

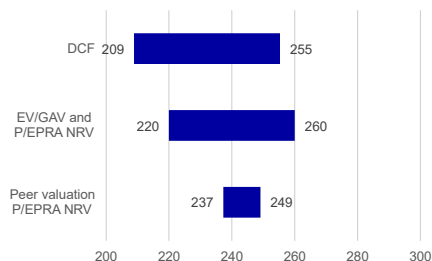
KEY DATA

Stock country	Sweden
Bloomberg	CIBUS.SS
Reuters	CIBUS.ST
Share price (close)	SEK 246.8
Free Float	100%
Market cap. (bn)	EUR 1.02/SEK 10.37
Website	www.cibusnordic.com
Next report date	24 Feb 2022

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2021E	2022E	2023E
Sales	0%	2%	3%
EBIT (adj)	0%	3%	4%

Source: Nordea estimates

Nordea Markets - Analysts
Svante Krokfors
 Director

David Flemmich
 Senior Analyst, Sector Coordinator

Value-enhancing M&A continues at a high pace

After making no acquisitions in Q1, Cibus stepped up its M&A activity, announcing 13 acquisitions in Q2-Q4: 109 grocery and daily goods stores, with a lettable area of 120,500 m² for a total value of EUR 212m. Following these acquisitions, Cibus will have almost 400 assets in Finland, Sweden and Norway. At a ~90% EPRA NRV premium and an implied yield of ~4.2%, Cibus is taking advantage of compounder opportunities in the grocery-anchored property market. Its recent acquisitions enhance its dividend capacity, enabling it to grow its annual dividend by 5%. We leave our fair value range unchanged at SEK 220-260 per share.

Infrastructure-like daily goods assets ensure a stable dividend

Cibus owns grocery- and daily goods-anchored real estate in Finland and Sweden, and it is in the process of entering the Norwegian market. We find the threat from e-commerce limited, as Nordic population density is low, and the grocery market has oligopolistic features. Existing grocery retailers also have countrywide store networks from which to meet rising online grocery demand. Cibus's rental income is stable, and earnings growth has been supported by the successful refinancing of bank loans and bonds. Cibus has grown into one of the most attractive real estate compounders in the Nordic region; its optimally structured balance sheet ensures high and growing dividends. Even trading at a substantial 90% premium to EPRA NRV, Cibus's dividend yield is attractive at 4.0-4.6% for 2021E-23E.

We raise 2022E-23E adjusted EPS by 3-4%

We estimate that 2022-23 rental income and net operating income will both increase by 9% following the acquisitions. Our upward revisions to adjusted EPS are smaller, at 3-4%, owing to the increased number of shares and the impact of the hybrid bond on adjusted earnings.

Fair value range remains unchanged at SEK 220-260 per share

We leave our fair value range unchanged at SEK 220-260, based on a combination of peer group, P/EPRA NRV and DCF valuations. Our fair value corresponds to a 2022E adjusted P/E of 17.5-20.7x, a P/EPRA NRV of 1.50-1.74x (including dividends) and a 2022E dividend yield of 4.1-4.8%. Its stable and growing dividend with a high and sustainable yield should offer downside protection. The share trades at a ~90% premium to EPRA NRV, which implies a ~35% asset premium and an implied yield of ~4.2% versus our estimated average valuation yield of 5.7%.

SUMMARY TABLE - KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	n.a.	29	60	74	93	101	104
NOI margin	n.a.	81.0%	80.8%	82.5%	81.4%	84.7%	85.0%
EPS (adj, EUR)	n.a.	0.40	0.88	0.92	1.12	1.23	1.28
EPS (adj) growth	n.a.	n.a.	120.2%	5.0%	22.1%	9.4%	3.9%
P/E (adj)	n.a.	25.4	15.9	18.1	21.5	19.7	19.0
DPS, EUR	0.00	0.84	0.89	0.94	0.99	1.04	1.10
NAV per share	0	11	11	11	12	14	16
NAV growth	n.a.	n.a.	1.9%	2.6%	11.5%	13.1%	12.4%
NOI/EV (adj)	n.a.	3.0%	5.1%	4.2%	4.0%	4.5%	4.7%
P/NAV	n.a.	94.8%	128.0%	149.3%	194.9%	172.3%	153.3%
P/EPRA NAV	n.a.	92.9%	124.7%	145.9%	190.3%	168.2%	155.3%
Dividend yield	n.a.	8.3%	6.4%	5.7%	4.1%	4.3%	4.5%
Loan-to-value (adj)	n.m.	56.4%	58.7%	61.3%	60.6%	59.3%	57.7%
Net debt/EBITDA(adj)	n.m.	21.9	11.9	14.3	12.9	11.2	10.7

Source: Company data and Nordea estimates

Estimate revisions after acquisitions

Cibus has announced acquisitions of EUR 212m so far during 2021, of which nearly EUR 50m were after our updates post-Q3. It is worth noting that one of the recently announced acquisitions will close in Q3 2022. We update our estimates and raise rental income by 2% for 2022E and by 3% for 2023E, while raising adjusted EPS by 3-4% for 2022E-23E.

EUR 212m of acquisitions announced in 2021

Cibus has a target of acquiring properties worth EUR 50-100m annually. After making no acquisitions during Q1 this year, during Q2 it announced acquisitions for a total of EUR ~128m, comprising 89 assets with a total lettable area of 82,200 m². The majority of these assets are in Finland. During H2, an additional EUR 84m in acquisitions were announced, comprising 20 assets in Finland, Sweden and Norway. One of the acquisitions in Sweden, announced on 29 November, is a property under construction that will be finalised during Q3 2022.

