

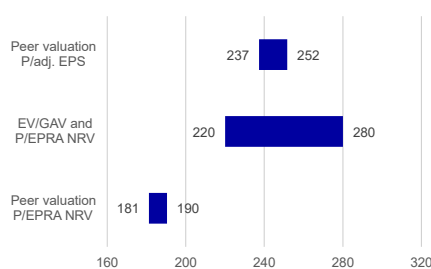
KEY DATA

Stock country	Sweden
Bloomberg	CIBUS.SS
Reuters	CIBUS.ST
Share price (close)	SEK 216.9
Free Float	100%
Market cap. (bn)	EUR 0.91/SEK 9.54
Website	www.cibusnordic.com
Next report date	

PERFORMANCE



VALUATION APPROACH



Source: Nordea estimates

ESTIMATE CHANGES

Year	2022E	2023E	2024E
Sales	3%	2%	2%
EBIT (adj)	0%	0%	0%

Source: Nordea estimates

Nordea Markets - Analysts

Svante Krokfors
DirectorDavid Flemmich
Senior Analyst, Sector Coordinator

Solid Q1 and M&A ambitions remain firm

Cibus's Q1 2022 income from property management (IFPM) was largely in line with Infront consensus. Earnings capacity-based IFPM per share increased from EUR 1.25 in Q4 2021 up to EUR 1.34, impacted by the inclusion of the EUR 280m acquisition in Denmark. We expect Cibus to keep making add-on acquisitions in the Nordics, and Cibus also mentioned expanding outside of the Nordics if a suitable opportunity arises. We make minor estimate revisions after the Q1 report. Our fair value range is SEK 220-280 per share, based on a mix of P/EPRA NAV and peer valuations. The EPS accretion from M&A is somewhat offset by Cibus likely aiming to lower LTV in order to reach an IG rating. We estimate this would require equity-like funding of EUR 410-660m to finance EUR 0.7-1.2bn in acquisitions and reach the targeted property value of EUR 2.5-3bn by the end of 2023.

Infrastructure-like daily goods assets ensure a stable dividend

Cibus owns grocery- and daily-goods-anchored real estate in the Nordics. 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. The company's rental income is stable and earnings growth has been supported by the successful refinancing of bank loans and bonds. Cibus has become one of the most attractive real estate compounders in the Nordics; its optimally structured balance sheet ensures high and growing dividends and it is well positioned to grow through M&A.

Q1 results largely in line with expectations

Income from property management (IFPM) was EUR 14.0m, adjusting for one-offs, 0% above consensus and 3% below our estimate. Q1 EPRA NRV per share was EUR 14.7 (SEK 151 at the current exchange rate) and was boosted by EUR 26.5m in positive fair value changes, mainly related rent indexation and slightly lower yield requirements.

Fair value trimmed due to the decline in peer valuation

We trim our fair value range to SEK 220-280 (240-300) per share, based on a combination of peer group and P/EPRA NRV valuations. The fair value range is lowered due to the decline in peer valuation. Our fair value range corresponds to a 2023E adjusted P/E of 15.8-20.1x, a P/EPRA NRV of 1.25-1.59x (including dividends) and a 2023E dividend yield of 4.0-5.1%. Its stable and growing dividend with a high and sustainable yield should offer downside protection. Trading at a ~45% premium to EPRA NRV corresponds to an ~18% asset premium and an implied yield of ~4.7%.

SUMMARY TABLE - KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	29	60	74	94	118	125	127
NOI margin	81.0%	80.8%	82.5%	81.4%	84.4%	84.8%	85.0%
EPS (adj, EUR)	0.40	0.88	0.92	1.18	1.31	1.35	1.38
EPS (adj) growth	n.a.	120.2%	5.0%	28.8%	10.3%	3.6%	1.7%
P/E (adj)	25.4	15.9	18.1	24.0	15.9	15.3	15.1
DPS, EUR	0.84	0.89	0.94	0.99	1.04	1.10	1.16
NAV per share	11	11	11	12	15	17	18
NAV growth	n.a.	1.9%	-2.1%	10.7%	31.0%	8.9%	9.5%
NOI/EV (adj)	3.0%	5.1%	4.2%	3.6%	4.8%	5.1%	5.3%
P/NAV	94.8%	128.0%	156.5%	241.2%	134.4%	123.5%	112.8%
P/EPRA NAV	92.9%	124.7%	152.9%	213.3%	131.3%	120.8%	110.4%
Dividend yield	8.3%	6.4%	5.7%	3.5%	5.0%	5.3%	5.6%
Loan-to-value (adj)	56.4%	58.7%	61.3%	58.0%	58.3%	57.3%	56.2%
Net debt/EBITDA(adj)	21.9	11.9	14.3	12.5	11.7	10.8	10.4

Source: Company data and Nordea estimates

Q1 results and estimate revisions

Adjusting for positive net one-offs of EUR 0.6m, the Q1 report was slightly below our estimates but bang in line with Infront consensus. Income from property management (IFPM) was EUR 14.0m, adjusting for one-offs, which was 0% above consensus and 3% below our estimate. Reported IFPM was EUR 14.6m. The updated earnings capacity revealed an increase in IFPM per share from EUR 1.25 in Q4 2021 up to EUR 1.34 in Q1, after the closing of acquisitions, especially the EUR 280m Danish acquisition.

