

# Cibus

Converting food into yield

# Prospectus

Prospectus regarding the admission to trading of the Common shares of class D in Cibus Nordic Real Estate AB (publ) on Nasdaq Stockholm



## The validity of the Prospectus

This prospectus was approved by the Swedish Financial Supervisory Authority on 29 March 2022. This prospectus is valid for up to twelve months from the date of approval, provided that Cibus Nordic Real Estate AB (publ) fulfils its obligations under the Regulation (EU) 2017/1129, when applicable, to provide supplements to the prospectus in the event of significant new factors, material factual errors or other material inaccuracies that might affect the assessment of the company's securities. The obligation to prepare a supplement to the prospectus applies from the time of approval until the date on which trading on Nasdaq Stockholm commences. The company has no obligation to prepare a supplement to the prospectus after the date on which trading on a regulated market commences.



## Important information for investors

This prospectus (the "**Prospectus**") has been prepared in connection with the admission to trading of the Common shares of class D in Cibus Nordic Real Estate AB (publ) on the regulated market Nasdaq Stockholm (the "**Admission**"). The board of directors of Cibus has proposed that the annual general meeting to be held on 20 April 2022 resolves to issue Common shares of class D through a bonus issue (the "**Bonus issue**"). "**Cibus**", or the "**Company**" refers to Cibus Nordic Real Estate AB (publ), and the "**Group**" refers to the group of which Cibus Nordic Real Estate AB (publ) is the parent company.

### Competent authority

The Prospectus has been approved by the Swedish Financial Supervisory Authority (the "**SFSA**") (Sw. *Finansinspektionen*) in its capacity as the competent authority in accordance with the Regulation (EU) 2017/1129. The SFSA has approved this Prospectus only insofar as it meets the standards of completeness, comprehensibility and consistency as stipulated in the Regulation (EU) 2017/1129 and the SFSA's approval of the Prospectus does not mean that the SFSA guarantees that the factual information in the Prospectus is accurate or complete. Further, this approval should not be considered as any endorsement, neither of the issuer referred to in the Prospectus nor of the quality of the securities that are the subject of the Prospectus, and investors should make their own assessment as to the suitability of investing in the securities.

The Prospectus has been prepared in a Swedish and an English language version. In the event of discrepancies between the versions, the Swedish version shall prevail. The Prospectus is governed by Swedish law. Any disputes arising from the Prospectus or other legal matters in this connection shall be exclusively settled by a Swedish court under Swedish law without regard to conflict of law principles. The Stockholm District Court (Sw. *Stockholms tingsrätt*) shall be the court of first instance.

### Restrictions

The Prospectus does not contain an offer to subscribe for or otherwise acquire shares or other financial instruments in the Company either in Sweden or in any other jurisdiction. No measure has been nor will be taken that would allow an offer of shares to the public in any jurisdiction in connection with the Admission. The Prospectus and the associated material may not be distributed in or into the United States, Canada, Japan, Australia, Hong Kong, Switzerland, Singapore, South Africa or New Zealand or any other jurisdiction where such distribution would require additional prospectuses, registration or measures beside those required by Swedish law or is otherwise in violation of the regulations of such a country or such a jurisdiction. Persons receiving copies of this Prospectus are required by the Company to inform themselves about and to observe all such restrictions.

The shares in the Company have not been registered and will not be registered under the United States Securities Act of 1933, as amended, (the "**U.S. Securities Act**"), or the securities legislation of any other state or other jurisdiction in the United States, and may not be offered, sold, or otherwise transferred, directly or indirectly, in or into the United States except under an available exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States. The shares in the Company have not been recommended, approved or disapproved by any United States federal or state securities or regulatory authority. Moreover, no such authority has confirmed the correctness or reviewed the suitability of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

### Forward-looking statements

The Prospectus contains forward-looking statements and opinions. Forward-looking statements are statements that do not relate to historical facts and events, and such statements and opinions pertaining to the future that, for example, contain wordings such as "believes", "estimates", "anticipates", "expects", "assumes", "forecasts", "intends", "could", "will", "should", "would", "according to estimates", "is of the opinion", "may", "plans", "potential", "predicts", "projects", "to the knowledge of" or similar expressions, which are intended to identify a statement as forward-looking. This applies, in particular, to statements and opinions in the Prospectus concerning future financial returns, plans and expectations with respect to the business and management of the Company, future growth and profitability, and the general economic and regulatory environment, and other matters affecting the Company.