CIBUS: ANNOUNCED ACQUISITIONS IN 2021

Portfolio	Announced	Closing	Deal size	Number of	Lettable area	Price/sqm
			EURm	assets	m ²	EUR
ICA Sverige, Sweden	14/04/2021	14/04/2021	3.4	3	2,800	1,220
Rauma, Finland	29/04/2021	29/04/2021	5.3	1	4,600	1,152
Jyväskylä, Turku and Mikkeli, Finland	14/05/2021	17/05/2021	25.5	3	16,000	1,594
Eastern Finland	28/05/2021	May/June 2021	15.9	5	10,700	1,486
ICA Fastigheter, Sweden	01/06/2021	01/06/2021	4.5	4	4,100	1,098
Helsinki, Finland	15/06/2021	15/06/2021	2.2	1	2,000	1,100
Sagax portfolio, Finland	16/06/2021	Q4/2021	71.6	72	42,000	1,705
Three Swedish properties	01/07/2021	Q3/2021	4.1	3	4,500	911
Five properties in Finland	24/09/2021	Q4/2021	5.2	5	5,000	1,040
Eight properties in Norway	30/09/2021	Q4/2021	27.6	8	8,700	3,172
Six properties in Finland	18/11/2021	Q4/2021	6.8	1	2,900	2,345
One property in Sweden	29/11/2021	Q3/2022	11.5	1	3,200	3,594
Two properties in Sweden	29/11/2021	Q4/2021	28.3	2	14,000	2,021
Total			211.9	109	120,500	1,759

Source: Company data, and Nordea estimates

The acquisition of grocery stores from Sagax will grow the portfolio by ~5%, making Sagax a significant shareholder

The largest of the acquisitions is from Sagax, through which Cibus acquires 72 grocery stores in Finland, of which 71 are leased to Kesko and one to S-Group. The total deal size, including transaction costs, amounts to EUR 71.6m. Slightly more than half of the acquisition price will be paid with a directed share issue of 2,000,000 shares to Sagax; Sagax will become a significant shareholder in Cibus with a 4.8% stake after the transaction. The transaction closed on 30 November 2021 and the share count in Cibus increased to 42,000,000.

Adjusted EPS up 3-4% for 2022E-23E following acquisitions

We have updated our estimates after the recent acquisitions. We raise our rental income estimates by 2-3% and our adjusted EPS estimates by 3-4% for 2022-23.

ESTIMATE REVISIONS AFTER RECENT ACQUISITIONS (EPS/DPS IN EUR)

	New estimates			Old estimates			Change		
	2021E	2022E	2023E	2021E	2022E	2023E	2021E	2022E	2023E
EURm									
Rental income	80.3	91.2	94.2	80.2	89.0	91.3	0%	2%	3%
Net operating income	76.0	85.7	88.6	75.8	83.6	85.7	0%	3%	3%
Profit from property mgmt	46.7	55.6	58.3	46.8	54.2	56.2	0%	3%	4%
Adj. EPS	1.12	1.23	1.28	1.13	1.19	1.23	0%	3%	4%
DPS	0.99	1.04	1.10	0.99	1.04	1.10	0%	0%	0%

Source: Company data and Nordea estimates

We expect earnings-capacity-based profit from property management to increase to EUR 1.27 per share by the end of 2021

Based on the disclosed earnings capacity as of 30 September 2021, income per share from property management (before taxes) suggests pre-tax operating income of EUR 1.18 per share, unchanged from Q2. Please note that the EUR 1.18 per share takes into consideration the hybrid bond coupon of EUR 1.28m, which is not included in the 'net financial costs' line. We expect the earnings capacity by the end of 2021, including the recently announced acquisitions, to show rental income of EUR 90.2m and net operating income of EUR 84.7m.

EARNINGS CAPACITY

EURm	30 Jun 2020	31 Jul 2020	30 Sep 2020	31 Dec 2020	31-Mar-21	30-Sep-21	31 Dec 2021E	31 Dec 2022E	31 Dec 2023E
Rental income	69.4	70.5	70.6	76.6	76.6	81.5	90.2	91.2	94.2
Property expenses	-5.3	-5.4	-5.0	-4.0	-4.0	-5.2	-5.6	-5.5	-5.7
Net rental income	64.1	65.1	65.6	72.6	72.6	76.3	84.7	85.7	88.5
Central admin.	-3.9	-3.9	-4.3	-4.9	-4.9	-5.3	-5.7	-5.7	-5.8
Net financial costs	-19.9	-20.4	-20.4	-21.8	-21.8	-22.4	-24.5	-24.5	-24.5
Operating income	40.3	40.8	41.0	45.9	45.9	48.5	54.5	55.5	58.2
- per share	1.08	1.09	1.10	1.15	1.15	1.18	1.27	1.29	1.36

Source: Company data and Nordea estimates

...and should grow in line with inflation over the next few years, assuming no M&A

We expect income from property management to be EUR 1.27 per share by the end of 2021, and to increase to EUR 1.36 in 2023, which is based on one acquisition closing in 2022 and rents being increased in line with inflation. We also expect the occupancy rate to improve to 95% in 2023, from 94.3% at the end of Q3 2021. We only update our estimates for earnings capacity to reflect announced deals; we do not try to predict acquisition activity.

Factors to consider when investing in Cibus

Cibus is a Nordic real estate company focusing on grocery and daily goods retail assets. Currently, the company owns assets in Finland and Sweden. Unlike its retail real estate peers, Cibus is less dependent on macroeconomic fluctuations and competition from e-commerce. Its portfolio is diversified, featuring 310 properties with a broad geographical spread across Finland and Sweden, and as of 15 October also in Norway. In addition to the 310 properties as of 30 September 2021, Cibus has agreed to acquire 72 properties from Sagax and the deal closed on 30 November 2021. Furthermore, Cibus acquired six properties in Finland, eight in Norway and three in Sweden during Q4, taking the total property count to 399. In our view, stable cash flows from solid daily goods tenants combined with financial leverage and a high payout ratio make Cibus an attractive proposition for investors who want a high and predictable dividend distributed on a monthly basis.