Q1 income from property management (IFPM) was broadly in line with consensus

Cibus posted Q1 rental income of EUR 23.5m, 2% above our estimate and 1% above consensus. Net rental income was EUR 21.8m, 2% above our estimate and 0% above consensus. Reported income from property management (IFPM) was EUR 14.6m, 3% above our EUR 14.2m estimate and 4% above consensus of EUR 14.0m. The reported net financial costs, however, included EUR 0.9m of exchange rate gains, while administration costs included EUR -0.2m from Cibus's support for UNHCR's work in Ukraine and EUR -0.1m in extraordinary legal and other advisory services. Adjusted for this, IFPM was 3% below our estimate and in line with consensus.

CIBUS: Q1 DEVIATION TABLE

EURm	Actual Q1 2022	NDA est. Q1 2022E	Deviation vs. actual		Cons est. Q1 2022E	Deviation vs. actual			Actual Q1 2021	y/y	Actual Q4 2021	q/q
Rental income	23.5	23.0	0.4	2%	23.2	0.3	1%	19.4	21%	21.6	9%	
Net operating income	21.8	21.4	0.3	2%	21.7	0.1	0%	18.2	20%	20.4	7%	
NOI margin	92.8%	93.0%	-0.2pp		93.5%	-0.8pp	-0.8pp	93.7%	-1.0pp	94.4%	-1.6pp	
Income from property mgmt	14.6	14.2	0.4	3%	14.0	0.6	4%	11.6	26%	12.8	14%	
EPS	0.79	0.31	0.48	156%	-	0.79	n.a.	0.26	205%	0.29	172%	

Source: Company data, Infront and Nordea estimates

Q1 EPRA NRV per share was EUR 14.7 (SEK 151 at the current exchange rate) and was boosted by EUR 26.5m in positive fair value changes, mainly related to rent indexation and slightly lower yield requirements in Finland, Sweden and Norway. Net LTV was 52.0% and the company had a cash position of EUR 172m at the end of Q1. Its cash position will decrease after the Danish acquisition is fully paid; LTV will also increase.

Cibus is examining opportunities to expand outside the Nordics

The company is continuously assessing possible acquisitions in Finland, Sweden, Denmark and Norway, which could include smaller add-on acquisitions and larger portfolios. Cibus is also exploring acquisition possibilities outside the Nordics, mainly Germany, we believe, while the first priority remains the Nordics.

Minor estimate revisions

We make marginal estimate revisions after the Q1 report. We increase our top-line estimates to adjust for higher CPI indexation, as the majority of Cibus's rental agreements are linked to inflation. We cut our IFPM and adjusted EPS estimates to reflect somewhat higher administration costs and property costs than we previously anticipated.

ESTIMATE REVISIONS AFTER THE Q1 REPORT

EURm	New estimates			Old estimates			Change		
	2022E	2023E	2024E	2022E	2023E	2024E	2022E	2023E	2024E
Rental income	106.3	113.0	115.2	105.1	112.7	115.0	1%	0%	0%
Net operating income	99.8	106.0	108.1	98.7	105.7	107.8	1%	0%	0%
Profit from property mgmt	66.3	71.0	73.0	65.4	72.2	74.2	1%	-2%	-2%
Adj. EPS	1.31	1.35	1.38	1.29	1.38	1.40	2%	-2%	-2%
DPS	1.04	1.10	1.16	1.04	1.10	1.16	0%	0%	0%

Source: Company data and Nordea estimates

Earnings-capacity-based profit from property management increased q/q...

Based on the disclosed earnings capacity as of 31 December 2021, income per share from property management (before taxes) suggests pre-tax operating income of EUR 1.34 per share, up from EUR 1.25 in Q4 2021, following closed acquisitions. The EUR 1.34 takes into consideration the hybrid bond coupon of EUR 1.275m, which is not included on the "net financial costs" line.

EARNINGS CAPACITY

EURm	31 Jul 2020	30 Sep 2020	31 Dec 2020	31-Mar-21	30-Sep-21	31-Dec-21	31-Mar-22	31-Dec-22E	31-Dec-23E
Rental income	70.5	70.6	76.6	76.6	81.5	91.4	108.7	112.2	113.0
Property expenses	-5.4	-5.0	-4.0	-4.0	-5.2	-5.6	-6.5	-6.8	-6.9
Net rental income	65.1	65.6	72.6	72.6	76.3	85.8	102.2	105.3	106.0
Central admin.	-3.9	-4.3	-4.9	-4.9	-5.3	-5.9	-7.1	-7.1	-7.2
Net financial costs	-20.4	-20.4	-21.8	-21.8	-22.4	-23.8	-29.0	-29.0	-29.0
Operating income	40.8	41.0	45.9	45.9	48.5	56.2	66.2	69.3	69.9
- per share	1.09	1.10	1.15	1.15	1.18	1.25	1.34	1.41	1.42

Source: Company data and Nordea estimates

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

We expect IFPM to reach EUR 1.41 per share by the end of 2022, mainly as a result of announced but not closed transactions, and EUR 1.42 in 2023, mainly due to rents increasing in line with inflation. 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 focused on grocery and daily goods retail assets. The company owns assets in Finland, Sweden and Norway. As of 6 April 2022, it also has a significant presence in Denmark. Unlike its retail real estate peers, which mainly focus on shopping centres, Cibus is less dependent on macroeconomic fluctuations and competition from e-commerce. Its portfolio is diversified, featuring 440 properties with a broad geographical spread. After all announced acquisitions have closed, we estimate the store count will be 443. In our view, stable cash flows from solid daily goods tenants – combined with strong 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 largest Nordic player in a segment dominated by pension funds

