,207	125,040- 151,040	5,430- 6,430		

Effects of Covid-19

Nivika assesses, by the point of time for this Prospectus, that Covid-19 has not had a material effect on the Company's earnings, daily operations or acquisition plans. The Company considers the business model to be long-term, stable and to deliver good results according to plan in a market under recovery. Nivika is favoured by long-term collaborations with tenants and a tenant structure which in total have managed to meet the prevailing market conditions relatively well.

A limited part of the Company's tenants, above all within hospitality and retail, have for natural reasons had larger challenges. Nivika has a close dialogue with the tenants

which in some way applied for rental concessions and judgment has been made in each individual case whether there are conditions for, for example, respite in combination with the government rental support. Initially during the pandemic, several tenants were offered to pay rent by the month instead of by the quarter. As of 31 August 2021, the Company carried out MSEK 6.2 in rental discounts to concerned tenants, whereof MSEK 3 were carried out during the financial year that ended 31 August 2020 and MSEK 3.2 during the financial year that ended 31 August 2021. For the management operations' part, it can be stated that the effect of Covid-19 until now is limited and Nivika has not, during the period to today's date, experienced any substantial impact on rental income.

152 The information is retrieved from the Group's internal accounting system as of 31 August 2021.

153 Status: (1) future zoning plan; (2) plan work started; (3) zoning plan approved; (4) building permit application; (5) building permit approved; (6) investment decision taken.

VALUATION CERTIFICATE

The valuation certificate regarding the Company's property portfolio, which has been inserted in the Prospectus (the "**Valuation Certificate**"), has been issued at the Company's request by the independent expert valuer Jonas Lang LaSalle Holding AB, Box 1147, SE-111 81 Stockholm, Sweden (the "**Independent Valuer**") on 8 October 2021. The Independent Valuator has approved that the Valuation Certificate is included in the Prospectus and the Valuation Certificate has been inserted on subsequent pages in this section. The valuation certificate covers the Company's entire property portfolio as of 31 August 2021 and states that the properties' total market value is SEK 6,909,578,000. The book value of Nivika's investment properties in the balance sheet as of 31 August 2021 amounted to SEK 6,910,100,000. The discrepancy between the book value and the valuation of Nivika's property portfolio pursuant to the Valuation Certificate is because of the acquisition of the property Porfyren 3, for which Nivika as of 31 August 2021 had paid deposit but not yet acceded the property, has not been considered in the Valuation Certificate. The Company assesses that after the issue of the Valuation Certificate, no adverse changes regarding the valuation has taken place.

Statement of Market Value as at 2021-08-31

Background

JLL Valuation AB has been instructed by Nivika Fastigheter AB to assess, aggregate and confirm the Market Value of 129 valuation objects, 134 properties, which are held by Nivika as at 2021-08-31. JLL has carried out the valuation with the date of valuation being 2021-08-31. The purpose of the valuations was to assess the Market Value of the properties. The Market Value as reported below comprises the total aggregate of the Market Values of each valuation object separately. The valuation has been carried out by Tomas Shaw, authorized valuer by Samhällsbyggarna.

We are responsible for this valuation report and have verified that, as far as we know (we have taken great measures to ensure that this is the case), the information in this valuation report is in accordance with the actual underlying conditions and that nothing is omitted that could affect its meaning. The valuation report meets the requirements of 128-130 in ESMA's updated version of CESRs recommendations of a consistent implementation of the European Commission Regulation No 809/2004 regarding the implementation of the Prospectus Directive.

The Properties

The properties are located in Sweden with a majority located in Jönköping, Värnamo and Växjö, but also within the following municipalities: Lysekil, Strömstad, Motala, Gislaved, Sotenäs, Nybro, Helsingborg, Varberg, Halmstad, Falkenberg, Laholm and Ljungby. 131 properties are held freehold. 3 properties are held site leasehold. 1 valuation object is held via land lease (Sw. *Arrende*) with a temporary building permit. The valuation objects include residential and commercial premises, such as office, retail, industrial, warehouse and self-storage. In addition, there are building rights and undeveloped plots of land for future development. Inspection of the properties has been carried out by JLL during 2021. The inspected properties have an assessed value of TSEK 6,162,946 corresponding to approximately 89 % of the total assessed value of the properties. The inspected properties are listed in appendix 1.

Source of information

The valuation is carried out in accordance with the conditions and information provided by the client. As a basis for the valuation the client has provided rent rolls including lettable area, rent, service charges as well as historic costs on a property level and information on planned investments, building rights and ongoing detailed development plan processes etc.

Valuation Methodology

The Market Value of the investment properties is based on a discounted cash flow analysis, meaning an analysis of projected future cash flows where inputs (rent, vacancy risk, operating and maintenance costs, property tax, etc, yield, discount rate etc.) are set to values which are assessed to correspond to the assessment that the market can be assumed to make for each specific valuation object as of the date of valuation. In assessing the yield etc of the market, the comparable method is used on comparable property transactions.

Where applicable, value additions or deductions are taken into account. The Market Value of building rights and undeveloped plots of land are assessed via the comparable method, where comparisons are made with transactions of similar assets in the market. In addition, the value is checked through a residual value calculation.

Statement of Market Value as at 2021-08-31

Valuation

We assess the total Market Value of the properties, as at the date of valuation 2021-08-31, is:

SEK 6,909,578,000

(Six Billion, Nine-Hundred and Nine Million, Five-Hundred and Seventy-Eight Thousand Swedish Kronor)

For the valuation the general terms and conditions apply which have been prepared on the basis of accepted valuation principles, produced by the Property Valuation Section within Samhällsbyggarna and applicable for authorized valuers within Samhällsbyggarna. The terms apply from 2010-12-01.

Stockholm the 8th October 2021,



Tomas Shaw,
By Samhällsbyggarna
Authorized Valuer
Director, Valuation
tomas.shaw@eu.jll.com



Patrik Löfvenberg
Head of Valuation
patrik.lofvenberg@eu.jll.com

Appendix 1, Property Summary

Appendix 1, Property Summary

Property	Municipality	Inspected 2021	Property	Municipality	Inspected 2021
Abborren 6	Jönköping	Yes	Kärleken 2	Värnamo	Yes
Advokaten 14	Jönköping	Yes	Kärleken 3	Värnamo	Yes
Advokaten 5	Jönköping	Yes	Kärleken 4	Värnamo	Yes
Aftonfalken 1	Värnamo	Yes	Lejonet 14	Värnamo	Yes
Almen 12	Värnamo	Yes	Lejonet 17	Värnamo	Yes
Arkadien 2	Jönköping	Yes	Lejonet 18	Värnamo	Yes
Barnarps-Kråkebo 1:58	Jönköping	Yes	Lejonet 5	Värnamo	Yes
Barnarps-Kråkebo 1:73	Jönköping	Yes	Minken 3	Växjö	Yes
Bautastenen 1	Värnamo	Yes	Mjälän 8	Växjö	Yes
Bautastenen 3	Värnamo	Yes	Nyckelharpan 2	Växjö	Yes
Broarna 4	Värnamo	Yes	Porfyren 2	Värnamo	Yes
Brunstorp 1:55	Jönköping	Yes	Refugen 6	Värnamo	Yes
Budkaveln 21	Jönköping	Yes	Repslagaren 1	Växjö	Yes
Bäret 1	Jönköping	Yes	Rosen 1	Värnamo	Yes
Bäret 2	Jönköping	Yes	Rättaren 4	Växjö	Yes
Dalskogen 3:15	Lysekil	-	Rättaren 5	Växjö	Yes
Diabasen 4	Värnamo	Yes	Rödspättan 2	Värnamo	Yes
Drängen 2	Växjö	Yes	Sadelmakaren 1	Värnamo	Yes
Duvelund 1 & 2	Värnamo	Yes	Sadelmakaren 6	Växjö	Yes
Ekhagen 1:1, del av	Jönköping	Yes	Sanden 2	Växjö	Yes
Elefanten 1	Växjö	Yes	Sandstenen 1	Värnamo	Yes
Erlanderöd 1:23	Strömstad	-	Sandstenen 2	Värnamo	Yes
Falken 25	Värnamo	Yes	Sandstenen 5	Värnamo	Yes
Flundran 6	Värnamo	Yes	Skogskärret 1	Växjö	-
Folkets Hus 1	Värnamo	Yes	Skomakaren 1	Växjö	Yes
Garvaren 5	Växjö	Yes	Skräddaren 7	Växjö	Yes
Gasellen 11	Växjö	Yes	Släggan 11	Gislaved	Yes
Geologen 5	Växjö	Yes	Smeden 3	Värnamo	Yes
Golvläggaren 1	Värnamo	Yes	Smeden 5	Värnamo	Yes
Graniten 2	Värnamo	Yes	Snickaren 1-3	Värnamo	Yes
Gravören 18	Växjö	Yes	Snipen 13	Värnamo	Yes
Hjortronet 7	Motala	-	Snipen 18	Värnamo	Yes
Hällstorp 1:20	Jönköping	Yes	Snipen 19	Värnamo	Yes
Illern 3	Växjö	Yes	Snipen 20	Värnamo	Yes
Juveleraren 7	Växjö	Yes	Snöflingan 16	Växjö	Yes
Kopparslagaren 2	Växjö	Yes	Snörmakaren 4	Växjö	Yes
Kopparslagaren 3	Växjö	Yes	Sotaren 3	Växjö	Yes
Krysspricken 1	Växjö	Yes	Hedalen 1:6	Hunnebostrand	-
Kvasten 7	Växjö	Yes	Stigamo 1:47	Jönköping	Yes
Kärleken 1	Värnamo	Yes	Stigamo 1:49	Jönköping	Yes

Property	Municipality	Inspected 2021	Property	Municipality	Inspected 2021
Stigamo 1:51, 1:52 och 1:53	Jönköping	Yes	Töringe 7:40	Falkenberg	-
Sågaren 3	Växjö	Yes	Vagnen 7	Varberg	-
Tor 3	Nybro	-	Vagnen 10	Varberg	-
Tre Liljor 15	Värnamo	Yes	Vinkelhaken 13	Ljungbby	-
Tre Liljor 17	Värnamo	Yes			
Tunnbindaren 7	Växjö	Yes			
Vakten 10	Jönköping	Yes			
Vakten 8	Jönköping	Yes			
Valplatsen 2	Jönköping	Yes			
Valplatsen 3	Jönköping	Yes			
Valplatsen 5	Jönköping	Yes			
Valplatsen 8	Jönköping	Yes			
Vigören 1	Jönköping	Yes			
Vinkeln 6	Jönköping	Yes			
Vombaten 2 & Vråken 2	Jönköping	Yes			
Vråken 1	Jönköping	Yes			
Värendsvallen 12	Växjö	Yes			
Västergöken 1	Jönköping	Yes			
Växjö 12:15	Växjö	Yes			
Åkerfältet 3	Jönköping	Yes			
Åkerfältet 5	Jönköping	Yes			
Ämbaret 8	Jönköping	Yes			
Ödlan 20	Jönköping	Yes			
Överkanten 1	Jönköping	Yes			
Överljudet 4	Jönköping	Yes			
Överljudet 5	Jönköping	Yes			
Ametisten 2	Helsingborg	-			
Ametisten 7	Helsingborg	-			
Bikupan 4	Varberg	-			
Bikupan 5	Varberg	-			
Bikupan 19	Varberg	-			
Bikupan 20	Varberg	-			
Bikupan 22	Varberg	-			
Briljanten 4	Helsingborg	-			
Bälgen 15	Varberg	-			
Fyllinge 20:412	Halmstad	-			
Företagaren 2	Falkenberg	-			
Hjorten 23	Gislaved	Yes			
Jerusalem 3	Gislaved	Yes			
Kalkstenen 2	Värnamo	Yes			
Kruthornet 3	Helsingborg	-			
Opalen 2	Helsingborg	-			
Stegen 1	Halmstad	-			
Sylen 3	Halmstad	-			
Tandborsten 7	Laholm	-			

CURRENT EARNINGS CAPACITY

This section contains forward-looking statements that reflect Nivika's plans, estimates and assessments. The Company's profit from property management may differ significantly from what is expressed in these forward-looking statements. Factors that may cause or contribute to such differences include, but are not limited to, the assumptions underlying these statements and in other parts of the Prospectus including the section "Risk factors". The current earnings capacity shall be read together with other information in the Prospectus. The earnings capacity shall be considered a hypothetical situation, the purpose of which is to present income and costs on an annual basis given property portfolio, financing costs, capital structure and organisation at a future point of time. The Company has, in its published annual report for the financial year that ended on 31 August 2021 presented current earnings capacity, as of 31 August 2021, for the Company's property management in order to provide a picture of Nivika's future assessed earnings capacity. The current earnings capacity presented in this section corresponds to the current earnings capacity published in the annual report for the financial year that ended 31 August 2021. The information on current earning has not been reviewed by the Company's auditor.

Statement of the most important assumptions that form the basis for the current earnings capacity

The table below presents Nivika's earnings capacity regarding the profit from property management on a twelve-month basis on existing portfolio. It is important to note that the current earnings capacity should not be equated with a profit forecast for the next 12 months. The earnings capacity is therefore only to consider as a scenario as Nivika assesses the cash flow excluding amortisation should be able to develop for the portfolio as it stands at the reporting date and not for future value-adding investments or other property development. The earnings capacity does not, for example, include an assessment of development of rents, level of occupancy, property costs, interest rate, changes in value or other result affecting factors. None of the above have been considered in the current earnings capacity.

The following information forms the basis for the assessed earnings capacity.

- The rental incomes are based on signed rental agreements on an annual basis (including supplements and potential rental discounts) as well as other property related incomes from current rental agreements as of 31 August 2021.
- Property costs are based on a normal financial business year with maintenance, for held properties as of 31 August 2021. The operating costs include property related administration. Property tax is calculated from the properties' current assessed values. Property tax is included in the item Property costs.
- Central administration costs are calculated from the current organisation and the size of the property portfolio as of 31 August 2021. Costs of nonrecurrent character are not included.
- Financial incomes and costs have been calculated from the Company's actual average interest rate and credit portfolio as of 31 August 2021.

Current earnings capacity on twelve-month basis, MSEK	31 August 2021
Rental incomes	406
Property costs	122
Net operating income	284
Central management	28
Financial costs	108
Profit from property management	148

SELECTED FINANCIAL INFORMATION

Selected historical financial information for the Group is presented below for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019.

The financial information presented below has been taken from the Company's audited consolidated financial statements for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019, which have been prepared in accordance with the International Financial Reporting Standards ("IFRS") as adopted by the EU, the Swedish Annual Accounts Act (1995:1554), and recommendation RFR 1 (Supplementary Accounting Regulations for Groups) of the Swedish Financial Reporting Board, and which have been audited by Nivika's auditors in accordance with the audit report (pursuant to RevR 5 Review of Financial Information in Prospectuses). Unless otherwise expressly stated, no financial information in the prospectus has been audited or reviewed by the company's auditor. The figures reported in the prospectus have been rounded in some cases. Consequently, the tables in the prospectus do not necessarily sum up correctly.

The financial information in this section should be read in conjunction with the sections "Operational and financial overview", "Capitalisation, debt/equity ratio, and other financial information", and the company's audited consolidated financial statements for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019, including the notes in the section "Historical financial information".

Statement of consolidated profit or loss and other comprehensive income

Amounts in SEK million	Financial year ending 31 August		
	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Rental income	327.4	259.1	190.9
Property expenses	-91.1	-80.9	-62.4
Net operating income	236.4	178.2	128.5
Selling and administrative expenses	27.9	-23.5	-17.4
Other operating income	0.0	0.2	0.3
Other operating expenses	-0.1	-0.3	-0.1
Profit before finance income and costs	208.4	154.6	111.3
Finance income	3.3	4.4	0.5
Finance costs	-120.4	-76.3	-44.1
Profit from property management operations	91.3	82.7	67.6
Valuation gains/losses from investment properties, realised	37.2	11.0	3.1
Valuation gains/losses from investment properties, unrealised	340.9	195.4	181.7
Valuation gains/losses from derivative financial instruments, unrealised	6.1	11.6	-25.3
	384.3	218.0	159.5
Profit before tax	475.6	300.7	227.1
Current income tax	-5.6	-4.0	-0.9
Deferred income tax	-106.9	-60.1	-54.0
Profit for the year	363.1	236.6	172.2
Other comprehensive income	-	-	-
Other comprehensive income	-	-	-
Comprehensive income for the year	363.1	236.6	172.2
Attributable to			
Equity holders of the parent	363.1	236.6	162.4
Non-controlling interests	-	-	9.9
Earnings per share before and after dilution, SEK	10.1	7.2	6.1

1) Retrieved from the Group's historical financial information for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019. See the section "Historical financial information".

Consolidated statement of financial position

Amounts in SEK million	As for 31 August		
	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
ASSETS			
Non-current assets			
Investment properties	6,910.1	5,062.7	3,511.5
Equipment	56.0	41.1	24.7
Right-of-use assets	17.5	-	-
Other long-term securities holdings	2.1	0.1	0.1
Other non-current receivables	64.7	11.7	7.1
Total non-current assets	7,050.4	5,115.7	3,543.5
Current assets			
Inventories	3.8	0.2	0.5
Rent receivables	7.9	11.0	2.1
Other receivables	3.8	2.8	3.6
Prepaid expenses and accrued income	34.8	21.2	10.1
Cash and cash equivalents	210.8	94.9	190.5
Total current assets	261.1	130.1	206.8
TOTAL ASSETS	7,311.6	5,245.8	3,750.3

1) Retrieved from the group's historical financial information for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019.
See the section "Historical financial information".

Consolidated statement of financial position

Amounts in SEK million	As for 31 August		
	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
EQUITY AND LIABILITIES			
Equity			
Issued share capital	20.4	3.5	2.7
Other contributed capital	974.4	588.9	191.3
Retained earnings incl. profit for the year	1,429.7	1,097.2	897.2
Equity attributable to equity holders of the parent	2,424.5	1,689.7	1,091.1
Non-controlling interests	-	-	83.8
Total equity	2,424.5	1,689.7	1,174.9
Non-current liabilities			
Deferred tax liability	417.6	319.4	258.4
Interest-bearing loans and borrowings	4,091.5	3,016.9	2,126.0
Lease liabilities, non-current portion	15.9	-	-
Derivative financial instruments	18.5	24.7	36.2
Total non-current liabilities	4,543.5	3,361.0	2,420.6
Current liabilities			
Interest-bearing loans and borrowings	156.9	78.6	79.1
Trade and other payables	45.4	58.1	56.4
Income tax payable	11.8	7.3	0.0
Lease liabilities, current portion	1.0	-	-
Other liabilities	55.9	10.9	3.9
Accrued expenses and deferred income	72.6	40.2	15.4
Total current liabilities	343.6	195.1	154.8
TOTAL EQUITY AND LIABILITIES	7,311.6	5,245.8	3,750.3

1) Retrieved from the Group's historical financial information for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019. See the section "Historical financial information".

Consolidated statement of cash flows

Amounts in SEK million	Financial year ending 31 August		
	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Operating activities			
Profit before finance income and costs	208.4	154.6	111.3
Interest received	3.3	4.4	0.5
Interest paid	-111.8	-55.4	-44.1
Other non-cash items	8.0	10.3	2.0
Income tax paid	-5.6	-4.0	-0.9
Net cash flow from operating activities before changes in working capital	102.3	109.8	68.8
Net cash flow from changes in working capital			
Change in operating receivables	-15.1	-19.0	4.8
Change in operating liabilities	69.2	40.8	20.3
Net cash flow from operating activities	156.3	131.6	93.8
Investing activities			
Purchase of investment properties	-1,131.2	-847.9	-353.4
Acquisition of businesses, net of cash acquired	-0.6	-	-
Proceeds from disposal of investment properties	202.0	77.7	8.9
Investment in existing properties	-565.4	-645.9	-254.1
Purchase of property, plant, and equipment	-32.4	-23.5	-19.7
Purchase of financial instruments	-54.9	-4.6	-5.1
Net cash flow from investing activities	-1,582.5	-1,444.2	-626.4
Financing activities			
Dividends paid	-16.5	-13.5	-20.0
Proceeds from issue of share capital	388.2	340.0	-
Proceeds from borrowings	2,797.8	1,344.6	1,663.0
Repayment of borrowings	-1,625.7	-454.1	-985.3
Payment of lease fees	-1.6	-	-
Net cash flow from financing activities	1,542.1	1,216.9	657.7
Net increase (decrease) in cash and cash equivalents	115.9	-95.6	125.1
Cash and cash equivalents at 1 September	94.9	190.5	65.4
Cash and cash equivalents at 31 August	210.8	94.9	190.5

1) Retrieved from the Group's historical financial information for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019. See the section "Historical financial information".

Selected operating segment information

Income per segment	Financial year ending 31 August															
	Jönköping			Värnamo			West Coast	Växjö			Other			Total		
Amounts in SEK million	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾	2021 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾	2021 ¹⁾	2020 ¹⁾	2019 ¹⁾
Rental income	140.6	118.0	96.8	100.3	93.3	84.6	10.1	70.6	40.9	4.5	5.8	6.8	5.0	327.4	259.1	190.9
Property expenses	-35.6	-33.6	-30.3	-29.1	-29.2	-26.8	-1.6	-18.4	-12.3	-0.8	-6.4	-5.7	-4.5	-91.1	-80.9	-62.4
Operating income	105.0	84.4	66.5	71.2	64.1	57.8	8.5	52.1	28.6	3.7	-0.6	1.1	0.5	236.4	178.2	128.5
Valuation gains from investment properties	204.1	113.9	79.7	44.0	66.8	95.8	18.2	98.5	25.9	4.8	13.4	-0.2	4.5	378.2	206.4	184.8
Profit, incl. valuation gains	309.1	198.3	146.2	115.2	130.9	153.7	26.7	150.6	54.5	8.4	12.8	0.9	5.0	614.5	384.6	313.3
Unallocated items:																
Selling and administrative expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-27.9	-23.5	-17.5
Other operating income	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	0.2	0.3
Other operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0	-0.3	-0.1
Profit before finance income and costs	-	-	-	-	-	-	-	-	-	-	-	-	-	586.5	361.0	296.1
Net financial items	-	-	-	-	-	-	-	-	-	-	-	-	-	-117.1	-71.9	-43.6
Valuation gains from derivatives	-	-	-	-	-	-	-	-	-	-	-	-	-	6.1	11.6	-25.3
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	-	475.6	300.7	227.1

1) Retrieved from the Group's historical financial information for the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019. See the section "Historical financial information".

Key ratios and data¹⁵⁴

Selected key ratios

The company applies ESMA (European Securities and Markets Authority) guidelines regarding alternative key ratios in this prospectus. The guidelines aim to make alternative key ratios in financial statements more comprehensible, reliable, and comparable, thereby increasing their usability. According to the guidelines, an alternative key ratio is a financial measure of historical or forecast profit trends, financial position, or cash flow that is neither defined nor specified in the current regulations for financial reporting: IFRS and the Swedish Annual Accounts Act. These guidelines are mandatory for financial statements published after 3 July 2016. Unless otherwise expressly stated, the key ratios below are not defined in accordance with IFRS and are thus alternative key ratios.

Nivika believes that the following alternative key ratios, together with measures defined in accordance with IFRS, facilitate the understanding of the Group's financial trends. In addition, these alternative key ratios are used by Nivika's management team, investors, securities analysts, and other stakeholders as a complementary measure of profit trends. However, the alternative key ratios, as defined by Nivika, should not be compared with other key ratios with similar names used by other companies. This is because the above-mentioned key figures are not always defined in the same way and other companies may not calculate them in the same way as Nivika. See "*Definitions of alternative key ratios*" and descriptions of the reasons why these alternative key ratios are used.

154 For definitions of alternative key ratios, see the section "Selected financial information – Definitions of alternative key ratios" below.

Key ratios

Amounts in SEK million	Financial year ending 31 August		
	2021	2020	2019
Property-related key ratios			
Investment properties ^{1,5)} , SEK million	6,910.1	5,062.7	3,511.5
Rental income ^{1,5)} , SEK million	327.4	259.1	190.9
Net operating income ¹⁾ , SEK million	236.4	178.2	128.5
Surplus ratio ³⁾ , %	72.2	68.8	67.3
Number of completed apartments ²⁾	311	66	0
Number of apartments under construction ²⁾	376	513	271
Number of apartments in project development ²⁾	1,660	1,650	1,780
Lettable area of community service properties and residential ²⁾ , m ²	99,193	58,216	37,295
Total lettable area ^{1,2)} , m ²	428,850	310,040	222,246
Economic occupancy rate, residential ²⁾ , %	97.9	99.9	99.2
Economic occupancy rate, commercial ²⁾ , %	94.4	95.8	95.9
Financial key ratios			
Profit before finance income and costs ¹⁾ , SEK million	208.4	154.6	111.3
Profit from property management operations ¹⁾ , SEK million	91.3	82.7	67.6
Comprehensive income for the year ^{1,5)} , SEK million	363.1	236.6	172.2
Equity attributable to equity holders of the parent ^{1,5)} , SEK million	2,424.5	1,689.7	1,091.1
Long-term net asset value ³⁾ , SEK million	2,860.6	2,033.8	1,469.5
Return on equity ³⁾ , %	17.7	16.5	15.9
Equity ratio ³⁾ , %	33.2	32.2	31.3
Net loan-to-value ratio ³⁾ , %	58.4	59.3	57.4
Average interest rate of secured financing at the end of the period ⁴⁾ , %	1.5	1.9	1.4
Average interest rate of unsecured financing at the end of the period ³⁾ , %	4.9	5.4	5.2
Average fixed interest rate interest term ¹⁾ , years	0.5	1.6	1.5
Interest coverage ratio ³⁾ , times	1.8	2.1	2.5
Average debt maturity ²⁾ , years	1.9	1.6	1.9
Share-related key ratios			
Adjusted number of shares at the end of the period ^{1,6)}	40,713,036	35,155,000	26,500,000
Profit from property management operations per share ³⁾ , SEK	2.54	2.53	2.55
Growth in profit from property management operations per share ⁴⁾ , %	0.4	-0.8	16.4
Total earnings per share ³⁾ , SEK	10.1	7.2	6.1
Equity attributable to equity holders of the parent company per share ³⁾ , SEK	55.6	48.1	41.2
Long-term net asset value per share ³⁾ , SEK	70.3	57.9	55.5

1) 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. See the section "Historical financial information".

2) The key ratios or components are retrieved from the group's internal operating systems.

3) 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. See the sections "Historical financial information" and "Reconciliation tables for alternative key ratios".

4) 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 statements for the financial year ending 31 August 2018.

5) Defined in accordance with IFRS.

6) Number of shares is adjusted for bonus issue of 4:1 and share split 1000:1 implemented in March 2021 as well as the decided reverse share split 1:5 completed in November 2021 in order to get comparable share-related ratios. For the actual number of shares for all periods see "Historical Financial Information".

Definitions of alternative key ratios

Property-related key ratios

Key ratios	Definition	Purpose
Net operating income	Rental income for properties reduced by the properties' operating costs.	The key ratio shows the profitability of management before central administrative costs, net financial items, and changes in value are taken into account.
Surplus ratio	Net operating income as a percentage of rental income.	The key ratio shows how large a share of profit Nivika may retain and is an efficiency measure that is comparable over time but also between real estate companies.
Number of completed apartments	The number of apartments completed during the period.	The key ratio shows the number of apartments completed.
Number of apartments under construction	Number of completed apartments at the end of the period that are under construction.	The key ratio shows the number of apartments under construction.
Number of apartments in project development	Number of completed apartments at the end of the period that are under project development.	The key ratio shows the number of apartments in the project phase.
Lettable area of community service properties and residential	Total area for community service properties and residential that is available for rent.	The key ratio shows the area of community service properties and residential that can be rented out.
Total lettable area	Total area (sqm) available for rent.	The key ratio shows the area of Nivika's property portfolio that can be rented out.
Economic occupancy rate, residential	Contracted rents in relation to the rental value, at the end of the period.	The key ratio illustrates the degree of economic utilisation of the Group's residential properties and a measure of rental efficiency.
Economic occupancy rate, commercial	Contracted rents in relation to the rental value, at the end of the period.	The key ratio illustrates the degree of economic utilisation of the Group's non-residential properties and a measure of rental efficiency.
Rental value	Rental income from current agreements plus estimated market rent for any unrented space for the 12 months after the report date.	The key ratio is used to show the Group's revenue potential.

Financial key ratios

Key ratios	Definition	Purpose
Profit before finance income and costs	Total profit for the period before finance income and costs, changes in value and tax.	The key ratio illustrates the profitability before finance income and costs as well as changes in value are taken into account.
Profit from property management operations	Profit for the period before changes in value and tax.	The profit from property management operations is a relevant key ratio for measuring the profitability of property management after finance income and costs are taken into account but excluding changes in value.
Long-term net asset value	Reported equity according to the statement of financial position, including the reversal of provisions for interest rate derivatives, deferred tax regarding temporary differences in property values, and deferred tax regarding provisions for interest rate derivatives.	The key ratio shows the fair value of net assets from a long-term perspective.
Return on equity	Profit over a rolling 12-month period in relation to average equity.	The key ratio illustrates the group's ability to generate a return on its owners' equity.
Equity ratio	Equity as a percentage of total assets.	The key ratio shows the proportion of assets that are financed with equity.
Net loan-to-value ratio	Interest-bearing net liabilities as a percentage of the investment properties' fair value at the end of the period.	The key ratio illustrates the Group's financial risk.
Average interest rate of secured financing at the end of the period	Average contracted interest rate for all borrowing with secured financing in the debt portfolio calculated as annual rate at the end of the period.	The key ratio shows the Group's interest rate level related to secured interest-bearing loans and borrowings.

Key ratios	Definition	Purpose
Average interest rate of unsecured financing at the end of the period	Average contracted interest rate for all borrowing with unsecured financing in the debt portfolio calculated as annual rate at the end of the period.	The key ratio shows the Group's interest rate level related to unsecured interest-bearing loans and borrowings.
Average fixed interest rate term	Weighted remaining fixed-interest rate period for interest-bearing loans and borrowings and derivatives financial instruments.	The key ratio shows the interest rate risk for Nivika's interest-bearing loans and borrowings.
Interest coverage ratio	Profit from property management operations after the reversal of financial expenses in relation to financial expenses.	The key ratio illustrates financial risk and shows how sensitive the company's earnings are to changes in interest rates.
Average debt maturity	A weighted average of the remaining period during which capital is tied up in relation to interest-bearing loans and borrowings.	The key ratio illustrates the long-term nature of the financing and the need for refinancing.

Share-related key ratios

Key ratios	Definition	Purpose
Adjusted number of outstanding shares at end of period	The number of registered shares less repurchased own shares at a given point in time adjusted for bonus issue, share split as well as reverse share split.	The key ratio shows the comparable trend in the number of outstanding shares.
Average weighted number of outstanding shares	The weighted average number of outstanding shares during a given period.	The key ratio shows the trend in the average number of outstanding shares.
Profit from property management operations per share	Profit from property management operations per share, excluding changes in value and tax during the period.	The key ratio provides a better understanding of Nivika's profit generation with regard to outstanding shares.
Growth in profit from property management operations per share from management	Percentage change in profit from property management operations per share during the period.	The key ratio is used to illustrate the development of profit from property management operations per share.
Total earnings per share	Total profit for the year in relation to the weighted average number of outstanding shares during the period.	The key ratio shows the trend in comprehensive income for the year relative to the number of outstanding shares.
Equity attributable to equity holders of the parent company per share	Equity attributable to shareholders in relation to the number of outstanding shares at the end of the period.	The key ratio shows Nivika's equity per share.
Long-term net asset value per share	Reported equity, including the reversal of interest rate derivatives and deferred tax, in relation to the number of shares at the end of the period.	The key ratio shows the fair value per share of net assets from a long-term perspective.

Reconciliation tables for alternative key ratios

Property-related key ratios

Key ratios	Financial year ending 31 August		
	2021	2020	2019
Surplus ratio			
A Net operating income for the period ¹⁾ , SEK million	236.4	178.2	128.5
B Rental income for the period ¹⁾ , SEK million	327.4	259.1	190.9
A / B Surplus ratio, %	72.2	68.8	67.3
Rental value, residential			
A Contract value on annual basis at the end of the period ²⁾ , SEK million	96.1	61.9	35.0
B Vacancy value on annual basis at the end of the period ²⁾ , SEK million	2.0	0.1	0.3
(A+B) Rental value, residential, SEK million	98.1	62.0	35.3
Rental value, commercial			
A Contract value on annual basis at the end of the period ²⁾ , SEK million	309.9	226.7	150.1
B Vacancy value on annual basis at the end of the period ²⁾ , SEK million	18.1	9.9	6.4
(A+B) Rental value, commercial, SEK million	328.0	236.6	156.5
Economic occupancy rate, residential			
A Contract value on an annual basis at the end of the period ²⁾ , SEK million	96.1	61.9	35.0
B Rental value, residential, SEK million	98.1	62.0	35.3
A/B Economic occupancy rate, residential, %	97.9	99.9	99.2
Economic occupancy rate, commercial			
A Contract value on an annual basis at the end of the period ²⁾ , SEK million	309.9	226.7	150.1
B Rental value, commercial, SEK million	328.0	236.6	156.5
A/B Economic occupancy rate, commercial, %	94.4	95.8	95.9

1) Information retrieved from the group's financial statements for each of the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019. See the section "Historical financial information".