The second-largest Nordic player in a segment dominated by pension funds

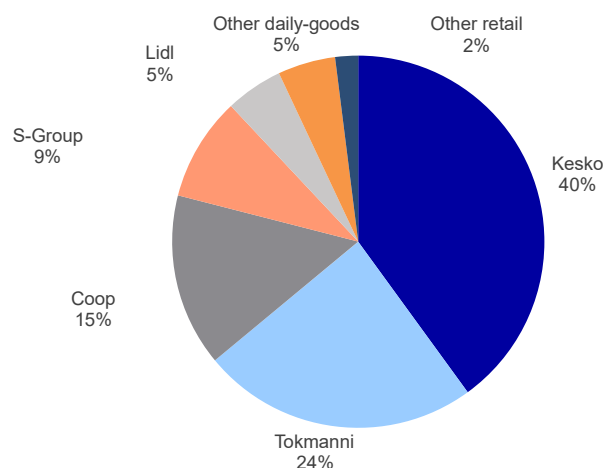
Cibus is now a truly Nordic and leading owner of daily goods properties

Cibus has established a strong presence in the Nordic real estate sector with its focus on grocery- and daily-goods-anchored properties. The current portfolio consists of Finnish, Swedish and Norwegian assets. In a segment dominated by Swedish and Finnish pension funds, Cibus has rapidly become the second-largest Nordic investor in the field, with a property value of EUR ~1.5bn, following the recently announced acquisitions, second only to Trophi Fastighets AB, with a Q3 2021 property value of EUR ~1.6bn.

Highly diversified property portfolio with a market value of EUR ~1.5bn

Cibus targets stable cash flow from established grocery and daily goods tenants. Combined with its balanced use of leverage, this results in a company with high dividend capacity. Cibus had 310 properties in its portfolio with a leasable area of ~789,000 m² as of 30 September 2021 and, including the deals to be closed in Q4 and one in Q3 2022, 399 properties with a lettable area of ~866,000 m². The portfolio will have a market value of EUR ~1.5bn after the announced acquisitions. The portfolio is diversified, with no single property accounting for more than 2% of the value. On an individual basis, more than 70% of Cibus's properties do not account for more than 1% of total rental income.

RENTAL INCOME PER TENANT AS OF SEPTEMBER 2021



Source: Company data

The largest grocery and daily goods players in Finland and Sweden are Cibus's anchor tenants

Over 90% of rental income comes from properties for which either Kesko, Tokmanni, Coop, S-Group or Lidl are the anchor tenants. The portfolio is diversified in terms of property type, including supermarkets, discount stores, hypermarkets, smaller markets and other retail assets.

<p>Minimal dependence on macroeconomic factors</p> <p>Grocery and daily goods segment less affected by e-commerce</p> <p>Barriers to entry are high for players focusing purely on online grocery operations</p>	<p>Grocery and daily goods tenants are resilient</p> <p>Grocery and daily goods sales, for obvious reasons, have been highly resilient to macroeconomic swings.</p> <p>In recent years, retail real estate has fallen out of favour among investors, mainly due to fears about the impact of e-commerce on demand for physical stores in fashion, consumer electronics, etc. Online sales of groceries and daily goods have increased in recent years, albeit from a low level. In countries and areas with low population density, however, we believe it is especially difficult to make online ordering and home delivery for grocery and daily goods profitable.</p> <p>We find this true for the Nordic region, where population density is low outside the largest cities. In Sweden and Finland, the grocery market is concentrated among a few players, which might lower the barriers to entry for pure online players, as the traditional players are not keen to invest in large-scale grocery online offerings and services. Traditional grocery and daily goods players, however, have the infrastructure in place to respond quickly if e-commerce competition intensifies. One advantage for Kesko and S-Group in Finland and Coop in Sweden is that same-day local pickup is already provided by existing grocery players with countrywide store coverage.</p>
<p>In the near term, we expect a limited earnings boost from a lower cost of debt</p>	<p>Cibus has refinanced both bank loans and bonds</p> <p>Cibus operates with an appropriate level of debt considering its stable cash flow profile, in our view. Net LTV was 60.1% at the end of Q3 2021, and we estimate the weighted average total cost of debt was roughly 2.7%. Cibus refinanced one of its three loan facilities at the end of 2018 and the other two during H1 2019. All refinancing rounds resulted in longer debt maturity and lower interest rates, partly explained by the fact that all initial loan facilities were negotiated before Cibus's IPO. The bank financing has an average interest rate of 1.7% plus three-month Euribor (with floor). The EUR 135m bond that would have matured in 2021 was refinanced at an unchanged coupon of 4.5%. In conjunction with the EUR 102m acquisition in Q4 2020, Cibus established a new senior loan facility. Gross debt was EUR 842m at the end of Q3 2021, with bank debt of EUR 648m and bonds totalling EUR 194m.</p>
<p>EUR 30m hybrid bond issued in June 2021</p>	<p>On 17 June 2021, Cibus announced that it had successfully issued EUR 30m of hybrid bonds, with the first call date on 24 September 2026. The hybrid bond has an interest rate of three-month Euribor plus 475 bp.</p>

COST OF DEBT FORECASTS

	30 Sep 2018		5 Nov 2018		31 Dec 2018		31 Dec 2019		Coop acquisition		Latest estimated	
	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)	EURm	Cost (%)
Bank loans	324	2.3 %	354	2.1 %	354	2.1 %	403	2.0 %	551	2.1 %	698	2.2 %
Bond	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	193	4.6 %	194	4.6 %
Group total	459	3.0 %	489	2.8 %	489	2.8 %	538	2.6 %	744	2.7 %	892	2.7 %
Debt cost/year	-13.6		-13.6		-13.6		-14.1		-20.4		-24.5	

Source: Company data and Nordea estimates

<p>The current balance sheet enables smaller bolt-on acquisitions, but larger ones would likely require an equity component</p>	<p>Small or large acquisitions likely in the medium to long term</p> <p>Cibus's current portfolio and earnings will not grow at a pace significantly higher than inflation, as the upside potential in lease agreements comes from CPI indexation. Given its current balance sheet, Cibus can make smaller acquisitions, but larger portfolio acquisitions would likely need an equity component to avoid raising group LTV too much. For example, if Cibus were to buy a portfolio for EUR 100m, we calculate that it would need new equity of roughly EUR 40m to keep its balance sheet metrics unchanged. We believe Cibus could pay for part of an acquisition through a directed share issue to the selling party.</p> <p>Obviously, this means it is important for the share to trade relatively close to EPRA NRV, or preferably at a premium, as it does now (~90% above EPRA NRV), so that new shares would not be issued at a significant discount to EPRA NRV. The SEK 1.9bn (EUR 180m) acquisition of the Coop portfolio in March 2020 was financed in a similar way, as was the EUR 102m acquisition in Finland in Q4 2020, while the recent acquisition from Sagax was financed partly by a targeted share issue.</p>
---	--