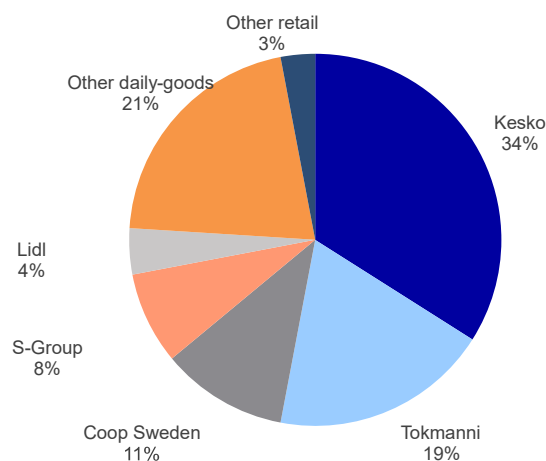
Cibus is a truly Nordic owner of daily goods properties

Cibus has established a strong presence in the Nordic real estate sector with its focus on properties anchored by grocery and daily goods merchants. Its current portfolio consists of Finnish, Swedish and Norwegian assets, and Denmark as of 6 April. In a segment dominated by Swedish and Finnish pension funds, Cibus has rapidly become the largest Nordic investor in the field, with a total property value of EUR ~1.8bn after the closing of the Danish acquisition.

Highly diversified property portfolio with a market value of EUR ~1.8bn

Cibus targets stable cash flow from established grocery and daily goods tenants. Combined with its balanced use of leverage, this creates high dividend capacity. As of 31 March 2022, Cibus had 440 properties in its portfolio with a leasable area of ~950,000 m². After the recently announced acquisitions (closing in 2022), the portfolio will have 443 properties, a lettable area of ~960,000 m², and a market value of EUR ~1.9bn. The portfolio is diversified, with no single property in the portfolio accounting for more than 2.0% of the portfolio's total net operating income, eliminating dependence on any individual property. Only one property accounts for more than 1.5% of the portfolio's total rental income.

RENTAL INCOME PER TENANT AS OF MARCH 2022



Source: Company data

Cibus's anchor tenants include the largest grocery and daily goods players in Finland and Sweden

More than 95% of net operating income is derived from grocery and daily goods tenants. Cibus's portfolio is diversified in terms of property type, however – it includes supermarkets, discount stores, hypermarkets, smaller markets and other retail assets. Including the Danish acquisition, approximately 69% of the portfolio's net operating income on an annual basis stems from properties in Finland, 14% from Denmark, 13% from properties in Sweden and 4% from properties in Norway. Supermarkets account for the majority of grocery sales in Finland, Sweden and Norway and represent the dominant type of store property in the company's portfolio.

Grocery and daily goods tenants are resilient

Minimal dependence on macroeconomic factors

Grocery and daily goods sales, for obvious reasons, have been highly resilient to macroeconomic swings.

Grocery and daily goods sales are less affected by e-commerce

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.

Barriers to entry are high for players focusing purely on online grocery operations

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.

Cibus has a solid balance sheet

In the near term, we expect a limited earnings boost from a lower cost of debt

Cibus operates with an appropriate level of debt considering its stable cash flow profile, in our view. Net LTV was 52.0% at the end of Q1 2022; we estimate that the weighted average total cost of debt was roughly 2.5%; this will likely decline after the Danish acquisition. Net LTV will increase after the closure of the Danish acquisition.

Cibus has continued to issue bonds at new lows when it comes to interest costs

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. On 22 March 2022, Cibus issued a EUR 50m senior unsecured green bond with a tenor of 2.75 years and an interest rate of three-month Euribor + 400 bp. Cibus also assumed EUR ~185m in conjunction with the Danish acquisition.

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 %	916	2.0 %
Bond	135	4.5 %	135	4.5 %	135	4.5 %	135	4.5 %	193	4.6 %	243	4.5 %
Group total	459	3.0 %	489	2.8 %	489	2.8 %	538	2.6 %	744	2.7 %	1159	2.5 %
Debt cost/year	-13.6		-13.6		-13.6		-14.1		-20.4		-29.0	

Source: Company data and Nordea estimates

Aiming to double its portfolio by 2023

Cibus now intends to grow its portfolio to EUR 2.5-3bn by the end of 2023...

On 1 December 2021, Cibus announced strong transaction flow for potential acquisitions and therefore updated its growth targets for the short to medium term. Cibus now estimates that the portfolio should nearly double by the end of 2023, to EUR 2.5-3bn, from EUR 1,822m as of the current portfolio including the Danish acquisition. Cibus had previously lifted its acquisition target from EUR 50m up to EUR 50-100m annually, while it carried out acquisitions of EUR 369m in 2020 and EUR 214m in 2021.

...implying annual acquisitions of EUR 300-600m

The new target implies acquisitions of EUR 650-1,150m for 2022-23, i.e. EUR 325-575m annually after the EUR ~300m announced in 2022. This is materially higher than the 2020-21 acquisition level of EUR 214-369m and quite ambitious, in our view. We do not have enough visibility into the transaction market to verify the availability of acquisition targets but note that Cibus could pursue a combination of smaller deals and larger portfolio transactions. Cibus announced in conjunction with the Q1 report that it has also started to look for targets outside the Nordics, without specifying any potential countries. We believe Germany could be a new market for Cibus.