Forward-looking statements are based on current estimates and assumptions which are based on the Company's current intelligence. Such forward looking statements are subject to risks, uncertainties and other factors which may result in the actual results, including the Company's financial position, cash flow and profitability, deviating considerably from the results which expressly or indirectly form the basis of, or are described in, statements, or may result in the expectations which, expressly or indirectly, form the basis of or are described in statements not being met or turning out to be less advantageous compared to the results, which expressly or indirectly formed the basis of or were described in the statements. Therefore, potential investors should not place undue reliance on the forward-looking statements herein and are strongly advised to read the following sections in the Prospectus: "*Summary*", "*Risk factors*", "*Market overview*", "*Business description*", "*Selected financial information*" and "*Legal considerations and supplementary information*", which include a more detailed description of factors which may have an effect on the Company's business and the market in which the Company operates. Neither the Company nor anyone else can give any assurance regarding the future accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments.

In light of the risks, uncertainties and assumptions associated with forward-looking statements, it is possible that the future events mentioned in the Prospectus may not occur. Moreover, the forward-looking estimates and forecasts derived from third-party studies referred to in the Prospectus may prove to be inaccurate. Actual results, performance or events may differ materially from those presented in such statements due to, without limitation: changes in general economic conditions, in particular economic conditions in the markets in which the Company operates, changes affecting interest rate levels, changes affecting currency exchange rates, changes in levels of competition, changes in laws and regulations, and the occurrence of accidents or environmental damages.

After the date of the Prospectus, neither the Company nor anyone else assumes any obligation, except as required by law or Nasdaq Stockholm Rule Book for Issuers, to update any forward-looking statements or to conform these forward-looking statements to actual events or developments.

### Industry and market information

The Prospectus contains information about the Company's geographic markets and product markets, market size, market shares, market position and other market information pertaining to Cibus' business and market. Unless otherwise stated, such information is based on the Company's analysis of several different sources, including statistics and information from external industry and market reports, market research, public information and commercial publications. Such information provided by third parties has been accurately reproduced and, as far as the Company is aware and can assure through comparison with other information published by such third parties, no information has otherwise been omitted that could render the reproduced information inaccurate or misleading. Industry and market publications generally state that the information reproduced therein has been obtained from sources deemed to be reliable, but the accuracy and completeness of such information cannot be guaranteed. Since the information has not been independently verified by the Company, the Company cannot guarantee the correctness of the market information contained in the Prospectus or that it has been collected or derived from such market publications. Market information and market statistics are inherently forward-looking, subject to uncertainty, could be interpreted subjectively and do not necessarily reflect actual or future market conditions. Such information and statistics are based on market research, which itself is based on selection and subjective interpretations and assessments, including assessments about what types of products and transactions should be included in the relevant market. Accordingly, prospective investors should be aware that the financial information, market information and forecast and estimated market information contained in the Prospectus do not necessarily constitute reliable indicators of the Company's future results.

The Prospectus is available at the Company's office and web page ([www.cibusnordic.com](http://www.cibusnordic.com)), the web page of the Swedish Financial Supervisory Authority ([www.fi.se](http://www.fi.se)) and the European Securities and Markets Authority's web page ([www.esma.europa.eu](http://www.esma.europa.eu)).

### Presentation of financial information

Certain financial and other information presented in the Prospectus has been rounded to make the information easily comprehensible to the reader. Accordingly, the figures contained in certain columns do not tally exactly with the total amount specified. Except as expressly indicated herein, no information in the Prospectus has been audited or reviewed by the Company's auditor. Unless otherwise stated, financial amounts are presented in euro ("**EUR**") or Swedish Krona ("**SEK**"). "**TEUR**" and "**MEUR**" refers to thousands of euro and to millions of euro, respectively. "**TSEK**" and "**MSEK**" refers to thousands of kronor and millions of kronor, respectively.



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## The Bonus Issue in summary

Through the Bonus issue, Cibus' share capital will increase by EUR 121,000 by issuing 12,100,000 Common shares of class D. Four (4) existing shares will entitle to one (1) Common share of class D. The amount by which the share capital shall be increased shall be provided from non-restricted equity. Current shareholders will, automatically and free of charge, receive Common shares of class D in relation to their current shareholdings, without having to take any action.

## Cibus Common shares of class D in summary

ISIN-code:	SE0017615701
Ticker:	CIBU D

## Financial calendar

Annual General Meeting	20 April 2022
Interim report from the first quarter of 2022	5 May 2022
Interim report from the second quarter of 2022	21 July 2022

## Timeplan

Last day of trading in Common shares of class A on Nasdaq Stockholm including the right to receive new Common shares of class D.	9 May 2022
First day of trading in Common shares of class A on Nasdaq Stockholm excluding the right to receive new Common shares of class D.	10 May 2022
Record date for the Bonus issue.	11 May 2022
Expected first day of trading in Common shares of class D on Nasdaq Stockholm.	13 May 2022





# Summary

## Introduction and warnings

### Introduction and warnings

This summary should be read as an introduction to the Prospectus. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital.