Growth target raised during 2020

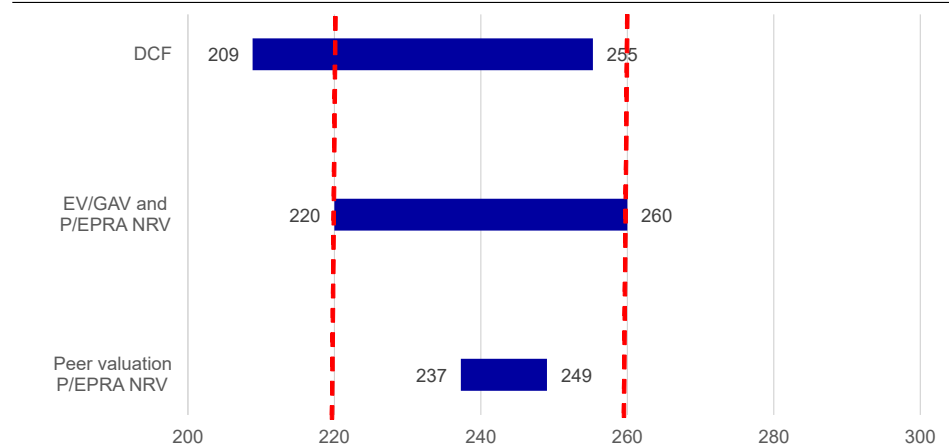
Cibus previously aimed to grow its portfolio by EUR 50m per year, but it then raised this target to EUR 50-100m, reflecting annual additions to the portfolio. In our view, this implies that Cibus will continue growing by issuing new shares, which is advantageous given that the shares are currently trading at a ~90% premium to EPRA NRV. In 2021, Cibus has already announced acquisitions amounting to EUR 212m, of which all but one transaction will close during 2021.

Our fair value range is SEK 220-260 per share

Valuation conclusion

Our main valuation approach is based on 2022E P/EPRA NRV of 1.50-1.74x, which results in a fair value range of SEK 220-260 per share. A peer group EPRA/NRV valuation suggests a narrow range of SEK 237-249, while the DCF range is wider at SEK 209-255 per share. In terms of our various valuation approaches, we assign the greatest weight to P/EPRA NRV, backed by DCF and peer valuation. We arrive at a fair value range of SEK 220-260 per share, corresponding to 2022E adjusted P/E of 17.5-20.7x.

VALUATION APPROACH (SEK PER SHARE)



Source: Company data and Nordea estimates

Dividend yield does not directly impact valuation, but a high dividend yield should offer downside protection

Cibus focuses on creating a portfolio of grocery and daily goods assets that generate stable cash flows, and it enhances returns for shareholders by using an optimal level of debt. Hence, the company's main objective is to maximise its dividend capacity and distribute a significant share of earnings as dividends. Our dividend yield forecast of 4.2% for 2021 should offer solid downside protection for Cibus's shares. The dividend yield should therefore not have an impact on valuation, but if Cibus can maintain or grow the dividend, we reason that the dividend yield should offer downside protection and an attractive stable dividend play. Our fair value range of SEK 220-260 per share corresponds to a 2022E dividend yield of 4.1-4.8%.

VALUATION TABLE

Share price (SEK)	Share price (EUR)	EV/GAV (x)		P/EPRA NAV (x)		Adj. PE		NOI/EV (%)		Dividend yield (%)	
		2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E	2021E	2022E
200.00	19.57	1.14	1.12	1.54	1.36	17.4	15.9	3.6	4.4	5.1	5.3
205.00	20.06	1.15	1.13	1.58	1.40	17.9	16.3	3.5	4.4	4.9	5.2
210.00	20.55	1.17	1.14	1.62	1.43	18.3	16.7	3.5	4.3	4.8	5.1
215.00	21.04	1.18	1.16	1.66	1.46	18.7	17.1	3.4	4.3	4.7	4.9
220.00	21.53	1.20	1.17	1.69	1.50	19.2	17.5	3.4	4.2	4.6	4.8
225.00	22.02	1.21	1.18	1.73	1.53	19.6	17.9	3.4	4.2	4.5	4.7
230.00	22.51	1.22	1.20	1.77	1.57	20.1	18.3	3.3	4.1	4.4	4.6
235.00	23.00	1.24	1.21	1.81	1.60	20.5	18.7	3.3	4.1	4.3	4.5
240.00	23.49	1.25	1.22	1.85	1.63	20.9	19.1	3.3	4.0	4.2	4.4
245.00	23.97	1.26	1.24	1.89	1.67	21.4	19.5	3.2	4.0	4.1	4.3
250.00	24.46	1.28	1.25	1.93	1.70	21.8	19.9	3.2	3.9	4.0	4.3
255.00	24.95	1.29	1.26	1.96	1.74	22.2	20.3	3.2	3.9	4.0	4.2
260.00	25.44	1.30	1.28	2.00	1.77	22.7	20.7	3.1	3.9	3.9	4.1
265.00	25.93	1.32	1.29	2.04	1.80	23.1	21.1	3.1	3.8	3.8	4.0
270.00	26.42	1.33	1.30	2.08	1.84	23.5	21.5	3.1	3.8	3.7	3.9
275.00	26.91	1.35	1.32	2.12	1.87	24.0	21.9	3.0	3.7	3.7	3.9
280.00	27.40	1.36	1.33	2.16	1.91	24.4	22.3	3.0	3.7	3.6	3.8
285.00	27.89	1.37	1.34	2.19	1.94	24.9	22.7	3.0	3.7	3.5	3.7
290.00	28.38	1.39	1.36	2.23	1.97	25.3	23.1	2.9	3.6	3.5	3.7
295.00	28.87	1.40	1.37	2.27	2.01	25.7	23.5	2.9	3.6	3.4	3.6
300.00	29.36	1.41	1.38	2.31	2.04	26.2	23.9	2.9	3.6	3.4	3.5