Trading at a substantial EPRA NRV premium, Cibus has a clear advantage over institutional investors

The new growth targets imply significant additional equity-like needs for 2022-23. Assuming Cibus gradually lowers its LTV to around 50%, which we believe is required for an Investment Grade (IG) rating, its equity-like need for the coming two years would be roughly EUR 410-660m. A part of the equity portion, however, could be funded with hybrid bonds or similar equity-like instruments. The share trading at a ~45% premium to Q1 2022 EPRA NRV makes equity-based M&A financing highly attractive, as equity issuance above EPRA NRV in itself increases the EPRA NRV. Cibus

is currently trading at an implied yield of ~4.8%, which in our view implies that it can outbid the competition in many larger potential portfolio transactions. Most competitors are Nordic institutions that have the disadvantage of not being able to use equity priced in the market at a premium. On the other hand, if the institutions' return-on-equity requirement is below 4.8%, they might be able to pay similar prices.

Assumptions for M&A scenario analysis

The table below illustrates a simple scenario analysis where we assume that Cibus can grow its portfolio to EUR 2.75bn by the end of 2023, i.e. to the midpoint of its targeted EUR 2.5-3bn portfolio size. We make the following assumptions:

- Cibus will acquire properties for EUR 928m in total between Q1 2022 and 2023, taking the portfolio size to EUR 2.75bn by the end of 2023. We assume a property value of EUR 1,822m at the end of Q1 2022 and EPRA NRV of EUR 14.7.
- The net yield assumption for acquisitions is 5.5%, an assumption that might be conservative when it comes to smaller acquisitions and optimistic for larger portfolio acquisitions.
- All acquisitions will be financed with the assumption of LTV declining to 50% by the end of 2023, which is realistic given Cibus's IG rating ambitions. As a consequence, gross debt would increase to EUR 1,417m at the end of 2023, which equals net LTV of 50% assuming a cash position of EUR 42m at the end of 2023.
- EUR 539m of new equity would be issued. We assume equity would be issued at SEK 220 per share, i.e. roughly the current share price. This would increase the share count from 48.4 million at the end of Q1 2022 to 74 million by the end of 2023.
- Central administration costs would increase by 20% up to EUR 8.5m in 2023 from EUR 7.1m annually based on the Q1 2022 earnings capacity.
- In our 2023 scenario, we assume the average cost of debt is ~2.5%.
- In the IG 2023 scenario, we assume Cibus will achieve an Investment Grade rating, as disclosed as a target for the company. In our IG 2023 scenario, we assume the average cost of debt will decline to 2.0%. We believe it is unlikely that the IG rating will be achieved during 2023 but find it relevant to present the impact from an IG rating on cost of debt. We believe it is realistic to assume an IG rating during 2024.
- In calculating taxes on operations, we assume a 6% tax rate on income from property management. This is used to calculate the cash earnings per share.

M&A SCENARIO

EURm	Q1 2022	Add M&A	2023E	IG 2023E
Property value	1,822	928	2,750	2,750
Gross debt	1,158	389	1,417	1,417
Cash and cash equivalents	172		42	42
Net debt	986	389	1,375	1,375
Net LTV (%)	54.1%		50.0%	50.0%
Number of shares (m)	48.4	25	74	74
New shares issued at (SEK)		220		
Equity issued		539		
EPRA NRV	711	539	1,251	1,251
EPRA NRV per share (SEK)	151		175	175
Rental income	108.7	54.3	163.0	163.0
Property expenses	-6.5	-3.2	-9.7	-9.7
Net operating income	102.2	51.0	153.2	153.2
Central administration	-7.1	-1.4	-8.5	-8.5
Net financial expenses	-29.0	-9.7	-38.7	-28.3
Income from property management (IFPM)	66.2	39.9	106.0	116.4
Expenses, hybrid bond	-1.3	0.0	-1.3	-1.3
IFPM including hybrid bond	64.9	39.9	104.8	115.2
IFPM including hybrid bond (EUR)	1.34		1.42	1.56
Cash earnings per share after 6% tax (EUR)	1.26		1.34	1.47

Source: Company data and Nordea estimates

EPRA NRV would jump 16% based on new share issuance...

EPRA NRV would increase to SEK 175 per share (from SEK 151 per share in Q1 2022) based solely on the new equity (EUR 548m) raised at a premium to EPRA NRV.

...while IFPM per share would increase by 6-16%

As presented in the scenario analysis above, under our assumptions, income from property management (IFPM) per share, including the impact from the hybrid bond, would increase by 6% from EUR 1.34 to EUR 1.42. In our IG 2023 scenario, IFPM per share would increase by 16% to EUR 1.47 per share.

Based on the current share price, cash earnings multiples would decline to 14.6-16.0x in our scenario analysis