2) The information has been retrieved from the group's internal operating systems.

Financial key ratios

Key ratios	Financial year ending 31 August		
	2021	2020	2019
Long-term net asset value, SEK million			
A Equity at the end of the period ¹⁾ , SEK million	2,424.5	1,689.7	1,174.9
B Derivative financial instruments at the end of the period ¹⁾ , SEK million	18.5	24.7	36.2
C Deferred tax liability at the end of the period ¹⁾ , SEK million	417.6	319.4	258.4
A+B+C Long-term net asset value, SEK million	2,860.6	2,033.8	1,469.5
Return on equity			
A Comprehensive income for the period ¹⁾ , SEK million	363.1	236.6	172.2
B Equity at the start of the period ¹⁾ , SEK million	1,689.7	1,174.9	993.7
C Equity at the end of the period ¹⁾ , SEK million	2,424.5	1,689.7	1,174.9
A/((B+C)/2) Return on equity, %	17.7	16.5	15.9
Equity ratio			
A Equity at the end of the period ¹⁾ , SEK million	2,424.5	1,689.7	1,174.9
B Total of the statement of financial position at the end of the period ¹⁾ , SEK million	7,311.6	5,245.8	3,750.3
A/B Equity ratio, %	33.2	32.2	31.3
Net loan-to-value ratio			
A (A.1+A.2) Interest-bearing loans and borrowings at the end of the period, SEK million	4,248.4	3,095.5	2,205.0
A.1 Non-current interest-bearing loans and borrowings at the end of the period ¹⁾ , SEK million	4,091.5	3,016.9	2,126.0
A.2 Current interest-bearing loans and borrowings at the end of the period ¹⁾ , SEK million	156.9	78.6	79.1
B Cash and cash equivalents at the end of the period ¹⁾ , SEK million	210.8	94.9	190.5
C Investment property value at the end of the period ¹⁾ , SEK million	6,910.1	5,062.7	3,511.5
(A-B)/C Net loan-to-value ratio, %	58.4	59.3	57.4
Average interest rate of secured financing at the end of the period			
Interest expenses for secured financing calculated as annual rate at the end of the period, SEK million	45.2	45.9	24.6
Interest-bearing loans and borrowings with secured financing at the end of the period, SEK million	2,978.4	2,383.5	1,735.0
A/B Average interest rate of secured financing at the end of the period, %	1.5	1.9	1.4
Average interest rate of unsecured financing at the end of the period			
A Interest expenses for unsecured financing calculated as annual rate at the end of the period, SEK million	62.4	38.7	24.6
B Interest-bearing loans and borrowings with unsecured financing at the end of the period, SEK million	1,270.0	712.0	470.0
A/B Average interest rate of unsecured financing at the end of the period, %	4.9	5.4	5.2
Interest coverage ratio			
A Profit from property management operations for the period ¹⁾ , SEK million	91.3	82.7	67.6
B Finance costs for the period ¹⁾ , SEK million	-120.4	-76.3	-44.1
(A-B)/(-B) Interest coverage ratio, times	1.8	2.1	2.5

1) Information retrieved from the Group's financial statements for each of the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019. See the section "Historical financial information".

2) The information has been retrieved from the Group's internal operating systems.

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

Share-related key ratios

Key ratios	Financial year ending 31 August		
	2021	2020	2019
Profit from property management operations per share			
A Profit from property management operations for the period ¹⁾ , SEK million	91.3	82.7	67.6
B Average weighted number of outstanding shares during the period ^{1,3)}	35,897,982	32,702,750	26,500,000
A/B Profit from property management operations per share, SEK	2.54	2.53	2.55
Growth in profit from property management operations per share			
A Profit from property management operations per share during the period, SEK	2.54	2.53	2.55
B Profit from property management operations per share during the corresponding period ²⁾ , SEK	2.53	2.55	2.19
(A/B)-1 Growth in profit from property management operations per share, %	0.4	-0.8	16.4
Total earnings per share, SEK			
A Comprehensive income for the period ¹⁾ , SEK million	363.1	236.6	172.2
B Average weighted number of outstanding shares during the period ^{1,3)}	35,897,982	32,702,750	26,500,000
A/B Total earnings per share, SEK	10.1	7.2	6.1
Equity attributable to equity holders of the parent per share, SEK			
A Equity attributable to equity holders of the parent at the end of the period ¹⁾ , SEK million	2,424.5	1,689.7	1,091.1
B Adjusted number of outstanding shares at the end of the period ^{1,3)}	40,713,036	35,155,000	26,500,000
A/B Equity per share, SEK	55.6	48.1	41.2
Long-term net asset value per share			
A (A.1+A.2+A.3) Long-term net asset value at the end of the period, SEK million	2,860.6	2,033.8	1,469.5
A.1 Equity at the end of the period ¹⁾ , SEK million	2,424.5	1,689.7	1,174.9
A.2 Derivative financial instruments at the end of the period ¹⁾ , SEK million	18.5	24.7	36.2
A.3 Deferred tax liability at the end of the period ¹⁾ , SEK million	417.6	319.4	258.4
B Adjusted number of outstanding shares at the end of the period ¹⁾	40,713,036	35,155,000	26,500,000
A/B Long-term net asset value per share, SEK	70.3	57.9	55.5

1) Information retrieved from the group's financial statements for each of the financial years ending 31 August 2021, 31 August 2020, and 31 August 2019. See the section "Historical financial information".

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

3) The average number of outstanding shares during the period and the total number of outstanding shares at the end of the period used in the calculation of share-related key ratios are adjusted for bonus issue of 4:1 and share split 1000:1 implemented in March 2021 as well as the decided reverse share split 1:5 completed in November 2021 for all periods in order to get comparable share-related ratios. For the actual number for each period, see the section "Historical financial information".

OPERATIONAL AND FINANCIAL OVERVIEW

The information below should be read together with the section “Selected financial information” and the section “Capitalisation, indebtedness and other financial information” as well as together with the Group’s consolidated financial reports including notes. This operational and financial overview is intended to facilitate the understanding and assessment of trends and changes in the Company’s financial result. Historical results are not necessarily a correct indication of future results.

This section may contain forward-looking statements that are subject to risks, uncertainties and other factors, including such factors that appear in the section “Risk factors”, which may entail that the Company’s future results, financial position or cash flow may substantially differ from the results, the financial position or the cash flow which, directly or indirectly, appear in such statements.

Overview

Nivika is a fast-growing real estate company whose business concept is to, by way of good professionalism and fast decision-making routes, create conditions for continued good expansion, as well as Nivika being a long-term and secure property owner with focus on sustainability. In addition, Nivika shall refine, construct and acquire properties with local support and with the tenant in focus. Construction work shall be done with wood as material and with in-house industrial production, which is sustainable and economically advantageous. The Company is mainly operative in Småland and in selected localities in southern Sweden. Nivika’s strategy consists of four main components: (i) property development; (ii) acquisition of properties; (iii) sourcing of building rights; as well as (iv) new development and management. Nivika assesses that this has provided conditions for strong cash flows and the Company has a goal of generating positive return over time, regardless of the market’s development. Nivika has a geographical main focus on selected localities in southern Sweden, which the Company assesses have a good long-term growth profile and are attractive localities to reside, work and live in.

As of 31 August 2021, the property portfolio consisted of 36 percent industrial properties, 25 percent residential properties, 13 percent office properties, ten percent community and social properties, nine percent retail properties, three percent hospitality properties, three percent land properties and one percent others. The total property portfolio amounted to MSEK 6,910.

The Company works continuously to create return for its shareholders by its own projecting and new development, which Nivika intends to implement cost-effectively through the recently acquired subsidiary Husgruppen Modulsystem Jönköping AB. Commercial properties include, for example, industrial / storage, office and retail, and the store and storeroom business Mitt Lager is also included within the segment (see section “Business overview – Mitt Lager” for further information). Streamlining of the property management is made through measures depending on both incomes and costs, as for example:

- Identification of absent rental incomes, as a result of for example incorrect indexation and/or invoicing before Nivika’s admission to the properties.
- Increased cost-effectiveness of the property management, in connection with the management being transferred to be operated in-house after admission to acquired properties.
- Continuous work with digitisation as, for example, integration of different management and report systems.

Important factors affecting Nivika’s result and financial position

To factors affecting Nivika’s earnings capacity, financial position and cash flow, the following belong:

- Macroeconomic factors, the regional economic development and changes in interest rates
- Rental levels and occupancy level
- Property costs
- Central administration costs
- Value creating transactions and other changes of value of properties
- Value creating investments
- Ability to attract, retain and develop employees
- Financing, development of the net interest income and value changes of interest derivatives
- Authority decisions and tax

Macroeconomic factors, the regional economic development and changes in interest rates

The real estate industry is on a significant level affected by macroeconomic factors such as economic growth, population growth, inflation and employment at both national and regional levels, which in all give an indication of the current economic situation. Market fluctuations and the economic growth affect the employment rate and the household’s income development, which is an essential basis for supply and demand in the rental market and can therefore affect

vacancy rates and rental levels. Inflation expectations also effect the development of both Nivika's property costs and the interest rate, and thus have an impact on the net interest income, which is a significant cost item for Nivika. The macroeconomic development and changes in interest rate can affect the availability to and conditions for loan financing. In the long-term, changes in the interest rate may have a material impact on Nivika's result and cash flow.

The value of Nivika's management properties is affected by the required return on properties in general, which in turn is affected by, *inter alia*, the national and regional economic development, changes in interest rate and inflation, market participants' interest in property investments, capital supply and alternative return.

Rental levels and occupancy level

Occupancy level and rental levels are generally affected by the general economic cycle development, changes in infrastructure and local transportation, population growth, employment and population structure. If the occupancy level or rental levels fall or increase, Nivika's results are negatively and positively affected, respectively. In addition to general factors, Nivika's rental development is affected by acquisitions and divestments of properties, projects, and annual rent negotiations.

Property costs

Operating costs mainly consist of utility costs, such as costs for property maintenance, electricity, waste management, water, heating, and snow clearance. Variations in prices of these services, for example as a result of abnormal weather and consumption, affect Nivika's result. Nivika's operating costs have historically differed over different quarters with considerably higher costs during some quarters, particularly during the winter months. Expenses for maintenance include measures that are primarily implemented in order to maintain the building's original standard in the long-term and are expensed as maintenance to the extent of which they constitute repairs and replacements of smaller parts. Other additional expenses of maintenance nature are capitalised in connection with the expense arising.

From a historical perspective, Nivika has in many cases successfully reduced property costs for the properties managed by the Company, as Nivika's property management is generally more cost-effective. The Group management expects to continue to reduce property costs for the properties which the Company acquires over time.

Central administration costs

Central administration includes Group-level costs that are not directly attributable to property management, such as costs for Group management, central support functions, business development and finance. Nivika's Group management believes that the Company will be able to continue to expand the operations, without increasing the costs for central administration at corresponding rate.

Value-creating transactions and other value changes of properties

Nivika's property portfolio is mainly concentrated to growth regions in Småland and western Sweden and the value of the properties is affected by several factors that are both beyond and within Nivika's control. Several of these factors are beyond the Company's control, such as, for example, the national and regional economic development, changes in interest rate and inflation, market participants' interest in property investments, capital supply and alternative return from other asset classes – all of which affect the required return on property investments, and thus the value of Nivika's property portfolio. In addition to this, the activity on the Swedish property market affects the supply of potential acquisitions as well as the current price level, which has an impact on the Company's opportunities for value creations. Factors which are within Nivika's control and have an impact on the value are, for example, additional rental incomes from acquisitions, efficient property management that results in increased operating profit and/or reduction of risk in the ongoing property management, refinement of the property portfolio, extensions and conversions, whereby the increase in the investment property value after the refinement exceeds the size of the investment and to identify and carry out value-creating property acquisitions and divestments. Nivika focuses primarily on property acquisitions that mimic the existing holdings. The Group management's ability to identify and carry out property acquisitions is essential for the Company's future result development.

Value creating investments

An important part of Nivika's operations is the value creation in the existing property holding, in the form of renovations, conversions and extensions, as well as upgrades to Nivika standard. These investments aim to result in increased incomes and have an impact on the Company's financial result and, in the long run, Nivika's ability to meet the set financial goals. In some cases, these investments entail loss of income, for example when apartments lack a tenant by the acquisition or during the time of which the renovation is ongoing. Should such measures be delayed, or if Nivika fails to agree on a rent increase as a result of these investments, the Company's financial result will be negatively affected.

Ability to attract, retain and develop employees

Nivika is a fast-growing company, where the employees are crucial for the Company's culture, business, and future development. Therefore, it is important that the Company continually attracts and develops the industry's best employees. Nivika considers that talented employees have been, and will continue to be in the future, crucial for the Company's growth and success. Therefore, the ability to attract, develop and retain competence is expected to be of great importance for the Company to be able to continue deliver strong financial results, which is dependent on key persons in the Group management as well as in the organisation in its entirety. The future ability to attract

new employees will be dependent on a continued efficient recruitment process, a recruitment pool with relevant qualifications, as well as Nivika's ability to offer attractive employment conditions and preserved view of the Company as an attractive workplace.

Financing, the development of the net interest income and value changes of interest rate derivatives

Nivika considers properties as long-term assets that require long-term financing with a well-balanced distribution between shareholders' equity and interest-bearing debts. Interest costs for interest-bearing debts is a significant cost for the Company, affected by the change in the market interest rates. The size and pace of these changes depend primarily on the chosen capital and fixed interest rate period and the size of the interest-bearing debt. The Company uses interest rate derivatives in the form of nominal interest rate swaps as part of the handling of Nivika's interest rate risk. The interest rate derivatives are reported on an ongoing basis at fair value in the balance sheet with value changes in the income statement. As market interest rate changes, a theoretical surplus or deficit value arises that does not affect cash flow, provided that the derivative is not redeemed prematurely.

Authority decisions and tax

Nivika's operations are to large extent dependent on authority decisions regarding, for example, property tax, construction regulations and regulation of rent controls for residential as well as local plans and building permits. Changes in property taxes or municipal fees also have an impact on Nivika's development. The regulated rent control for residential, the so-called utility value system, limits the Company's earnings capacity. In simplified terms, the system means that landlords are limited by not being able to charge higher rents than those determined in collective negotiations for homes with corresponding location and standard. Changed tax rules also affect Nivika. On 1 January 2019, new corporate tax rules came into force, which broadly mean that deductions are allowed with a negative net interest rate on a maximum of 30 percent of taxable EBITDA. In connection with the rules coming into force, the corporation tax was reduced from 22.0 to 21.4 percent and from 1 January 2021 the tax rate was reduced further to 20.6 percent.

Comparison between the financial year that ended 31 August 2021 and the financial year that ended 31 August 2020

Property portfolio

The value of the properties amounted in all to MSEK 6,910 (5,062), which corresponds to a value increase of 36.5 percent compared with the same period previous year. The increase is mainly explained by acquisitions and value increasing investments. The property portfolio contained 130 properties (96) with a total lettable area of approximately 428,850 square meters (310,040).

Rental income, operating income, and net income

The rental incomes increased to MSEK 327.4 (259.1) for the year, which is an increase of 26.4 percent. The increase of income was mainly attributable to acquisitions, own projects as well as income increasing investments. The incomes consisted of rental incomes of MSEK 313 (253) and service incomes of MSEK 14 (6). Service incomes consist of, inter alia, further debiting of heating, electricity and water.

Property costs amounted to MSEK 91.1 (80.9), which is an increase of 12.6 percent.

The operating income for the period amounted to MSEK 236.4 (178.2) which corresponded to a surplus ratio of 72.2 percent (68.8). Net income, the operations' result before net financial income, amounted to MSEK 208.4 (154.6), which is an increase of 34.8 percent compared with previous year.

Net interest income, profit from property management and value changes

The net interest income for the period amounted to MSEK -117.1 (-71.9), which is a decrease of 62.9 percent. The cost increase was to a great extent affected by the issue of two new bonds during September 2020 and May 2021.

The profit from property management during the period amounted to MSEK 91.3 (82.7), which is an increase of 10.3 percent. The increase is primarily attributable to the growing property portfolio. The profit from property management was positively affected by acquisitions of properties and a continued increase in rental incomes. Furthermore, the profit from property management was negatively affected by increasing financial costs owing to part in remaining bond which was redeemed in the end of May 2021. The profit from property management in relation to incomes amounted to 27.9 percent (31.9).

Value changes on properties affected the result with MSEK 378.2 (206.4), whereof MSEK 37.3 (11.0) were realised value changes at sales, and MSEK 340.9 (195.4) concern unrealised value changes during the period. Value changes were mainly change in required return, new development as well as increase in rents from refinement and index. Value changes in derivative affected the result with MSEK 6.1 (11.6) and concerned in its entirety unrealised value changes. Tax costs for the period amounted to MSEK -112.5 (-64.1), which is an increase of 75.5 percent. The increase is attributable to an increased result and interest deduction, which was affected by a change in the tax rules and regulations.

Unrealised value changes properties, MSEK	2021-08-31
Change net operating income	69
Ongoing new development	98
Land and unused building rights	25
Change required return	149
Total	341

Financial position and liquidity

At the end of the period, the Company's average debt maturity amounted to 1.92 years (1.56). Interest-bearing debts, after deduction for liquidity, in relation to property value resulted in a net loan-to-value of 58.4 percent (59.3).

The long-term interest-bearing financial debts amounted, as of the report day, to MSEK 2,821 (2,305), whereof long-term bank financing amounted to MSEK 3,034 (2,626), bond loans MSEK 1,100 (470) and other interest-bearing debts to MSEK 170 (242). The increase in interest-bearing debts is partly explained by financing of investments in acquisitions, and partly by new developments and conversions during the year. Outstanding bond loans as of the year-end day was MSEK 1,100 (470), which was within the frame for the loan scope of MSEK 1,600.

Financing	2021-08-31	2020-08-31
Number of loans	81	53
Bank loans, MSEK	3,034	2,626
Bond loans, MSEK	1,100	470
Average interest rate, loan debt, %	2.43	2.82
Cash and cash equivalents, MSEK	210.8	94.9
Loan-to-value, %	58.4	59
Average debt maturity, year	1.92	1.56

Investments and cash flow

The cash flow from the on-going operations amounted to MSEK 156.3 (131.6). Acquisitions of properties, directly or through subsidiary, affected the cash flow with MSEK -1,131.8 (-847.9), investments in existing properties amounted to MSEK -565.4 (-645.9), which was mainly attributable to new development, adjustments and conversions according to existing or new tenant's needs.

The financing operations' contribution during the year consisted of a net borrowing of MSEK 1,542.1 (1,216.9), after deduction of paid dividend of MSEK 16.5 (13.5).

In all, cash and cash equivalents changed during the period with MSEK 115.9 (-95.6), which gave liquid assets carried forward of MSEK 210.8 (94.9).

Shareholders' equity

At the end of the period, the shareholders' equity amounted to MSEK 2,424.5 (1,689.7). The equity/assets ratio amounted to 33.2 percent (32.2). The change during the period mainly constitutes of new issue, the result for the period as well as dividends to shareholders. The new issue, which was made in June 2021, provided the Company with MSEK 303.5.

Total result of the period

The total result for the period amounted to MSEK 363.1 (236.6), which is an increase of 53.4 percent. The increase is attributable to acquisition of properties and completion of rental properties from the project operations.

Comparison between the financial year that ended 31 August 2020 and the financial year that ended 31 August 2019

Property portfolio

The value of the properties amounted in all to MSEK 5,062.7 (3,511.5), which corresponds to a value increase of 44.2 percent compared to the same period previous year. The increase is mainly explained by acquisitions and value increasing investments. The property portfolio contained 96 properties (74) with a total lettable area of approximately 310,000 square meters (222,345). With the period's completed construction projects, the rental value amounted to approximately MSEK 285.

Rental income

The rental incomes increased to MSEK 259.1 (190.9) for the year, which is an increase of 35.7 percent. The increase of income was mainly attributable to acquisitions, own projects as well as income increasing investments. The incomes consisted of rental incomes of MSEK 253 (184) and service incomes of MSEK 6 (7). Service incomes consist of, *inter alia*, further debiting of heating, electricity and water.

Property costs amounted to MSEK 80.9 (62.4), which is an increase of 29.7 percent. The increase is mainly attributable to acquisitions of properties, including the acquisition of Alhansa Fastigheter AB in April 2020.

The net income, the operations' result before net financial income, increased by 38.9 percent in comparison with the previous year and amounted to MSEK 154.6 (111.3). The development of an internal management organisation as well as somewhat neglected maintenance in acquired holdings in addition more subsequent repairs than previous year, entailed a lower result in comparable holdings. Covid-19 had a minor effect on the result and the Company provided concerned tenants with rental discounts of MSEK 3.

The operation surplus for the period amounted to MSEK 178.2 (128.5) which corresponded to a surplus rate of 68.8 percent (67.3). The profit from property management, in relation to incomes, amounted to 31.9 percent (35.4), the result was primarily affected by higher financial costs.

Net interest income, profit from property management and value changes

The net interest income for the period amounted to MSEK -71.9 (-43.6), which is a decrease with 64.5 percent. The decrease was to a great extent affected by the issue of a new bond during the fourth quarter 2019.

The profit from property management during the period amounted to MSEK 82.7 (67.6), which is an increase of 22.3 percent. The increase is primarily attributable to the growing property portfolio.

Value changes on properties affected the result with MSEK 206.4 (184.8), of which MSEK 11.1 (3.1) were realised value changes at sales, and MSEK 195.4 (181.7) concern unrealised value changes during the period. Value changes were in the main change in required return as well as rent raisings from refinement and index. Value changes in derivative affected the result of MSEK 11.6 (-25.3) and concerned in its entirety unrealised value changes. Tax costs for the period amounted to MSEK -64.1 (-54.9), which is an increase of 16.8 percent. The increase is attributable to an increased result and interest rate deduction, which was affected by a change in the tax rules and regulations.

Unrealised value changes, properties, MSEK	2020-08-31
Change net operating income	64
On-going new development	77
Change required return	55
Total	195

Financial position and liquidity

At the end of the period, the Company's average debt maturity amounted to 1.6 years (1.9). Net interest-bearing debts, after deduction for liquidity, in relation to property value resulted in a net loan-to-value of 59.3 percent (57.4).

The long-term interest-bearing financial debts amounted, as of the report day, to MSEK 3,016.9 (2,126.0), whereof long-term bank financing amounted to MSEK 2,305 (1,602), bond loans MSEK 470 (470) and other interest-bearing debts to MSEK 242 (54). The increase in interest-bearing debts is primarily explained by financing of investments in acquisitions as well as new developments and conversions during the year. Outstanding bond loans as of year-end was MSEK 470 (470), which was within the frame for the loan scope of MSEK 700.

Financing	2020-08-31	2019-08-31
Number of loans	53	52
Bank loans, MSEK	2,626	1,775
Bond loans, MSEK	470	470
Average interest rate, loan debt, %	2.82	2.80
Cash and cash equivalents, MSEK	94.9	190.5
Loan-to-value, %	59.3	57.4
Average debt maturity, year	1.6	1.9

Investments and cash flow

The cash flow from the on-going operations amounted to MSEK 131.6 (93.8). Acquisitions of properties, directly or through subsidiary, affected the cash flow with MSEK -847.9 (-356.3), investments in existing properties amounted to MSEK -645.9 (-254.1), which was mainly attributable to new development, adjustments and conversions according to existing or new tenant's needs.

The financing operations' contribution during the year consisted of a net borrowing of MSEK 1,216.9 (657.7), after deduction of paid dividend of MSEK 13.5 (20.0).

In all, cash and cash equivalents changed during the period with MSEK -95.6 (125.1), which gave cash and cash equivalents carried forward of MSEK 94.9 (190.5).

Shareholders' equity

At the end of the period, the shareholders' equity amounted to MSEK 1,689.7 (1,174.9). The equity/assets ratio amounted to 32.2 percent (31.3). The change during the period mainly constitutes of new issue, cash issue and issue in kind, as well as the result for the period. New issue and issue in kind was made in December 2019, when Sante Dahl, through Sante Dahl Invest AB, invested MSEK 300 and thereby obtained 18.5 % of the share capital. At the same time, the Company was provided with additional MSEK 40 in cash from existing owners as well as MSEK 60 by way of issue in kind.

During the year, Nivika has also acquired remaining 30 percent in the subsidiary Nivika Compact Living AB, whereby all subsidiaries in the Group are wholly owned.

Total result of the period

The total result for the period amounted to MSEK 236.6 (172.2), which is an increase of 37.4 percent. The increase is attributable to acquisition of properties and completion of rental properties from the project operations.

Sensitivity analysis

Nivika's result is affected by a number of factors. The effects on the properties' value at changes of five factors are presented in the table below. Each variable in the table has been handled one by one, on the condition that the other variables remain unchanged. Presented effects shall only be seen as an indication and do not include any effect of the compensated measures that the Company could take.

Sensitivity analysis as of 31 August 2021

Parameter	Change	Value change	
		MSEK	%
Market rate rent for premises	+ 10 percent	384	5.6
Vacancy rate	+ 1 percentage units	-85	-1.2
Property costs	+ 10 SEK/sqm	-107	-1.5
Inflation	+ 1 percent	577	8.4
Cost of capital and direct yield	+/- 1 percentage unit	-1,007/+1,563	-14.6/+22.6

CAPITALISATION, INDEBTEDNESS AND OTHER FINANCIAL INFORMATION

The tables in this section describe the Company's capitalisation and net indebtedness on group level as of 31 August 2021 on (i) actual basis and (ii) adjusted basis in order to reflect:

1. Financing of larger acquisitions entered into after closing date on 31 August, including the acquisitions of SantHem Fastigheter AB and SantHem Heden AB, Riddarberget AB and Tingstadsvassen 24:10 (see section "Capitalisation, indebtedness and other financial information – Significant events after 31 August 2021" for further information),
2. Increased bond loan of MSEK 150 with maturity during 2024.

Only interest-bearing debts have been included in the tables for "Shareholders' equity and debts" and "Net indebtedness". See section "Share capital and ownership structure" for further information about the Group's share capital and shares. The tables in this section should be read in conjunction with the sections "Selected financial information", "Operational and financial overview" and "Historical financial information" which are found in other parts of the Prospectus.

Shareholders' equity and debts

MSEK	Actual 31 August 2021	Adjustments	Adjusted
Current debt			
Guaranteed	-	-	-
Secured	158.0 ¹⁵⁵	27.7 ¹⁵⁶	185.7
Unguaranteed or unsecured	-	10.0 ¹⁵⁷	10.0
Total current debt	158.0	37.7	195.7
Non-current debt			
Guaranteed	-	-	-
Secured	2,854.0	773.4 ¹⁵⁸	3,627.4
Unguaranteed or unsecured	1,270.0 ¹⁵⁹	150.0 ¹⁶⁰	
Total non-current debt	4,124.0	923.4	5,047.4
Shareholders' equity			
Share capital	20.4	-	20.4
Other capital contributions	974.4	321.0 ¹⁶¹	1,295.4
Other reserves	1,429.7	-	1,429.7
Total shareholders' equity	2,424.5	321.0	2,745.5
Total capitalisation	6,706.5	1,282.1	7,988.6

The adjustment posts in the table below, "Shareholders' equity and debts", consist of the following transactions: (i) financing of larger acquisitions entered into after closing day on 31 August 2021, which includes the acquisitions of SantHem Fastigheter AB and SantHem Heden AB, Riddarberget AB and Tingstadsvassen 24:10 (see section "Capitalisation, indebtedness and other financial information – Significant events after 31 August 2021" for further information), (ii) increased bond loan of MSEK 150 with maturity during 2024.

155 Secured current debts (including the current part of non-current debts) are secured through property pledge and pledged shares in essential subsidiaries.

156 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).

157 Concern current seller promissory note pertaining to the acquisition of Tingstadsvassen 24:10.

158 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.

159 Non-current debts without pledge concern unsecured bond financing and non-current promissory notes.

160 Increase of existing bond loan with MSEK 150.

161 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.

Net indebtedness

		Actual	Adjustments	Adjusted
MSEK		31 August 2021		
(A)	Cash	210.8	92.2 ¹⁶²	118.6
(B)	Other cash and cash equivalents		-	-
(C)	Other financial assets	2.0	-	2.0
(D)	Total liquidity (A)+(B)+(C)	212.8	92.2	120.6
(E)	Current financial debt (including debt instruments, but excluding the current proportion of non-current financial debt)	1.0	-	1.0
(F)	Current proportion of non-current financial debt	157.0 ¹⁶³	37.7 ¹⁶⁴	194.7
(G)	Current financial indebtedness (E)+(F)	158.0	37.7	195.7
(H)	Net current financial indebtedness (G)-(D)	54.8	129.9	75.1
(I)	Non-current financial debt (excluding current proportion and debt instruments)	2,991.0 ¹⁶⁵	773.4 ¹⁶⁶	3,764.4
(J)	Issued bonds	1,100.0	150.0	1,250.0
(K)	Non-current accounts payable and other debt	33.0	-	33.0
(L)	Non-current financial indebtedness (I)+(J)+(K)	4,124.0	923.4	5,047.4
(M)	Total financial indebtedness (H)+(L)	4,069.2	1,053.3	5,122.5¹⁶⁷

The adjustment posts in the table above, "Net indebtedness", consist of the following transactions: (i) financing of larger acquisitions entered into after closing day on 31 August 2021, including the acquisitions of SantHem Fastigheter AB and SantHem Heden AB, Riddarberget AB and Tingstadsvassen 24:10 (see section "Capitalisation, indebtedness and other financial information – Significant events after 31 August 2021" for further information) and (ii) increased bond loan of MSEK 150 with maturity during 2024.

Interest-bearing debts and available liquidity as of 31 August 2021

Overview

The Company is mainly financed with shareholders' equity, bank loans and bonds. Nivika's borrowing is conducted through banks with mortgage deed as security. The loans are attributable to loans which have been raised at acquisitions and refinancing of the existing portfolio. As of 31 August, cash and cash equivalents amounted to MSEK 210.8. The maturity structure of the credit agreements as of 31 August 2021 is shown in the table below.

Interest rate and credit maturity structure as of 31 August 2021

	< 1 year	1-2 years	2-3 years	3-4 years	4-5 years	> 5 years	Total
Average interest rate, %	1.8	1.6	3.5	1.5	3.7	2.9	
Volume, MSEK	1,082.6	1,037.0	1,860.9	201.7	32.3	33.9	4,248.4
Proportion, %	19.0	16.3	64.5	3.0	1.2	1.0	100.0

Loans from credit institutions

The Company's total interest-bearing debts to credit institutions amounted to MSEK 3,034 and the sum of mortgage deeds taken out in Nivika's property portfolio amounted to MSEK 3,212.4. The net borrowing rate, interest-bearing debts after deduction for cash and cash equivalents, amounted to 58.4 percent as of 31 August 2021. The average fixed interest rate term as of 31 August 2021, including effects of derivative agreements entered into, amounted to 0.5 years (0.4). During the first quarter of the financial year that ending on 31 August 2022, bank loans were refinanced with MSEK 1,082.6, where the majority of the loans should be extended within twelve months. The average debt maturity amounted to 1.92 years.

162 Change of cash and cash equivalents related to acquisitions entered into (see section "Capitalisation, indebtedness and other financial information – Significant events after 31 August 2021") and bond extension.

163 Concern bank debt.

164 Concern current bank debt and seller promissory note related to acquisitions entered into (see section "Capitalisation, indebtedness and other financial information – Significant events after 31 August 2021").

165 Concern bank debt.

166 Concern raised non-current debts related to acquisitions entered into (see section "Capitalisation, indebtedness and other financial information – Significant events after 31 August 2021").

167 Concern net indebtedness as of the day for this Prospectus including adjustments for increased bond loan and financing related to acquisitions entered into (see section "Capitalisation, indebtedness and other financial information – Significant events after 31 August 2021").

Bond loans

The Company has issued two green bonds during the financial year 2020/2021, which are both listed on Nasdaq Stockholm. The first bond on MSEK 600 runs until 24 September 2023 with a variable interest rate of 3 months' STIBOR plus 550 basis points to the first possible redemption day.

The second bond on MSEK 500 runs until 6 September 2024 with a variable interest rate of 3 months' STIBOR plus 450 basis points to the first possible redemption day. The

Company has, since report day, increased the bond loan with MSEK 150 to a total of MSEK 650.

Outstanding bond loans after report day is MSEK 1,250, which is within the frame of MSEK 1,600.

Investments

Nivika's total investments contain of investments in properties and company acquisitions. The Company's main investments for the financial years that ended 31 August 2019, 2020 and 2021 respectively are presented in the table below.