Source: Nordea estimates

Detailed estimates

ANNUAL ESTIMATES					
EURm	2019	2020	2021E	2022E	2023E
Rental income	52	65	80	91	94
Rental income growth	106.3%	26.2%	23.5%	13.5%	3.3%
Property expenses	-3	-3	-4	-5	-6
Net rental income	49	61	76	86	89
NRI margin %	94.3%	94.4%	94.5%	94.0%	94.0%
Administrative expenses	-5	-7	-6	-6	-6
Other operating income	9	9	13	10	10
Other operating expenses	-9	-10	-14	-10	-10
Profit/loss on sales of investment properties	1	0	0	0	0
Profit/loss on sales of trading properties	0	0	0	0	0
Fair value changes of investment properties	7	6	9	17	20
Depreciation, amortisation and impairment losses	-1	0	0	0	0
Operating profit/loss	50	61	78	97	103
Financial income	0	0	0	0	0
Financial expenses	-15	-21	-22	-24	-24
Net financials	-15	-21	-22	-24	-24
Share of result from associated companies	0	0	0	0	0
Profit before taxes	35	39	56	73	79
Current tax expense	-1	0	-1	-3	-4
Change in deferred tax	-5	-5	-5	-3	-4
Profit/loss for the period	30	34	50	67	71
Funds from operations	28	33	45	53	55

Source: Company data and Nordea estimates

INTERIM ESTIMATES

EURm	Q1/2020	Q2/2020	Q3/2020	Q4/2020	Q1/2021	Q2/2021	Q3/2021	Q4/2021E
Rental income	14	16	17	18	19	20	20	21
Rental income growth	11.9%	24.4%	29.2%	33.8%	38.4%	21.0%	19.0%	18.4%
Property expenses	-1	-1	-1	-1	-1	-1	-1	-1
Net rental income	13	16	16	17	19	19	19	20
NRI margin %	92.6%	95.1%	95.2%	96.0%	95.3%	95.5%	95.4%	95.9%
Administrative expenses	-1	-2	-2	-2	-2	-2	-1	-1
Other operating income	2	2	3	3	4	3	3	4
Other operating expenses	-2	-2	-2	-3	-4	-3	-3	-4
Profit/loss on sales of investment properties	0	0	0	0	0	0	0	0
Profit/loss on sales of trading properties	0	0	0	0	0	0	0	0
Fair value changes of investment properties	2	3	1	1	0	2	2	5
Depreciation, amortisation and impairment losses	0	0	0	0	0	0	0	0
Operating profit/loss	13	17	15	16	17	19	20	24
Financial income	0	0	0	0	0	0	0	0
Financial expenses	-5	-6	-5	-6	-5	-6	-5	-6
Net financials	-5	-6	-5	-6	-5	-6	-5	-6
Share of result from associated companies	0	0	0	0	0	0	0	0
Profit before taxes	8	11	10	11	12	13	14	18
Current tax expense	0	-1	0	1	-1	0	0	0
Change in deferred tax	-1	-1	-1	-2	0	-2	-2	-1
Profit/loss for the period	7	9	9	9	11	12	12	16
Funds from operations	7	7	10	10	11	11	12	12

Source: Company data and Nordea estimates

SUMMARY TABLE: KEY FIGURES

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Rental income	n.a.	25	52	65	80	91	94
- rental income growth	n.a.	n.a.	106%	26%	24%	14%	3%
Net operating income (NOI)	n.a.	23	49	61	76	86	89
Pre-tax profit	n.a.	16	35	39	56	73	79
IFPM (pretax ex value gains)	n.a.	12	27	33	47	56	58
FFO	n.a.	11	28	33	45	53	55
-FFO growth	n.a.	n.a.	148%	20%	37%	17%	4%
Dividend	n.a.	-6	-26	-30	-38	-42	-44
Shareholder equity	n.a.	329	333	458	538	563	591
EPRA NRV (incl. div not paid)	n.a.	338	346	456	534	604	654
-EPRA NRV growth	n.a.	n.a.	3%	31%	17%	13%	8%
Net debt	n.a.	461	517	785	898	896	884
Net debt/EBITDA	n.a.	21.9x	11.9x	14.3x	12.9x	11.2x	10.7x
Loan-to-value (net)	n.a.	56%	59%	62%	61%	60%	58%

Source: Company data and Nordea estimates

RATIOS RELATED TO BALANCE SHEET

	2017	2018	2019	2020	2021E	2022E	2023E
Investment properties, fair value EURm	n.a.	816	875	1,273	1,475	1,503	1,524
Net investments, EURm	n.a.	0	57	369	193	12	0
Net debt, EURm	n.a.	461	517	785	898	896	884
Average interest rate	n.a.	2.8%	2.6%	2.7%	2.7%	2.7%	2.7%
Equity ratio	n.a.	36%	35%	36%	36%	37%	38%
Payout ratio (dividend / FFO)	n.a.	102%	102%	88%	85%	86%	89%

Source: Company data and Nordea estimates

NRV CALCULATION (EUR PER SHARE)

EURm	2017	2018	2019	2020	2021E	2022E	2023E
Equity (less hybrid, incl. value changes)	n.a.	329	333	458	508	533	561
Acc. dividend added back		0	0	0	0	42	85
Deferred tax	n.a.	9	14	20	25	29	33
EPRA NRV	n.a.	338	346	478	534	604	679
- per share		10.9	11.1	11.4	12.7	14.4	16.2
EPRA NRV	n.a.	338	346	478	534	604	679
Derivatives	n.a.	-2	-2	-1	0	0	0
Deferred tax 10% -tax	n.a.	-5	-7	-10	-13	-14	-16
EPRA NNNRV (Nordea est.)	n.a.	331	337	467	521	589	662
- per share		10.7	10.9	11.1	12.4	14.0	15.8