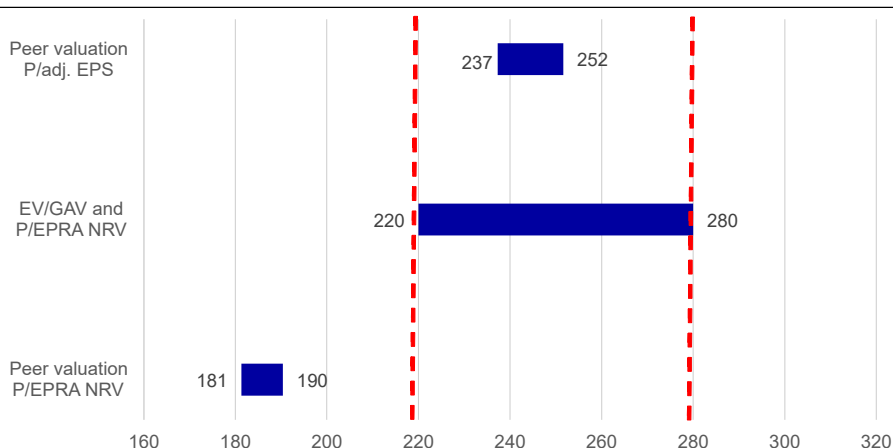
According to our scenario analysis, Cibus is trading at a 26% premium to 2023E EPRA NRV, while we expect EPRA NRV to increase to SEK 175 per share as a consequence of share issuances at a premium to EPRA NRV. Cash earnings multiples decline to 16.0x in our 2023 scenario and to 14.6x in the IG 2023 scenario, based on a share price of SEK 220 and a EUR/SEK rate of 10.30. If Cibus were to distribute 90% of its cash earnings in dividends, the dividend yield based on a share price of SEK 220 would be 5.6% in our 2023 scenario and 6.2% in the IG 2023 scenario.

Our fair value range is SEK 220-280 per share

Valuation conclusion

Our main valuation approach is based on 2023E P/EPRA NRV of 1.25-1.59x, which results in a fair value range of SEK 220-280 (240-300) per share. A peer group EPRA/NRV valuation suggests a narrow range of SEK 181-190, while the peer P/adjusted EPS range is SEK 237-252 per share. Of all our valuation approaches, we assign the greatest weight to P/EPRA NRV, backed by peer valuation. We arrive at a fair value range of SEK 220-280 per share, corresponding to a 2023E adjusted P/E of 15.8-20.1x.

VALUATION APPROACH (SEK PER SHARE)



Source: Company data and Nordea estimates

Our peer group of Swedish real estate compounders are trading at adjusted P/E multiples of 11.6-24.6x 2023E with an average of 17.1x. Cibus is currently trading at 15.2x 2023E adjusted P/E.

PEER GROUP VALUATION: SWEDISH REAL ESTATE COMPOUNDERS

Company	Price	Adj. P/E			P/EPRA NAV/NRV			Dividend yield (%)		
		2021	2022E	2023E	2021	2022E	2023E	2021	2022E	2023E
Fastighets AB Trianon	154.00	4.6	21.6	18.9	125%	95%	85%	0.8%	1.6%	1.8%
Nyfosä AB	103.40	6.2	13.3	13.2	113%	96%	89%	2.4%	3.8%	4.0%
Sagax AB	238.00	10.8	27.0	24.6	274%	220%	184%	0.0%	0.0%	0.0%
Samhällsbyggnadsbolaget I Norden Afd	27.88	1.7	12.9	11.6	80%	59%	53%	2.0%	5.1%	5.6%
Average		5.8	18.7	17.1	148%	117%	103%	1.3%	2.6%	2.8%
Median		5.4	17.5	16.0	119%	95%	87%	1.4%	2.7%	2.9%
Cibus (Nordea estimates)	211.40	17.4	15.7	15.2	154%	130%	120%	4.8%	5.1%	5.4%

Note: Share prices updated as of 4 May 2022

Source: Refinitiv, 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 5.1% for 2023 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 220-280 per share corresponds to a 2023E dividend yield of 4.0-5.1%. Currently, Cibus is trading at a 5.1% dividend yield for 2023E.

VALUATION TABLE

Share price (SEK)	Share price (EUR)	EV/GAV (x)		P/EPRA NRV (x)		Adj. PE		NOI/EV (%)		Dividend yield (%)	
		2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E	2022E	2023E
150.00	14.58	0.92	0.91	0.92	0.85	11.2	10.8	5.6	5.9	7.1	7.5
160.00	15.55	0.95	0.93	0.99	0.91	11.9	11.5	5.4	5.8	6.7	7.1
170.00	16.52	0.97	0.95	1.05	0.96	12.7	12.2	5.3	5.6	6.3	6.7
180.00	17.50	1.00	0.98	1.11	1.02	13.4	12.9	5.2	5.5	5.9	6.3
190.00	18.47	1.02	1.00	1.17	1.08	14.1	13.7	5.1	5.4	5.6	6.0
200.00	19.44	1.04	1.03	1.23	1.13	14.9	14.4	4.9	5.2	5.3	5.7
210.00	20.41	1.07	1.05	1.29	1.19	15.6	15.1	4.8	5.1	5.1	5.4
220.00	21.38	1.09	1.07	1.36	1.25	16.4	15.8	4.7	5.0	4.9	5.1
230.00	22.36	1.12	1.10	1.42	1.30	17.1	16.5	4.6	4.9	4.7	4.9
240.00	23.33	1.14	1.12	1.48	1.36	17.9	17.2	4.5	4.8	4.5	4.7
250.00	24.30	1.17	1.15	1.54	1.42	18.6	18.0	4.4	4.7	4.3	4.5
260.00	25.27	1.19	1.17	1.60	1.47	19.4	18.7	4.3	4.6	4.1	4.4
270.00	26.24	1.21	1.19	1.66	1.53	20.1	19.4	4.2	4.5	4.0	4.2
280.00	27.22	1.24	1.22	1.72	1.59	20.8	20.1	4.2	4.4	3.8	4.0
290.00	28.19	1.26	1.24	1.79	1.64	21.6	20.8	4.1	4.3	3.7	3.9
300.00	29.16	1.29	1.27	1.85	1.70	22.3	21.6	4.0	4.3	3.6	3.8
310.00	30.13	1.31	1.29	1.91	1.76	23.1	22.3	3.9	4.2	3.5	3.7
320.00	31.10	1.34	1.32	1.97	1.81	23.8	23.0	3.9	4.1	3.3	3.5
330.00	32.08	1.36	1.34	2.03	1.87	24.6	23.7	3.8	4.0	3.2	3.4
340.00	33.05	1.38	1.36	2.09	1.93	25.3	24.4	3.7	4.0	3.1	3.3
350.00	34.02	1.41	1.39	2.16	1.98	26.1	25.1	3.7	3.9	3.1	3.2