Investments, MSEK	The financial year that ended 31 Aug		
	2021	2020	2019
Acquisitions of management properties	1,131.2	847.9	356.3
Acquisitions of operations	0.6	0	0
Investments in existing properties	565.4	645.9	254.1
Total	1,697.2	1,493.8	610.4

Ongoing and resolved essential investments

As of 31 August 2021, Nivika had no essential commitments to perform repairs and maintenance for other than what follows from good property management, i.e. repairs and maintenance that are necessary in order to maintain the properties' condition.

As of 31 August 2021, Nivika has an ongoing investment in terms of an ongoing project which primarily concerns new development of residential and industry/storage in mainly Jönköping, Värnamo and Växjö, with a total assessed budget of MSEK 855, of which MSEK 505 remain to invest in order to complete the constructions. Out of the remaining project budget, MSEK 376 are secured with new long-term financing and the arrears will be financed with own cash flows and own funds. The majority of the projects are estimated to be completed during 2023.

During the financial year ending 31 August 2022, the Company has entered into agreements regarding three larger acquisitions of the following property portfolios. Riddarberget AB, which primarily holds residential situated in central Vetlanda, Eksjö and Sävsjö, Tingstadsvassen 24:10, which holds a storage property in central Gothenburg as well as SantHem Fastigheter AB and SantHem Heden AB, which hold residential in Kalmar, Höganäs and Båstad. These properties have more than MSEK 67 in rental value together, distributed on 53,000 square meters. Admission to the acquisitions will occur during 2021 and the investment undertakings are expected to amount to MSEK 1,236, of which MSEK 786 are financed through new bank loans, MSEK 142 will be financed through own cash and MSEK 308 will be financed through new issue of, in total, 4,678,891 Class B shares in the Company, of which 2,267,801 Class B shares were issued for the acquisition of SantHem and 1,205,545 Class B shares for the acquisition of Riddarberget.

In addition to the above, and in line with the Company's day-to-day operations, Nivika has entered into agreements regarding smaller acquisitions of 9 properties in total, which together have approximately MSEK 8.5 in rental value distributed on 20,081 square meters. Total financing volume for these acquisitions amounts to MSEK 138, of which MSEK 25 will be financed with new bank loans, MSEK 100 will be financed through own cash and MSEK 13 will be financed through new issue of shares in the Company. In addition to this, the Company has also paid deposit regarding land purchases with building rights for forthcoming construction of approximately 550-700 residential located in Mullsjö and Jönköping, these have conditioned agreements for zoning plans and subdivision of properties.

All of the acquisitions mentioned above, except for one property as well as the building rights, have been acceded as of the day for this Prospectus. In addition to the investments mentioned above, there are no plans or decisions on additional acquisitions of properties as of the day for this Prospectus.

Statement regarding working capital

The Board of Directors assesses that the existing working capital is sufficient for Nivika's current need during the coming twelve-month period from of the day for this prospectus. In this context, working capital concerns the Company's possibility to gain access to cash and cash equivalents in order to fulfil its payment obligations as they fall due.

Fixed assets

As of 31 August 2021, Nivika's tangible fixed assets amounted to MSEK 6,983.6, of which MSEK 6,910.1 consisted of management properties and MSEK 73.5 consisted of other tangible fixed assets. As of 31 August 2021, the tangible fixed assets were charged with mortgages amounting to MSEK 3,298.7.

Indirect debts and contingent liabilities

The Company's contingent liabilities amount to MSEK 3.3 (3.3) and concern a guarantee liability to Swedbank, as security for an interest rate swap.

As of 31 August 2021, the Company had no outstanding additional purchase prices. As a result of the Company's acquisition of Tingstadsvassen 24:10, an additional purchase price of MSEK 5 up to MSEK 10 has been added during the first quarter of the financial year ending on 31 August 2022, conditioned by a number of factors based on extension and occupancy rate. The additional purchase price applies for 6 years from and including 15 September 2021, at longest.

Financial risk management

The Company's financial policy is presented annually and states guidelines and rules of how the financial operations in Nivika are to be conducted and how the various risks are to be limited as well as what risks the Company may take.

Nivika strives to achieve a stable and sustainable capital structure that enables continued profitable growth. The chosen capital structure is of importance for the owners' expected return and risk exposure. A higher loan-to-value ratio increases financing costs and affects the general right to deduction regarding interest rate costs with increased tax burden as a result. Nivika's ambition is to run the operations with low operational and financial risk. Nivika's overall goal for its financial operations is to ensure a long-term stable capital structure that ensures long and short-term financing and liquidity needs, as well as to ensure the Company's interest-paying capacity over time. Therefore, it is of importance to define financial risks, put them in relation to other business risks, assess the risks and ensure an appropriate handling which supports the overall goals for the operations.

Nivika's overall financial risk limitation is that the net loan-to-value ratio shall over time not exceed 65 percent. In addition, the Company has an equity/assets ratio goal of at least 25 percent. The Company considers that a positive cash flow in the operations is important in order to achieve the Group's long-term goals. Therefore, the Company's goal is that the interest coverage ratio shall over time not be less than 1.75 times. As of 31 August 2021, the Group's net loan-to-value ratio amounted to 58.4 percent (59.3, the equity/assets ratio amounted to 33.2 percent (32.2)) and the interest coverage ratio amounted to 1.8 times (2.1).

Interest rate risk is the risk that the real value of or future cash flows from a financial instrument varies because of changes in market interest rates. Nivika is, above all, exposed to interest rate risk in the loan financing and interest costs are a considerable cost for Nivika. With the purpose to handle the interest rate risk, derivative agreements in the form of interest rate swaps are regularly entered. In order to handle fluctuations in net interest income, the Compa-

ny shall have a mix of fixed interest rate terms in loans and derivatives and ensure that the average fixed interest rate terms over time for the loans including interest rate derivatives shall amount to not less than 6 months and not more than 3 years, and maximum 75 percent shall be bound less than 12 months. The volume-weighted average fixed interest rate period amounted to 0.5 years (0.4), as of 31 August 2021. The Company's financing is primarily comprised of shareholders' equity, interest-bearing debts from banks and bonds. With the purpose to limit the refinancing risk, defined as the risk that the refinancing of existing debts cannot take place on reasonable conditions, Nivika strives for a long average remaining term on interest-bearing debts. The external loan portfolio shall, according to Nivika's financing policy, have a term structure which entails that the Group's exposure to refinancing risks decreases. The Company shall be an attractive borrower and have good advance planning which entails that the Company can be offered financing to good conditions. The Company has a good and an ongoing contact with the banks and a well-functioning cooperation. As of 31 August 2021, the average capital commitment period amounted to 1.92 years (1.56).

Nivika has a positive cash flow from the operations and a limited financing need for the existing operations and the property portfolio, in addition to the refinancing needs customary within the property sector. In addition, there is a need for financing of the planned growth which includes property acquisitions.

Trends

Nivika assesses that the interest in property investments is significant, and in areas of growth in particular, which is illustrated by a continued liquid transaction market with high transaction volumes during the latest years. The Company sees a continued strong demand for properties in southern Sweden with a stable low vacancy rate. Nivika assesses that the global macroeconomic picture returns to be increasingly safe in line with the vaccination against Covid-19. However, the Group cannot disregard the risk of adverse external effects beyond Nivika's control. The outbreak of Covid-19 has affected Nivika's daily operations, however to a limited extent. Market interest rate levels are at low and there is a risk that they will gradually begin to rise, which may lead to increased financing costs for property companies and other property investors and thus can result in increased required returns and decreasing property values. Property prices are at a historically high level which can entail risk for a backlash, with decreasing property values as a result. However, Nivika's management considers that the Company is well positioned in the event of unfavourable external factors, since (i) the demand for premises and residential properties is good in the southern part of Sweden, and (ii) the Company focuses on areas of growth with a steady increase of population, expansive industry and commerce and a stable rental market.

Significant events after 31 August 2021

In September 2021, Nivika signed an agreement on acquisition of the property portfolio Riddarberget AB. Nivika closed the transaction in November 2021. The property portfolio consists of residential properties on the highlands in Småland, with a main point on central Vetlanda. Today, the portfolio constitutes of 18 properties of approximately 31,000 square meter lettable area consisting of central residential properties with smaller proportion of commercial premises. The rent value is approximately MSEK 33 and the property value amounts to approximately MSEK 500.

In September 2021, Nivika acquired the self-storage property Tingstadsvassen 24:10 in central Gothenburg. Tingstadsvassen 24:10 was completed 2017 and today comprises approximately 6,000 square meters consisting of offices, high bay storages and rental storages for private individuals and companies. Merx Storage AB is included in the transaction and the unit shall increase further ahead with 3,450 square meters rental storages. The extension will, in the existing high bay storage part, occur by stages. The intention is that the operations in the long term will be integrated with Mitt Lager.

In October 2021, Nivika signed agreements regarding the acquisition of the companies SantHem Fastigheter AB and SantHem Heden AB, which own residential properties of, in total, approximately 16,000 square meter lettable area in Kalmar, Höganäs and Båstad. Nivika acceded the acquisitions in November 2021. The property portfolio contains seven newly constructed properties with construction year 2018 and forward, and today consists of approximately 300 rental apartments. The property value amounts to approximately MSEK 585. The property in Båstad is under development and the tenants will move in stepwise from October to April 2022. The transaction is classified as a related party transaction.

In addition to the above, and in line with the Company's day-to-day operations, Nivika has entered into agreements regarding smaller acquisitions of 9 properties in total which together have approximately MSEK 8.5 in rental value, divided on 20,081 square meters. In addition to this, the Company has also paid deposit regarding land purchases with building rights for forthcoming constructions of approximately 550-700 residentials, situated in Mullsjö and Jönköping, these have conditioned agreements for zoning plans and subdivision of properties.

All of the acquisitions mentioned above, except for one property as well as building rights in Jönköping, have been acceded as of the day for this Prospectus. In addition to the acquisitions mentioned above, there are, as of the day for this Prospectus, no plans or decisions regarding additional acquisitions of properties.

On 4 November 2021, the Extraordinary General Meeting resolved on extra dividend to an amount of SEK 0.59 per share, in total SEK 24,251,889.82. For further information, see section "Share capital and ownership structure – Dividend and dividend policy".

Apart from the above, no material changes regarding the Group's financial position or financial result have occurred after 31 August 2021.

BOARD OF DIRECTORS, EXECUTIVE MANAGEMENT AND AUDITORS

Board of Directors

The Company's Board of Directors consists of seven regular members, including the Chairman of the Board of Directors, without deputy members, who have been elected for the time until the next Annual General Meeting. The table below shows the members of the Board of Directors, when they were first appointed to the Board of Directors and if they are independent in relation to the Company and the Company management and/or the larger shareholders.

Name	Year of birth	Position	Appointed	Independent in relation to the Company management	
				Larger shareholders	The Company
Elisabeth Norman	1961	Chairman of the Board of Directors	2017	Yes	Yes
Viktoria Bergman	1969	Member of the Board of Directors	2018	No	No
Santhe Dahl	1954	Member of the Board of Directors	2020	No	Yes
Håkan Eriksson	1962	Member of the Board of Directors	2007	No	Yes
Benny Holmgren	1961	Member of the Board of Directors	2016	No	No
Thomas Lindster	1958	Member of the Board of Directors	2020	Yes	Yes
Anna Carendi	1977	Member of the Board of Directors	2021	Yes	Yes

Elisabeth Norman

Education: B.Sc. from Uppsala University and Stockholm University.

Other current assignments: Chairman of the Board of Directors of Aktiebolaget Enköpings Hyresbostäder. Member of the Board of Directors of Björnrike Syd AB, Björnrike Syd Holding AB, Björnrike Syd Hotellfastighets AB, Björnrike Syd Lift AB, Björnrike Syd Utvecklings AB, Bygg Partner i Dalarna Aktiebolag, ByggPartner i Dalarna Holding AB (publ), Cibus Nordic Real Estate AB (publ), Salnecke Slott AB and Sveriges Allmännyttan AB.

Previous assignments during the last five years: Chairman of the Board of Directors of Sista versen 58128 AB, Sista versen 63080 AB, Sista versen 63081 AB, Sista versen 63082 AB and VR Bostad Norr 1 AB. Member of the Board of Directors of Amasten Fastigheter AB (publ), Amasten ledning AB, ByggaBo i Pajala AB, Cibus Finland Real Estate AB, Kittelfjäll Horeca AB, Kittelfjällsliftern AB, Kittelfjäll Utveckling AB, NP3 Fastigheter AB and Ruta Ett Entertainment AB.

Shareholding in the Company: 20,000 Class B shares (private or through company).

Viktoria Bergman

Education: B.Sc.(Econ) from Växjö University.

Other current assignments: Chairman of the Board of Directors of Dinner Bredastan AB, Dinner Gruppen AB, Dinner Karlstad AB, Dinner Tändstickan AB, Dinner Vetlanda AB, Dinner Värnamo AB, Dinner Västerås AB and Dinner Växjö AB. Member of the Board of Directors of Tigbro Aktiebolag, Tigbro Service AB and Yalp Facility AB. Deputy member of the Board of Directors of CG Marketing & Event Småland AB, Poplänäs Invest AB and Värnanäs AB.

Previous assignments during the last five years: Chairman of the Board of Directors of Poplänäs Invest AB. Member of the Board of Directors of Husgruppen Modulsystem Jönköping AB and Magnus Andersson i Huskvarna AB. Deputy member of the Board of Directors of AB Wadmans fastighetsbolag, Dinner Bredastan AB, Dinner Gruppen AB, Dinner Värnamo AB, NLEPA Jönköping 29 AB, RJJ Älgghunden 4 AB and RPMG Holding AB. CFO of Nivika Fastigheter AB (publ).

Shareholding in the Company: 8,185,600 Class A shares and 11,763 Class B shares (private or through company)¹⁶⁸).

168 Concerns Värnanäs AB in which Viktoria Bergman's holding amounts to 50 percent and Niclas Bergman's holding amounts to 50 percent.

Santhe Dahl

Other current assignments: Chairman of the Board of Directors of Alvesta 1338 Fastighets AB, Nordic Train AB, RESCAN Innovations Sweden AB, Santhe Dahl Invest AB, SantHem Fastigheter AB, SantHem Lingonet AB, SantHem Råstenen 1 AB, SantHem Sågcrona 1 AB, Svarvaremejseln AB, Vida Aktiebolag, Vida Alvesta AB, Vida Borgstena AB, Vida Bruza AB, VIDA Building AB, VIDA Energi AB, VIDA Gransjö AB, Vida Hestra AB, VIDA HN AB, Vida Nössemark AB, Vida Packaging AB, Vida Packaging Logistics AB, Vida Skog AB, VIDA Trading Asia AB, Vida Tranemo AB, Vida Urshult AB, Vida Vislanda AB, VIDA VMO AB and Vida Wood AB. Member of the Board of Directors of Arena Service i Växjö AB, GBJ Asplövet 1 AB, GBJ Bostad Blyet 5 AB, GBJ Bostad Forshälla-Sund 1:232 AB, GBJ Bostad GuldpärLAN 1 AB, GBJ Bostad GuldpärLAN 2 AB, GBJ Bostad Lungörten 1 AB, GBJ Bostad Råstenen Mitt AB, GBJ Bostad Råstenen 3 AB, GBJ Bostad Slätten AB, GBJ Bostad Sädgåsen 1 AB, GBJ Bostad Våbeln AB, GBJ Bostadsutveckling AB, GBJ Bostadsutveckling Holding III AB, GBJ Bostadsutveckling Holding V AB, GBJ Bostadsutveckling Holding VI AB, GBJ Bostadsutveckling Holding VII AB, GBJ Bostadsutveckling Holding VIII AB, GBJ Bostadsutveckling Holding IX AB, GBJ Bostadsutveckling Holding X AB, GBJ Bostadsutveckling Holding XI AB, GBJ Bostadsutveckling Holding XII AB, GBJ Bostadsutveckling Holding XIII AB, GBJ Bostadsutveckling IIII AB, GBJ Bygg AB, GBJ Construction AB, GBJ Heden 1 AB, GBJ Hejans Lycka 1 AB, GBJ Lanternan 3 AB, GBJ Östra Färjestaden 2 AB, Industriarbetsgivarna i Sverige service AB, Kuggås strand Mönsterås AB, Limmared Holding Aktiebolag, Limmareds Skogar Aktiebolag, Poppelbolaget AB, Poppelbolaget 2 AB, Poppelbolaget 3 AB, Santhe Dahl Forest AB, SantHem Eklövet 1 AB, SantHem Heden AB, SantHem Sågcrona 2 AB, Smålandsvist AB, Sport Utveckling Sweden AB, Teleborgs ängar AB, Ting Trä i Tingsryd AB, Växjö DFF AB, Åhus Bostadsutveckling AB, Åhus Bostadsutveckling Holding AB and Åhus Stranden 1 AB. Deputy member of the Board of Directors of Arbio Aktiebolag.

Previous assignments during the last five years: Chairman of the Board of Directors of Arbio Aktiebolag and Vida Ljungby AB. Member of the Board of Directors and CEO of Nxoci AB. Member of the Board of Directors of Arbio Aktiebolag, High Performance Center Växjö AB and Limmareds Skogar Fastigheter AB. CEO of Vida Aktiebolag. Deputy member of the Board of Directors of Industriarbetsgivarna i Sverige service AB.

Shareholding in the Company: 5,352,000 Class A shares and 3,644,303 Class B shares (private or through company).

Håkan Eriksson

Education: B.Sc.(Econ) from Luleå University.

Other current assignments: Member of the Board of Directors of DI-AKRIT AB, DWG Sweden AB, Ferronordic AB, JOHECO AB, Planch Förvaltning AB, Skandinavikonst Holding i Stockholm AB, Skandinavikonst i Stockholm Aktiebolag and WineFinder AB. Deputy member of the Board of Directors of Ferronordic Germany Holding AB.

Previous assignments during the last five years: Chairman of the Board of Directors of ClearCar AB, DIAKRIT AB and Poplanäs Invest AB. Member of the Board of Directors of Planch AB. Member of the Board of Directors of JRE Fastigheter AB, Koch-Eriksson Holding AB and Torkab Entreprenad AB.

Shareholding in the Company: 3,233,600 Class A shares and 808,354 Class B shares (private or through company).

Benny Holmgren

Other current assignments: Chairman of the Board of Directors of Belimama Care Holding AB, Flodin Holding i Jönköping AB, Flodin IT AB, Flodin Rekrytering & Bemanning AB, Gallerians Läkarmottagning i Jönköping AB, Gynhälsan Gislaved Care AB, Gynhälsan i Jönköping AB, Holmgrens Fritid AB, Krunomed Health AB, Magnus Andersson i Huskvarna AB, Pollock Invest AB, Winmed Health AB and Winmed Invest AB. Member of the Board of Directors and CEO of Green-Motion Scandinavia AB, Holmgrens Autofinans AB, Holmgrens Bil AB, Holmgren Group AB and Holmgren Mobility AB. Member of the Board of Directors of Bilhuset Nr 1 i Helsingborg AB, Göteborgs Bilfinans AB, KABE Group AB, Zimply Solved AB and 1337 Logistics AB.

Previous assignments during the last five years: Chairman of the Board of Directors and CEO of Proauto Group Sverige AB and Proauto Holding AB. Chairman of the Board of Directors of GreenMotion Scandinavia AB, Holmgren Mobility AB, Kvalitena Bilen AB, Kvalitena Lagonda AB, Kvalitena Prislappen AB and 1337 Logistics AB. Member of the Board of Directors and CEO of Holmgrens Bil i Göteborg AB and Lars Levin Bil Aktiebolag. Member of the Board of Directors of Bilexpo Örebro Aktiebolag, Frölunda Bilcenter AB, Göteborgs Transportbils Center AB, H bilförsäljning i Sisjön Aktiebolag, HBS Bilhandel i Skövde AB, HBS Bilhandel i Växjö AB, HBS Bilservice i Helsingborg AB, Hisingens Franska Center Aktiebolag, Poplanäs Invest AB, SVF Pilbågen Fastighets AB, Västra Frölunda Bil & Transport Center Aktiebolag and Yalp Facility AB. Deputy member of the Board of Directors of Poplanäs Invest AB, Winmed Health AB and Winmed Invest AB.

Shareholding in the Company: 4,880,000 Class A shares and 1,220,000 Class B shares (private or through company).

Thomas Lindster

Education: B.Sc.(Econ) from Växjö University College.

Other current assignments: Chairman of the Board of Directors and CEO of Guldpeggen Invest Aktiebolag. Member of the Board of Directors of Jönköpingsmäklarna AB.

Previous assignments during the last five years: Deputy member of the Board of Directors of Guldpeggen Invest Aktiebolag.

Shareholding in the Company: 20,000 Class B shares (private or through company).

Anna Carendi

Education: B.Sc.(Econ) from Linköping University.

Other current assignments: Chairman of the Board of Directors of the non-profit-making organisation CSR Småland and Hållbarhetsteamet i Sverige AB. Member of the Board of Directors and CEO of Dya Consulting AB. Member of the Board of Directors of Circular Centre Ekonomisk förening, the non-profit-making organisation Friskis och Svettis i Jönköping and F&S Lokaler i Jönköping AB. Deputy member of the Board of Directors of Paradinerio Cuatro AB.

Previous assignments during the last five years: Member of the Board of Directors of Styrelse Akademien Jönköping Ideell Förening med firma Styrelse Akademien Jönköping and The House of Fair Trade Sweden AB.

Shareholding in the Company: 1,447 Class B shares (private or through company).

Executive Management

Name	Year of birth	Position	Held position since
Niclas Bergman	1968	CEO	2000
Kristina Karlsson	1971	CFO/Deputy CEO/Head of IR	2018/2021/2021
Jerry Johansson	1963	Head of Property Management	2021

Niclas Bergman

(CEO)

Education: Officer's education from Karlsborg.

Other current assignments: Chairman of the Board of Directors of CG Marketing & Event Småland AB. Member of the Board of Directors of Popplanäs Invest AB and Värnanäs AB. Deputy member of the Board of Directors of Zimply Solved AB and 1337 Logistics AB.

Previous assignments during the last five years: Chairman of the Board of Directors of Dinner Bredasten AB, Dinner Gruppen AB, Dinner Värnamo AB, Husgruppen Modulsystem Jönköping AB, Nivika Fastigheter AB (publ) and Yalp Facility AB. Member of the Board of Directors and CEO of NLEPA Jönköping 29 AB and RJL Älghunden 4 AB. Member of the Board of Directors of AB Wadmans fastighetsbolag, MOUNTROSE Ekonomisk förening, RPMG Holding AB, Värnamo City AB, Zimply Solved AB and 1337 Logistics AB.

Shareholding in the Company: 8,185,600 Class A shares and 11,763 Class B shares (private or through company¹⁶⁹).

Kristina Karlsson

(CFO/Deputy CEO/Head of IR)

Education: B.Sc.(Econ) from Växjö University.

Other current assignments: Member of the Board of Directors of Redo i Gnosjö AB.

Previous assignments during the last five years: Member of the Executive Management of Rosti GP AB and Rosti Group AB with subsidiary.

Shareholding in the Company: 60,000 Class B shares (private or through company).

Jerry Johansson

(Head of Property Management)

Other current assignments: No other current assignments.

Previous assignments during the last five years: Regional Manager and Project Manager of the Elajo-group.

Shareholding in the Company: 38,000 Class B shares (private or through company).

Auditors

Ernst & Young Aktiebolag, with address Box 7850, SE-103 99 Stockholm, is the auditor of the Company. Jonas Svensson, authorised public accountant and member of FAR, is the auditor in charge since the Annual General Meeting 2020. The authorised public accountants and members of FAR, Eva Kristina Skärström and Marika Sengoltz, have earlier been the auditors in charge during the time referred to in the historical financial information. Ernst & Young Aktiebolag has been the Company's auditor during the whole time which has been referenced to in the historical financial information of the Prospectus and was re-elected as the Company's auditor on the Annual General Meeting on 17 December 2020 for the period until the end of the next Annual General Meeting.

Further information about the members of the Board of Directors and Executive Management

CEO Niclas Bergman and Viktoria Bergman, member of the Board of Directors, are spouses. Other than that there are no family ties between any of the members of the Board of Directors and Executive Management.

As evident from above, some of the members of the Board of Directors and Executive Management have private interests in the Company through their shareholdings. Members of the Board of Directors and Executive Management in the Company are board members and officials in other companies and have shareholdings in other companies, and in the case any such company enters business relations with the Company, members of the Board of Directors or Executive Management in the Company may have a conflict of interest, which is handled through the person concerned not being involved in the handling of the case on behalf of the Company. For further information about the Group's business relations with members of the Board of Directors or Executive Management in the Company, which may entail conflicts of interest in accordance with the above stated, see section "Legal considerations and supplementary information – Related party transactions". In addition to the stated, no member of the Board of Directors or Executive Management have any private interests who may conflict with the Company's interests.

During the last five years, no member of the Board of Directors or Executive Management have (i) been sentenced for fraud-related offences, (ii) represented a company which has been declared bankrupt or filed for liquidation (other than voluntary liquidation), or been subject to administration under bankruptcy, (iii) been the subject to accusations or sanctions by any agency authorised by law or regulation (including approved professional organisations), or (iv) been prohibited by a court of law from being a member of any company's administrative, management or supervisory body or from holding a senior or comprehensive position of a company.

All members of the Board of Directors and Executive Management can be reached via the Company's address, Ringvägen 38, SE-331 32 Värnamo, Sweden.

169 Concerns Värnanäs AB in which Niclas Bergman's holding amounts to 50 percent and Viktoria Bergman's holding amounts to 50 percent.

CORPORATE GOVERNANCE

Corporate governance

Nivika is a Swedish public limited liability company. Prior to the listing on Nasdaq Stockholm, Nivika's corporate governance was based on Swedish law and rules, for example the Swedish Companies Act (2005:551) and the Swedish Annual Accounts Act (1995:1554), the Company's articles of association and internal rules and regulations. Once the Company's Class B shares has been listed on Nasdaq Stockholm the Company will also comply with *Nasdaq Nordic Main Market Rulebook for Issuers of Shares* ("**Nasdaq's Rulebook for Issuers**") and apply the Swedish Corporate Governance Code (the "**Code**"). The Code aims to issue guidelines for good corporate governance and acts as a complement to legislation by specifying a set of norms at a higher level of ambition than the statutory regulation. According to the "comply or explain" principle companies may deviate from the Code and choose a solution assessed to respond better to the circumstances in the individual case, provided they report each deviation and describe their own solution and explain the reasons for it. The Company will apply the Code from the time of the listing of the Company's Class B shares on Nasdaq Stockholm. Any deviations from the Code will be reported in the Company's corporate governance report, which will be prepared for the first time for the financial year ending on the 31 August 2022. However, in the first corporate governance report, the Company is not required to explain deviations as a consequence of non-compliance with such rules that has not been relevant during the period covered by the corporate governance report. Currently, the Company does not expect to report any deviations from the Code in the corporate governance report.

General Meeting

According to the Swedish Companies Act (2005:551), the General Meeting is the Company's highest decision-making body. At the General Meeting, the shareholders exercise their voting rights in key issues, such as approval of income statements and balance sheets, disposition of the Company's results, discharge from liability for the members of the Board of Directors and CEO, election of members of the Board of Directors and auditors as well as remuneration to the Board of Directors and auditors.

The Annual General Meeting must be held within six months from the end of the financial year. In addition to the Annual General Meeting, an Extraordinary General Meeting may be convened. According to Nivika's articles of association, notice of the General Meeting is made by publication in the Swedish National Gazette (*Sw. Post- och Inrikes Tidningar*) and by keeping the notice available on the Company's website. At the same time as the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

Right to participate in the General Meeting

Shareholders who wish to participate in the negotiations at the General Meeting must be included in the shareholders' register maintained by Euroclear Sweden AB ("**Euroclear**")

on the day falling six business days prior to the meeting and notify the Company of their participation in the General Meeting no later than on the date stipulated in the notice convening the meeting. Shareholders may attend the General Meeting in person or by representative and may be represented by a maximum of two persons. If a shareholder wishes to bring representatives to the General Meeting, the number of representatives (maximum two) must be stated in the registration. Typically, it is possible for shareholders to register for the General Meeting in several different ways, as specified closer in the notice convening the meeting. Shareholders are entitled to vote for all shares held by the shareholder.

Shareholder initiatives

Shareholders who wish to have a matter brought before the General Meeting must submit a written request to the Board of Directors. The request must normally be received by the Board of Directors no later than seven weeks before the General Meeting.

Nomination committee

Companies that comply with the Code must have a nomination committee. According to the Code, the General Meeting shall appoint the members of the nomination committee or specify how the members are to be appointed. According to the Code, the nomination committee shall consist of at least three members and the majority of the members shall be independent in relation to the Company and the group management.

The Company shall have a nomination committee consisting of representatives of the four shareholders with the largest number of votes. The nominating committee shall be constituted based on the shareholders' register held by Euroclear by the last business day of April every year and other reliable ownership information provided to the Company at the time. The chairman of the Board of Directors shall be responsible for convening the nomination committee and shall, in the extent the nomination committee finds appropriate, participate in the work of the nomination committee as co-opted without voting right.

The member representing the largest shareholder shall be appointed chairman of the nomination committee, unless the nomination committee unanimously appoints someone else. Shareholders who have appointed a member of the nomination committee shall have the right to dismiss such member and appoint a new representative of the nomination committee. Should a member resign from the nomination committee before its work is completed, a substitute member should at first hand be appointed by the same shareholder and at second hand by the next shareholder in order of priority. If one or several shareholders have appointed members of the nomination committee's current mandate, and the member is no longer one of the four shareholders with the largest number of votes during the nomination committee's current

mandate, the members appointed by these shareholders should place their place at disposal and the shareholder or shareholders added to the four with the largest number of votes shall be entitled to appoint their representatives.

The nomination committee and shareholders appointing members in the nomination committee shall aim to fulfil the requirements of the nomination committee's composition, as set out in the Code.

The nomination committee shall prepare proposals regarding the following issues to the Company, for resolution on the General Meeting:

- (i) proposal for chairman of the General Meeting.
- (ii) proposal for members and chairman of the Board of Directors.
- (iii) proposal for remuneration for the Board of Directors, divided between the chairman and other members as well as potential additional remuneration for committee work.
- (iv) proposal for auditors and remuneration for the auditor.
- (v) to the extent deemed necessary, proposal for changes in the current instruction for the Company's nomination committee.

The composition of the nomination committee shall be announced on the Company's website not later than six months before the Annual General Meeting. If a member of the nomination committee is appointed by a certain shareholder, it shall be clear. The term for the nomination committee ends when the composition of the following nomination committee has been announced. Remuneration shall not be paid to the members of the nomination committee. The Company shall compensate reasonable costs connected with the execution of the nomination committee's work.

The Board of Directors

The Board of Directors is the Company's highest decision-making body after the General Meeting. According to the Swedish Companies Act (2005:551), the Board of Directors is responsible for the Company's management and organisation, which means that the Board of Directors is responsible for, *inter alia*, setting goals and strategies, ensuring routines and systems for evaluation of established goals, continuously evaluate the Company's results and financial position and evaluating the operational management. The Board of Directors is also responsible for ensuring that the annual report and interim reports are prepared in the right time. In addition, the Board of Directors appoints the Company's CEO.

The members of the Board of Directors are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's articles of association, the Board of Directors shall consist of not less than three members and not more than nine members.

According to the Code, the chairman of the Board of Directors shall be elected by the Annual General Meeting and has a particular responsibility for the management of

the Board of Directors' work and for the work being well organised and carried out in an efficient manner.

The Board of Directors follows a rules of procedure which is revised annually and adopted at the statutory Board meeting every year. The rules of procedure regulates, *inter alia*, board practice, functions and the distribution of work between the Board members and the CEO. In connection with the statutory Board meeting, the Board of Directors also approves the instructions for the CEO, including financial reporting. The Board of Directors meets in accordance with an annually established schedule. In addition to these Board meetings, additional Board meetings may be convened in order to address issues which, for various reasons, are deemed not possible to consider or should not be referred to an ordinary Board meeting. In addition to the Board meetings, the chairman of the Board of Directors and the CEO have an ongoing dialogue regarding the management of the Company.

The Company's Board of Directors currently consists of seven ordinary members elected by the General Meeting, which are presented in the section "Board of Directors, Executive Management and auditor".

CEO and other Executive Management

The CEO is subordinate to the Board of Directors and is responsible for the current management and daily operations of the Company. The division of work between the Board of Directors and CEO is set out in the rules of procedure for the Board of Directors and in the instruction for the CEO. The CEO is also responsible for preparing reports and compiling information from Executive Management prior to Board meetings and reports the materials at Board meetings.

According to the instructions for the financial reporting, the CEO is responsible for the financial reporting in the Company together with the CFO, and the CEO shall also consequently ensure that the Board of Directors receive enough information in order for the Board of Directors to be able to evaluate the Company's financial position continuously.