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Total revenue	n.a.	n.a.	n.a.	n.a.	n.a.	29	60	74	93	101	104
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	108.3%	23.6%	25.5%	8.4%	2.9%
of which organic	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
of which FX	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA	0	0	0	0	0	21	43	55	70	80	83
Depreciation and impairments PPE	0	0	0	0	0	0	0	0	0	0	0
of which leased assets	0	0	0	0	0	0	0	0	0	0	0
EBITA	0	0	0	0	0	21	43	55	70	80	83
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	21	43	55	70	80	83
of which associates	0	0	0	0	0	0	0	0	0	0	0
Associates excluded from EBIT	0	0	0	0	0	0	0	0	0	0	0
Net financials	0	0	0	0	0	-8	-15	-21	-22	-24	-24
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	0	4	7	6	9	17	20
Pre-tax profit	0	0	0	0	0	17	35	40	57	73	79
Reported taxes	0	0	0	0	0	-3	-5	-5	-6	-6	-8
Net profit from continued operations	0	0	0	0	0	14	30	35	50	67	71
Discontinued operations	0	0	0	0	0	0	0	0	0	0	0
Minority interests	0	0	0	0	0	0	0	0	0	0	0
Net profit to equity	0	0	0	0	0	14	30	35	50	67	71
EPS, EUR	n.a.	n.a.	n.a.	n.a.	n.a.	0.44	0.97	0.96	1.25	1.58	1.69
DPS, EUR	0.00	0.00	0.00	0.00	0.00	0.84	0.89	0.94	0.99	1.04	1.10
of which ordinary	0.00	0.00	0.00	0.00	0.00	0.84	0.89	0.94	0.99	1.04	1.10
of which extraordinary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Profit margin in percent

EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.9%	79.1%	79.5%
EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.9%	79.1%	79.5%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.9%	79.1%	79.5%

Adjusted earnings

EBITDA (adj)	0	0	0	0	0	21	43	55	70	80	83
EBITA (adj)	0	0	0	0	0	21	43	55	70	80	83
EBIT (adj)	0	0	0	0	0	21	43	55	70	80	83
EPS (adj, EUR)	n.a.	n.a.	n.a.	n.a.	n.a.	0.40	0.88	0.92	1.12	1.23	1.28

Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.9%	79.1%	79.5%
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.9%	79.1%	79.5%
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.9%	79.1%	79.5%

Performance metrics

CAGR last 5 years											
Net revenue	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	29.2%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	31.5%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	31.5%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	30.8%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	5.5%
Average last 5 years											
Average EBIT margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	75.2%	76.4%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	75.2%	76.4%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	25.4	15.9	18.1	21.5	19.7	19.0
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	27.4	23.9	22.9
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	27.4	23.9	22.9
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	27.4	23.9	22.9

VALUATION RATIOS - REPORTED EARNINGS

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
P/E	n.a.	n.a.	n.a.	n.a.	n.a.	22.9	14.3	17.3	19.4	15.3	14.3
EV/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	26.80	15.76	19.50	20.50	18.89	18.23
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	27.4	23.9	22.9
EV/EBITA	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	27.4	23.9	22.9
EV/EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	27.4	23.9	22.9
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	n.a.	8.3%	6.4%	5.7%	4.1%	4.3%	4.5%
FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	-2.9%	-8.9%	-53.7%	-14.0%	4.3%	5.5%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	n.a.	5.1%	3.0%	5.3%	5.0%	5.4%	5.5%
Payout ratio	n.a.	n.a.	n.a.	n.a.	n.a.	190.2%	91.4%	97.9%	79.5%	65.6%	65.0%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	0	0	0	0	0	0	0	0	0	0	0
of which R&D	0	0	0	0	0	0	0	0	0	0	0
of which other intangibles	0	0	0	0	0	0	0	0	0	0	0
of which goodwill	0	0	0	0	0	0	0	0	0	0	0
Tangible assets	0	0	0	0	0	816	881	1,281	1,483	1,512	1,532
of which leased assets	0	0	0	0	0	0	6	8	8	8	8
Shares associates	0	0	0	0	0	0	0	0	0	0	0
Interest bearing assets	0	0	0	0	0	0	0	0	0	0	0
Deferred tax assets	0	0	0	0	0	2	1	4	4	4	4
Other non-IB non-current assets	0	0	0	0	0	0	0	0	0	0	0
Other non-current assets	0	0	0	0	0	1	0	0	0	0	0
Total non-current assets	0	0	0	0	0	819	882	1,284	1,487	1,515	1,536
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	0	2	4	1	1	2	2
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	1	2	2	2	2	2
Cash and bank	0	0	0	0	0	26	25	37	24	26	38
Total current assets	0	0	0	0	0	29	30	39	28	30	42
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	0	0	0	0	0	848	913	1,324	1,514	1,545	1,577
Shareholders equity	0	0	0	0	0	329	333	458	538	563	591
Of which preferred stocks	0	0	0	0	0	0	0	0	0	0	0
Of which equity part of hybrid debt	0	0	0	0	0	0	0	0	30	30	30
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	0	0	329	333	458	538	563	591
Deferred tax	0	0	0	0	0	9	14	20	25	29	33
Long term interest bearing debt	0	0	0	0	0	486	535	810	913	913	913
Pension provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term provisions	0	0	0	0	0	0	0	0	0	0	0
Other long-term liabilities	0	0	0	0	0	2	2	1	0	0	0
Non-current lease debt	0	0	0	0	0	0	6	9	9	9	9
Convertible debt	0	0	0	0	0	0	0	0	0	0	0
Shareholder debt	0	0	0	0	0	0	0	0	0	0	0
Hybrid debt	0	0	0	0	0	0	0	0	0	0	0
Total non-current liabilities	0	0	0	0	0	498	557	841	948	951	955
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	0	0	1	1	1
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	21	23	22	28	30	31
Short term interest bearing debt	0	0	0	0	0	0	0	3	0	0	0
Total current liabilities	0	0	0	0	0	21	23	25	28	31	32
Liabilities for assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total liabilities and equity	0	0	0	0	0	848	913	1,324	1,514	1,545	1,577
Balance sheet and debt metrics											
Net debt	0	0	0	0	0	461	517	785	898	896	884
of which lease debt	0	0	0	0	0	0	6	9	9	9	9
Working capital	0	0	0	0	0	-18	-17	-20	-25	-27	-28
Invested capital	0	0	0	0	0	801	865	1,265	1,462	1,488	1,508
Capital employed	0	0	0	0	0	815	874	1,280	1,461	1,486	1,513
ROE	n.m.	n.m.	n.m.	n.m.	n.m.	8.4%	9.2%	8.7%	10.1%	12.1%	12.3%
ROIC	n.m.	n.m.	n.m.	n.m.	n.m.	4.2%	4.2%	4.1%	4.1%	4.3%	4.4%
ROCE	n.m.	n.m.	n.m.	n.m.	n.m.	5.3%	5.1%	5.1%	5.1%	5.4%	5.5%
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	21.9	11.9	14.3	12.9	11.2	10.7
Interest coverage	n.a.	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	n.m.	n.m.	n.m.	n.m.	38.8%	36.5%	34.6%	35.6%	36.5%	37.4%
Net gearing	n.m.	n.m.	n.m.	n.m.	n.m.	140.1%	155.2%	171.5%	166.8%	159.1%	149.7%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2013	2014	2015	2016	2017	2018	2019	2020	2021E	2022E	2023E
EBITDA (adj) for associates	0	0	0	0	0	21	43	55	70	80	83
Paid taxes	0	0	0	0	0	-1	-2	-1	-1	-3	-4
Net financials	0	0	0	0	0	-4	-15	-21	-22	-24	-24
Change in provisions	0	0	0	0	0	0	0	0	0	0	0
Change in other LT non-IB	0	0	0	0	0	0	1	-4	-1	0	0
Cash flow to/from associates	0	0	0	0	0	0	0	0	0	0	0
Dividends paid to minorities	0	0	0	0	0	0	0	0	0	0	0
Other adj to reconcile to cash flow	0	0	0	0	0	0	-1	2	0	0	0
Funds from operations (FFO)	0	0	0	0	0	16	26	31	45	53	55
Change in NWC	0	0	0	0	0	0	-13	4	5	2	1
Cash flow from operations (CFO)	0	0	0	0	0	16	13	35	50	55	56
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Free cash flow before A&D	0	0	0	0	0	16	13	35	50	55	56
Proceeds from sale of assets	0	0	0	0	0	0	2	0	0	0	0
Acquisitions	0	0	0	0	0	-25	-53	-392	-193	-12	0
Free cash flow	0	0	0	0	0	-9	-39	-357	-142	43	56
Free cash flow bef A&D, lease adj	0	0	0	0	0	16	13	35	50	55	56
Dividends paid	0	0	0	0	0	-6	-26	-30	-38	-42	-44
Equity issues / buybacks	0	0	0	0	0	0	0	123	37	0	0
Net change in debt	0	0	0	0	0	24	24	24	100	0	0
Other financing adjustments	0	0	0	0	0	0	12	7	9	17	20
Other non-cash adjustments	0	0	0	0	0	17	28	245	-9	-17	-20
Change in cash	0	0	0	0	0	26	-1	12	-13	2	12
Cash flow metrics											
Capex/D&A	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/Sales	n.a.	n.a.	n.a.	n.a.	n.a.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Key information											
Share price year end (/current)	n.a.	n.a.	n.a.	n.a.	n.a.	10	14	17	24	24	24
Market cap.	n.a.	n.a.	n.a.	n.a.	n.a.	314	432	665	1,015	1,015	1,015
Enterprise value	n.a.	n.a.	n.a.	n.a.	n.a.	775	949	1,450	1,913	1,912	1,900
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.0	0.0	31.1	31.1	40.0	42.0	42.0	42.0