Source: Nordea estimates

Detailed estimates

ANNUAL ESTIMATES					
EURm	2020	2021	2022E	2023E	2024E
Rental income	65	81	106	113	115
Rental income growth	26.2%	24.6%	31.1%	6.3%	2.0%
Property expenses	-3	-4	-6	-7	-7
Net rental income	61	76	100	106	108
NRI margin %	94.4%	94.2%	93.9%	93.8%	93.8%
Administrative expenses	-7	-6	-7	-7	-7
Other operating income	9	13	12	12	12
Other operating expenses	-10	-14	-12	-12	-12
Profit/loss on sales of investment properties	0	0	0	0	0
Profit/loss on sales of trading properties	0	0	0	0	0
Fair value changes of investment properties	6	11	24	-1	10
Depreciation, amortisation and impairment losses	0	1	2	0	0
Operating profit/loss	61	80	118	98	111
Financial income	0	0	0	0	0
Financial expenses	-21	-22	-28	-28	-28
Net financials	-21	-22	-28	-28	-28
Share of result from associated companies	0	0	0	0	0
Profit before taxes	39	58	90	70	83
Current tax expense	0	0	-3	-4	-5
Change in deferred tax	-5	-8	-5	0	-2
Profit/loss for the period	34	50	82	66	76
Funds from operations	33	47	61	67	68

Source: Company data and Nordea estimates

INTERIM ESTIMATES									
EURm	Q1/2021	Q2/2021	Q3/2021	Q4/2021	Q1/2022	Q2/2022E	Q3/2022E	Q4/2022E	
Rental income	19	20	20	22	23	27	28	28	
Rental income growth	54.8%	50.5%	53.7%	11.1%	20.7%	36.9%	37.3%	29.2%	
Property expenses	-1	-1	-1	-1	-1	-1	-2	-2	
Net rental income	19	19	19	21	22	26	26	26	
NRI margin %	95.3%	95.5%	95.4%	95.8%	95.8%	94.5%	92.9%	92.8%	
Administrative expenses	-2	-2	-1	-2	-2	-2	-2	-2	
Other operating income	4	3	3	3	5	3	3	2	
Other operating expenses	-4	-3	-3	-4	-5	-3	-3	-2	
Profit/loss on sales of investment properties	0	0	0	0	0	0	0	0	
Profit/loss on sales of trading properties	0	1	2	3	0	1	2	3	
Fair value changes of investment properties	0	2	2	6	27	2	2	-7	
Depreciation, amortisation and impairment losses	0	0	0	0	2	0	0	0	
Operating profit/loss	17	20	22	28	46	27	28	20	
Financial income	0	0	0	0	0	0	0	0	
Financial expenses	-5	-6	-5	-6	-5	-7	-7	-9	
Net financials	-5	-6	-5	-6	-5	-7	-7	-9	
Share of result from associated companies	0	1	2	3	0	1	2	3	
Profit before taxes	12	14	16	22	41	20	21	12	
Current tax expense	-1	1	0	0	0	-1	-1	-1	
Change in deferred tax	-1	-2	-2	-3	-7	0	0	3	
Profit/loss for the period	10	14	14	19	34	19	20	13	
Funds from operations	11	12	12	13	14	16	16	15	

Source: Company data and Nordea estimates

SUMMARY TABLE: KEY FIGURES

EURm	2018	2019	2020	2021	2022E	2023E	2024E
Rental income	25	52	65	81	106	113	115
- rental income growth	n.a.	106%	26%	25%	31%	6%	2%
Net operating income (NOI)	23	49	61	76	100	106	108
Pre-tax profit	16	35	39	58	90	70	83
IFPM (pretax ex value gains)	12	27	33	48	66	71	73
FFO	11	28	33	47	61	67	68
-FFO growth	n.a.	148%	20%	41%	32%	9%	2%
Dividend	-6	-26	-30	-38	-44	-50	-53
Shareholder equity	329	333	458	583	713	729	752
EPRA NRV (incl. div not paid)	338	346	435	585	764	830	908
-EPRA NRV growth	n.a.	3%	26%	35%	30%	9%	9%
Net debt	461	517	785	876	1,082	1,064	1,049
Net debt/EBITDA	21.9x	11.9x	14.3x	12.5x	11.7x	10.8x	10.4x
Loan-to-value (net)	56%	59%	62%	58%	59%	58%	57%

Source: Company data and Nordea estimates

RATIOS RELATED TO BALANCE SHEET

	2018	2019	2020	2021E	2022E	2023E	2024E
Investment properties, fair value EURm	816	875	1,273	1,500	1,846	1,846	1,856
Net investments, EURm	0	57	369	206	323	0	0
Net debt, EURm	461	517	785	876	1,082	1,064	1,049
Average interest rate	2.8%	2.6%	2.7%	2.5%	2.5%	2.5%	2.5%
Equity ratio	36%	35%	37%	37%	37%	38%	38%
Payout ratio (dividend / FFO)	102%	102%	84%	80%	81%	84%	91%