The CEO must continuously keep the Board of Directors informed of the development of the Company's operations, the development of the turnover, the Company's result and financial position, liquidity and credit situation, more important business events and every other event, situation or circumstance which may be material to the Company's shareholders. The CEO and other members of the Executive Management are presented in the section "Board of Directors, Executive Management and auditor".

Remuneration to members of the Board of Directors, CEO and Executive Management

Remuneration to members of the Board of Directors
Fees and other remuneration to members of the Board of Directors, including the chairman, are decided by the General Meeting. At the Extraordinary General Meeting held on 30 June 2021, it was resolved that the chairman of the Board of Directors shall be paid remuneration to an amount of SEK 250,000 and other members appointed by the General Meeting to an amount of SEK 125,000. The

members of the Board of Directors are not entitled to any benefits once their assignment as members of the Board of Directors has ended.

Remuneration to the members of the Board of Directors during the financial year that ended 31 August 2021

The table below presents the remuneration to the Board of Directors for the financial year that ended 31 August 2021.

Name	Position	Board remuneration (SEK)
Elisabeth Norman	Chairman of the Board of Directors	200,000
Niclas Bergman*	Member of the Board of Directors	0
Viktoria Bergman	Member of the Board of Directors	0
Santhe Dahl	Member of the Board of Directors	0
Håkan Eriksson	Member of the Board of Directors	0
Benny Holmgren	Member of the Board of Directors	0
Thomas Lindster	Member of the Board of Directors	100,000
Anna Carendi**	Member of the Board of Directors	0

* CEO Niclas Bergman resigned as member of the Board of Directors on 1 August 2021.

** Anna Carendi was appointed as a new member of the Board of Directors on 30 June 2021, with admission on 1 August 2021.

Guidelines for remuneration to the Executive Management

At the Extraordinary General Meeting held on 30 June 2021, it was resolved to adopt guidelines for remuneration to the Executive Management. The remuneration shall be at market rate and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits.

Fulfilment of criteria for payment of variable cash remuneration shall be possible to measure during a period of one or several years. The variable cash remuneration may amount to not more than 100 percent of the fixed annual cash salary during the measuring period for such criteria.

Pension benefits, including health insurance, shall be premium defined if the executive is not covered by defined benefit pension according to mandatory regulations in collective agreements. Variable cash remuneration shall be pensionable to the extent it follows from mandatory regulations in collective agreements applicable on the executive. Pension benefits for premium defined pension shall amount to a maximum of 30 percent of the annual fixed cash salary.

Other benefits may include, *inter alia*, life insurance, health insurance and car benefit. Such benefits may in total amount to a maximum of 15 percent of the annual fixed cash salary.

In the event of notice of termination from the Company's side, the term of notice may be at maximum 12 months. In

the event of notice of termination from the executive's side, the term of notice may be at maximum 12 months, without right to severance pay.

Deviations from the guidelines in whole or in part may be made by the Board of Directors in an individual case, if the Board of Directors find that there are special circumstances at hand and a deviation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. If such deviations are made, it shall be reported in the remuneration report before the following Annual General Meeting.

Remuneration to the Executive Management during the financial year that ended 31 August 2021

The table below presents the remuneration to the CEO and other Executive Management for the financial year that ended 31 August 2021. Variable remuneration was not issued for the financial year that ended 31 August 2021. Neither the CEO nor any other member of the Executive Management are entitled to severance pay.

Position	Fixed salary (SEK)	Pension premium (SEK)	Other benefits (SEK)*	Total (SEK)
Niclas Bergman, CEO	1,043,000	156,000	126,000	1,325,000
Kristina Karlsson, CFO/Deputy CEO/Head of IR	1,020,000	144,000	73,000	1,237,000
Jerry Johansson, Head of Property Management	963,000	163,000	56,000	1,182,000

* Other benefits refer to benefits in kind, such as car leasing.

Incentive programs

As of the day for this Prospectus, there are no incentive programs in the Company.

Internal control

The framework for internal control is governed by the Swedish Companies Act (2005:551), the Annual Accounts Act (1995:1554) and the Code, which stipulates demands on information of the most important elements in the Company's system for internal control and risk management in connection with financial reporting must be included in the corporate governance report each year.

Within the Group, the structure for the internal control is based on the framework from the Committee of Sponsoring Organizations of the Treadway Commission (the COSO framework). COSO defines internal control in the following way:

"Internal control is a process affected by a company's Board of Directors, Executive Management and other employees, with the objective to provide reasonable assurance regarding fulfilment of a Company's goals for the operations, reporting and compliance in accordance with regulations."

All employees are affected and have a responsibility to ensure sufficient internal control.

Internal control is a process performed by the Board of Directors, the CEO, the Executive Management and other employees, with the objective to provide a reasonable assurance that the Company's goals are met, with respect to effective and efficient operations, reliable reporting and compliance with applicable laws and regulations. Internal control on financial reporting is an integrated part of the overall internal control.

The internal control on financial reporting creates a reasonable assurance about the reliability in external financial reporting, and that the financial reporting is established in accordance with law, applicable accounting principles and other requirements for listed companies.

The Board of Directors has the overall responsibility for the internal control and ensures that Nivika has formalised routines which ensure that established principles for financial reporting and internal control are complied with. This is formally executed through a number of written policies and governing documents, which regulates financial reporting as well as a written rules of procedure which defines the Board of Director's responsibility and how this responsibility is divided between the members of the Board of Directors, the Board of Directors committee and the CEO. The Company has also produced a special certification scheme and a financial handbook which contains principles, guidelines and process descriptions for accounting and financial reporting. The Board of Directors continuously monitors Nivika's financial position, the efficiency in Nivika's internal control and risk management. The Board of Directors also has routines to remain informed of the audit of the annual accounts and consolidated accounts, as well as to review and monitoring the auditor's impartiality and independence. The responsibility for the current work with internal control regarding financial reporting has been delegated to the Board of Directors.

Identification, assessment and handling of risks is essential regarding both the process for the group comprehensive risk identification and Nivika's identification and establishment of the extent of essential processes, in connection with Internal Control Financial Reporting (ICFR). Through process maps and process descriptions, the processes include identified risks and controls.

For every identified risk on group comprehensive level and within ICFR, controls are connected until the risk is considered eliminated, alternatively reduced to an acceptable level. Control activities are documented in a way enabling the performance to be traced. Measures produced respective documented process maps and risk/control matrices are examples of how control activities are handled within the Group.

The Board of Directors is responsible for the quality, monitoring and control of Nivika's internal control and risk management, in particular regarding compliance issues and financial reporting.

Nivika has information and communication channels which aim to promote the accuracy of the financial reporting and enable reporting and feedback from the operations to the Board of Directors and Executive Management, for example through governing documents and instructions, all of which have been made available and are known to the employees concerned. Through the uniform strategy for external communication, the risk of misinformation, rumours and misunderstandings is reduced.

Compliance and the effectiveness of the internal control are monitored on an ongoing basis. Nivika's compliance with applicable policies and governing documents are evaluated annually by the Board of Directors.

Audit

The auditor shall review the Company's annual reports and accounting, as well as the management of the Board of Directors and the CEO. Following each financial year, the auditor shall submit an auditor's report and a consolidated auditor's report to the Annual General Meeting. According to the Company's articles of association, the Company shall have one to two auditors, with or without deputy auditor/-s. The Company's auditor is Ernst & Young Aktiebolag, with Jonas Svensson as the principal auditor. The Company's auditor is presented in more detail in the section "Board of Directors, Executive Management and auditor".

During the financial year that ended 31 August 2021, the total remuneration to the Company's auditor amounted to SEK 3.6.

Stock market information and insider rules

Since the Company has bonds admitted to trade on Nasdaq Stockholm, insider rules with the purpose of preventing market abuse are applicable on the Company.

On account of the Company's bonds admitted for trade and the planned admission of the Company's Class B shares for trade, the Company has an insider policy as well as an information and communication policy, approved by the Board of Directors to ensure that the Company's information and handling of insider information takes place correctly with a proper degree of quality, internally as well as externally. The CEO has the overall responsibility for the Company's external communication, together with the CFO, and issues and communication related to the Board of Directors are handled by the chairman of the Board of Directors.

The Company's procedures and regulations for disclosure of information and insider rules consisting of policies and guidelines are formulated in accordance with Swedish legislation, Nasdaq Stockholm's Regulations for issuers and *Nasdaq Stockholm Rule Book for Issuers of Fixed Income Instruments*, the Code and the Market Abuse Regulation EU 596/2014 (MAR), adopted by the EU. Nivika's employees have access to, and receive instructions on, the policies and guidelines applicable to the Company.

SHARE CAPITAL AND OWNERSHIP STRUCTURE

Share information

As of 31 August 2021, Nivika's registered share capital amounts to SEK 20,356,517.90, divided into 203,565,179 shares, of which 124,424,000 are Class A shares and 79,141,179 are Class B shares with a quota value of SEK 0.1 per share. As of the day for the Prospectus, Nivika's registered share capital amounts to SEK 22,367,482.00 divided into 44,734,964 shares, of which 24,884,800 are Class A shares and 19,850,164 are Class B shares with a quota value of SEK 0.5 per share. According to Nivika's articles of association, adopted on the Extraordinary General Meeting held on 4 November 2021 the share capital shall not be less than SEK 15,000,000 and not more than SEK 60,000,000, divided into not less than 30,000,000 shares and not more than 120,000,000 shares. The shares are fully paid for, freely transferable and denominated in Swedish kronor as well as have been issued in accordance with the stipulations in the Swedish Companies Act (2005:551).

The Company's shares are registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instrument Accounts Act (1998:1479). The register is maintained by Euroclear, the Swedish Central Securities Depository. Share certificates have not been issued for the Company's shares and will not be issued for the shares issued through the new share issue in connection with the Offer.

Class A shares entitle to ten (10) votes per share and Class B shares entitle to one (1) vote per share. At the General Meeting, each shareholder entitled to vote may vote for the full number of shares owned or represented by them in the Company, without limitation on the right to vote.

If the Company resolves to issue new shares, warrants or convertibles by way of cash issue or offset issue, holders of shares in the Company have preferential right to subscription of such securities, pro rata to the number of shares owned in the Company prior to the issue. The articles of association do not restrict the Company's possibilities to, in accordance with the Swedish Companies Act (2005:551), issue new shares, warrants or convertibles with deviation from the shareholders' preferential right.

All shares in the Company convey equal right to proportion in the Company's profit or to potential surplus in the event of liquidation. Decisions on dividend is made by the General Meeting. Shareholders registered as holders of shares in the Company in the share register maintained by Euroclear on

the record day decided by the General Meeting are entitled to dividend. If a shareholder cannot be reached through Euroclear, the shareholder retains the claim on the Company regarding the dividend amount. Such claim is subject to a limitation period of ten years. Upon limitation of claim, the dividend amount shall go to the Company. With reservation for any restrictions followed by banking or clearing systems in jurisdictions concerned, payments to such shareholders are made in the same way as to shareholders with domicile in Sweden. Nevertheless, shareholders with limited liability to taxes in Sweden are normally subject to Swedish coupon tax. For further comments regarding certain tax considerations, see section "Certain tax considerations in Sweden".

The Swedish Takeovers Act (2006:451) is applicable on public takeover bids regarding Nivika's shares. According to the law mentioned, the one leaving a public takeover bid must commit to follow the Takeover rules for Nasdaq Stockholm (the "Takeover Rules"). Through the commitment, the one leaving a public takeover bid undertakes to follow the Takeover Rules as well as the Swedish Securities Council's decisions and statements on interpretation and application. At a public takeover bid, a shareholder shall take a stand to the offer. A shareholder has the right to either accept or reject the offer. A shareholder who has accepted a public takeover bid is, as starting point, bound by its acceptance. However, a shareholder may, under certain conditions, withdraw its acceptance, for example if provided acceptance has been conditioned by the fulfilment of certain conditions. If a shareholder chooses to reject or does not respond to a public takeover bid, the shareholder's shares may be object to compulsory redemption if the one leaving the offer reaches a holding which represents more than nine tenths of the shares in the limited liability company through the offer.

The Company's shares have not been subject for a public takeover bid during the current or previous financial year and the shares are not subject to an offer made as a result of a mandatory bid, redemption right or redemption obligation.

The share capital's development

The table below presents changes in the number of shares and the Company's share capital as well as the shares' quota value during the period covered by the historical financial information in the Prospectus.

Time (date of registration)	Event	Price (SEK)	Number of shares						Share capital (SEK)		Quota value (SEK)
			Change in number of Class A shares	Class A shares, total	Change in number of Class B shares	Class B shares, total	Change in number of shares, total	Shares, total	Change	Total	
2020-01-25	Cash issue and issue in kind	46,047,3019	-	-	-	-	8,655	35,155	865,500.00	3,515,500.00	100
2021-04-16	Bonus issue (and share split)	-	140,620,000	140,620,000	35,155,000	35,155,000	175,739,845	175,775,000	14,062,000.00	17,577,500.00	0.1
2021-05-18	Conversion of Class A shares to Class B shares	-	16,196,000	124,424,000	16,196,000	51,351,000	-	-	-	-	-
2021-07-19	Offset issue	14.49	-	124,424,000	5,866,113	57,217,113	5,866,113	181,641,113	586,611.30	18,164,111.30	0.1
2021-07-20	Cash issue	13.83	-	124,424,000	21,924,066	79,141,179	21,924,066	203,564,179	2,192,406.60	20,356,517.90	0.1
2021-09-22	Offset issue	14.49	-	124,424,000	690,131	79,831,310	690,131	204,255,310	69,013.1	20,425,531.00	0.1
2021-09-22	Offset issue	13.83	-	124,424,000	63,633	79,894,943	63,633	204,318,943	6,363.3	20,431,894.30	0.1
2021-09-22	Offset issue	16.59	-	124,424,000	1,205,545	81,100,488	1,205,545	205,524,488	120,554.5	20,552,448.80	0.1
2021-10-27	Cash issue	16.59	-	124,424,000	2	81,100,490	2	205,524,490	0.2	20,552,449.00	0.1
2021-11-08	Reverse share split	-	-99,539,200	24,884,800	-64,880,392	16,220,098	-164,419,592	41,104,898	-	20,552,449.00	0.5
2021-11-15	Offset issue	82.95	-	24,884,800	2,267,801	18,487,899	2,267,801	43,372,699	1,133,900.50	21,686,349.50	0.5
2021-11-19	Offset issue	82.95	-	24,884,800	36,166	18,524,065	36,166	43,408,865	18,083.00	21,704,432.50	0.5
2021-11-19	Offset issue	82.95	-	24,884,800	1,205,545	19,729,610	1,205,545	44,614,410	602,772.50	22,307,205.00	0.5
2021-11-19	Offset issue	82.95	-	24,884,800	120,554	19,850,164	120,554	44,734,964	60,277.00	22,367,482.00	0.5

* The reverse share split was resolved by the Extraordinary General Meeting held 4 November 2021 and entailed that 5 shares of the same class were consolidated to 1 share of the same class.

Issue authorisation

On 3 March 2021, the General Meeting resolved to authorise the Board of Directors to, until the next Annual General Meeting, on one or several occasions and with or without deviation from the shareholders' preferential right, in cash payment or in payment by offset or with capital contributed in kind, or else with conditions, decide on a new issue of shares, convertibles or warrants. Until the point of time when registration of new shares in connection with the listing of Nivika's Class B shares has taken place at the Swedish Companies Registration Office, there is no upper limit in the articles of association on the number of shares, convertibles or warrants which may be issued with reference to this authorisation. After registration of new shares at the Swedish Companies Registration Office in connection with the listing of Nivika's Class B shares has taken place, the total number of shares issued, or may be added by conversion of thus issued convertibles or utilisation of thus issued warrants, may not amount to more than 20 percent of the registered number of shares in the company after the mentioned registration. Regarding number of shares that may be added by conversion of convertibles or utilisation of warrants, it is referred to the number of shares before potential recalculation. The purpose of the authorisation, and the reason for the possibility to deviate from the shareholders' preferential right, is to enable the company to obtain capital, carry out acquisitions or make use of other strategic possibilities in a prompt and cost-effective way. The value provided to the Company through new issue with support of the authorisation shall be at market rate and could include issue discount at market rate.

Convertibles, warrants and other share related instruments

As of 31 August 2021 the Company had, and has per the day for this Prospectus, no outstanding convertible debt instruments, warrants or other financial instruments which, if they are utilised, would have a dilutive effect for the Company's shareholders.

Ownership structure before and after the Offer

As of the day for the Prospectus, Nivika has 148 shareholders. The largest shareholder is Värnanäs AB with 18.3 percent of the capital and 30.5 percent of the votes in the Company. The Company does not own any own shares. There are, as far as the Company is aware, no party who directly or indirectly controls the issuer independently. In order to ensure that potential control over the Company is not abused, the Company follows applicable rules for corporate governance, which are to be found in, *inter alia*, the Swedish Companies Act (2005:551), the Code and the Annual Accounts Act (1995:1554). By following such rules, the Company ensures that a good corporate governance is maintained, where the responsibility is clearly divided between owners, Board of Directors and management.

The table below presents the Company's ten largest shareholders as of the day for the Prospectus, immediately before the Offer.

Name	Number of Class A shares	Number of Class B shares	Total number of shares	Capital, %	Votes, %
Värnanäs AB	8,185,600	11,763	8,197,363	18.3	30.5
Santhe Dahl Invest AB	5,352,000	3,644,303	8,996,303	20.1	21.3
Holmgren Group AB	3,900,000	975,000	4,875,000	10.9	14.9
Planch AB	3,233,600	808,400	4,042,000	9.0	12.3
Skandinavkonsult i Stockholm AB	3,233,600	808,354	4,041,954	9.0	12.3
Pollock Invest AB	980,000	245,000	1,225,000	2.7	3.7
GBJ Holding AB	0	2,615,000	2,615,000	5.8	1.0
Riddarberget AB	0	1,277,852	1,277,852	2.9	0.5
Investment AB Öresund	0	1,084,599	1,084,599	2.4	0.4
GBJ Bostadsutveckling Holding VII AB	0	938,777	938,777	2.1	0.3
Total 10 largest shareholders	24,884,800	12,409,048	37,293,848	83.4	97.2
Others	-	7,441,116	7,441,116	16.6	2.8
Total	24,884,800	19,850,164	44,734,964	100.0	100.0

The Company's ten largest shareholders as per after the Offer, provided that the Offer is fully subscribed and that the Over-allotment Option is exercised in its entirety, is presented in the table below.

Name	Number of Class A shares	Number of Class B shares	Total number of shares	Capital, %	Votes, %
Värnanäs AB	8,185,600	11,763	8,197,363	14.2	29.1
Santhe Dahl Invest AB	5,352,000	3,644,303	8,996,303	15.5	20.3
Holmgren Group AB	3,900,000	975,000	4,875,000	8.4	14.2
Planch AB	3,233,600	808,400	4,042,000	7.0	11.8
Skandinavkonsult i Stockholm AB	3,233,600	808,354	4,041,954	7.0	11.8
Pollock Invest AB	980,000	245,000	1,225,000	2.1	3.6
GBJ Holding AB	0	2,615,000	2,615,000	4.5	0.9
Riddarberget AB	0	1,277,852	1,277,852	2.2	0.5
Investment AB Öresund	0	1,084,599	1,084,599	1.9	0.4
GBJ Bostadsutveckling Holding VII AB	0	938,777	938,777	1.6	0.3
Total 10 largest shareholders	24,884,800	12,409,048	37,293,848	64.1	92.7
Others	-	7,441,116	7,441,116	12.8	2.6
New shareholders	-	13,450,291	13,450,291	23.1	4.6
Total	24,884,800	33,300,455	58,185,255	100.0	100.0

The Company's ten largest shareholders as per after the Offer, provided that the Offer is fully subscribed and that the Over-allotment Option is not utilised, is presented in the table below.

Name	Number of Class A shares	Number of Class B shares	Total number of shares	Capital, %	Votes, %
Värnanäs AB	8,185,600	11,763	8,197,363	14.6	29.2
Santhe Dahl Invest AB	5,352,000	3,644,303	8,996,303	16.0	20.4
Holmgren Group AB	3,900,000	975,000	4,875,000	8.7	14.3
Planch AB	3,233,600	808,400	4,042,000	7.2	11.8
Skandinavkonsult i Stockholm AB	3,233,600	808,354	4,041,954	7.2	11.8
Pollock Invest AB	980,000	245,000	1,225,000	2.2	3.6
GBJ Holding AB	0	2,615,000	2,615,000	4.7	0.9
Riddarberget AB	0	1,277,852	1,277,852	2.3	0.5
Investment AB Öresund	0	1,084,599	1,084,599	1.9	0.4
GBJ Bostadsutveckling Holding VII AB	0	938,777	938,777	1.7	0.3
Total 10 largest shareholders	24,884,800	12,409,048	37,293,848	66.1	93.3
Others	-	7,441,116	7,441,116	13.2	2.7
New shareholders	-	11,695,906	11,695,906	20.7	4.1
Total	24,884,800	31,546,070	56,430,870	100.0	100.0

Dilution of shareholding at the Offer and the Over-allotment Option

The Offering price is SEK 85.50, compared with Long-term net asset value per share of SEK 70.3 as of 31 August 2021. See section "Selected financial information – Definitions of alternative key ratios – Share-related key ratios" for the definition of long-term net asset value per share.

If the Offer is fully subscribed, the number of shares will increase with 11,695,906 new Class B shares, from 19,850,164 Class B shares to 31,546,070 Class B shares. This corresponds to a dilution of approximately 20.73 percent of the total number of shares and 4.17 percent of the total number of votes in the Company after the Offer.

If the Offer is fully subscribed and the Over-allotment Option is utilised in its entirety, the number of shares will instead increase with 13,450,291 new Class B shares, from 19,850,164 Class B shares to 33,300,455 Class B shares. This corresponds to a dilution of approximately 23.12 percent of the number of shares and approximately 4.77 percent of the number of votes in the Company.

The Company's share capital amounts to SEK 22,367,482.00 as of the day for the Prospectus. In the event that the Offer is fully subscribed, and the Over-allotment Option is exercised in full, the share capital in the Company will amount to SEK 29,092,627.

Shareholders' agreement

The Company's shareholders of Class A shares have entered an agreement including a stipulation on advance buying of Class A shares. The agreement applies until the time of the listing and then cease to apply. In addition to the mentioned shareholders' agreement, there are, as far as the Company's

Board of Directors is aware, no shareholders' agreements or other agreements between the Company's shareholders with the purpose to create a jointly influence over the Company, or may result in a change of control over the Company.

Restrictions regarding divestment of shares in the Company

The shares in the Company are freely transferable. The shares are not subject to any transfer restrictions in Sweden. Furthermore, the shares are not subject to any mandatory takeover bid, redemption right or redemption obligation. No public takeover bid regarding the Company's shares has occurred since the Company was established.

Dividend and dividend policy

Nivika's overall goal is to create value for the Company's shareholders. During the coming years, this is made primarily by reinvesting in the operations in order to create growth through investments in new development, existing properties as well as acquisition of new properties. Therefore, the dividend may be low or non-existing during the coming years. The Company has a long-term goal to pay a dividend of 20-40 percent of the profit from property management after paid tax.

For the financial year that ended 31 August 2019, Nivika resolved on a dividend of approximately SEK 0.51 per share,¹⁷⁰ total approximately SEK 13,500,000. For the financial year that ended 31 August 2020, Nivika resolved on a dividend of approximately SEK 1.16 per share,¹⁷¹ in total approximately SEK 40,750,000 (including an extra dividend of SEK 24,251,889.82, decided by the General Meeting held on 4 November 2021, which only reduces shareholders' capital after closing day). For the financial year that ended 31 August 2021, Nivika's Board of Directors has proposed that retained profits are carried forward in accordance with the Company's dividend policy.

¹⁷⁰ Based on adjusted number of outstanding shares at the end of the period, amounting to 26,500,000 shares. For definition of adjusted number of outstanding shares at the end of the period: see section "Selected financial information – Definitions of alternative key ratios".

¹⁷¹ Based on adjusted number of outstanding shares at the end of the period, amounting to 35,155,000 shares. For definition of adjusted number of outstanding shares at the end of the period: see section "Selected financial information - Definitions of alternative key ratio".

Nivika Center in Växjö. 157 apartments in a 19 floor high building is constructed here, as well as a low-rise part which, *inter alia*, contains sports centres and locker rooms, which are connected to the existing main arena.



ARTICLES OF ASSOCIATION

§ 1 Company name

The name of the company is Nivika Fastigheter AB (publ).

§ 2 Registered office

The board of directors' registered office shall be situated in Värnamo municipality, Jönköping county.

The shareholders' meeting may be held in Värnamo or in Stockholm municipality.

§ 3 Objects of the company's business

The object of the company's business is to own and manage smaller and medium-sized companies, operate commerce and management of shares and other securities and activities compatible therewith.

§ 4 Share capital

The share capital shall be not less than SEK 15,000,000 and no more than SEK 60,000,000.

§ 5 Share

5.1

The number of shares in the Company shall be not less than 30,000,000 and no more than 120,000,000. Shares can be issued in two classes; Class A shares and Class B shares. Shares of either class may be issued up to an amount in all corresponding to not more than 100 % of the share capital. Each Class A share shall entitle to ten (10) votes and each Class B share shall entitle to one (1) vote. For the rest, Class A share and Class B share entitle to same right to part in the company's assets and profit.

5.2

If the company resolves to issue new Class A shares and Class B shares by way of a cash issue or an offset issue, the holder of Class A shares and Class B shares shall be entitled to preferential right to subscribe for new shares of the same class pro rata to the number of shares previously owned by the holder (primary preferential right). Shares that are not subscribed for pursuant to primary preferential right shall be offered to all shareholders for subscription (subsidiary preferential right). If not shares offered in such manner is sufficient for the subscription which takes place pursuant to subsidiary preferential right, the shares shall be allotted among the subscribers pro rata to the number of shares previously owned and where this is not possible, shares shall be allotted through drawing of lots.

If the company resolves to issue only Class A shares or Class B shares by way of a cash issue or an offset issue, all shareholders, irrespective of if they are holders of Class A or Class B shares, shall hold preferential right to subscribe for new shares pro rata to the number of shares previously owned.

If the company decides to issue warrants or convertibles by way of a cash issue or an offset issue, the shareholders hold preferential right to subscribe for warrants as if the issue concerned the shares available for new subscription based on the right of option respective preferential right to subscribe for convertibles as if the issue concerned the shares with which the convertibles may be swapped.

The provisions above shall not entail any restrictions on the possibility to adopt a resolution regarding a cash issue or an offset issue without regard to shareholders' preferential rights.

Upon an increase in the share capital by way of a bonus issue, new shares of each class shall be issued pro rata to the number of shares of the same class which are already in existence. In relation thereto, old shares of a particular class shall entitle to right to new shares of the same class. The aforementioned shall not entail any restrictions on the possibility to by way of a bonus issue, following any necessary changes to the articles of association, issue shares of a new class.

5.3

At the request of a holder, Class A shares shall be converted into Class B shares. Requests for conversion, which must be in writing and specify the number of Class A shares to be converted into Class B shares and also, if the request does not comprise the full shareholding, which Class A shares the conversion concerns, shall be submitted to the board of directors. The company shall without delay notify the conversion to the Swedish Companies Registration Office for registration in the register of companies. The conversion is executed as soon as registration has taken place and been notified in the share register.

§ 6 Board of directors

The board of directors shall consist of not less than three (3) and no more than nine (9) board members with not more than five (5) deputy members. If the board of directors consist of three board members, at least one deputy member shall be appointed.

§ 7 Auditors

For the review of the company's annual report together with the accounts and the board of directors' and CEO's administration, one or two auditors are appointed, with or without deputy member/-s.

§ 8 Notice

Notice of shareholders' meeting shall be published in the Swedish National Gazette (Sw. Post- och Inrikes Tidningar) and be kept available on the company's website. At the same time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

§ 9 Right to participate in shareholders' meeting

To have right to participate in a shareholders' meeting, a shareholder must partly be entered in a copy or other presentation of the share register regarding the circumstances six business days before the shareholders' meeting, partly notify the company no later than the day specified in the notice convening the meeting. The last-mentioned day must not be a Sunday or any other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve, nor earlier than five business days prior to the meeting.

Shareholders may only be accompanied by one or two advisors on the condition that the shareholder has notified the company by the date specified in the preceding paragraph.

§ 10 Voting by post

The board of directors may resolve that the shareholders shall be entitled to exercise their voting rights by post prior to the shareholders' meeting, in accordance with Chapter 7 Section 4 a in the Swedish Companies Act (2005:551).

§ 11 Annual general meeting

The annual general meeting shall be held yearly within six months after the end of the financial year.

The following matters shall be addressed at the annual general meeting:

1. Election of the chairman of the meeting.
2. Preparation and approval of the voting register.
3. Election of one or two verifiers.
4. Determination of whether the meeting was duly convened.
5. Approval of the agenda.
6. Presentation of the annual report and the auditor's report.
7. Resolution
 - a. regarding adoption of the income statement and balance sheet,
 - b. regarding allocation of the company's profit or loss according to the adopted balance sheet,
 - c. regarding discharge from liability for the board members and the CEO.
8. Determination of fees for the board of directors and the auditor.
9. Election of the board of directors and auditor/-s and deputy auditor/-s.
10. Any other business, incumbent on the meeting according to the Swedish Companies Act or the articles of association.

§ 12 Financial year

The company's financial year shall cover 9/1 – 8/31.

§ 13 Central securities depository clause

Shareholders or trustees which on the record date are entered in the share register and noted in a record day register, according to Chapter 4 of the Swedish Central Securities Depositories and Financial Instrument Accounts Act (1998:1479) or noted on a record day account according to Chapter 4 Section 18 first paragraph 6-8 in the aforementioned law, should be presumed to be authorised to exercise the rights in Chapter 4 Section 39 of the Swedish Companies Act (2005:551).

Adopted on extraordinary general meeting held on 4 November 2021

LEGAL CONSIDERATIONS AND SUPPLEMENTARY INFORMATION

Approval of the Prospectus

A Swedish language version of the Prospectus has been approved by the SFSA as competent authority under Regulation (EU) 2017/1129. The SFSA approves the Prospectus only to the extent that it meets the requirements for completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. This approval should not be regarded as any endorsement for the issuer referred to in this Prospectus or the quality of the securities referred to in the Prospectus, and investors should make their own assessment whether it is appropriate to invest in these securities.

The Swedish language version of the Prospectus was approved by the SFSA on 22 November 2021 and is valid for up to 12 months from this date. The obligation to supplement the Prospectus in the event of significant new circumstances, factual errors or material inaccuracies does not apply when a prospectus is no longer valid.

General information about Nivika

Nivika is a Swedish public limited liability company which is regulated by the Swedish Companies Act (2005:551). The Company was established on 27 June 2007 pursuant to Swedish law and was registered with the Swedish Companies Registration Office on 31 July 2007. The Company's registration country is Sweden. The Company's corporate name was registered on 24 September 2018. The Board of Directors has its registered office in Värnamo and the Company's registration number is 556735-3809. The Company's LEI-code is 549300HXIG611R7YBT33.

Group structure

Nivika is the parent company in the Group which, including the Company, consists of 83 companies. All of these subsidiaries are wholly-owned Swedish companies and are located in the cities and localities where the Group conducts or plan to conduct its operations. The Group's operations are conducted through Nivika's subsidiaries which make Nivika dependent on its subsidiaries in order to generate revenues and profits.