Source: Company data and Nordea estimates

Disclaimer and legal disclosures

Origin of the report

This publication or report originates from: Nordea Bank Abp, including its branches Nordea Danmark, Filial af Nordea Bank Abp, Finland, Nordea Bank Abp, filial i Norge and Nordea Bank Abp, filial i Sverige (together "Nordea") acting through their units Nordea Markets and Equity Sales & Research.

Nordea Bank Abp is supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the branches are supervised by the European Central Bank and the Finnish Financial Supervisory Authority and the Financial Supervisory Authorities in their respective countries.

Content of report

This report has been prepared solely by Nordea Markets or Equity Sales & Research.

Opinions or suggestions from Nordea Markets credit and equity research may deviate from one another or from opinions presented by other departments in Nordea. This may typically be the result of differing time horizons, methodologies, contexts or other factors.

The information provided herein is not intended to constitute and does not constitute investment advice nor is the information intended as an offer or solicitation for the purchase or sale of any financial instrument. The information contained herein has no regard to the specific investment objectives, the financial situation or particular needs of any particular recipient. Relevant and specific professional advice should always be obtained before making any investment or credit decision.

Opinions or ratings are based on one or more methods of valuation, for instance cash flow analysis, use of multiples, behavioural technical analyses of underlying market movements in combination with considerations of the market situation and the time horizon. Key assumptions of forecasts or ratings in research cited or reproduced appear in the research material from the named sources. The date of publication appears from the research material cited or reproduced. Opinions and estimates may be updated in subsequent versions of the report, provided that the relevant company/issuer is treated anew in such later versions of the report.

Validity of the report

All opinions and estimates in this report are, regardless of source, given in good faith, and may only be valid as of the stated date of this report and are subject to change without notice.

No individual investment or tax advice

The report is intended only to provide general and preliminary information to investors and shall not be construed as the basis for any investment decision. This report has been prepared by Nordea Markets or Equity Sales & Research as general information for private use of investors to whom the report has been distributed, but it is not intended as a personal recommendation of particular financial instruments or strategies and thus it does not provide individually tailored investment advice, and does not take into account the individual investor's particular financial situation, existing holdings or liabilities, investment knowledge and experience, investment objective and horizon or risk profile and preferences. The investor must particularly ensure the suitability of an investment as regards his/her financial and fiscal situation and investment objectives. The investor bears the risk of losses in connection with an investment.

Before acting on any information in this report, it is recommendable to consult (without being limited to) one's financial, legal, tax, accounting, or regulatory advisor in any relevant jurisdiction.

The information contained in this report does not constitute advice on the tax consequences of making any particular investment decision. Each investor shall make his/her own appraisal of the tax and other financial merits of his/her investment.

Sources

This report may be based on or contain information, such as opinions, estimates and valuations which emanate from: Nordea Markets' or Equity Sales & Research analysts or representatives, publicly available information, information from other units of Nordea, or other named sources.

To the extent this publication or report is based on or contain information emanating from other sources ("Other Sources") than Nordea Markets or Equity Sales & Research ("External Information"), Nordea Markets or Equity Sales & Research has deemed the Other Sources to be reliable but neither Nordea, others associated or affiliated with Nordea nor any other person, do guarantee the accuracy, adequacy or completeness of the External Information.