Source: Company data and Nordea estimates

NRV CALCULATION (EURm AND EUR PER SHARE)

EURm	2018	2019	2020	2021E	2022E	2023E	2024E
Equity (less hybrid, incl. value changes)	329	333	458	554	684	700	723
Acc. dividend added back	0	0	0	0	44	94	147
Deferred tax	9	14	20	31	36	36	38
EPRA NRV	338	346	478	585	764	830	908
- per share	10.9	11.1	10.9	13.3	15.8	17.1	18.8
EPRA NRV	338	346	478	585	764	830	908
Derivatives	-2	-2	-1	0	0	0	0
Deferred tax 10% -tax	-5	-7	-10	-16	-18	-18	-19
EPRA NNNRV (Nordea est.)	331	337	467	569	746	812	889
- per share	10.7	10.9	10.6	11.8	15.4	16.8	18.4

Source: Company data and Nordea estimates

Reported numbers and forecasts

INCOME STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
Total revenue	n.a.	n.a.	n.a.	n.a.	29	60	74	94	118	125	127
Revenue growth	n.a.	n.a.	n.a.	n.a.	n.a.	108.3%	23.6%	26.1%	26.1%	5.7%	1.8%
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	21	43	55	70	92	99	101
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	21	43	55	70	92	99	101
Amortisation and impairments	0	0	0	0	0	0	0	0	0	0	0
EBIT	n.a.	n.a.	n.a.	n.a.	21	43	55	70	92	99	101
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	-8	-15	-21	-22	-28	-28	-28
of which lease interest	0	0	0	0	0	0	0	0	0	0	0
Changes in value, net	0	0	0	0	4	7	6	12	25	-1	10
Pre-tax profit	0	0	0	0	17	35	40	59	90	70	83
Reported taxes	0	0	0	0	-3	-5	-5	-8	-8	-4	-7
Net profit from continued operations	0	0	0	0	14	30	35	51	82	66	76
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	14	30	35	51	82	66	76
EPS, EUR	n.a.	n.a.	n.a.	n.a.	0.44	0.97	0.96	1.27	1.73	1.37	1.57
DPS, EUR	0.00	0.00	0.00	0.00	0.84	0.89	0.94	0.99	1.04	1.10	1.16
of which ordinary	0.00	0.00	0.00	0.00	0.84	0.89	0.94	0.99	1.04	1.10	1.16
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.	72.8%	72.0%	73.8%	74.6%	78.2%	79.1%	79.2%
EBITA	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	78.2%	79.1%	79.2%
EBIT	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	78.2%	79.1%	79.2%

Adjusted earnings

EBITDA (adj)	0	0	0	0	21	43	55	70	92	99	101
EBITA (adj)	0	0	0	0	21	43	55	70	92	99	101
EBIT (adj)	0	0	0	0	21	43	55	70	92	99	101
EPS (adj, EUR)	n.a.	n.a.	n.a.	n.a.	0.40	0.88	0.92	1.18	1.31	1.35	1.38

Adjusted profit margins in percent

EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	78.2%	79.1%	79.2%
EBITA (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	78.2%	79.1%	79.2%
EBIT (adj)	n.a.	n.a.	n.a.	n.a.	72.8%	72.0%	73.8%	74.6%	78.2%	79.1%	79.2%

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.	34.0%	16.2%
EBITDA	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	36.2%	18.4%
EBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	36.2%	18.4%
EPS	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	25.4%	10.0%
DPS	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	5.5%	5.4%
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.	75.0%	77.4%
Average EBITDA margin	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	75.0%	77.4%

VALUATION RATIOS - ADJUSTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E (adj)	n.a.	n.a.	n.a.	n.a.	25.4	15.9	18.1	24.0	15.9	15.3	15.1
EV/EBITDA (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	22.5	20.9	20.4
EV/EBITA (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	22.5	20.9	20.4
EV/EBIT (adj)	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	22.5	20.9	20.4

VALUATION RATIOS - REPORTED EARNINGS

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
P/E	n.a.	n.a.	n.a.	n.a.	22.9	14.3	17.3	22.4	12.0	15.1	13.2
EV/Sales	n.a.	n.a.	n.a.	n.a.	26.80	15.76	19.50	22.66	17.63	16.53	16.12
EV/EBITDA	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	22.5	20.9	20.4
EV/EBITA	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	22.5	20.9	20.4
EV/EBIT	n.a.	n.a.	n.a.	n.a.	36.8	21.9	26.4	30.4	22.5	20.9	20.4
Dividend yield (ord.)	n.a.	n.a.	n.a.	n.a.	8.3%	6.4%	5.7%	3.5%	5.0%	5.3%	5.6%
FCF yield	n.a.	n.a.	n.a.	n.a.	-2.9%	-8.9%	-53.7%	-10.3%	-25.5%	6.8%	6.8%
FCF Yield bef A&D, lease adj	n.a.	n.a.	n.a.	n.a.	5.1%	3.0%	5.3%	4.1%	6.7%	6.8%	6.8%
Payout ratio	n.a.	n.a.	n.a.	n.a.	211.3%	101.7%	102.3%	83.6%	79.7%	81.3%	84.3%