COMPANY	REGISTRATION NUMBER
Nivika Fastigheter AB (publ)	556735-3809
100% Nivika Aborren	556773-2028
100% Nivika Advokaten AB	556842-7362
100% Nivika Arkadien AB	556756-8570
100% Nivika Budkaveln AB	556928-1651
100% Nivika Handelsfastigheter AB	556923-1474
100% Nivika Kungsängen AB	559188-8895
100% Nivika Lokal AB	556746-9613
100% Nivika LP Fastigheter AB	556982-1555
100% Nivika Åkerfältet AB	559289-5246
100% Nivika Skåpvägen 6 AB	556986-7764
100% Nivika Stigamo Syd AB	559097-7681
100% Nivika Stigamo E4 AB	559097-7657
100% Nivika Stigamo Öst AB	559097-7673
100% Nivika Vakten 10 AB	559174-9477
100% Nivika Överljudet AB	556410-2696
100% Nivika Överljudet 5 AB	556686-8211
100% Nivika Ödlan AB	559087-3096
100% Nivika Compact Living AB	556831-2663
100% Nivika Vigören AB	559160-8681
100% Husgruppen Modulsystem Jönköping AB	559180-9487
100% Nivika Hovslätt AB	559160-3484
100% Nivika MC Sport Fastigheter AB	556869-3617

BOLAG	ORGANISATIONSNUMMER
100% James Rocco Apparel AB	556768-6331
100% Nivika Almen AB	556870-3150
100% Nivika Bautastenen AB	556698-7664
100% Nivika Industrifastigheter AB	556975-3931
100% Värnamo Profilen AB	559069-8907
100% Hornaryds Fastigheter AB	556892-0770
100% Nivika Sandstenen AB	556953-3838
100% Nivika Tre Liljor AB	556797-3994
100% Nivika Cityfastigheter AB	556306-4459
100% Nivika Rosen AB	556774-0880
100% Nivika Västbofastigheter AB	559239-3457
100% Nivika Kalkstenen AB	556780-4595
100% Nivika Vinkelhaken AB	556728-7304
100% Nivika Center AB	556827-2891
100% Nivika Gasellen AB	559241-8247
100% Nivika Snöflingan AB	559189-1303
100% Nivika Stenladan AB	559147-4324
100% Nivika Sägaren AB	559102-2958
100% Nivika Växjöfastigheter AB	556672-1683
100% Nivika Rättaren 4 KB	969698-1399
100% Nivika Skogskärret AB	559154-5966
100% Nivika Tor AB	559310-8623
100% Nivika Bälgen 15 AB	559015-0792
100% Nivika Bikupan 20 AB	556756-3662
100% Nivika Bikupan 5 AB	556825-0202
100% Nivika Bikupan 4 AB	556865-9295
100% Nivika Bikupan 19 AB	556923-6010
100% Nivika Bikupan 22 AB	556923-5988
100% Nivika Fyllinge KB	969632-8427
100% Nivika Tandborsten AB	556677-7354
100% Nivika Kruthornet AB	556247-8817
100% Nivika Ametisten 2 AB	556894-8607
100% Nivika Brilljanten AB	556845-6064
100% Nivika Ametisten 7 AB	556907-8230
100% Nivika Opalen AB	556491-7176
100% Nivika Halmstadsfastigheter AB	559067-3264
100% Nivika Företagaren 2 AB	556632-0940
100% Nivika Töringe AB	556917-4708
100% Nivika Vagnen 7 och 10 AB	556976-3195
100% Wallins Fastigheter Reparatören 5 AB unä Nivika Faktorn AB	556773-2432
100% Nivika Mittlager AB	559054-1792
100% Merx Storage AB	559100-6514
100% Nivika Holding 2 AB	559054-1776

BOLAG	ORGANISATIONSNUMMER
100% Nivika Sadelmakaren 1	559063-1585
100% Skr Lager 6 KB	969665-8344
100% Nivika Värnamo Centrum AB	556657-8661
100% Nivika Geologen AB	559095-9028
100% Aptare Hygiea AB	559164-4124
100% Nagesjö AB	556515-1890
100% Jakobsson Invest Aktiebolag	556195-7936
100% Caseba Kommersiella Fastigheter AB	559000-1656
100% Förvaltnings Aktiebolaget Leona	556339-2066
100% Urema Fastigheter i Vetlanda AB	556780-1252
100% SantHem Fastigheter AB	559149-8703
100% SantHem Råstenen 1 AB	559067-4882
100% SantHem Lingonet AB	559051-4799
100% SantHem Sågcrona 1 AB	559101-0425
100% SantHem Sågcrona 2 AB	559069-2645
100% SantHem Eklövet 1 AB	559171-2178
100% SantHem Heden AB	559235-4525
100% H.C. Tribuner AB	556068-1545

Agreements within the frame for the ordinary course of business

Companies within the Group have, within the frame for the ordinary course of the business, *inter alia*, entered into rental agreements, acquisitions and transfer agreements, land development agreements, planning agreements, land allocation agreements, construction agreements and financing agreements. Agreements of this type are briefly described below.

Rental agreements

The Group acquires, develops, refines and manages properties in certain areas of growth in southern Sweden. The Company rents out approximately 1,050 residential rental apartments and around 430 premises rental apartments. Rental income from the ten largest premises rental agreements constitutes 20 percent of the total rental income from the Group's premises rental apartments. When renting out premises rental apartments, a standard rental agreement is used as a template containing conditions customary for the market. The Company continuously follows up and condition negotiates all rental agreements in accordance with the requirements of the Swedish Land Code (1970:994). The rental agreements are normally entered into for an initial lease period of at least 5 years with a term of notice of usually 9 months, although up to 24 months, and with an extension term of 1 to 5 years.

For a closer review of the risks associated to the rental agreements, see section "Risk factors".

Acquisition and transfer agreements

During the period which the historical financial information in the Prospectus includes, the Group has acquired several properties. The acquisitions have mainly been conducted indirectly through acquisitions of shares in property-owning companies, however also directly through acquisitions of properties. The following companies have, *inter alia*, been

acquired: Husgruppen Modulsystem Jönköping AB, Nivika Kruthornet 1 AB (at the time of the acquisition Strandborgen 1 AB), Nivika Halmstadsfastigheter AB (at the time of the acquisition Halmfast AB), Nivika Center AB (at the time of the acquisition Växjö Innebandyarena AB) and Nivika Företagaren AB (at the time of the acquisition Bigs Fastigheter AB). The direct and indirect acquisitions included, during the financial year that ended 31 August 2021, 38 properties to a total value amounting to BSEK 1.13. During the period which the historical financial information in the Prospectus includes, the Group has transferred several properties. The transfers have mainly been conducted indirectly through transfers of shares in property-owning companies, however also directly through transfers of properties. The following companies have, *inter alia*, been transferred: Nivika Operan 1 AB (nowadays M2 Operan 1 AB), Nivika Ödlan i Värnamo Brf AB and Nivika Apeln 29 AB. The direct and indirect transfers included, during the financial year that ended 31 August 2021, 2 properties to a total property value amounting to MSEK 190.

In the acquisition and transfer agreements, customary guarantees and limitations of liability have been provided. Historically, no significant warranty claims have been made against the Group, and the Group is not aware of any ongoing or forthcoming warranty claims or other significant obligations directed at the Group.

For a closer review of the risks associated with the above acquisitions and transfers, see section "Risk factors".

Planning agreements

Within the frame for the ordinary course of its operations, Nivika enters into planning agreements with municipalities to regulate the production of a zoning plan. The purpose of the planning agreement is to regulate the municipality's respective the Company's commitment in the planning process, which

mainly includes the Company's responsibility for zoning planning costs in relation to the municipality and how such costs shall be calculated. Costs that usually occur in connection with the adoption of a new zoning plan includes, *inter alia*, the preparation of a foundation map, environmental technical land investigation, nature value inventory, plan documents, stormwater investigation and handling of the matter. The issues addressed in the planning agreement can also be regulated in other agreements, for example in land development agreements.

The municipality's compensation for planning fees is regulated in chapter 12, paragraphs 9-11 in the Swedish Planning and Building Act (2010:900).

Land development agreements

Prior to a new zoning plan is adopted, the municipality normally stipulates conditions for development of a land area which is owned by a private property owner through a land development agreement. Therefore, in connection with development and exploitation of properties, Nivika regularly enters into or takes over the responsibility of a land development agreement with municipalities. In accordance with these land development agreements, Nivika undertakes to, at the Company's expense, design and carry out construction of public facilities such as streets and sidewalks as well as to pay development contribution. Furthermore, it occurs that the Company undertakes, under penalty of fine, to ensure that the construction is completed within a certain period of time and that the residentials built on the property are not transformed from rental apartments to condominiums during a certain period from the conclusion of the land development agreement. Historically, no significant claims for fines have been made towards the Group, and the Group is not aware of any ongoing or forthcoming claims for fines or other significant obligations directed towards the Group.

Land allocation agreements

Prior to the preparation of a new zoning plan and development of a land area owned by a municipality, a land allocation agreement is normally entered into between the municipality and Nivika, which in rule gives the Company exclusive right during a limited time and to under certain conditions negotiate with the municipality about transfer or site leasehold grant of the land area owned by the municipality. In some cases, Nivika pays, in connection with the conclusion of a land allocation agreement, a reservation fee that is not refunded if the lease of the land area does not take place. It should also be noted that an agreement whereby a party is given a right to enter into an agreement in the future to acquire a property is in principle not binding under Swedish law. However, in many cases, this type of agreements is entered into with municipalities which normally do not withdraw from the agreements which means that the parties ultimately enter into land transfer agreement.

Construction agreements

Nivika engages construction companies for the construction of properties and also enters into construction agreements for development and conversion of rental properties, community and social properties etc. The Group regularly agrees that standard agreements (i.e., AB 04, ABT 06 etc.) shall

be applicable to each construction agreement. However, project-adapted deviations are made from agreed standard agreements in the construction agreements, which is industry practice in order to achieve an adapted regulation of the project in question. The use of standard agreements takes place regardless of whether it concerns agreements with the final customer or agreements with a subcontractor which a Group company engages to carry out a certain part of a contract. Nivika primarily applies a fixed pricing mechanism in its construction agreements.

Financing agreements

The Group has entered into, *inter alia*, loan and credit agreements in order to finance, above all, the Group's property acquisitions. Loan and credit agreements have primarily been entered into with Swedish banks and creditors and have been entered on conditions customary for the industry. Collaterals have normally been provided in the form of mortgage on a property, a mortgage on shares and a parent company guarantee by the Company. The conditions for the Group's dealings with the two primary credit institutions include certain financial commitments, such as limitation of the net loan-to-value and that the Group must maintain a certain interest coverage ratio and equity/assets ratio, as well as provisions on changes in ownership.

Material agreements

The Company considers, in addition to the agreements described below, that there is no single agreement of material importance for the Group's operations as a whole.

The Company's bonds

On 24 September 2020, Nivika issued a senior unsecured green bond loan of MSEK 300 within a frame amount of MSEK 800 on the Swedish bond market, with ISIN SE0014855763. On 9 February 2021, the bond loan was extended with MSEK 300 to a total amount of MSEK 600. The bond bears an interest rate of three months STIBOR plus 5.5 percent per year and matures on 24 September 2023.

Furthermore, on 6 May 2021 Nivika issued a senior unsecured green bond loan of MSEK 500 within a frame amount of MSEK 800, with ISIN SE0015949631. On 8 October 2021, Nivika increased the bond loan with MSEK 150 to MSEK 650 in total. The bond bears an interest rate of three months STIBOR plus 4.5 percent per year and matures on 6 September 2024.

In accordance with the conditions for the bonds, Nivika has undertaken to have an equity/assets ratio of not less than 25 percent, that the interest coverage ratio shall be not less than 1.5 and that the net loan-to-value shall not exceed 70 percent. There are certain commitments in the terms and conditions of the bonds, according to which it is only allowed for Nivika and its subsidiaries to carry out dividends if: (i) they are made to Nivika or a wholly-owned subsidiary of Nivika or, if done by a subsidiary which is not directly or indirectly wholly-owned by Nivika, is carried out on pro rata basis, or (ii) (A) Nivika has an equity/assets ratio of at least 27.5 percent and that there are no outstanding grounds for termination or that

such ground for termination occurs as a result of the payment, and (B) until an initial public offer of shares in Nivika has occurred, after which such shares are listed, traded or in other way are admitted to trading on a regulated or unregulated market, the total amount for the payment during the relevant year do not exceed 50 percent of the Group's consolidated profit from property management (profit before tax and before addition or deduction for changes in value of properties and derivatives) for the previous financial year.

The conditions of the bonds also include, *inter alia*, restrictions regarding under which conditions the Group may provide collateral and sell assets, and undertakings regarding supply of certain information to the bond holders and the agent. If the Group violates any of the conditions of the bond loans, the Company may be forced to repay the bonds in advance.

In the event of a change of control, every bond holder is entitled to request for repayment in advance, to an amount corresponding to 101 percent of the nominal amount of each redeemed bond and accrued interest. A change of control means that one or several persons, who are not one of the main shareholders (Benny Holmgren, Niclas Bergman, Viktoria Bergman, Håkan Eriksson, Christina Eriksson and Santhe Dahl or any of their spouses or direct descendants), in agreement control Nivika, where control means (i) to control/holding of, directly or indirectly, more than 50 percent of the votes in Nivika, or (ii) right to, directly or indirectly, appoint or remove all or a majority of the members of the Board of Directors of Nivika.

Placing agreement and Lock-up

In accordance with the conditions in an agreement regarding placement of Class B shares, which is intended to be entered into between the Company, the Principal Owners, GBJ Holding AB, GBJ Bostadsutveckling Holding VII AB, GBJ Bostadsutveckling Holding X AB and the Joint Global Coordinators and Joint Bookrunners around 2 December 2021 (the “**Placing Agreement**”), the Company undertakes to issue the Class B shares included in the Offer, and potential additional Class B shares within the frame for the Over-allotment Option, which shall be allocated to the investors intermediated by the Joint Global Coordinators and Joint Bookrunners. Through the Placing Agreement, the Company provides customary guarantees and commitments towards Joint Global Coordinators and Joint Bookrunners, *inter alia* regarding that the information in the Prospectus is correct, that the Prospectus and the Offer fulfils the requirements under laws and regulations, and that there are no legal obstacles, or other obstacles, which prevents the Company from entering into the Placing Agreement or which would prevent or obstruct the completion of the Offer. If the guarantees and the commitments are not correct or fulfilled at the point of time for the Offer,

delivery and payment of the Class B shares in accordance with the Offer may potentially not be able to be implemented. Pursuant to the Placing Agreement, the Company undertakes to, under certain conditions, keep Joint Global Coordinators and Joint Bookrunners free of damages against claims.

In accordance with the Placing Agreement, the Company will undertake to, towards the Joint Global Coordinators and Joint Bookrunners, not, for a period of 180 days from the first day of trading of the Company's Class B shares, without written consent of the Joint Global Coordinators and Joint Bookrunners, propose a capital increase to the Company's shareholders, or take any other measure to directly or indirectly issue, offer, pledge, sell, contract to sell, or in any other way transfer or divest securities that are essentially equalised with the Class B shares, including the securities that can be converted to or changed for, or which represents a right to receive shares in the Company; and to not purchase or sell any option or other security or enter into swap-, hedge- or other arrangement that would have an economic effect corresponding to such measures. This undertaking is subject to exceptions, through the Company being able to, for example, make decisions regarding on incentive programs for employees, issue of Class B shares within the frame for the Offer and issues without cash consideration or through offset, that aims to acquire shares or assets in or from another company.

The Principal Owners¹⁷², GBJ Holding AB, GBJ Bostadsutveckling Holding VII AB, GBJ Bostadsutveckling Holding X AB will furthermore not, in accordance with the Placing Agreement, for a period of 360 days from the first day of trading of the Company's Class B shares, without written consent of the Joint Global Coordinators and Joint Bookrunners, offer, pledge, sell, contract to sell, or in any other way transfer or divest securities that are essentially equalised with the Class B shares, including securities that can be converted to or changed for, or which represents a right to receive shares in the Company; and to not purchase or sell any option or other security or enter into swap-, hedge- or any other arrangement that would have an economic effect corresponding to such measures. The transfer restriction is subject to customary limitations and exceptions, for example acceptance of an offer to all shareholders in the Company or transfer of shares in connection with redemption of shares or stock buy-back from the Company.

Furthermore, the members of the Company's Board of Directors¹⁷³ and its Group management¹⁷⁴ will undertake to, towards the Joint Global Coordinators and Joint Bookrunners, for a period of 360 days from the first day of trading in the Company's Class B shares, with exception for the Company's CEO Niclas Bergman and member of the Board of Directors Viktoria Bergman¹⁷⁵ whose undertaking comprises a period of 720 days from the first day of trading in the Company's Class

172 Excluding Värnanäs AB, which will be subject to a lock-up undertaking for a period of 720 days.

173 Including Salnecke Slott AB, which is a company controlled by the member of the Board of Directors Elisabeth Norman and related parties.

174 The Group management, excluding CEO Niclas Bergman, comprises of Kristina Karlsson, Jerry Johansson, Henrik Swahn, Kent Liljegren, Martin Svensson, Jan Abrahamsson, Mats Andersson, Stefan Angeskog and Patrik Eklund. For more information regarding the Group management, see section “Business overview – Organisation and employees”.

175 Including Värnanäs AB, which is a company owned by CEO Niclas Bergman and the member of the Board of Directors Viktoria Bergman.

B shares, not without written consent from the Joint Global Coordinators and Joint Bookrunners, sell or in any other way transfer Class B shares in the Company. The transfer restriction is subject to customary limitations and exceptions, for example acceptance of an offer to all shareholders in the Company or transfer of shares in connection with redemption of shares or stock buy-back from the Company.

Acquisition of Nagesjö AB

On 24 September 2021, the Company entered into a share purchase agreement with Riddarberget AB regarding an indirect property acquisitions through the acquisition of Nagesjö AB. The agreement was acceded on 16 November 2021.

The total preliminary purchase price of SEK 289,900,000 comprised of (i) a cash amount of SEK 189,900,009,10 that was paid on the closing date 9 November 2021 and (ii) SEK 99,999,990 that was paid through an issued promissory note from the Company to Riddarberget AB, that on the closing date was offset against Class B shares in the Company. 1,205,545 Class B shares were issued to Riddarberget AB, owing to this acquisition. The final purchase price shall be regulated approximately 75 working days after the closing has occurred. Furthermore, the agreement contains customary undertakings and guarantees.

Acquisition of SantHem Fastigheter AB

Nivika, as purchaser, entered into a share purchase agreement on 11 October 2021 with Santhe Dahl Invest AB (“**Santhe Dahl Invest**”) and GBJ Bostadsutveckling Holding VII AB, as seller, regarding all shares in SantHem Fastigheter AB and indirectly the six properties owned by SantHem Fastigheter AB and the subsidiaries. The acquisition is a related party transaction, as Santhe Dahl Invest is controlled by the member of the Board of Directors Santhe Dahl. For further information, refer to section “Legal considerations and supplementary information – Related party transactions”.

The total preliminary purchase price of SEK 93,380,085 was paid through offset of debt to each of the sellers against the subscription price of SEK 82.95 for Class B shares issued in the Company. In addition to the preliminary purchase price, Nivika regulated, on the closing date on 15 November 2021, intra-group debts amounting to SEK 59,047,253, by issuing Class B shares through offset against the subscription price of SEK 82.95 to the sellers. In total, 1,837,581 shares were issued owing to this acquisition.

The transaction was conditioned upon that the General Meeting in Nivika resolved on issuance of the newly issued shares in accordance with Chapter 16 of the Swedish Companies Act, no later than on the closing date. The Extraordinary General Meeting in Nivika on 4 November resolved to approve the mentioned offset issue.

Undertakings from Cornerstone investors

The Cornerstone investors, including E. Öhman J:or Fonder AB, Swedbank Robur Fonder AB, Tredje AP-fonden and Weland Värdepapper AB, have, on the same conditions as other investors, undertaken to acquire Class B shares in the Offer corresponding to approximately 1.5 percent, 4.0 percent, 4.5 percent respective 2.0 percent of the shares in the Company after the implementation of the Offer, including the Over-allotment Option to an amount of MSEK 600, to a market value for the Company’s outstanding shares before the Offer on up to approximately MSEK 3,825, corresponding to a price of SEK 85.50 per share. In total, these undertakings correspond to approximately 52 percent of the Offer including the Over-allotment option. The Cornerstone investors will be prioritised in the allocation of shares in the Offer, and will receive full allocation according to their undertakings, respectively. The undertakings were entered into on or about 15 November 2021. The undertakings do not entitle to any remuneration or other compensation.

The Cornerstone investors’ undertakings are conditioned by, *inter alia*, that (i) the first day of trading of the Class B shares on Nasdaq Stockholm occurs, at latest, on 17 December 2021 (ii) that the price in the Offer does not exceed a price per share corresponding to a market value for all the Company’s outstanding shares before the Offer of MSEK 3,825, and (iii) that each Cornerstone investor receive full allocation in relation to its undertaking.

The Cornerstone investors’ undertakings are not secured by bank guarantees, blocked funds, pledges of collaterals or similar arrangements, which is why there is a risk that the Cornerstone investors will not fulfil their undertakings, see also the section “Risk factors – Risks related to Nivika’s shares and the Offer – Undertakings from Cornerstone investors are not secured”.

The table below contains a compilation of names, addresses, size of undertaking and the undertaking’s share of the Offer, for each Cornerstone investor, based on the assumptions above.

Name	Address	Undertaking in the Offer, MSEK	Undertaking in the Offer, number of Class B shares	Portion of shares in the Company after implementation of the Offer, excluding the Over-allotment Option	Portion of shares in the Company after implementation of the Offer, including the Over-allotment Option
E. Öhman J:or Fonder AB	Box 7837, SE-103 98 Stockholm, Sweden	75	877,192	1.6	1.5
Swedbank Robur Fonder AB	Landsvägen 40, SE-172 63 Sundbyberg, Sweden	200	2,339,181	4.1	4.0
Tredje AP-fonden	Vasagatan 16, SE-111 20 Stockholm, Sweden	225	2,631,578	4.7	4.5
Weland Värdepapper AB	Malmgatan 34, SE-333 30 Smålandsstenar, Sweden	100	1,169,590	2.1	2.0
Total		600	7,017,541	12.4	12.1

Intellectual property rights

The Company's registered corporate name is Nivika Fastigheter AB (publ) and the Company markets itself under the characteristic Nivika with the associated logotype. The Company is the registered holder of the domain nivika.se, which is the Company's website. In addition to this, the Company has no material intellectual property rights. No intellectual property rights within the Group are subject to any mortgage or other type of liability. Nivika has no knowledge about any infringement, restriction or similar circumstance which could affect any material intellectual property right, nor has the Company received any claims regarding infringements of third party's rights.

Legal proceedings, government proceedings and arbitrations

The Company is not and has not been a party in any legal proceeding, arbitration proceeding or government proceeding, during the last twelve months which have had or could have significant impact on the Company's financial position or profitability. The Company and its Board of Directors are not aware of that any such authority proceeding, legal proceeding or arbitration proceeding is ongoing or threatening.

Insurance

The Company's Board of Directors considers that Nivika has customary insurances for the industry and that the current insurance protection is satisfactory with regard to the degree and scope of the operations. The insurances include, *inter alia*, rental loss insurance, liability insurance, insurance for property management, property insurance, extra expense insurance and legal expenses insurance. As of the date of the Prospectus, there is no insurance claim of material importance for Nivika.

Stabilisation

In connection with the Offer, Danske Bank may, as stabilisation agent for Joint Global Coordinators and Joint Bookrunners (the "**Stabilisation agent**"), to the extent permitted by Swedish law, carry out transactions in order to support, maintain or in other ways affect the price of the Company's shares for up to 30 days after the first day of trading with the Company's shares on Nasdaq Stockholm. The Stabilisation agent may over-allot shares or carry out transactions in order to maintain the market price of the shares at a higher level than could otherwise have been prevailing in the market. However, the Stabilisation agent is not obliged to carry out such transactions and there is no guarantee that such activities will be carried out. Such stabilisation transactions may be carried out on all types of stock markets, the OTC market or in other ways. If the transactions are still carried out, they may be terminated at any time without notice but must be ended no later than by the end of the above-mentioned period of 30 days. At latest by the end of the seventh day of trading following the execution of stabilisation transactions, the Stabilisation agent shall disclose that stabilisation measures have been conducted, in accordance with Article

5(4) in the EU Market Abuse Regulation 596/2014. Within one week after the end of the stabilisation period, the Stabilisation agent will disclose whether or not stabilisation was carried out, the date on which stabilisation was initiated, the date on which stabilisation was last carried out as well as the price range within which stabilisation was carried out for each of the dates when stabilisation transactions were carried out. Except what's stated in laws or regulations, the Joint Global Coordinators and the Joint Bookrunners or the Stabilisation agent will not disclose the extent of the stabilisation and/or over-allotment transactions in connection with the Offer.

Permits and environment

Nivika does not conduct any operations subject to permits pursuant to the Swedish Environmental Code (1998:808). However, in connection with development of properties, there may be measures which require a permit.

Related party transactions

For information about transactions with related parties during the financial years that ended 31 August 2019, 31 August 2020 and 31 August 2021, it is referred to note 22 in the section "Historical financial information". During the financial year that ended 31 August 2021, and up to the day for the Prospectus, the Company has carried out the following transactions with related parties. All have taken place on market-based terms.

Purchase of administrative services and leasing of storage space from Värnanäs AB

The Group purchases services from its shareholder Värnanäs AB ("**Värnanäs**"), which is controlled by Niclas Bergman and Viktoria Bergman, and that as of the date for the Prospectus holds shares corresponding to 30.5 percent of the votes and 18.3 percent of the capital in Nivika. For the financial year that ended 31 August 2021, the purchases of services from Värnanäs amounted to a value of MSEK 24.6 and included leasing of personnel to the Group up to and including 31 May 2021, when the personnel became employees of the Group, payroll management services to the Group from and including 1 July 2021, as well as leasing of a warehouse to the Group.

Purchase of administrative services from Poplanäs Invest AB

Up to and including June 2021, the Group has purchased payroll management services through an oral agreement from Poplanäs Invest AB, a company which, through its shareholder Värnanäs AB, is controlled by Niclas and Viktoria Bergman. The services from Poplanäs Invest AB for the financial year that ended 31 August 2021 amounted to a value of SEK 47,000.

Purchase of cleaning services from Yälp Facility AB

The Group has an agreement with Yälp Facility AB, a company owned by Poplanäs Invest AB and thus controlled by Niclas and Viktoria Bergman through Värnanäs, regarding

cleaning services such as moving cleaning, building cleaning and cleaning of stairwells in the properties managed by the Group. The services from Yalp Facility AB for the financial year that ended 31 August 2021 amounted to a value of MSEK 1.4.

Purchase of bathroom modules from Tigbro Aktiebolag

The Group has an agreement with Tigbro Aktiebolag, a company owned by Poplanäs Invest AB and which is thus controlled by Niclas and Viktoria Bergman through Värnanäs AB, regarding the purchase of bathroom modules for the properties developed by Husgruppen Modulsystem Jönköping AB. The purchases of bathroom modules from Tigbro Aktiebolag amounted to a value of SEK 400,000 for the financial year that ended 31 August 2021.

Rental agreements and car leasing with Holmgren Group AB

The Group has, together with Holmgren Group AB (the "Holmgren Group"), which as of the date for the Prospectus holds shares corresponding to 14.9 percent of the votes and 10.9 percent of the capital in Nivika, four rental agreements (with Holmgrens Bil AB and Holmgrens Fritid AB), which make the Holmgren Group the single largest tenant in terms of rental income. The Company's annual income of the leases for the financial year that ended 31 August 2021 amounted to a value of MSEK 31.9. The Company considers that the rents are at market rate.

The Company also leases 25 cars from Holmgren Group. Until August 2021, the leasing was carried out via Danske Finans, a part of Danske Bank, and Värnanäs, which in turn has re-invoiced Nivika. However, from August 2021, the leasing is moved from Värnanäs and Nivika now leases from Holmgren Group via Danske Finans. The monthly expense for August 2021 amounted to SEK 92,000.

Acquisition of Husgruppen Modulsystem Jönköping AB

During the financial year that ended 31 August 2021, the Company has, through an acquisition from Poplanäs Invest AB on 10 February 2021, which is controlled by Niclas Bergman and Viktoria Bergman, acquired an operating business, Husgruppen Modulsystem Jönköping AB, a manufacturer of building components and apartments modules, to a purchase price of MSEK 10. Prior to the acquisition, the Group had during the financial year that ended on 31 August 2021, purchased construction components and apartment modules from Husgruppen Modulsystem Jönköping AB that amounted to MSEK 85.

Acquisition of SantHem Fastigheter AB

Nivika, as purchaser, entered into a share purchase agreement on 11 October 2021 with Santhe Dahl Invest and GBJ Bostadsutveckling Holding VII AB, as seller, regarding all shares in SantHem Fastigheter AB and indirectly the six properties owned by SantHem Fastigheter AB and the subsidiaries. Santhe Dahl Invest, which as of the day for the Prospectus owns shares corresponding to 21.3 percent of the votes and 20.1 percent of the capital in Nivika, is controlled

by the member of the Board of Directors, Santhe Dahl. In addition, Santhe Dahl is indirectly a minority shareholder in GBJ Bostadsutveckling Holding VII AB, a company that is otherwise owned by two shareholders who as well holds shares in Nivika, but however, is not considered as closely related parties.

The total preliminary purchase price of SEK 93,380,085 was paid through offset of debt to each of the sellers against the subscription price of SEK 82.95 for Class B shares issued in the Company. In addition to the preliminary purchase sum, Nivika regulated, on the closing date on 15 November 2021, intra-group debts amounting to SEK 59,047,253, through issue of Class B shares through offset against the subscription price of SEK 82.95 to the sellers. In total, 1,837,581 Class B shares were issued in connection to this acquisition.

Acquisition of SantHem Heden AB

Nivika, as purchaser, entered into a share purchase agreement on 11 October 2021 with Santhe Dahl Invest and GBJ Bostadsutveckling Holding X AB, as seller, regarding all shares in SantHem Heden AB and indirectly the property Båstad Hemmeslöv 10:208. Santhe Dahl is, in addition to the fact that he is controller Santhe Dahl Invest according to above, an indirect minority shareholder in GBJ Bostadsutveckling Holding X AB, a company that is otherwise owned by two shareholders who as well holds shares in Nivika, but however, is not considered as closely related parties.

The total preliminary purchase price of SEK 4,386,753 was paid through offset of debt to each of the sellers against the subscription price of SEK 82.95 for Class B shares issued in the Company. In addition to the preliminary purchase sum, Nivika regulated intra-group debts amounting to SEK 59,047,253 through issue of Class B shares, through offset against the subscription price of SEK 82.95 to the sellers. In total, 430,220 Class B shares were issued owing to this acquisition.

Acquisition of H.C. Tribuner AB

On 11 October 2021, the Company entered into a share purchase agreement with Torps Byggelement Aktiebolag, a company controlled by Poplanäs, regarding all shares in H.C. Tribuner AB. Through this agreement, the Company acquired the properties Häljareyd 1:294, as well as Alvesta 15:13, 13:20 and 13:21. The total preliminary purchase price of SEK 33,583,692 was paid in cash as on 29 October 2021.

Interests of advisors

The Company's financial advisers in connection with the Offer is Danske Bank and SEB, in the capacity of Joint Global Coordinators and Joint Bookrunners. These advisers (and to them related companies) have provided, and may in the future provide, various banking, financial, investment, commercial and other services to the Company, for which they have received, and may receive, remuneration. The financial advisers can, in the securities business, come to trade with or take positions in securities which are directly or indirectly linked to the Company.

Costs for the Offer

The costs for the Offer and the admittance to trading of its shares on Nasdaq Stockholm are estimated to amount to approximately MSEK 70. Such costs are primarily attributable to remuneration to Joint Global Coordinators and Joint Bookrunners, auditors, legal advisers as well as printing and distribution of the Prospectus.

Website information

The Company's website is nivika.se. To the extent that the Prospectus contains hyperlinks to websites (including the Company's website), the information on these does not constitute a part of the Prospectus unless such information has been incorporated by reference.

Documents kept available for inspection

- The Company's articles of association.
- The Company's certificate of registration.
- The Company's audited annual report for the financial year that ended 31 August 2021, including the audit report.
- The Company's audited annual report for the financial year that ended 31 August 2020, including the audit report.
- The Company's audited annual report for the financial year that ended 31 August 2019, including the audit report.
- This Prospectus.

The documents above will be kept available on the Company's website, www.nivika.se.

CERTAIN TAX CONSIDERATIONS IN SWEDEN

Below is an account of certain Swedish tax rules that may apply to the Offering and admission of the Company's B shares to trading on Nasdaq Stockholm. The account is based on current legislation and is intended as general information only.

The tax consequences for individual shareholders depend on the owner's specific circumstances, and this account is not intended to be exhaustive. For example, it does not deal with the following areas:

- shares held as stock in trade in a business activity;
- holdings of shares that for tax purposes constitute so-called business related shares (Sw. *näringsbetingade andelar*);
- holdings of shares in companies that are or have been so-called closely-held companies for tax purposes, as well as holdings of shares acquired with the support of such shares;
- shares held by foreign companies that conduct business from a permanent establishment in Sweden or that have previously been Swedish companies;
- shares held by a limited partnership or trading partnership;
- shares owned via endowment insurance (Sw. *kapitalförsäkring*) or placed in an investment savings account (Sw. *investeringssparkonto*);

In addition to the above, special tax rules can be applied for certain shareholders (for example for life insurance companies and investment companies, as well as for natural persons who make or reverse so-called investment allowances).

The tax legislation in the investor's home country and in Sweden may affect any income received from shares in the Company.

Each shareholder should therefore consult with an independent tax adviser to assess the tax consequences that may arise for them.

Natural persons

Natural persons who are subject to unlimited tax liability in Sweden are liable to tax on income such as interest income, dividends and capital gains. Such income is taxed as capital income at a tax rate of 30 percent.

Capital gains and capital losses, respectively, are generally calculated as the difference between the compensation received for the divested asset, less selling expenses, and the acquisition cost (the "base cost"). The base cost for shares of the same series and type shall be calculated together in

accordance with the average cost method. For listed shares, the base cost can alternatively be calculated using the standardised method. According to the standardised method, the base cost is 20 percent of the sales price after deduction of selling expenses.