Limitation of liability

Nordea or other associated and affiliated companies assume no liability as regards to any investment, divestment or retention decision taken by the investor on the basis of this report. In no event will Nordea or other associated and affiliated companies be liable for direct, indirect or incidental, special or consequential damages (regardless of whether being considered as foreseeable or not) resulting from the information in this report.

Risk information

The risk of investing in certain financial instruments, including those mentioned in this report, is generally high, as their market value is exposed to a lot of different factors such as the operational and financial conditions of the relevant company, growth prospects, change in interest rates, the economic and political environment, foreign exchange rates, shifts in market sentiments etc. Where an investment or security is denominated in a different currency to the investor's currency of reference, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. Past performance is not a guide to future performance. Estimates of future performance are based on assumptions that may not be realized. When investing in individual shares, the investor may lose all or part of the investments.

Conflicts of interest

Readers of this document should note that Nordea Markets or Equity Sales & Research has received remuneration from the company mentioned in this document for the production of the report. The remuneration is not dependent on the content of the report.

Nordea, affiliates or staff in Nordea, may perform services for, solicit business from, hold long or short positions in, or otherwise be interested in the investments (including derivatives) of any company mentioned in the report.

To limit possible conflicts of interest and counter the abuse of inside knowledge, the analysts of Nordea Markets and Equity Sales & Research are subject to internal rules on sound ethical conduct, the management of inside information, handling of unpublished research material, contact with other units of Nordea and personal account dealing. The internal rules have been prepared in accordance with applicable legislation and relevant industry standards. The object of the internal rules is for example to ensure that no analyst will abuse or cause others to abuse confidential information. It is the policy of Nordea that no link exists between revenues from capital markets activities and individual analyst remuneration. Nordea and the branches are members of national stockbrokers' associations in each of the countries in which Nordea has head offices. Internal rules have been developed in accordance with recommendations issued by the stockbrokers associations. This material has been prepared following the Nordea Conflict of Interest Policy, which may be viewed at www.nordea.com/mifid. Please find a list of all recommendations disseminated by Nordea Equities during the preceding 12-month period here: <https://research.nordea.com/compliance>

Distribution restrictions

The securities referred to in this report may not be eligible for sale in some jurisdictions. This report is not intended for, and must not be distributed to private customers in the UK or the US or to customers in any other jurisdiction where restrictions may apply.

This publication or report may be distributed in the UK to institutional investors by Nordea Bank Abp London Branch of 6th Floor, 5 Aldermanbury Square, London, EC2V 7AZ, which is under supervision of the European Central Bank, Finanssivalvonta (Financial Supervisory Authority) in Finland and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority in the United Kingdom. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request.

Nordea Bank Abp ("Nordea") research is not "globally branded" research. Nordea research reports are intended for distribution in the United States solely to "major U.S. institutional investors," as defined in Rule 15a-6 under the Securities Exchange Act of 1934. Any transactions in securities discussed within the research reports will be chaperoned by Nordea Securities LLC ("Nordea Securities"), an affiliate of Nordea and a SEC registered broker dealer and member of FINRA. Nordea Securities does not employ research analysts and has no contractual relationship with Nordea that is reasonably likely to inform the content of Nordea research reports. Nordea makes all research content determinations without any input from Nordea Securities.

The research analyst(s) named on this report are not registered/qualified as research analysts with FINRA. Such research analyst(s) are also not registered with Nordea Securities and therefore may not be subject to FINRA Rule 2241 or FINRA Rule 2242 restrictions on communications with a subject company, public appearances and trading securities held by a research analyst account. This report may not be mechanically duplicated, photocopied or otherwise reproduced, in full or in part, under applicable copyright laws.

Analyst Shareholding

Nordea analysts do not hold shares in the companies that they cover. No holdings or other affiliations by analysts or associates.

Fair value and sensitivity

We calculate our fair values by weighting DCF, DDM, SOTP, asset-based and other standard valuation methods. Our fair values are sensitive to changes in valuation assumptions, of which growth, margins, tax rates, working capital ratios, investment-to-sales ratios and cost of capital are typically the most sensitive. It should be noted that our fair values would change by a disproportionate factor if changes are made to any or all valuation assumptions, owing to the non-linear nature of the standard valuation models applied (mentioned above). As a consequence of the standard valuation models we apply, changes of 1-2 percentage points in any single valuation assumption can change the derived fair value by as much as 30% or more. All research is produced on an ad hoc basis and will be updated when the circumstances require it.

Marketing Material

This research report should be considered marketing material, as it has been commissioned and paid for by the subject company, and has not been prepared in accordance with the regulations designed to promote the independence of investment research and it is not subject to any legal prohibition on dealing ahead of the dissemination of the report. However, Nordea Markets analysts are according to internal policies not allowed to hold shares in the companies/sectors that they cover.

Market-making obligations and other significant financial interest

Nordea has no market-making obligations in Cibus.

Investment banking transactions

Nordea has been lead or co-lead manager in a public disclosed offer of financial instruments issued by Cibus over the previous 12 months.

Issuer Review

This report has not been reviewed by the Issuer prior to publication.

Completion Date

01 Dec 2021, 06:56 CET

Nordea Bank Abp	Nordea Bank Abp, filial i Sverige	Nordea Danmark, Filial af Nordea Bank Abp, Finland	Nordea Bank Abp, filial i Norge
Nordea Markets Division, Research Visiting address: Aleksis Kiven katu 7, Helsinki FI-00020 Nordea Finland Tel: +358 9 1651 Fax: +358 9 165 59710 Reg.no. 2858394-9 Satamaradankatu 5 Helsinki	Nordea Markets Division, Research Visiting address: Smålandsgatan 17 SE-105 71 Stockholm Sweden Tel: +46 8 614 7000 Fax: +46 8 534 911 60	Nordea Markets Division, Research Visiting address: Grønjørdsvej 10 DK-2300 Copenhagen S Denmark Tel: +45 3333 3333 Fax: +45 3333 1520	Nordea Markets Division, Research Visiting address: Essendropsgate 7 N-0107 Oslo Norway Tel: +47 2248 5000 Fax: +47 2256 8650