Source: Company data and Nordea estimates

BALANCE SHEET

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
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	816	881	1,281	1,509	1,856	1,855	1,865
of which leased assets	0	0	0	0	0	6	8	10	10	10	10
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	2	1	4	5	5	5	5
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	1	0	0	0	0	0	0
Total non-current assets	0	0	0	0	819	882	1,284	1,514	1,861	1,860	1,870
Inventory	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable	0	0	0	0	2	4	1	2	2	3	3
Short-term leased assets	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	1	2	2	3	4	5	5
Cash and bank	0	0	0	0	26	25	37	51	80	98	113
Total current assets	0	0	0	0	29	30	39	56	87	105	121
Assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Total assets	0	0	0	0	848	913	1,324	1,571	1,948	1,966	1,991
Shareholders equity	0	0	0	0	329	333	458	583	713	729	752
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	29	29	29	29
Minority interest	0	0	0	0	0	0	0	0	0	0	0
Total Equity	0	0	0	0	329	333	458	583	713	729	752
Deferred tax	0	0	0	0	9	14	20	31	36	36	38
Long term interest bearing debt	0	0	0	0	486	535	810	911	1,149	1,149	1,149
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	2	2	1	0	0	0	0
Non-current lease debt	0	0	0	0	0	6	9	13	13	13	13
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	498	557	841	956	1,198	1,198	1,200
Short-term provisions	0	0	0	0	0	0	0	0	0	0	0
Accounts payable	0	0	0	0	0	0	0	1	1	1	1
Current lease debt	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	21	23	22	28	36	38	38
Short term interest bearing debt	0	0	0	0	0	0	3	2	0	0	0
Total current liabilities	0	0	0	0	21	23	25	31	36	39	39
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	848	913	1,324	1,571	1,948	1,966	1,991
Balance sheet and debt metrics											
Net debt	0	0	0	0	461	517	785	876	1,082	1,064	1,049
of which lease debt	0	0	0	0	0	6	9	13	13	13	13
Working capital	0	0	0	0	-18	-17	-20	-24	-30	-31	-32
Invested capital	0	0	0	0	801	865	1,265	1,491	1,831	1,829	1,838
Capital employed	0	0	0	0	815	874	1,280	1,510	1,875	1,891	1,914
ROE	n.m.	n.m.	n.m.	n.m.	8.4%	9.2%	8.7%	9.9%	12.6%	9.2%	10.3%
ROIC	n.m.	n.m.	n.m.	n.m.	4.2%	4.2%	4.1%	4.1%	4.5%	4.3%	4.4%
ROCE	n.m.	n.m.	n.m.	n.m.	5.3%	5.1%	5.1%	5.0%	5.5%	5.2%	5.3%
Net debt/EBITDA	n.m.	n.m.	n.m.	n.m.	21.9	11.9	14.3	12.5	11.7	10.8	10.4
Interest coverage	n.a.	n.a.	n.a.	n.a.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Equity ratio	n.m.	n.m.	n.m.	n.m.	38.8%	36.5%	34.6%	37.1%	36.6%	37.1%	37.8%
Net gearing	n.m.	n.m.	n.m.	n.m.	140.1%	155.2%	171.5%	150.2%	151.6%	145.9%	139.4%

Source: Company data and Nordea estimates

CASH FLOW STATEMENT

EURm	2014	2015	2016	2017	2018	2019	2020	2021	2022E	2023E	2024E
EBITDA (adj) for associates	0	0	0	0	21	43	55	70	92	99	101
Paid taxes	0	0	0	0	-1	-2	-1	-1	-3	-4	-5
Net financials	0	0	0	0	-4	-15	-21	-22	-28	-28	-28
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	1	-4	-1	0	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	-1	2	1	0	0	0
Funds from operations (FFO)	0	0	0	0	16	26	31	46	61	67	68
Change in NWC	0	0	0	0	0	-13	4	5	6	2	1
Cash flow from operations (CFO)	0	0	0	0	16	13	35	51	67	68	68
Capital expenditure	0	0	0	0	0	0	0	0	0	0	0
Free cash flow before A&D	0	0	0	0	16	13	35	51	67	68	68
Proceeds from sale of assets	0	0	0	0	0	2	0	0	0	0	0
Acquisitions	0	0	0	0	-25	-53	-392	-180	-323	0	0
Free cash flow	0	0	0	0	-9	-39	-357	-129	-256	68	68
Free cash flow bef A&D, lease adj	0	0	0	0	16	13	35	51	67	68	68
Dividends paid	0	0	0	0	-6	-26	-30	-38	-44	-50	-53
Equity issues / buybacks	0	0	0	0	0	0	123	85	92	0	0
Net change in debt	0	0	0	0	24	24	24	24	235	0	0
Other financing adjustments	0	0	0	0	0	12	7	10	25	-1	10
Other non-cash adjustments	0	0	0	0	17	28	245	32	-24	1	-10
Change in cash	0	0	0	0	26	-1	12	14	29	18	15
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.	0.0%	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.	10	14	17	28	21	21	21
Market cap.	n.a.	n.a.	n.a.	n.a.	314	432	665	1,249	1,003	1,003	1,003
Enterprise value	n.a.	n.a.	n.a.	n.a.	775	949	1,450	2,125	2,085	2,066	2,051
Diluted no. of shares, year-end (m)	0.0	0.0	0.0	0.0	31.1	31.1	40.0	44.0	48.4	48.4	48.4

Source: Company data and Nordea estimates

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