Capital losses on listed shares can be fully offset against taxable capital gains from corresponding assets, i.e. listed shares or listed securities that are taxed as shares (except for mutual funds or special funds that only contain Swedish interest yield funds). Offsetting must take place in a certain order. Capital losses that cannot be set off against the corresponding capital gains are deductible to 70 percent in the income tax category capital.

If a deficit arises in the income tax category capital, a tax reduction is allowed on earned income, business activities and property tax and municipal property tax. The tax reduction amounts to 30 percent of the part of the deficit that does not exceed SEK 100,000 and 21 percent of the part of the deficit that exceeds SEK 100,000. Deficits cannot be saved for future income years.

On dividends received by natural persons who are subject to unlimited tax liability in Sweden, a preliminary tax of 30 percent is levied at the time of the dividend. The preliminary tax is usually withheld by Euroclear Sweden or by a nominee if the shares are nominee-registered.

Guaranteed allocation of shares

The general rule is that an employee who is offered to acquire shares at favourable terms from a company within the group where they are employed, is considered to have received a taxable benefit which is the basis for employer social security. In this context, board members and deputy board members of the Company are also equated with employees. It has been decided through case law that the possibility to acquire shares through a guaranteed allocation when there has been an oversubscription of shares, is considered as favourable terms.

If a taxable benefit is considered to have arisen, the benefit value will be taxed as employment income with the individual and be subject to employer social security of 31.42%.

It shall be noted that there is a possibility for the Company to offer employees to acquire shares in connection to an offer to the general public without a benefit arising for the employees through a guaranteed allocation. In the case of a guaranteed allocation of shares, the employees are entitled to subscribe for shares in connection to the offer up to a

predetermined amount. An employee's acquisition of shares may be exempt from benefit taxation provided that the following criteria are met;

- the employee acquires the shares under the same terms as the general public;
- the employees and the shareholders do not acquire more than 20% of the offered shares;
- the employee does not acquire shares for more than SEK 30,000.

Provided that the shares are acquired for a price corresponding to the market value and that it is considered that the abovementioned criteria are met, no taxable benefit should arise as a consequence of the acquired shares by the employees through the guaranteed allocation.

Limited liability companies

A limited liability company's income, including capital gains and dividends, is taxed in the income tax category business activities at a tax rate of 20.6 percent.

Deductible capital losses on shares may only be offset against taxable capital gains on shares or other securities that are taxed as shares. A net capital loss on shares that cannot be utilised during a certain year may be saved by the limited liability company that incurred the loss and offset against taxable capital gains on shares and other securities that are taxed as shares in subsequent years without a time limit.

If a capital loss cannot be offset by the company that incurred the loss, the capital loss can be offset against taxable capital gains on shares and other securities that are taxed as shares in other companies in the Group. This requires that the companies between which the offset is to take place, fulfil the requirements to exchange group contributions and that both companies report this in the income tax return for the same fiscal year (or, if any of the companies' accounting obligations are interrupted, would have had the same end date). Special tax rules may apply to certain types of companies or certain legal entities, such as investment companies.

In cases where a limited liability company owns 10 percent or more of the voting rights in the Company, the shares can be classified as held for business purposes, which means that dividends from the Company are tax exempt. Capital gains from the sale of such share are also tax exempt, if the shares have been held for more than one consecutive year before the sale. Capital losses on shares held for business purposes are non-deductible.

Note that a company that holds shares in the Company for business purposes, but which in connection to the Offering becomes a capital investment, shall be deemed to have acquired the shares in the Company for the market value of the shares at the time when the Company's shares are no longer unlisted (i.e. when the Company's shares are admitted to trading on Nasdaq Stockholm).

Shareholders with limited tax liability in Sweden

Shareholders with a limited tax liability in Sweden who receive dividends on shares in a Swedish limited liability company are normally subject to Swedish dividend withholding tax. Swedish withholding tax is also applied to certain other payments made by Swedish limited liability companies, such as payment as a result of redemption and repurchase of shares through an offer addressed to all shareholders or all shareholders for a certain class. The tax rate is 30 percent. The tax rate is often reduced through double taxation treaties to mitigate/avoid double taxation.

In Sweden, Euroclear Sweden or a nominee (if the share is nominee-registered) normally withholds the withholding tax at the time of the distribution. The tax treaties that Sweden has entered often contain an option to apply the tax rate that follows from the relevant tax treaty, at the time of dividend. This presupposes that Euroclear Sweden, or the nominee, has received the necessary information regarding the tax residency of the investor entitled to the dividend. In addition, shareholders (entitled to dividends) who are entitled to a reduced tax rate according to relevant tax treaties can apply for a refund from the Swedish Tax Agency if the entire withholding tax rate of 30 percent has been withheld. Application for repayment must be made before the end of the fifth calendar year after the payment of the dividend.

Shareholders without tax residency in Sweden, and who do not conduct business through a permanent establishment in Sweden, are normally not liable to tax on capital gains in Sweden on the sale of shares. Shareholders, on the other hand, may be subject to taxation in their state of residence.

According to a special rule, natural persons without tax residency in Sweden are liable for Swedish capital gains taxation on the sale of shares in the Company if they have been resident in Sweden or domiciled in Sweden during the calendar year when the sale took place or during the ten calendar years before the sale year. In some cases, the applicability of this rule is limited by tax treaties to avoid double taxation.

HISTORICAL FINANCIAL INFORMATION

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Consolidated statement of profit or loss and other comprehensive income

SEK million	Note	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Rental income	3,4	327.4	259.1	190.9
Property expenses	4,5,8	-91.1	-80.9	-62.4
Net operating income		236.4	178.2	128.5
Selling and administrative expenses	5,6,8	-27.9	-23.5	-17.4
Other operating income	7	0.0	0.2	0.3
Other operating expenses	7	0.1	-0.3	-0.1
Profit before finance income and costs		208.4	154.6	111.3
Finance income	9	3.3	4.4	0.5
Finance costs	9	-120.4	-76.3	-44.1
Profit from property management operations		91.3	82.7	67.6
Valuation gains/losses from investment properties, realised	10	37.3	11.0	3.1
Valuation gains/losses from investment properties, unrealised	11	340.9	195.4	181.7
Valuation gains/losses from derivative financial instruments, unrealised	16	6.1	11.6	-25.3
		384.3	218.0	159.5
Profit before tax		475.6	300.7	227.1
Current income tax	10	-5.6	-4.0	-0.9
Deferred income tax	10	-106.9	-60.1	-54.0
Profit for the year		363.1	236.6	172.2
Other comprehensive income		-	-	-
Other comprehensive income		-	-	-
Comprehensive income for the year		363.1	236.6	172.2
Attributable to				
Equity holders of the parent		363.1	236.6	162.4
Non-controlling interests		-	-	9.9
Earnings per share before and after dilution, SEK	19	10.1	7.2	6.1

Consolidated statement of financial position

SEK million	Note	31/08/2021	31/08/2020	31/08/2019
ASSETS				
Non-current assets				
Investment properties	11	6,910.1	5,062.7	3,511.5
Equipment	12	56.0	41.1	24.7
Right-of-use assets	13	17.5	-	-
Other long-term securities holdings	15	2.1	0.1	0.1
Other non-current receivables	14,15	64.7	11.7	7.1
Total non-current assets		7,050.4	5,115.7	3,543.5
Current assets				
Inventories		3.8	0.2	0.5
Rent receivables	15	7.9	11.0	2.1
Other receivables	15	3.8	2.8	3.6
Prepaid expenses and accrued income	15	34.8	21.2	10.1
Cash and cash equivalents	15,17	210.8	94.9	190.5
Total current assets		261.1	130.1	206.8
TOTAL ASSETS		7,311.6	5,245.8	3,750.3

SEK million	Note	31/08/2021	31/08/2020	31/08/2019
EQUITY AND LIABILITIES				
Equity				
Issued share capital	19	20.4	3.5	2.7
Other contributed capital		974.4	588.9	191.3
Retained earnings incl. profit for the year		1,429.7	1,097.2	897.2
Equity attributable to equity holders of the parent		2,424.5	1,689.7	1,091.1
Non-controlling interests				83.8
Total equity		2,424.5	1,689.7	1,174.9
Non-current liabilities				
Deferred tax liability	10	417.6	319.4	258.4
Interest-bearing loans and borrowings	15,18	4,091.5	3,016.9	2,126.0
Lease liabilities, non-current portion	13,15,18	15.9	-	-
Derivative financial instruments	15,16,18	18.5	24.7	36.2
Total non-current liabilities		4,543.5	3,361.0	2,420.6
Current liabilities				
Interest-bearing loans and borrowings	15,18	156.9	78.6	79.1
Trade and other payables	15	45.4	58.1	56.4
Income tax payable		11.8	7.3	-
Lease liabilities, current portion	13,15,18	1.0	-	-
Other liabilities	15	55.9	10.9	3.9
Accrued expenses and deferred income	15	72.6	40.2	15.4
Total current liabilities		343.6	195.1	154.8
TOTAL EQUITY AND LIABILITIES		7,311.6	5,245.8	3,750.3

Consolidated statement of changes in equity

SEK million	Issued capital	Other contributed capital	Retained earnings incl. profit for the year	Non-controlling interests	Total equity
Opening balance, 01/09/2018	2.7	191.3	754.8	45.0	993.7
Profit for the year	-	-	162.4	9.9	172.2
Total comprehensive income	-	-	162.4	9.9	172.2
Transactions with shareholders:					
-Cash dividends	-	-	-20.0	-	-20.0
-Acquisition of non-controlling interests	-	-	0.0	28.9	28.9
Closing balance, 31/08/2019	2.7	191.3	897.2	83.8	1,174.9
Opening balance, 01/09/2019	2.7	191.3	897.2	83.8	1,174.9
Profit for the year	-	-	236.6	-	236.6
Total comprehensive income	-	-	236.6	-	236.6
Transactions with owners:					
-Dividend	-	-	-13.5	-	-13.5
-Issue of share capital	0.9	397.7	-4.8	-53.8	340.0
-Acquisition of non-controlling interests	0.0	0.0	-18.3	-30.0	-48.3
Closing balance, 31/08/2020	3.5	588.9	1,097.2	0.0	1,689.7
Opening balance, 01/09/2020	3.5	588.9	1,097.2	0.0	1,689.7
Profit for the year	-	-	363.1	-	363.1
Total comprehensive income	-	-	363.1	-	363.1
Transactions with shareholders:					
-Cash dividends	-	-	-16.5	-	-16.5
-Issue of share capital	2.8	385.4	-	-	388.2
-Bonus issue	14.1	-	-14.1	-	-
Closing balance, 31/08/2021	20.4	974.4	1,429.7	0.0	2,424.5

Consolidated statement of cash flows

SEK million	Note	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Operating activities				
Profit before finance income and costs		208.4	154.6	111.3
Interest received		3.3	4.4	0.5
Interest paid		-111.8	-55.4	-44.1
Other non-cash items	23	8.0	10.3	2.0
Income tax paid		-5.6	-4.0	-0.9
Net cash flow from operating activities before changes in working capital		102.3	109.8	68.8
Net cash flow from changes in working capital				
Changes in operating receivables		-15.1	-19.0	4.8
Changes in operating liabilities		69.2	40.8	20.3
Net cash flow from operating activities		156.3	131.6	93.8
Investing activities				
Purchase of investment properties		-1,131.2	-847.9	-356.3
Acquisition of businesses, net of cash acquired		-0.6	-	-
Proceeds from disposal of investment properties		202.0	77.7	8.9
Investment in existing properties		-565.4	-645.9	-254.1
Purchase of property, plant, and equipment		-32.4	-23.5	-19.7
Purchase of financial instruments		-54.9	-4.6	-5.1
Net cash flow from investing activities		-1,582.5	-1,444.2	-626.4
Financing activities				
Dividends paid		-16.5	-13.5	-20.0
Proceeds from issue of share capital	17	388.2	340.0	0.0
Proceeds from borrowings	18	2,797.8	1,344.6	1,663.0
Repayment of borrowings		-1,625.7	-454.1	-985.3
Payment of lease fees	13	-1.6	0.0	0.0
Net cash flow from financing activities		1,542.1	1,216.9	657.7
Net increase (decrease) in cash and cash equivalents		115.9	-95.6	125.1
Cash and cash equivalents at 1 September		94.9	190.5	65.4
Cash and cash equivalents at 31 August		210.8	94.9	190.5

Notes to the consolidated financial statements

Note 1 General information

Nivika Fastigheter AB is a limited liability company with its registered office in Värnamo. The company is the parent company in a Group with a property portfolio consisting of 130 properties in Sweden. The properties are owned through 63 subsidiaries and sub-subsidiaries. The main purpose of the business is to acquire, manage, and develop properties in Jönköping, Värnamo, the West Coast, and Växjö and the surrounding areas.

The Group's visiting address is:
Nivika Fastigheter AB
Ringvägen 38, SE-331 32 VÄRNAMO, Sweden

The consolidated financial statements relate to Nivika Fastigheter AB and were approved for publication by the Board of Directors at its meeting on 21 November 2021. They will be submitted for adoption at the 2021 annual general meeting.

Note 2.1 Basic accounting policies

Regulations applied

The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU. Furthermore, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Regulations for Groups have been applied.

Basis for the preparation of the financial statements

The consolidated financial statements have been prepared on the basis of the "going concern" assumption. Assets and liabilities are measured at a historical cost basis, with the exception of derivative financial instruments and investment properties, which are measured at fair value (see notes 11 and 15). The consolidated financial statements have been prepared in accordance with the acquisition method, and all subsidiaries in which a controlling influence is exercised are consolidated as of the date this influence was acquired.

Preparing reports in accordance with IFRS requires several accounting estimates to be made by the management. Areas that entail a high level of judgment, areas that are complex, and areas where assumptions and estimates are of significance for the consolidated financial statements are specified in note 2.3. These assessments and assumptions are based on historical experience as well as other factors that are deemed reasonable in the prevailing circumstances. Actual outcomes may differ from the assessments made if the assessments are changed or other conditions exist.

Gross accounting is applied consistently in the reporting of assets and liabilities, except in cases where both a receivable and a liability exist in respect of the same counterparty and these can be legally offset and the intention is to do so. Gross accounting is also applied to income and expenses unless otherwise stated.

Classification of assets and liabilities

Non-current assets, non-current liabilities, and provisions are expected to be recovered or fall due for payment more than twelve months after the balance sheet date. Current assets and current liabilities are expected to be recovered or fall due for payment within less than twelve months after the balance sheet date.

Note 2.2 Summary of key accounting policies

2.2.1 Consolidated financial statements

Subsidiaries

Subsidiaries are all those companies (including companies for specific purposes) where the Group is entitled to a variable return from its holding and has an opportunity to affect the return through its influence in a way that usually follows from a shareholding amounting to more than half of the voting rights. The existence and effect of potential voting rights that can currently be exercised or converted are taken into account when assessing whether the Group exercises a controlling influence over another company. Subsidiaries are included in the consolidated financial statements from the date on which controlling influence is transferred to the Group, and excluded from the consolidated financial statements from the date on which the controlling influence ceases.

2.2.1.2 Acquisition of subsidiaries/business combinations

Business combinations are reported in accordance with the acquisition method. The purchase price consists of the fair value of the transferred assets, liabilities, and issued share capital. The purchase price also includes the fair value of all assets or liabilities that are a consequence of the agreed contingent purchase price. Acquisition-related costs are expensed as they arise. Identifiable acquired assets and assumed liabilities are initially measured at their fair value on the acquisition date. For each business combination, the Group decides whether all non-controlling interests in the acquired company are to be recognised at fair value (so-called full goodwill) or at the holding's proportional share of the acquired company's net assets. The amount by which the purchase price, any non-controlling interest, and the fair value of previous shareholdings exceeds the fair value of the Group's share of identifiable acquired net assets is recognised as goodwill. If the amount is less than the fair value of the acquired subsidiary's assets, in the event of a so-called "bargain purchase", the difference is recognised directly in the statement of comprehensive income. Goodwill is not amortised but is tested at least annually for impairment.

Intra-Group transactions, items of statement of financial position, and unrealised gains and losses on transactions between Group companies are eliminated. The accounting policies for subsidiaries have been amended to ensure consistent application of the Group's policies when applicable.

Acquisitions of companies that are not seen as business combinations

When an acquisition of a subsidiary constitutes an acquisition of assets and not a business, the acquisition cost is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. For classification of acquisitions, see note 2.3.3.

2.2.2 Translation of foreign currencies

Functional currency and reporting currency

The financial statements for the individual units are measured in the currency primarily used in the economic area in which the unit operates (the functional currency). Foreign currency is a currency other than the functional currency of the unit in question. The consolidated financial statements have been prepared in SEK.

2.2.3 Investment properties

Investment properties are held to earn rentals or for capital appreciation or both

Investment properties are initially measured at costs, including directly attributable transaction costs. Thereafter, investment properties are recognised at their respective fair values and reported in the statement of financial position as a non-current asset. Both unrealised and realised changes in value are recognised in the statement of profit or loss.

Rental income and income from property disposal are recognised in accordance with the policies described in section 2.2.9 Income. Additional expenses are added to the recognised value only if it is likely that the future economic benefits associated with the asset will accrue to the company. All other additional expenses are recognised as property expenses in the period in which they arise.

Repairs and maintenance are recognised as property expenses in the period in which the expense arises.

Investment properties under construction

Properties under construction are measured at their acquisition cost plus/less expected unrealised changes in fair value, calculated as the estimated fair value according to the DCF method, less estimated acquisition costs. The change in fair value is recognized gradually during the construction phase in relation to costs incurred. Properties under construction are measured at cost when the fair value is not reliably measurable by an external party.

2.2.4 Property, plant, and equipment in addition to investment properties

Property, plant, and equipment in addition to investment properties are physical assets used in the Group's operations and have an expected useful life of more than one year. Property, plant, and equipment are measured at their respective cost and depreciated on a straight-line basis over their estimated useful lives. When property, plant, and equipment are recognised, any residual values of the asset are taken into account when determining the depreciable amount.

Property, plant, and equipment are derecognised from the statement of financial position when they are disposed or when no future economic benefits are expected from the use or disposal of the assets. Gains and losses are calculated as the difference between the selling price and the asset's carrying amount. Gains or losses are recognised in the statement of profit or loss as other costs or other income in the accounting period in which the asset is sold.

The assets' residual value, useful life, and depreciation method are examined at the end of each financial year and adjusted, if necessary, on a forward-looking basis at the end of each accounting period. Ordinary expenses for maintenance and repairs are expensed as they arise, although expenses for significant renewals and improvements are recognised in the statement of financial position and amortised during the remaining useful life of the underlying asset. See notes 11 and 12.

Depreciation is calculated as follows:	Number of years
Equipment, tools, fixtures, and fittings	5 to 10 years

2.2.2.5 Impairment of non-financial assets

Assets that are depreciated on an ongoing basis must be tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The asset is impaired by the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). For assets which have previously been impaired, other than financial assets and goodwill, an examination is made on each statement of financial position date as to whether a reversal should be made.

2.2.6 Inventories

Inventories in the Group refer to the inventory items available in the subsidiary Nivika Mittlager AB. These inventories are measured at the lower of cost and net realisable value (NRV), taking into account the first-in, first-out method (FIFO).

2.2.7 Financial instruments

Financial instruments are any form of agreement that gives rise to a financial asset in one company and a financial liability or an equity instrument in another company. Financial instruments recognised in the statement of financial position on the asset side include other investments held as non-current assets; rent receivables; other receivables; accrued income (contractual assets); cash and cash equivalents; and derivative financial instruments. Liabilities include interest-bearing loans and borrowings; trade and other payables; other current liabilities; accrued expenses; and derivative financial instruments. The measurement depends on how the financial instruments have been classified.

Recognition and derecognition

Financial assets and liabilities are recognised when the Group becomes a party according to the instrument's contractual terms. Transactions with financial assets are recognised on the transaction date, which is the date the Group undertakes to acquire or divest the assets. The rent receivables are recognised in the statement of financial position when an invoice has been sent and the Group's right to remuneration is unconditional. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade and other payables are entered when the invoice has been received.

A financial asset is derecognised from the statement of financial position (in whole or in part) when the rights in the contract have been realised or expired, or when the Group no longer has control over them. A financial liability is derecognised from the statement of financial position (in whole or in part) once the obligation in the agreement has been fulfilled or extinguished in some other way. Gains and losses from derecognition from the statement of financial position and modification are recognised in the statement of profit or loss. At each reporting date, the company assesses the applied impairment model in respect of expected credit losses for a financial asset or group of financial assets, as well as any other credit exposure.

2.2.7.1 Financial assets

The Group's financial assets are divided into the following categories:

- Financial assets measured at fair value through profit or loss
- Financial assets measured at amortised cost

Financial assets measured at fair value through profit or loss

The Group uses derivative instruments to protect itself against financial risks. Derivative contracts entered into consist primarily of interest rate derivatives. At present, the Group does not apply hedge accounting, which means that all changes in value are recognised at their fair values through profit and loss. Changes in value are recognised in the statement of profit or loss on the line "Valuation gains/losses from derivative financial instruments" and are specified in note 15.

Financial assets measured at amortised cost

Financial assets classified at amortised cost are held according to the business model to collect contractual cash flows that consist only of payments of principal amounts and interest on the principal amount outstanding. They are initially measured at fair value with the addition of transaction costs and thereafter at amortised costs using the effective interest method. Apart from derivative financial instruments that are measured at fair value through profit or loss, the Group's financial assets are measured at their amortised cost.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances.

Impairment of financial assets

Financial assets measured at amortised cost are covered by impairment for expected credit losses. Impairment for credit losses pursuant to IFRS 9 is forward-looking, and a loss allowance is made when there is an exposure to credit risk, usually upon the initial recognition of an asset or receivable. Expected credit losses reflect the present value of all cash flow deficits attributable to default either for the next 12 months or for the expected remaining maturity of the financial instrument, depending on asset class and credit deterioration after the initial recognition date.

The simplified model is applied to rent receivables and contractual assets (accrued income). A loss allowance is recognised in the simplified model for the expected remaining maturity of the receivable or asset.

For other assets measured at amortised cost - i.e. other long-term securities holdings, other investments held as non-current assets, other receivables, and cash and cash equivalents - the general model is applied. The Group applies a three-stage impairment model. Initially, and as of each balance sheet date, a loss allowance is recognised for the next 12 months, or for a shorter period of time depending on the remaining maturity (stage 1). If there has been a significant increase in credit risk since initial recognition, resulting in a rating below the investment grade, a loss allowance is recognised for the asset's remaining maturity (stage 2). For assets that are deemed to be credit-impaired, allowance are still made for expected credit losses for the remaining maturity (stage 3). For credit-impaired assets and receivables, the calculation of interest income is based on the asset's carrying amount, net of loss allowance, as opposed to the gross amount as in previous stages. The Group's assets have been assessed to be in stage 1; i.e. there has been no significant increase in credit risk.

The financial assets are recognised in the statement of financial position at amortised cost, i.e. net of gross value and loss allowance. Changes in the loss allowance are recognised in the statement of profit or loss.

2.2.7.2 Financial liabilities

Financial liabilities, with the exception of derivative financial instruments with a negative value, are classified at amortised cost. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. After initial recognition, they are measured at amortised cost according to the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date. Borrowing costs are recognised in the statement of profit or loss in the period to which they relate. Accrued interest is recognised as part of short-term borrowing from credit institutions where the interest is expected to be settled within 12 months from the balance sheet date.

The Group's financial liabilities are divided into the following categories:

- Financial liabilities measured at fair value through profit or loss
- Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost

Liabilities are initially recognised at fair value. In subsequent periods, these liabilities are measured at amortised cost using the effective interest rate method. Amortised cost is calculated taking into account any discounts, fees, and transaction costs that are part of the effective interest rate. Any gain or loss on exercise is recognised as a financial cost or income in the statement of profit or loss.

Fees paid for the loan commitment are recognised as transaction costs for the borrowing to the extent that it is probable that some or all of the credit facility will be utilised. In such cases, the fee is recognised when the credit facility is utilised. When there is no evidence that it is likely that some or all of the credit facility will be utilised, the fee is recognised as a prepayment for financial services and allocated over the term of the relevant loan commitment as part of the effective interest rate.

Financial liabilities measured at fair value through profit or loss

The Group uses derivative financial instruments to protect itself against financial risks. Derivative contracts entered into consist primarily of interest rate derivatives. At present, the Group does not apply hedge accounting, which means that all changes in value are recognised at their fair values over profit for the year. Changes in value are recognised in the statement of profit or loss on the line "Valuation gains/losses from derivative financial instruments" and are specified in notes 15 and 16.

2.2.8 Borrowing costs

Borrowing costs consist of interest and similar costs that arise when a company borrows money. Borrowing costs that are attributable to the financing of an asset, which takes a significant amount of time to complete for its intended use or sale, are capitalised as part of the asset's acquisition value. Other borrowing costs are recognised as a cost in the period in which they arise.

2.2.9 Leases

At the conclusion of an agreement, the Group determines whether the agreement is, or contains, a lease based on the substance of the agreement. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2.2.9.1 The Group as a lessor

Leases where the lessor essentially retains all risks and rewards incidental to ownership of an underlying asset are classified as operating leases. All current rental contracts attributable to the Group's investment properties are, from an accounting perspective, to be regarded as operating leases. The accounting policy for these agreements is set out below in note 2.2.10 Income.

2.2.9.2 The Group as a lessee

Leases where Nivika is the lessee refers to the asset classes of site leaseholds, equipment (office equipment and machinery), and vehicles. Based on the concept of materiality the Group has not reported any leases in the statement of financial position for previous financial years but has expensed the lease payments on a straight-line basis over the lease term. As of the 2020/21 financial year, Nivika recognises leases where the Group is the lessee in the statement of financial position in accordance with the following accounting policies.

Lease liabilities

On the commencement date of a lease, the Group recognises a lease liability corresponding to the present value of the lease payments to be paid during the lease term. The lease term is determined as the non-cancellable period together with periods for extending or terminating the agreement if the Group is reasonably sure of exercising those options. Lease payments include fixed payments (after the deduction of any benefits to be received in connection with the signing of the lease agreement), variable lease payments dependent on an index or rate (e.g. a reference interest rate), and amounts expected to be paid in accordance with residual value guarantees. Lease payments also include the exercise price of an option to purchase the underlying asset and penalties payable upon termination in accordance with a termination option, if such options are reasonably sure to be exercised by Nivika. Variable lease payments that do not depend on an index or a rate are recognised as an expense in the period to which they are attributable.

For the calculation of the present value of the lease payments, the Group uses the implicit interest rate in the agreement if it can be easily determined and in other cases the incremental borrowing rate is used as at the commencement date of the lease. After the commencement date of a lease, the lease liability increases to reflect the interest on the lease liability and decreases in line with the leasing fees paid. In addition, the value of the lease liability is remeasured as a result of modifications, changes to the lease term, changes in lease payments, or changes in an assessment to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets in the statement of financial position on the commencement date of the lease (i.e. the date on which the underlying asset becomes available for use). Right-of-use assets are measured at cost less accumulated depreciation and any impairments and adjusted for remeasurements of lease liabilities. The cost of right-of-use assets includes the initial value recognised for the attributable lease liability, initial direct costs, and any prepaid lease payments made on or before the commencement date of the lease less any incentives received. Provided that Nivika is not reasonably certain that the ownership of the underlying asset will be taken over at the end of the lease, the right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term or the asset's useful life.

Application of practical expedients

Nivika applies the practical expedient for non-lease components for the asset classes of equipment and vehicles. For these leases, Nivika recognises both lease components and non-lease components as a single lease component, which means that the fees for non-lease components are included in the lease payment when calculating the lease liability.

Site leaseholds

Nivika has site leasehold agreements that are considered to constitute so-called perpetual leases. The lease liability and the right-of-use asset for these leases are measured at their fair values, where the discount rate used has been determined by using Nivika's average marginal interest rate for similar assets. As the site leasehold agreements are considered perpetual, there is no amortisation of the right of use and no amortisation of the lease liability. The lease payment is thus considered in its entirety to refer to the payment of interest. The lease liability for the perpetual site leasehold agreements is recognised as a non-current liability in the statement of financial position.

2.2.10 Income

Rental income

Rental income from investment properties is recognised as income on a straight-line basis over the rental period. Any rental discounts are accrued on a straight-line basis over the rental period, even if payment is not made in the same way.

Service income

The rental agreements include services which generate income for Nivika. The tenant gains control over the services as Nivika performs them in accordance with the rental agreement and Nivika thus fulfils its performance commitment over time. Income is recognised monthly in the month to which the rent relates.

Revenue from the sale of properties

Revenue from the sale of properties is recognised in connection with the transfer of the risks and benefits from the seller to the buyer, which corresponds to the contract date provided that this does not contravene special conditions in the purchase contract. Profit on the sale of a property constitutes a realised change in value, which corresponds to the difference between the agreed purchase price and the property's fair value as calculated/assessed in the most recent financial report.

Finance income

Finance income is recognised in the statement of profit or loss in the period to which it relates using the effective interest method.

2.2.11 Income tax

The tax expense for the period includes current and deferred tax.

Current income tax

Current tax assets and tax liabilities for current and previous periods are determined at the amount that is likely to be recovered from or paid to the Swedish Tax Agency. The tax rates and tax laws that are applied to calculate the amount are those that have been adopted or announced as of the balance sheet date.

Deferred income tax

Deferred tax is recognised on the balance sheet date for temporary differences between the assets' and liabilities' values for tax purposes and their carrying amounts. However, if the deferred tax arises as a result of a transaction that constitutes the initial recognition of an asset or liability, which is not a business combination and which, at the time of the transaction, did not affect the reported or taxable profit, it is not recognised. In cases where the acquisition of an asset (property) is carried out, the deferred tax is recognised as a deduction from the fair value of the asset.

Deferred tax liabilities in the Group refer primarily to differences between the assessed market value and the tax value of properties.

Deferred tax assets are reported for all deductible temporary differences, including loss carry-forwards, insofar as it is probable that a taxable profit will be available against which the deductible temporary differences can be used.

The valuation of deferred tax assets shall be assessed on each balance sheet date and adjusted to the extent that it is no longer probable that sufficient profit will be generated, so that all or part of the deferred tax asset can be utilised. Deferred tax assets and liabilities are determined at the tax rates that apply to the period in which the asset is realised or the liability is paid, based on tax rates (and legislation) that have been adopted or announced as at the balance sheet date.

When acquiring a company, an assessment is made as to whether the acquisition refers to the acquisition of a business or the acquisition of an asset (property). The acquisition of a business means that the acquisition refers to the purchase of a company with properties, including the takeover of personnel and processes. When acquiring a business including property with personnel or processes, deferred tax is reported on temporary differences at the nominal amount. In cases where the acquisition of an asset (property) is carried out, the deferred tax is recognised as a deduction from the fair value of the asset.

Deferred tax assets and deferred tax liabilities are set off if there is a legal right to set off current tax assets against current tax liabilities and the deferred tax is attributable to the same unit in the Group and the same tax authority.

2.2.12 Issue costs

Transaction costs that can be directly attributed to the issue of new ordinary shares or options are recognised, net after tax, in equity as a deduction from the issue proceeds.

2.2.13 Dividends

Dividends to the company's shareholders is classified as a liability from the time the dividend is approved at the annual general meeting.

2.2.14 Cash flow reporting

Cash and cash equivalents consist of available cash and bank balances available at the bank. The cash flow analysis has been prepared according to the indirect method.

2.2.15 New standards and interpretations

New and amended standards that have come into effect

No new or amended standards that came into effect for financial years beginning after 1 January 2020 have had any effect on the Group's financial statements.

New standards and interpretations that have not yet been applied by the Group

A number of new and amended standards and interpretations come into effect for financial years beginning on or after 1 January 2021 and have not been applied in the preparation of these financial statements. Below is a preliminary assessment of the effects of the standards that are deemed relevant to the Group. Other new or amended standards or interpretations published by the IASB are not expected to have any impact on the Group's financial statements.

Amendments to IAS 1 Presentation of financial statements

IAS 1 requires companies to disclose "significant" accounting policies. The IASB proposes that the reference to "significant" be replaced by a requirement to disclose "material" accounting policies in order to clarify where the boundaries lie for which information is to be disclosed. The IASB also proposes that IAS 1 be supplemented with guidance that will help companies understand what makes an accounting policy material. Upon an initial review of Nivika's accounting policies, these are deemed to be material, so the changes will not affect the accounting policies. The amendment applies for financial years commencing on or after 1 January 2023.

In January 2020, the IASB also published amendments to IAS 1 regarding the classification of liabilities as current or non-current. The purpose of the changes is to clarify:

- what is meant by a right to defer settlement of the liability,
- that this right must exist at the end of the reporting period,
- that the classification is not affected by the likelihood of a company exercising a right to defer the settlement of the liability, and
- when the conditions for a convertible debt instrument do not affect the classification due to embedded derivatives.

The amendments enter into force for financial years beginning on or after 1 January 2023 and shall be applied retroactively. The Group will carry out a survey of the changes based on the Group's circumstances and current procedures for classifying liabilities as current or non-current, in order to assess whether the changes may have any effect on the Group's financial statements and whether existing loans may need to be renegotiated.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 as a result of the Interest Rate Benchmark Reform, phase 2

In August 2020, the IASB published amendments to the standards IFRS 4, IFRS 7, IFRS 9, IFRS 16, and IAS 39 regarding the reporting of the transition to new reference interest rates initiated in 2014 by the Financial Stability Board and thereafter prompted by the EU's Benchmark Regulation, among others. The changes clarify how the transition to a new reference interest rate for financial assets and liabilities, as well as hedging conditions, is to be recognised, together with additional disclosure requirements. The amendments apply for financial years commencing on or after 1 January 2021. The Group intends to apply the practical expedients in the event that there are transactions covered by the changes. As a result, the changes are not expected to have any significant effect on the Group's financial reports.

Note 2.3 Significant accounting judgement, estimates, and assumptions

When preparing financial statements, in accordance with the applied accounting policies, the Board and CEO must make certain estimates and assumptions that affect the carrying amount of assets, liabilities, income, and expenses. The areas where estimates and assumptions may be of significance for the Group and thus affect the statement of profit or loss and statement of financial position if the estimates and assumptions change are described below.

2.3.1 Classification of properties

An assessment is made regarding the classification of properties as investment properties, owner-occupied properties, or properties held for resale.

Investment properties consist of buildings and land that are primarily not used by the Group or used in its operations or which are for sale as part of its operating activities but held for the purpose of generating rental income and increases in value. These properties are primarily rented out without the intention of being sold within the scope of operating activities. Properties that are used to a significant extent by the Group as part of its operating activities are classified as owner-occupied properties. Properties held for resale consist of properties that are held for the purpose of being sold as part of operating activities. All of the Group's properties consist of investment properties.

2.3.2 Valuation of investment properties

When valuing investment properties, judgement and assumptions can affect the Group's profit and financial position. The valuation requires the judgement of and assumptions about future cash flow, as well as the determination of the discount factor (required rate of return). In order to reflect the uncertainty that exists in the assumptions and judgements made, a sensitivity analysis is usually stated in property valuation. Information about this and the assumptions and judgements that have been made can be found in note 11.

The above valuation model means that valuation has taken place according to level 3 in the fair value hierarchy, which means that the model is largely based on unobservable input data.

2.3.3 Classification of acquisitions

An assessment must be made as to whether it is a business combination or an asset acquisition. A business consists of resources and processes that can result in production. When acquiring a business, an assessment is made of how the acquisition is to be recognised based on, among other things, the following criteria: the presence of employees, the business's assets, and the complexity of internal processes. Furthermore, the number of activities and the existence of agreements with different degrees of complexity are taken into account. A high prevalence of these criteria means that the acquisition is classified as a business acquisition, while a low occurrence means it is classified as an asset acquisition.

When an acquisition of a subsidiary constitutes an acquisition of assets and not a business, the acquisition cost is allocated between the identifiable assets and liabilities of the entity based on their relative fair values at the acquisition date. If instead the assessment would have resulted in classification as a business combination, this would have meant that the initially recognised property value would have been higher, along with the deferred tax liability and probably also goodwill.

2.3.4 Fair value measurements of financial instruments

Financial instruments measured at fair value are categorised in accordance with the fair value hierarchy stated below and are based on the lowest level of data input that is essential in the valuation of the instrument as a whole:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Data other than quoted prices that is observable for the asset or liability either directly (i.e. as price quotations) or indirectly (i.e. derived from price quotations) (level 2)
- Asset or liability data not based on observable market data (level 3)

Cash and cash equivalents

Fair value is assumed to be the same as the book value.

Interest-bearing loans and borrowings

The Group recognises interest-bearing loans and borrowings at their amortised cost. The fair value of interest-bearing loans and borrowings is considered to be approximately the same as book value, as all interest-bearing loans and borrowings run at variable interest rates and the Group does not see any indication that the margin has changed since borrowing occurred.

Rental receivables, other current receivables, trade and other payables, and other current liabilities

Initially, these items are booked at fair value and in subsequent periods at their amortised cost. Discounting is generally not considered to have a significant effect on this type of assets and liabilities.

Derivative financial instruments

The company has derivatives in the form of interest rate swaps that are valued at fair value via profit or loss (level 2).

Note 3 Rental income

SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Rental income	313.4	253.2	183.5
Service income	14.0	5.9	7.4
Total	327.4	259.1	190.9

All rental contracts are classified as operating leases.

Future minimum payments for non-cancellable operating leases:

SEK million	31/08/2021	31/08/2020	31/08/2019
Less than 1 year	308.1	242.4	163.9
2 to 5 years	227.3	548.8	427.7
2 to 3 years	181.1	0.0	0.0
3 to 4 years	130.4	0.0	0.0
4 to 5 years	111.9	0.0	0.0
More than 5 years	528.3	608.0	530.5
Total	1,487.2	1,399.2	1,122.1

Note 4 Segment reporting

The Nivika Group provides segment reporting with the segments being divided up geographically as Jönköping, Värnamo, the West Coast, and Växjö. The West Coast was added as a segment in 2020/2021. The segments are identified on the basis of the evaluation carried out by the chief operating decision maker, i.e. the Group's management team under the leadership of the Group's CEO. The identified operating segments constitute the lowest level of operating segment in internal reporting and thus no aggregation of identified segments based on similar economic characteristics is applied. The segments are primarily monitored at the level of revenues and operating surplus. All income is from external customers.

The remaining locations where the Group operates include properties in Gislaved, Hunnebostrand, Lysekil, Motala, and Strömstad. These locations are not considered to meet the criterion for constituting an operating segment, which is why they are included in a reconciliation item referred to as "Other" below.

2020/2021

SEK million	Jönköping	Värnamo	West Coast	Växjö	Other	Total
Rental income	140.7	100.3	10.1	70.6	5.8	327.4
Property expenses	-35.5	-29.1	-1.6	-18.4	-6.4	-91.1
Net operating income	105.2	71.2	8.5	52.1	-0.6	236.3
Valuation gains from investment properties	204.1	44.0	18.2	98.5	13.4	378.2
Profit, incl. valuation gains	309.3	115.2	26.7	150.6	12.8	614.5
Unallocated items:						
Selling and administrative expenses	-	-	-	-	-	-27.9
Other operating income	-	-	-	-	-	-
Other operating expenses	-	-	-	-	-	0.1
Profit before finance income and costs	-	-	-	-	-	586.5
Net financial items	-	-	-	-	-	-117.1
Valuation gains from derivatives	-	-	-	-	-	6.1
Profit before tax	-	-	-	-	-	475.6

For the financial year 2020/21, Nivika has no single tenant with whom transactions amount to 10% or more of the Group's rental income.

2019/2020

SEK million	Jönköping	Värnamo	Växjö	Other	Total
Rental income	118.0	93.3	40.9	6.8	259.1
Property expenses	-33.6	-29.2	-12.3	-5.7	-80.9
Net operating income	84.4	64.1	28.6	1.1	178.2
Valuation gains from investment properties	113.9	66.8	25.9	-0.2	206.4
Profit, incl. valuation gains	198.3	130.9	54.5	0.9	384.6
Unallocated items:					
Selling and administrative expenses	-	-	-	-	-23.5
Other operating income	-	-	-	-	0.2
Other operating expenses	-	-	-	-	-0.3
Profit before finance income and costs	-	-	-	-	361.0
Net financial items	-	-	-	-	-71.9
Valuation gains from derivatives	-	-	-	-	11.6
Profit before tax	-	-	-	-	300.7

For the financial year 2019/20, Nivika has one tenant with whom transactions amount to SEK 29.0 million, or 11.2% of the Group's rental income.

2018/2019

Location	Jönköping	Värnamo	Växjö	Other	Total
Rental income	96.8	84.6	4.5	5.0	190.9
Property expenses	-30.3	-26.8	-0.8	-4.5	-62.4
Net operating income	66.5	57.8	3.7	0.5	128.5
Valuation gains from investment properties	79.7	95.8	4.8	4.5	184.8
Profit, incl. valuation gains	146.2	153.7	8.4	5.0	313.3
Unallocated items:					
Selling and administrative expenses	-	-	-	-	-17.5
Other operating income	-	-	-	-	0.3
Other operating expenses	-	-	-	-	-0.1
Profit before finance income and costs	-	-	-	-	296.1
Net financial items	-	-	-	-	-43.6
Valuation gains from derivatives	-	-	-	-	-25.3
Profit before tax	-	-	-	-	227.1

For the financial year 2018/19, Nivika has one tenant with whom transactions amount to SEK 29.0 million, or 15.4% of the Group's rental income.

All non-current assets in the Nivika Group are located in Sweden, where 100% of such assets in 2019/20 and 100% of such assets in 2018/19 pertain to investment properties.

The relationship between residential and commercial premises is stated for the Group's investment properties below, broken down by segment.

2020/2021

Segment	Number of properties	Rentable area, residential, m ²	Rentable area, commercial properties, m ²	Proportion residential* %	Carrying amount SEK million
Jönköping	32	32,941	121,925	37%	2,961.9
Värnamo	42	18,700	91,866	25%	1,797.0
West Coast	19	-	92,659	0%	636.5
Växjö	32	5,064	53,408	14%	1,436.1
Other**	5	-	12,287	0%	78.6
Total	130	56,705	372,145	25%	6,910.1

*Proportion of total property value that is residential

**The properties belonging to Mitt Lager outside the locations above

2019/2020

Segment	Number of properties	Rentable area, residential, m ²	Rentable area, commercial properties, m ²	Proportion residential* %	Carrying amount SEK million
Jönköping	31	22,618	93,825	19%	2,450.0
Värnamo	35	17,257	86,536	17%	1,497.0
Växjö	26	-	79,666	-	1,058.0
Other**	4	-	10,138	-	57.0
Total	96	39,875	270,165	31%	5,063.0

*Proportion of total property value that is residential

**The properties belonging to Mitt Lager outside the locations above

2018/2019

Segment	Number of properties	Rentable area, residential, m ²	Rentable area, commercial properties, m ²	Proportion residential* %	Carrying amount SEK million
Jönköping	31	19,194	90,504	17%	1,988.0
Värnamo	37	13,743	88,884	13%	1,361.0
Other**	6	-	10,021	-	162.0
Total	74	32,937	189,409	32%	3,512.0

*Proportion of total property value that is residential

**The properties belonging to Mitt Lager outside the locations above

Note 5 Expenses by type

SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Property expenses	-91.1	-80.9	-62.4
Central administration	-27.9	-23.5	-17.5
Total	-119.0	-104.3	-79.8
Property expenses			
Media expenses*	34.9	25.7	21.7
Maintenance expenses	5.4	5.4	4.6
Insurance and fees	1.9	1.2	0.7
Property tax	13.0	10.1	7.5
Hired staff**	18.2	14.0	10.6
Other property expenses	17.7	24.5	17.2
Total	91.1	80.9	62.4
Central administration			
Hired staff**	14.6	11.2	8.5
Consultancy expenses	1.9	0.8	1.2
Depreciation/amortisation	1.1	0.9	0.3
Financing expenses	0.0	2.5	1.2
Other central expenses	10.3	8.2	6.2
Total	27.9	23.5	17.5

* Media expenses include heating, electricity, water, and sanitation.

**See also note 22, Information on transactions with related parties.

The property expenses are entirely attributable to investment properties that have generated rental income during the current period and the comparison period.

Note 6 Remuneration to auditor

SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Ernst & Young AB			
Audit fees	2.2	1.4	1.3
Other services	1.4	0.0	0.2
Total	3.6	1.4	1.5

“Audit fees” refers to the audit of the annual accounts and accounting records and of the administration by the board and CEO, and other tasks that the company’s auditors consider necessary, as well as the provision of advice or other assistance brought about by observations during such audit or the carrying out of such tasks.

Note 7 Other operating income and expenses

SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Other operating income			
Insurance recoveries, bad debt recoveries, other sales	0.0	0.2	0.3
Total	0.0	0.2	0.3
Other operating expenses			
Costs of other sales	-0.1	-0.3	-0.1
Total	-0.1	-0.3	-0.1

Note 8 Employees and employee benefit expenses

As of 1 June 2021, all staff are employed by Nivika Fastigheter. Prior to this date, all personnel, including the CEO, were employed by the owner company Värnanäs AB and were then hired out to Nivika Fastigheter.

Wages, salaries, and other remuneration SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Board of Directors and CEO	0.8	0.2	0.2
Total	0.8	0.2	0.2

Gender distribution among senior executives	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Percentage of women in the Board	43%	29%	40%
Percentage of men in the Board	57%	71%	60%
Percentage of women among senior executives	25%	17%	40%
Percentage of men among senior executives	75%	83%	60%

The information refers to the situation on the balance sheet date.

Note 9 Finance income and costs

Finance income SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Assets measured at amortised cost:			
Interest income, bonds	3.3	4.4	0.5
Total interest income according to the effective interest rate method	3.3	4.4	0.5
Total finance income	3.3	4.4	0.5
Finance costs SEK million			
Liabilities measured at amortised cost:			
Interest expense to credit institutions	-57.8	-36.1	-24.8
Interest expense, bonds and other	-62.6	-40.1	-19.3
Total interest expense according to the effective interest rate method	-120.4	-76.3	-44.1
Total	120.4	-76.3	-44.1
Total financial expenses	120.4	-76.3	-44.1
Interest paid and received			
Interest income received during the year	3.3	4.4	0.5
Interest costs paid during the year	-111.8	-55.4	-43.1

Note 10 Income tax

SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Current income tax	-5.6	-4.0	-0.9
Deferred income tax	-106.9	-60.1	-54.0
Tax expense reported in the statement of profit and loss	-112.5	-64.1	-54.9
Reconciliation of effective tax rate			
Reported profit before tax	475.6	300.7	227.1
Tax on reported profit according to the current tax rate of 21.4% (22%):	-101.8	-64.4	-50.0
Tax effect of:			
Non-deductible expenses	-2.0	-0.1	-0.1
Non-deductible income	2.2	4.2	3.2
Valuation gains from derivatives	1.3	2.5	-5.6
Valuation gains from properties acquired during the year	-22.6	-10.2	-12.0
Impact of changes in tax rates	0.1	-0.2	3.2
Other tax adjustments	19.9	14.2	6.4
Utilization of previously unrecognised tax losses	6.7	-	-
Reversal of interest deductions	-16.3	-10.1	-
Total tax expense	112.5	-64.1	-54.9
Effective tax rate	23.7%	21.3%	24.2%

Tax according to the current tax rate has been calculated on the basis of 21.4%. Deferred taxes are revalued on the basis of reduced corporate tax as they take effect.

The average effective tax rate is 23.7% (21.3% in 2019/20, 24.2% in 2018/19).

The profit for the year corresponds to the comprehensive income for the year, which is why there is no tax reported against other comprehensive income.

During the year, no income tax was recognised in equity.

SEK million	Deferred tax assets 31/08/2021	Deferred tax liability 31/08/2021	Deferred tax assets 31/08/2020	Deferred tax liability 31/08/2020	Deferred tax assets 31/08/2019	Deferred tax liability 31/08/2019
Deferred income tax is attributable to:						
Differences regarding:						
Revaluation of investment properties to fair value	-	-426.8	-	-334.7	-	-274.1
Other temporary differences:						
Accelerated depreciation	-	-	-	-	-	-
Revaluation of interest rate swaps to fair value	3.8	-	5.1	-	7.5	-
Losses available for offsetting against future taxable income	5.4	-	10.2	-	8.3	-
Total	9.4	-426.8	15.3	-334.7	15.7	-274.1

SEK million	31/08/2021	31/08/2020	31/08/2019
Reported in the consolidated statement of financial position:			
Deferred tax assets	9.4	15.3	15.7
Deferred tax liabilities	-426.8	-334.7	-274.1
Total	-417.6	-319.4	-258.4

SEK million	31/08/2021	31/08/2020	31/08/2019
Reconciliation of deferred tax			
Opening balance	-319.4	-258.4	-201.4
Tax expense/income reflected in the statement of profit and loss	-90.4	-60.1	-54.0
Adjustment of other items	-	-1.0	-3.0
Change in subsidiaries	-7.8	-	-
Closing balance	-417.6	-319.4	-258.4

In the statement of financial position, deferred tax assets and liabilities are recognised net. Deferred tax is calculated on all temporary differences that arise between the carrying amount and the value for tax purposes.

Properties, derivative instruments, and loss carry-forwards are the main items that constitute deferred tax. When valuing loss carry-forwards, an assessment is made of the probability of the deficits being utilised in the future.

Note 11 Investment properties

Change in investment properties SEK million	31/08/2021	31/08/2020	31/08/2019
Property portfolio at the beginning of the year	5,062.7	3,511.5	2,748.3
Purchase of properties	1,131.2	806.5	353.7
Disposal of properties	-190.0	-96.7	-25.9
Investments in existing properties	565.4	645.9	280.0
Valuation gains/losses from existing properties	340.9	195.4	155.5
Property portfolio at the end of the period	6,910.1	5,062.7	3,511.5

Valuation gains/losses from investment properties, unrealised SEK million	2020/2021 Sep-Nov	2020/2021 Dec-Feb	2020/2021 Mar-May	2020/2021 Jun-Aug	2020/2021 YTD
Change in net operating income	10.0	45.0	9.0	5.0	69.0
Property under construction	28.0	20.0	25.0	25.0	98.0
Land and unused development rights	-	25.0	-	-	25.0
Change in market required development profit	-	120.0	-	29.0	149.0
Total	37.0	210.0	34.0	59.0	341.0

Valuation gains/losses from investment properties, unrealised SEK million	2020/2021 Sep-Nov	2020/2021 Dec-Feb	2020/2021 Mar-May	2020/2021 Jun-Aug	2020/2021 YTD
Change in net operating income	42.0	11.0	10.0	1.0	64.0
Property under construction	19.0	8.0	8.0	42.0	77.0
Change in marketrequired development profit	55.0	-	-	-	55.0
Total	116.0	19.0	17.0	43.0	195.0

Statistics is kept from 1 September 2019.

Valuation gains/losses from investment properties for each category SEK million	Residential	Retail/offices	Industrial/ warehousing	Community service	Other/land
Fair value at the start of the year, 1 September 2018	531.5	867.2	1,174.1	146.8	28.7
Purchase of properties	207.4	71.6	43.4	31.3	-
Investments in existing properties	114.4	15.6	12.0	6.3	-
Disposal of properties	-	-	-25.9	-	-
Reclassifications	-	-	105.8	-	-
Valuation gains/losses from investment properties, unrealised	80.1	38.3	44.6	18.4	0.0
Fair value at the end of the year, 31 August 2019	933.4	992.6	1,354.0	202.8	28.7
Distribution of fair value per category, %	26.6	28.3	38.5	5.8	0.8
Purchase of properties	-	80.4	545.3	149.7	31.1
Investments in existing properties	489.3	10.8	107.0	31.1	7.8
Disposal of properties	-82.2	-14.5	-	-	-
Reclassifications	-	-	-	-	-
Valuation gains/losses from investment properties, unrealised	26.3	21.9	131.1	17.0	-1.0
Fair value at the end of the year, 31 August 2020	1,366.8	1,091.2	2,137.5	400.6	66.6
Distribution of fair value per category, %	27.0	21.6	42.2	7.9	1.3
Purchase of properties	0.0	235.7	622.3	191.9	81.3
Investments in existing properties	324.2	14.2	124.1	58.6	44.2
Disposal of properties	-190.1	-	-	-	-
Reclassifications	-	-	-	-	-
Valuation gains/losses from investment properties, unrealised	67.5	31.7	224.0	33.1	-15.3
Fair value at the end of the year, 31 August 2021	1,568.4	1,372.9	3,107.8	684.2	176.8
Distribution of fair value per category, %	22.7	19.9	45.0	9.9	2.5

Valuation model

Investment properties are recognised in the statement on financial position at their fair value in accordance with the IAS 40 accounting standard. The changes in value are recognised in the statement of profit or loss. The valuation of properties takes place according to the Group's policies at the end of each quarter when all properties are valued, of which 10%-40% are valued externally and the remaining properties internally. This means that each property in the portfolio is externally valued at least once during a rolling 12-month period.

Of the portfolio's 130 properties (96 in 2019/20, 74 in 2018/19), 130 (68 in 2019/20, 30 in 2018/19) have been valued externally, which corresponds to 100 percent (60 percent in 2019/20, 40 percent in 2018/19) of the total property portfolio. The valuation institute that has been hired, as of 31 August, is JLL. Previously, Forum fastighetsekonomi AB was engaged.

The Group has provided valuers with information on, among other things, current and newly signed rental contracts and current operating and maintenance costs, as well as assessed investments based on maintenance plans and estimated future vacancies.

The valuation is based on the present value of forecasted cash flows plus residual value during the calculation period. Normally, a 25-year calculation period has been used. The assumption regarding future cash flows has been made on the basis of an analysis of:

- Current and historical rents and costs
- Future development of the market/local area
- The property's conditions and position in each market segment
- Existing current rental contract terms
- Market rental terms at the end of the contract period
- Operating and maintenance costs of similar properties in comparison with those of the property in question

The forecasted net operating income during the calculation period, and the forecasted residual value at the end of the calculation period, have been discounted based on the estimated discount rate. The discount rate is adjusted individually for each property, and the long-term discount rate is in the range of 4.9% to 10.7% (4.9% to 10.7% in 2019/20, 4.9% to 10.9% in 2018/19). The residual value is calculated as the fair value of the property/site leasehold at the end of the calculation period and is based on the forecast net operating income in the first year after the end of the calculation period. The forecast net operating income is perpetually capitalised with an individual return requirement for the property/site leasehold in order to calculate the residual value.

The parameters used in the valuation correspond to the valuation institute's interpretation of how investors and other market participants in the market reason and act. The basis for these assessments is obtained in local price analyses and analyses of transactions of otherwise comparable properties. The valuation procedure for the property portfolio, with associated data collection and processing, follows good valuation practice as established by *Sektionen För Fastighetsvärdering inom Samhällsbyggarna*.

The above valuation model means that valuation has taken place according to level 3 in the fair value hierarchy, which means that the model is largely based on unobservable input data.

Change in value of the property portfolio

As of 31 August 2021, the total fair value of the Group's property portfolio amounted to SEK 6,910.0 million (SEK 5,063.0 million in 2019/20, SEK 3,512.0 million in 2018/19). The unrealised valuation gains/losses from the original portfolio and properties purchased during the year amounted to a total of SEK 341.0 million (SEK 195.0 million in 2019/20, SEK 182.0 million in 2018/19). The valuation gains/losses from the properties corresponds to an increase in value of approximately 5% (approximately 4% in 2019/20, approximately 5% in 2018/19). The valuation gains are primarily related to successfully completed projects, both new construction and renovation, purchase, and a well-functioning real estate market.

Valuation assumptions

Valuation date	31/08/2021
Inflation assumption, %	2.00%
Calculation period, years	5 to 25 years, median 10 years
Direct return, %	2.70% to 8.50%, median 6.00%
Discount rate, %	4.90% to 10.70%, median 8.60%
Long-term vacancy, %	0-20 %
Rent assumption	Existing rent and market rent
Operating and maintenance costs	Individually adapted based on the outcome for each property and the valuation institute's experience of similar objects

Valuation assumptions

Valuation date	31/08/2020
Inflation assumption, %	2.00%
Calculation period, years	5 to 25 years, median 5 years
Direct return, %	2.83% to 8.75%, median 6.35%
Discount rate, %	4.90% to 10.90%, median 8.60%
Long-term vacancy, %	0-20 %
Rent assumption	Existing rent and market rent
Operating and maintenance costs	Individually adapted based on the outcome for each property and the valuation institute's experience of similar objects

Valuation assumptions

Valuation date	31/08/2019
Inflation assumption, %	2.00%
Calculation period, years	5 to 25 years, median 5 years
Direct return, %	2.83% to 8.75%, median 6.25%
Discount rate, %	4.90% to 10.90%, median 8.40%
Long-term vacancy, %	0-20 %
Rent assumption	Existing rent and market rent
Operating and maintenance costs	Individually adapted based on the outcome for each property and the valuation institute's experience of similar objects

If the data included in the valuation model is modified, the value of the properties would be affected as follows:

Sensitivity analysis 31/08/2021	Change in input data		Change in value	
	Unit	Quantity	SEK million	%
Market rent for commercial property	% unit	10	384	5.6%
Vacancy rate	% unit	10	-850	-12.3%
Operating and maintenance expenses	SEK per sqm	10	-107	-1.5%
Inflation assumption, %	% unit	1	577	8.4%
Discount rate and yield requirement	% unit	1	-1,007	-14.6%
Discount rate and yield requirement	% unit	-1	1,563	22.6%

Sensitivity analysis 31/08/2021	Change in input data		Change in value	
	Unit	Quantity	SEK million	%
Market rent for commercial property	% unit	10	273	5.4%
Vacancy rate	% unit	10	-569	-11.2%
Operating and maintenance expenses	SEK per sqm	10	-70	-1.4%
Inflation assumption, %	% unit	1	405	8.0%
Discount rate and yield requirement	% unit	1	-641	-12.7%
Discount rate and yield requirement	% unit	-1	963	19.0%

Sensitivity analysis 31/08/2019	Change in input data		Change in value	
	Unit	Quantity	SEK million	%
Market rent for commercial property	% unit	10	203	5.8%
Vacancy rate	% unit	10	-433	-12.3%
Operating and maintenance expenses	SEK per sqm	10	54	-1.5%
Inflation assumption, %	% unit	1	280	8%
Discount rate and yield requirement	% unit	1	-501	-14.3%
Discount rate and yield requirement	% unit	-1	501	21.7%

Note 12 Equipment

SEK million	31/08/2021	31/08/2020	31/08/2019
Opening balance	60.7	33.0	14.6
Acquisitions for the year	9.8	23.5	18.5
Sales/disposals	-0.1	-0.1	-0.0
Acquisition/divestment of subsidiaries	18.2	4.3	-
Closing balance	88.6	60.7	33.0
Opening depreciation	-19.5	-8.3	-5.5
Sales/disposals	0.1	0.1	0.0
Acquisition/divestment of subsidiaries	-8.0	-3.8	-0.8
Depreciation for the year	-5.2	-7.5	-2.0
Closing balance	-32.6	-19.5	-8.3
Closing carrying amount	56.0	41.1	24.7

Note 13 Leases

Nivika's significant leases consist of site leaseholds, vehicles, and other equipment, which is why Nivika presents three classes of underlying assets: site leaseholds, vehicles, and other equipment. The table below presents the Group's closing balances regarding right-of-use assets and lease liabilities, as well as movements during the year. Based on the concept of materiality, the Group has not reported any leases in the statement of financial position for previous financial years but has expensed the lease payments on a straight-line basis over the lease term. As of the 2020/21 financial year, Nivika recognises leases where the Group is the lessee in the statement of financial position.

Right-of-use assets	Site leaseholds	Vehicles	Other equipment	Total
Opening balance as of 1 September 2020	0.0	0.0	0.0	0.0
Additional agreements	10.6	6.1	1.9	18.6
Depreciation expense	-	-0.1	-1.0	-1.1
Terminated agreements	-	-	-	-
Revaluation of agreements	-	-	-	-
Closing balance as of 31 August 2021	10.6	6.0	0.9	17.5

Lease liabilities	Site leaseholds	Vehicles	Other equipment	Total
Opening balance as of 1 September 2020	0.0	0.0	0.0	0.0
Additional agreements	10.6	6.1	1.9	18.6
Terminated agreements	-	-	-	-
Revaluation of agreements	-	-	-	-
Interest expenses	0.1	-	-	0.1
Payments of lease fees	-0.7	-0.1	-0.9	-1.7
Closing balance as of 31 August 2021	10.0	6.0	1.0	17.0

Nivika has nine site leasehold agreements of which three are considered as so-called perpetual leases. The lease liability and right-of-use asset for these lease agreements are valued at their fair value. As the site leasehold agreements are considered perpetual, there is no amortisation of the right of use and no amortisation of the lease liability. The lease payment is thus considered in its entirety to refer to the payment of interest. The lease liability for the perpetual site leasehold agreements is recognised as a non-current liability in the statement of financial position.

The amounts recognised in the Group's statement on profit for the year attributable to leasing operations are presented below:

SEK million	01/09/2020 31/08/2021
Depreciation of right-of-use assets	1.1
Interest expenses for lease liabilities	0.1
Total	1.2

For the 2019/20 and 2018/19 financial years, the Group has not reported any leases in the statement of financial position based on the general materiality principles but has recognised lease payments in the statement of profit or loss instead. The amounts are SEK 0.8 million for 2019/20 and SEK 0.7 million for 2018/19.

Nivika reports a cash outflow attributable to leasing agreements amounting to SEK 1.6 million for the financial year 2020/2021 (SEK 0.8 million for 2019/2020 and SEK 0.7 million for 2018/2019). For a maturity analysis of the Group's leasing liabilities, see Note 15.

Note 14 Other non-current receivables

SEK million	31/08/2021	31/08/2020	31/08/2019
Opening balance	11.7	7.1	2.0
Receivables added	54.4	5.2	7.1
Repayments, outgoing receivables	-1.4	-0.6	-2.0
Closing balance	64.7	11.7	7.1
Closing carrying amount	64.7	11.7	7.1

Note 15 Financial instruments and risk management

Financial risk management

The Group is exposed to a number of financial risks that are managed within the framework of the financial policy approved by the board. The overall goal is to have cost-effective financing within the Group. The Group's primary financial liabilities consist of external loans. Through its operations, the Group is exposed to various types of financial risks. Financial risks refer to fluctuations in the company's earnings and cash flow as a result of changes in, for example, interest rates. The company is primarily exposed to interest rate risk, financing and refinancing risk, liquidity risk and credit and counterparty risk. Detailed descriptions can be found below in the note for each risk.

The Group's financial targets consist of the following:

- Long-term net loan-to-value ratio must be below 65%
- The interest coverage ratio must be at least 1.75 times: the result after financial income must at least cover interest expenses by 1.75 times
- The equity / assets ratio must be at least 25%

The Group has an organization for managing financial risks where the Board has the overall responsibility for the management of financial risks and internal control in the business. In addition to the Board, the Audit Committee is monitoring the efficiency of the company's internal control and risk management. In Nivika, the entire Board fulfils the committee's tasks. In addition to the Board and the Audit Committee, Chief Executive Officer and Chief Financial Officer are responsible to ensure that financial risks are managed in the operating activities and reported to the Board.

The tables below show the Group's financial assets and liabilities that are subject to financial risk management:

Financial assets SEK million	31/08/2021		31/08/2020		31/08/2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets valued at amortised cost						
Other long-term securities holdings	2.1	2.1	0.1	0.1	0.1	0.1
Rent receivables	7.9	7.9	11.0	11.0	2.1	2.1
Other receivables	3.8	3.9	2.8	2.8	3.6	3.6
Accrued income	34.8	34.8	21.2	21.2	10.1	10.1
Cash and cash equivalents	210.8	210.8	94.9	94.9	190.5	190.5
Total	259.5	259.5	130.1	130.1	206.4	206.4

Financial liabilities SEK million	31/08/2021		31/08/2020		31/08/2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities valued at amortised cost						
Interest-bearing loans and borrowings	4,265.3	4,265.3	3,095.5	3,095.5	2,205.1	2,205.1
Trade and other payables	45.4	45.4	58.1	58.1	56.4	56.4
Other liabilities	67.7	67.7	18.2	18.2	3.9	3.9
Accrued expenses	72.6	72.6	40.2	40.2	15.4	15.4
Total	4,451.0	4,451.0	3,212.0	3,212.0	2,280.8	2,280.8

Financial liabilities valued at fair value through profit or loss

Derivative financial instruments	18.5	18.5	24.7	24.7	36.2	36.2
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The Group has derivative instruments in the form of interest rate swaps that constitute financial instruments valued at fair value (level 2).

Market risk

Exposure to financial market risk arises as a result of exposure to interest rate changes. The exposure is managed primarily through the use of financial derivatives.

Currency risk

The Group's operations are conducted in Sweden, all agreements and transactions are made in SEK as their currency, and the company is thus not exposed to any currency risk.

Interest rate risk

Interest rate risk is the risk of fluctuations in profit and cash flow due to changes in interest rates. The Group's borrowings bear mainly variable interest rates. As the operating income does not covariate with the interest rate level, the effects of changes in interest rates are limited through fixed interest rate. Interest rate swaps are used as hedging instruments, which means that the Group receives variable interest but pays fixed interest.

As of August 2021, a simultaneous change in the interest rate, up or down by one percentage point, would affect annual net interest expenses by SEK 41.0 million (SEK 30.0 million as of 31 August 2020, SEK 22.0 million as of 31 August 2019), provided that the Group's maturity and financing structure remain constant during the year.

The interest-bearing net debt that bears variable interest for the Group as a whole, including cash and bank balances, amounted to SEK 4,037.0 million (SEK 3,001.0 million as of 31 August 2020, SEK 2,000.0 million as of 31 August 2019). The average fixed-interest period for the Group's interest-bearing net liabilities, including all interest rate derivatives, but excluding cash and bank balances, amounted to 0.5 years (1.6 years as of 31 August 2020, 1.5 years as of 31 August 2019).

Credit risk

Credit risk refers to the risk that Nivika's tenants will be unable to fulfil their payment obligations. The evaluation of new and existing tenants' ability to pay their agreed rent takes place on an ongoing basis. If necessary, the agreement is supplemented with pledged assets in the form of a deposit or guarantees. Overall, the risk is small as rents are invoiced in advance, which results in small rental receivables. Credit risk is limited due to a large number of tenants in several different industries and a knowingly selection of tenants.

Regarding bank balances, these are only held in stable banks with a good credit rating. In total, potential expected credit losses for the Group are of insignificant amounts.

Liquidity and financing risk

Liquidity risk refers to the risk of insufficient liquidity to meet future payment commitments. In connection with quarterly Board meetings, internal liquidity forecasts are prepared for the coming 36 months. The purpose of the liquidity forecast is to verify the need for capital well in advance. Financing risk refers to the risk that financing cannot be obtained or can be obtained only at a substantial increase in costs when renegotiating existing loans and financing future investments.

The Group is partly financed with owner loans, which are not considered to be exposed to refinancing risks. According to the Group's financing policy, the external loan portfolio must have a maturity structure that reduces the Group's exposure to refinancing risks.

The company must be an attractive borrower and have good foresight, enabling the company to be offered financing on beneficial terms. The company has good and ongoing contact with banks and revolving credits that can meet short-term outflows of liquidity. Thus, the company considers that the liquidity risk is limited.

The table below shows the agreed remaining maturities (undiscounted values) of financial liabilities.

Financial liabilities SEK million	Expected cash flow, 2020/21				
	Year 1	Year 2	Year 3	Year 4 <	Total
Interest-bearing loans and borrowings ¹⁾	1,066.4	1,040.2	736.2	264.5	3,107.4
Lease liabilities	1.2	1.5	2.8	11.5	17.0
Derivative financial instruments (interest rate swaps)	5.8	5.8	5.8	7.2	24.7
Other non-current liabilities	167.4	85.4	1,123.8	17.3	1,393.8
Trade and other payables	45.4	-	-	-	45.4
Other current liabilities	128.5	-	-	-	128.5
Total	1,414.7	1,132.9	1,868.6	300.5	4,716.8

Financial liabilities SEK million	Expected cash flow, 2019/20				
	Year 1	Year 2	Year 3	Year 4 <	Total
Interest-bearing loans and borrowings ¹⁾	1,083.2	819.5	302.4	277.3	2,482.3
Derivative financial instruments (interest rate swaps)	5.8	5.4	5.3	11.9	28.4
Other non-current liabilities	45.9	510.2	41.3	195.5	792.9
Trade and other payables	58.1	-	-	-	58.1
Other current liabilities	51.1	-	-	-	51.1
Total	1,244.1	1,335.1	349.0	484.7	3,412.9

Financial liabilities SEK million	Expected cash flow, 2018/19				
	Year 1	Year 2	Year 3	Year 4 <	Total
Interest-bearing loans and borrowings ¹⁾	575.1	490.2	1,229.4	39.7	2,334.4
Derivative financial instruments (interest rate swaps)	5.6	5.2	5.3	16.9	33.0
Other non-current liabilities	37.3	34.6	538.3	-	610.2
Trade and other payables	56.4	-	-	-	56.4
Other current liabilities	19.3	-	-	-	19.3
Total	693.7	530.0	1,773.0	56.6	3,053.3

1) The loans are revolving and recalculated at maturity, they are therefore seen as part of long-term financing.

Interest-bearing loans and borrowings include both current liabilities and non-current liabilities. Expected cash flow includes interest and repayments. Cash flow from interest rate swaps refers to the additional net outflow from the swap. Interest-bearing financial liabilities between Year 1 2018/2019 and Year 1 2019/2020 increased attributable to a short-term loan raised in connection with the acquisition of Nivika Växjö Fastigheter AB, which was completed in April 2020.

Risk management of capital

The Group's capital structure must be kept at a level that ensures that the units in the Group comply with the going-concern principle, while at the same time optimising returns. The board continually analyses the relationship between indebtedness and equity, both including and excluding loans from shareholders. Net debt includes interest-bearing loans and borrowings and cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may, after the shareholders' approval when suitable, change dividend payments to shareholders, reduce share capital for payment to shareholders, issue new shares, or sell assets to reduce the debt/equity ratio. The Group continually analyses the relationship between indebtedness and equity, both including and excluding loans from shareholders, based on established objectives. Net debt includes long-term and short-term loans. The results in the table below are within the Group's defined targets.

SEK million	31/08/2021	31/08/2020	31/08/2019
Interest-bearing net debt	4,265.3	3,095.5	2,205.1
Total equity	2,424.5	1,689.7	1,174.9
Debt to equity ratio	57%	55%	53%

Covenants and risk-taking

Nivika's financial position and risk-taking can be deduced from, among other things, the key ratios of the equity/assets ratio, the interest coverage ratio, and the net loan-to-value ratio. In credit agreements with banks and credit institutions, as well as in bond terms, there are usually established limit values for these three key ratios, so-called covenants. Nivika's own targets are in line with the banks' requirements.

Our objective is to have a long-term equity/assets ratio of at least 25 percent. The banks and bond terms generally have an equity ratio of 25 percent as the lower limit.

The company's objective is for the interest coverage rate to amount to at least 1.75 (at least 1.75 in 2019/20, 1.5 2018/19), while the requirements of the banks and bond terms are usually 1.5.

Nivika's objective is that the net loan-to-value ratio should not exceed 65 percent (65-70 percent in 2019/20, 70 percent in 2018/20), and the requirements of the banks and bond terms are generally around 70 percent as a limit for the property portfolio.

Nivika meets all the requirements for the financial year. As of 31 August 2021, Nivika meets all requirements with the following margins: the equity/assets ratio was 33 percent (32 percent as of 31 August 2020, 31 percent as of 31 August 2019), the interest coverage ratio was 1.8x (2.2x in 2019/20, 2.5x in 2018/19), and the net loan-to-value ratio was 58 percent (59 percent in 2019/20, 57 percent in 2018/19).

SEB also has a change of control covenant based on a fixed percentage for the four main owners.

Note 16 Financial instruments measured at fair value

The estimated fair value of the Group's financial instruments is based on market prices and the valuation methods described below.

The table below shows the company's valuation at fair value, recognised as a liability in the statement of financial position:

Valuation as of 31 August 2021				
SEK million	Level 1	Level 2	Level 3	Total
Derivative financial instruments (interest rate swaps)	-	18.5	-	18.5
Total	-	18.5	-	18.5
Valuation as of 31 August 2020				
SEK million	Level 1	Level 2	Level 3	Total
Derivative financial instruments (interest rate swaps)	-	24.7	-	24.7
Total	-	24.7	-	24.7
Valuation as of 31 August 2019				
SEK million	Level 1	Level 2	Level 3	Total
Derivative financial instruments (interest rate swaps)	-	36.2	-	36.2
Total	-	36.2	-	36.2

The table below presents changes in financial instruments according to level 2:

SEK million	31/08/2021	31/08/2020	31/08/2019
Opening balance	24.6	36.2	10.9
Change in value	-6.1	-11.6	25.3
Closing balance	18.5	24.6	36.2

Note 17 Cash and cash equivalents

SEK million	31/08/2021	31/08/2020	31/08/2019
Cash and cash equivalents	210.8	94.9	190.5
Total	210.8	94.9	190.5

Note 18 Interest-bearing loans and borrowings

Specification of changes in liabilities arising from financing activities

SEK million	Interest-bearing loans and borrowings, non-current			Derivative financial instruments, non-current		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
Opening balance	3,016.9	2,126.0	1,505.4	24.6	36.2	10.9
Cash flow - Borrowings	2,699.9	1,345.0	1,545.4	-	-	-
Cash flow - Repayment of loans	-1,625.4	-454.1	-924.7	-	-	-
New leases	17.5	-	-	-	-	-
Payments of lease fees	-1.6	-	-	-	-	-
Change in fair value	-	-	-	-6.1	-11.6	25.3
Closing balance	4,107.4	3,016.9	2,126.0	18.5	24.6	36.2

SEK million	Interest-bearing loans and borrowings, current			Derivative financial instruments, current		
	31/08/2021	31/08/2020	31/08/2019	31/08/2021	31/08/2020	31/08/2019
Opening balance	78.6	79.1	60.6	-	-	-
Cash flow - Borrowings	156.9	78.6	79.1	-	-	-
Cash flow - Repayment of loans	-78.6	-79.1	-60.6	-	-	-
New leases	1.0	-	-	-	-	-
Change in fair value	-	-	-	-	-	-
Closing balance	157.9	78.6	79.1	-	-	-

The table below shows the Group's various interest-bearing loans.

SEK million	31/08/2021	31/08/2020	31/08/2019
Non-current:			
Bank loans (variable interest)	2,858.3	2,304.9	1,601.7
Other loans (fixed interest)	1,249.1	712.0	524.3
Derivative financial instruments	18.5	24.7	36.2
Total non-current liabilities	4,125.9	3,041.6	2,162.2
Current:			
Bank loans (variable interest)	137.0	78.6	77.4
Other loans (fixed interest)	20.9	-	1.7
Total current liabilities	157.9	78.6	79.1
Interest-bearing loans and borrowings	4,283.8	3,120.2	2,241.3

Unutilised overdraft facilities amount to SEK 40.0 million (SEK 34.3 million in 2019/20, SEK 40.0 million in 2018/19).

Unutilised loan (construction loan) amounts to SEK 9.0 million (SEK 84.4 million in 2019/20, SEK 104.1 million in 2018/19).

The table below summarises the repayment schedule for the Group's loans and borrowings.

Maturity structure for loans and borrowings per financial year 2020/21, SEK million		31/08/2021
2021/2022		1,083.8
2022/2023		1,038.5
2023/2024		1,863.7
2024/25 or later		279.4
Total interest-bearing liabilities		4,265.4

Maturity structure for loans and borrowings per financial year 2019/20, SEK million		31/08/2020
2020/2021		1,005.1
2021/2022		1,324.3
2022/2023		298.5
2023/24 or later		467.6
Total interest-bearing loans and borrowings		3,095.5

Maturity structure for loans and borrowings per financial year 2018/19, SEK million		31/08/2019
2019/2020		471.4
2020/2021		423.3
2021/2022		1,239.6
2022/23 or later		70.8
Total interest-bearing liabilities		2,205.1

The Group's exposure to interest rate changes and contractual dates for loans, regarding the renegotiation of interest rates is as follows:

Interest maturity structure as of 31 August 2021	External lenders		Total portfolio	
	Volume ¹⁾	Interest rate, %	Volume ¹⁾	Interest rate, %
Within 1 year	1,082.6	1.8%	1,082.6	1.8%
1 to 2 years	1,037.0	1.6%	1,037.0	1.6%
2 to 3 years	1,860.9	3.5%	1,860.9	3.5%
3 to 4 years	201.7	1.5%	201.7	1.5%
4 to 5 years	32.3	3.7%	32.3	3.7%
> 5 years	33.9	2.9%	44.0	2.9%
Total	4,248.4		4,248.4	

Interest maturity structure as of 31 August 2020	External lenders		Total portfolio	
	Volume ¹⁾	Interest rate, %	Volume ¹⁾	Interest rate, %
Within 1 year	1,005.1	1.9%	1,005.1	1.9%
1 to 2 years	1,324.3	1.9%	1,324.3	1.9%
2 to 3 years	298.5	1.4%	298.5	1.4%
3 to 4 years	467.6	3.3%	467.6	3.3%
4 to 5 years	-	0.0%	-	0.0%
> 5 years	-	0.0%	-	0.0%
Total	3,095.5		3,095.5	

Interest maturity structure as of 31 August 2019 SEK million	External lenders		Total portfolio	
	Volume ¹⁾	Interest rate, %	Volume ¹⁾	Interest rate, %
Within 1 year	471.4	2.1%	471.4	2.1%
1 to 2 years	423.3	1.2%	423.3	1.2%
2 to 3 years	1,239.6	2.0%	1,239.6	2.0%
3 to 4 years	70.8	3.1%	70.8	3.1%
4 to 5 years	-	1.2%	-	1.2%
> 5 years	-	0.0%	-	0.00%
Total	2,205.1		2,205.1	

1) The loans are revolving and recalculated at maturity, they are therefore seen as part of long-term financing.

The weighted average rate of interest on external loans and borrowings, including margins and derivative effects, amounted to 2.4% (2.8% in 2019/20, 2.8% 2018/19) as of 31 August 2021. Interest-bearing debt consists of 81 loans (56 in 2019/20, 55 in 2018/19).

Total borrowing includes bank loans and other secured borrowing amounting to SEK 3,034.0 million (SEK 2,635.5 million in 2019/20, SEK 1,789.9 million in 2018/19). The security provided for the loans is the Group's investment properties. Interest-bearing debt is hedged with a total of 7 interest rate derivatives (7 in 2019/20, 7 in 2018/19).

Note 19 Equity

Number of outstanding shares	31/08/2021	31/08/2020	31/08/2019
Number of shares at the beginning of the year	35,155	26,500	26,500
Issue of share capital	27,790,179	8,655	-
Bonus issue	140,620	-	-
Share split	175,599,225	-	-
Number of shares at the end of the year	203,565,179	35,155	26,500

Earnings per share	2020/2021	2019/2020	2018/2019
Profit for the year, MSEK	363.1	236.6	162.4
Weighted average number of outstanding shares	35,897,982	32,702,750	26,500,000
Earnings per share before and after dilution, SEK	10.1	7.2	6.1

The calculation of earnings per share before dilution has been based on the Group's earnings for the year, attributable to the equity holders of the parent company's, and on a weighted average number of outstanding shares during the year. The number of outstanding ordinary shares has increased as a result of the above-mentioned bonus issue 4:1 and share split 1000:1, which was carried out in March 2021. Further, the decided reverse share split 1:5 at the Extraordinary General Meeting in November 2021 has been taken into account. Hence, the number of shares for calculation of earnings per share has been adjusted retroactively.

As the Group has no outstanding potential ordinary shares, earnings per share before and after dilution are the same.

Note 20 Pledged assets

For own provisions and liabilities

SEK million	31/08/2021	31/08/2020	31/08/2019
Liabilities to credit institutions			
Floating charges	94.5	90.1	90.1
Property mortgages	3,212.3	2,606.6	1,741.9
Total	3,306.8	2,696.7	1,832.0

Note 21 Contingent liabilities

SEK million	31/08/2021	31/08/2020	31/08/2019
Guarantee obligation in favour of another bank	3.3	3.3	3.3
Total	3.3	3.3	3.3

Note 22 Related party transactions

The following business relationships are managed on normal market terms and requirements (“at arm’s length”), and the table below lists the companies with which the Group has business transactions:

2020/2021

Name	Relationship	% of equity
Units with significant influence over the Group:		
Värnanäs AB (556735-3783)	Owner	21%
Holmgren Group AB (556371-2610)	Owner	15%
Santhe Dahl Invest AB (559185-7122)	Owner	19%

2019/2020

Name	Relationship	% of shares
Units with significant influence over the Group:		
Värnanäs AB (556735-3783)	Owner	30%
Holmgren Group AB (556371-2610)	Owner	14%
Santhe Dahl Invest AB (559185-7122)	Owner	19%

2018/2019

Name	Relationship	% of shares
Units with significant influence over the Group:		
Värnanäs AB (556735-3783)	Owner	40%
Holmgren Group AB (556371-2610)	Owner	24%

The financial statements include Nivika Fastigheter AB and the subsidiaries listed in the table in note 25.

Related party transactions

- Rental agreement for the rent of premises in Vinkeln 6 in Jönköping, Sandstenen 5 in Värnamo, Diabasen 4 in Värnamo, and Gasellen 11 in Växjö between Nivika Handelsfastigheter AB and Holmgrens Bil AB, in which board member and shareholder Benny Holmgren is a partner,
- Agreement for the purchase of administrative services, payroll with associated payroll administration between Nivika Fastigheter AB and Värnanäs AB, shareholder in Nivika. Later replaced with a corresponding agreement with Poplanäs Invest (see below).
- Agreement for the purchase of administrative services, payroll with associated payroll administration between Nivika Fastigheter AB and Poplanäs Invest AB, in which the shareholder Värnanäs AB is partner.
- Agreement for the purchase of cleaning between Nivika Fastigheter AB and Yälp Facility AB, where the shareholder Värnanäs AB is partner.
- Agreement for the purchase of bathroom modules for the Valplatsen project between Husgruppen Modulsystem Jönköping AB and Tigbro AB, in which the shareholder Värnanäs AB is a partner.

The following table shows the scope of the transactions during the relevant financial year entered into with related parties. All transactions have taken place on market terms.

Transactions with related parties	Unit with significant influence over the Group					
	Värnanäs AB			Holmgren Group AB		
	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Sales to related parties	1.6	-	-	31.9	34.6	31.7
Purchase of administrative management services from related parties	24.6	34.2	25.0	-	-	-
Receivable on the date of the financial statements	3.8	-	-	-	-	-
Liability on the statement of financial position date	-	-	-	-	-	-

Administrative management services of SEK 9.4 million are included in central administration (SEK 11.2 million in 2019/20, SEK 8.5 million in 2018/19) and SEK 11.7 million in property expenses (SEK 13.9 million in 2019/20, SEK 10.6 million in 2018/19). See also note 5 *Expenses by type*. The remaining part of administrative management services has been capitalised as part of the time spent on project management.

Expenses attributable to services performed by key personnel amounted to SEK 4.5 million (SEK 3.9 million in 2019/20, SEK 2.3 million in 2018/19). Since 1 June 2021, all key personnel and other personnel have been employed within the Nivika Group and are thus stated in note 8 *Employees and employee benefit expenses* from this date.

In addition to the above transactions, Nivika acquired Husgruppen Modulsystem Jönköping AB from Poplanäs Invest AB during the year, which is a related party. This transaction is further described in note 24 *Business combinations*.

Note 23 Items not affecting cash flow

SEK million	01/09/2020 31/08/2021	01/09/2019 31/08/2020	01/09/2018 31/08/2019
Depreciation and impairment of property, plant, and equipment	6.1	7.6	2.0
Impairment of current assets	-	2.7	-
Other	1.9	-	-
Total	8.0	10.3	2.0

Note 24 Business combinations

Acquisition of Husgruppen Modulsystem Jönköping AB

On 28 February 2021, the Group acquired 100% of the shares and voting rights in Husgruppen Modulsystem Jönköping AB, a company with operations in the industrial manufacture of wooden building components.

The business was acquired from Poplanäs Invest AB, which is a related party to Nivika. See also note 22 for related party transactions.

Acquired assets and assumed liabilities

The fair value of identifiable assets and liabilities in Husgruppen Modulsystem Jönköping AB at the time of acquisition consists of the following:

SEK million	Fair value
Assets	
Trademark	-
Property, plant, and equipment	2.3
Trade receivables	11.6
Other current assets	12.6
Cash and cash equivalents	9.4
Total assets	35.9

Liabilities	
Trade and other payables	13.9
Other liabilities	11.3
Total liabilities	25.2
Net of total identifiable assets measured at fair value	
Goodwill arising on acquisition	-0.7
Purchase price	10.0
Cash flow	
Acquired cash and cash equivalents	9.4
Purchase price (cash and cash equivalents)	-10.0
Net cash flow from the acquisition	-0.6

The negotiated purchase price resulted in gave a profit of SEK 0.7 million which was reported in the result in the item Net sales. Since the acquisition date, Husgruppen AB has contributed income of SEK 7.1 million and SEK 0.0 million in profit before tax. Had the acquisition taken place at the beginning of the year, the Group's revenues would have been unchanged as the Husgruppen AB's sales consisted solely of purchases from the Group up to the acquisition date.

Note 25 Shares and participations in Group companies

Participations in Group companies

Name	Corporate identity number	Registered office	Capital share	Share of voting rights
Nivika Tre Liljor AB	556797-3994	Värnamo	100%	100%
Nivika Almen AB	556870-3150	Värnamo	100%	100%
Nivika Sägaren 3 AB	559102-2958	Värnamo	100%	100%
Nivika Ödlan AB	559087-3096	Värnamo	100%	100%
Nivika Stigamo Öst AB	559097-7673	Värnamo	100%	100%
Nivika Holding 2 AB	559054-1776	Värnamo	100%	100%
Nivika Handelsfastigheter AB	556923-1474	Värnamo	100%	100%
Nivika Sandstenen AB	556953-3838	Värnamo	100%	100%
Nivika Industrifastigheter AB	556975-3931	Värnamo	100%	100%
Nivika Lokal AB	556746-9613	Värnamo	100%	100%
Nivika Skåpvägen 6 AB	556986-7764	Värnamo	100%	100%
Nivika LP Fastigheter AB	556982-1555	Värnamo	100%	100%
Nivika Arkadien AB	556756-8570	Värnamo	100%	100%
Nivika Överljudet AB	556410-2696	Värnamo	100%	100%
Nivika Mittlager AB	559054-1792	Värnamo	100%	100%
Nivika Stigamo Syd AB	559097-7681	Värnamo	100%	100%
Nivika Stigamo E4 AB	559097-7657	Värnamo	100%	100%
Nivika Aborren AB	556773-2028	Värnamo	100%	100%
Nivika Advokaten AB	556842-7362	Värnamo	100%	100%
Nivika Bautastenen AB	556698-7664	Värnamo	100%	100%
Nivika Cityfastigheter AB	556306-4459	Värnamo	100%	100%
Nivika Vakten 10 AB	559174-9477	Värnamo	100%	100%
Nivika Stenladan AB	559147-4324	Värnamo	100%	100%
Nivika Compact Living AB	556831-2663	Värnamo	100%	100%
Nivika Kungsängen AB	559188-8895	Värnamo	100%	100%
Nivika Skogskärret AB	559154-5966	Värnamo	100%	100%
Nivika Överljudet 5 AB	556686-8211	Värnamo	100%	100%

Namn	Organisationsnummer	Säte	Kapitalandel	Rösträttsandel
Nivika Snöflingan AB	559189-1303	Värnamo	100%	100%
Nivika Budkaveln AB	556928-1651	Värnamo	100%	100%
Nivika Växjöfastigheter AB	556672-1683	Värnamo	100%	100%
Nivika Center AB	556827-2891	Värnamo	100%	100%
Nivika Gasellen AB	559241-8247	Värnamo	100%	100%
Husgruppen Modulsystem Jkpg AB	559180-9487	Värnamo	100%	100%
Nivika Bälgen 15 AB	559015-0792	Värnamo	100%	100%
Nivika Bikupan 4 AB	556865-9295	Värnamo	100%	100%
Nivika Bikupan 5 AB	556825-0202	Värnamo	100%	100%
Nivika Bikupan 19 AB	556923-6010	Värnamo	100%	100%
Nivika Bikupan 20 AB	556756-3662	Värnamo	100%	100%
Nivika Bikupan 22 AB	556923-5988	Värnamo	100%	100%
Nivika Vinkelhaken AB	556728-7304	Värnamo	100%	100%
Nivika Tor AB	559310-8623	Värnamo	100%	100%
Nivika Hovslätt AB	559160-3484	Värnamo	100%	100%
Nivika Fyllinge KB	969632-8427	Värnamo		100%
Nivika Tandborsten AB	556677-7354	Värnamo	100%	100%
Nivika Brilljanten AB	556845-6064	Värnamo	100%	100%
Nivika Opalen AB	556491-7176	Värnamo	100%	100%
Nivika Ametisten 2 AB	556894-8607	Värnamo	100%	100%
Nivika Ametisten 7 AB	556907-8230	Värnamo	100%	100%
Nivika Kruthornet AB	556247-8817	Värnamo	100%	100%
Nivika Halmstadfastigheter AB	559067-3264	Värnamo	100%	100%
Nivika Åkerfältet AB	559289-5246	Värnamo	100%	100%
Nivika MC Sport Fastigheter AB	556869-3617	Värnamo	100%	100%
Nivika Företagaren 2 AB	556632-0904	Värnamo	100%	100%
Nivika Töringe AB	556917-4708	Värnamo	100%	100%
Nivika Vagnen 7 och 10 AB	556976-3195	Värnamo	100%	100%
Nivika Brunnstorp AB	559305-1245	Värnamo	100%	100%
Nivika Kalkstenen AB	556780-4595	Värnamo	100%	100%
Nivika Gislavedsfastigheter AB	559239-3457	Värnamo	100%	100%

Note 26 Important events after the date of the financial statements

- On 1 September, Nivika acquired Hedenstorp 2:30, industrial premises in the Hedenstorp industrial area in Jönköping. The property is fully rented.
- On 15 September, Nivika acquired Tingstadvassen 24:10 in Gothenburg, a self-storage facility in central Gothenburg. This is a strategic investment for the subsidiary Mitt Lager, which previously had facilities along the coast north of Gothenburg. With this the business can enter the Gothenburg market.
- At the end of September, Nivika signed an agreement to acquire Riddarberget, a property portfolio of primarily residential properties in the Småland highlands with an emphasis on central Vetlanda. The portfolio consists of 18 properties totalling approximately 31,000 square metres of rentable area, consisting of central residential properties and some commercial premises. The rental value is approximately SEK 33 million.
- The agreed property value is approximately SEK 500 million and the acquisition has been completed the beginning of November.
- Nivika has signed a share transfer agreement for the acquisition of Faktorn 10 in Falkenberg, fully rented industrial premises with Mekonomen as the tenant. Acquisition has been completed 27 October.
- Nivika has signed a share transfer agreement for the acquisition of Duvelund 4 in Värnamo, fully let industrial premises with the potential for residential conversion. Acquisition has been completed 1 November.
- Nivika has signed a share transfer agreement for the acquisition of Hygiea 1, a site for residential construction in central Vetlanda. There is currently one building on the property with tenants. Acquisition is scheduled for before the end of 2021. Nivika has signed a share transfer agreement for the acquisition of Hovslagaren 4 in Värnamo, fully rented industrial premises. Acquisition is scheduled for mid-December.

- Nivika has signed an agreement to acquire the property Refugen 1 in Värnamo. The property borders the existing property Refugen 6, where the construction of a new head office is planned. A hotel and restaurant building is sited on the property, with discussions taking place with prospective tenants. Acquisition has been completed 29 October.
- Nivika has signed a share transfer agreement for the acquisition of Kärleksudden in Mullsjö and acquisition is expected to take place at the beginning of 2022. The area provides an opportunity to build 250 to 300 homes.
- Related party transaction. Nivika has signed a share transfer agreement for the acquisition of Häljaryd 1:294 in Tenhult and Alvesta 15:13, 13:20, and 13:21 in Alvesta, industrial properties that are fully let. Acquisition has been completed 29 October.
- Nivika has signed an agreement on the acquisition of additional building rights for future residential development in the Jönköping area. Acquisition is scheduled for late autumn 2022 and it is expected that there will be an opportunity to build 300 to 400 homes.
- Related party transaction. In October 2021, Nivika signed an agreement to acquire SantHem Fastigheter AB and SantHem Heden AB, which own residential properties with a total of approximately 16,000 square meters of rentable area in Kalmar, Höganäs and Båstad. The acquisitions were completed by Nivika on 15 November. The property portfolio contains seven newly built properties with construction years 2018 to 2022 and consists of approximately 300 rental apartments.
- At the Extraordinary General Meeting on November 4, 2021 it was decided to execute a reverse share split whereby five (5) existing shares of each Company's share class are combined into one (1) share of each Company's share class. The record date for the reverse split was November 10, 2021.
- At the Annual General Meeting regarding the financial year ended 31 August 2020 held December 17, 2020 it was decided on dividend payment of SEK 16.5 million, corresponding to SEK 469.30 per share based on the number of shares in Nivika, before the share split was decided at the Extraordinary General Meeting on March 3, 2021. The Board has evaluated the Company's development during the financial year ended 31 August 2021, including the company's financial results and the general market outlook. The Board's conclusion was that Nivika's profit from property management operations and rent payments remain strong. Nivika's liquidity was also assessed to be good. After a compound assessment, the Board proposed to bring the decision on an extra dividend for the financial year ended 31 August 2020 to the General Meeting. At the Extraordinary General Meeting on November 4 2021, an extra dividend with an amount of SEK 0.59 per share, a total of 24,251,889.82 kronor was decided upon. The record date for the extra dividend was November 12, 2021.

The auditor's report on historical financial information

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Nivika Fastigheter AB (publ), reg. no. 556735-3809 (the "Company" with its subsidiaries "Group")

Report on the consolidated financial statements

Opinions

We have audited the consolidated financial statements of the Company for the three-year period ended 31 august 2020. The consolidated financial statements of the Company are included on pages F-2 – F-34 in this prospectus.

In our opinion, the consolidated financial statements have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of the 31 august 2021, 31 august 2020, and 31 august 2019 and their financial performance and cash flow for each of the three financial years ending the 31 august 2021 in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors

The Board of Directors are responsible for the preparation of the consolidated financial statements and that they give a fair presentation in accordance with the Annual Accounts Act and in accordance with IFRS as adopted by the EU. The Board of Directors are also responsible for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to improprieties or mistakes.

In preparing the consolidated financial statements, the Board of Directors are responsible for the assessment of the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors intends to liquidate the group, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to improprieties or mistakes, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from improprieties or mistakes and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to improprieties or mistakes, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

- Obtain an understanding of the group's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting in preparing the consolidated financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion about the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

Stockholm 22 November 2021

Ernst & Young AB

Jonas Svensson
Authorized Public Accountant

DEFINITIONS

BSEK	Billion Swedish krona
Code	Swedish Corporate Governance Code
Company or Nivika	Nivika Fastigheter AB (publ), company registration number 556735-3809, Ringvägen 38, SE-331 32 Värnamo, or the group of companies in which Nivika Fastigheter AB (publ) is parent company.
Cornerstone investors	E. Öhman J:or Fonder AB, Swedbank Robur Fonder AB, Tredje AP-fonden and Weland Värdepapper AB
Covid-19	The pandemic of SARS-CoV-2
Euroclear	Euroclear Sweden AB
Group	The group in which Nivika is parent company
HA	Habitable area
IFRS	International Financial Reporting Standards, as adopted by the European Union
Interim share	Interim share in the Offer
Joint Global Coordinators and Joint Bookrunners	Danske Bank A/S, Danmark, Sverige Filial and Skandinaviska Enskilda Banken AB (publ)
KSEK	Thousand Swedish krona
MSEK	Million Swedish krona
Nasdaq Stockholm	The regulated market operated by Nasdaq Stockholm AB
NBR	The National Board of Housing, Building and Planning's building regulations
NRFA	Non-residential floor area
Offer	The Offer of Class B shares in Nivika in accordance with this Prospectus
Offering price	SEK 85.50
Over-allotment Option	An option granted by the Company to the Joint Global Coordinators and Joint Bookrunners of at highest 1,754,385 new Class B shares being issued, corresponding to at highest 15 percent of the total number of Class B shares in the Offer, to a price corresponding to the price in the Offer.
Placing agreement	The agreement regarding placing of shares, that is described in section "Legal considerations and supplementary information – Placing agreement and Lock-up"
Principal owner	Värnanäs AB, Santhe Dahl Invest AB, Planch AB, Skandinaviskonsult i Stockholm AB, Holmgren Group AB and Pollock Invest AB
Prospectus	Refers to this prospectus
RAK	Room and kitchen
SEK	Swedish krona

ADDRESSES

THE COMPANY

Nivika Fastigheter AB (publ)
Ringvägen 38
SE-331 32 Värnamo, Sweden
Telephone: +46 (0)770-22 01 50
Website: www.nivika.se

JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Danske Bank A/S, Danmark, Sverige Filial

Norrmalmstorg 1
SE-111 46 Stockholm, Sweden
Telephone: +46 (0)752-48 45 42
Website: www.danskebank.se

Skandinaviska Enskilda Banken AB (publ)

Kungsträdgårdsgatan 8
SE-111 47 Stockholm, Sweden
Telephone: +46 (0)771-62 10 00
Website: www.seb.se

LEGAL ADVISOR TO THE COMPANY

Hannes Snellman Advokatbyrå AB

Kungsträdgårdsgatan 20
SE-111 47 Stockholm, Sweden
Telephone: +46 (0)760-00 00 00
Website: www.hannessnellman.com

LEGAL ADVISOR TO JOINT GLOBAL COORDINATORS AND JOINT BOOKRUNNERS

Advokatfirman Hammarskiöld & Co AB

Skeppsbron 42
SE-111 30 Stockholm, Sweden
Telephone: +46 (0)8-578 450 00
Website: www.hammariskiold.se

REVISOR

Ernst & Young AB

Hamngatan 26
SE-111 47 Stockholm, Sweden
Telephone: +46 (0)8-520 590 00
Website: www.ey.com/sv_se

ACCOUNT OPERATOR

Euroclear Sweden AB

Klarabergsviadukten 63
SE-111 64 Stockholm, Sweden
Telephone: +46 (0)8-402 90 00
Website: www.euroclear.com

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