Where a claim relating to the information contained in the 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 prepared the summary, including any translations 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.

### About Cibus

Cibus Nordic Real Estate AB (publ), is a public limited liability company incorporated in Sweden with the corporate registration number 559135-0599. The address of the Company's head office is Kungsgatan 56, SE-111 22 Stockholm, Sweden, with phone number +46 (0) 761 444 888. The Company's Legal Entity Identifier (LEI) code is 549300PW36MFK96GCR23. The Company's Common share of class D have the following ISIN-code: SE0017615701.

### National competent authority

The Prospectus has been approved by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*), as competent authority under Regulation (EU) 2017/1129. The Swedish Financial Supervisory Authority may be contacted on the following details:

#### Swedish Financial Supervisory Authority

Visiting address: Brunnsgatan 3 Stockholm, Sweden  
Postal address: Box 7821, SE-111 38 Stockholm, Sweden  
Telephone: +46 (0)8 408 980 00  
finansinspektionen@fi.se  
www.fi.se

The Prospectus was approved by the Swedish Financial Supervisory Authority on 29 March 2022.

## Key information on Cibus

### Who is the issuer of the securities?

#### About the Company

Cibus Nordic Real Estate AB (publ) is a Swedish public limited liability company that was formed in Sweden and registered with the Swedish Companies Registration Office on 23 November 2017. The Company's name was registered on 19 February 2018. Cibus corporate registration number is 559135-0599 and the registered seat is located in Stockholm municipality, Stockholm county. The Company operates in accordance with the Swedish Companies Act (2005:551). The Company's has five wholly owned subsidiaries. The Company's Legal Entity Identifier (LEI) code is 549300PW36MFK96GCR23.

#### Cibus key business

Cibus' business concept is to acquire, refine and develop high-quality properties in the Nordic region, with reputable grocery and supermarket chains as anchor tenants, to provide a stable, cyclically-resilient and increasing dividend for Cibus' shareholders. As of 31 December 2021, the Company owns more than 400 properties in the Nordics. The main tenants are Kesko, Tokmanni, Coop, Lidl and S Group.

#### Larger shareholders

The table below shows the Company's ten largest shareholders as of the date of the Prospectus. The Company is not, directly or indirectly, owned or controlled by any party.

Shareholder	Number of shares and votes	Per centage of the number of shares and votes
Fjärde AP-fonden	3,664,813	7.57
Columbia Threadneedle	2,873,283	5.94
AB Sagax	2,776,973	5.74
Dragfast AB	1,879,000	3.88
Marjan Dragicevic	1,620,000	3.35
Länsförsäkringar Fonder	1,354,474	2.80
BlackRock	1,282,290	2.65
Avanza Pension	1,220,871	2.52
Sensor Fonder	1,096,000	2.26
Vanguard	575,409	1.19
<b>Total ten largest shareholders</b>	<b>18,343,113</b>	<b>37.90</b>
Other shareholders	30,056,887	62.10
<b>Total</b>	<b>48,400,000</b>	<b>100.00</b>

#### Senior executives

Sverker Källgård (born 1968) is the CEO of the Company. Other senior executives are: Chief Financial Officer Pia-Lena Olofsson (1972), Head of Business Development/Chief Investment Officer Finland Lauri Tiensuu (1986), Chief Investment Officer Sweden Peter Lövgren (1977) and Chief Investment Officer Norway Marcus Kruus (1975).

#### Auditor

The Company's auditor is KPMG AB, with Mattias Johansson (born 1973) being the responsible auditor since the annual general meeting 2019. Mattias Johansson is an authorized public accountant and a member of FAR. KPMG AB's visiting address is Vasagatan 16, SE-111 20 Stockholm, Sweden.

Deloitte AB, with Malin Lüning (born 1980) was the responsible auditor for the period 3 December 2018 – 2 May 2019, partly encompassed by the historical financial information in the Prospectus. Deloitte AB's visiting address is Rehnsgatan 11, SE-113 57, Stockholm, Sweden.



## Key financial information regarding the Company

Key financial information  
in summary

## Consolidated income statement

	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
TEUR	Audited IFRS	Audited IFRS	Audited IFRS
Net operating income, TEUR	76,326	61,395	48,618
Profit from property management, TEUR	47,741	33,488	28,667
Profit for the year, TEUR	51,370	34,597	30,279
Earnings per share before and after dilution, EUR	1.25	0.95	0.97

## Consolidated statement of financial position

	31 December 2021	31 December 2020	31 December 2019
TEUR	Audited IFRS	Audited IFRS	Audited IFRS
Total assets	1,570,714	1,323,954	912,742
Total equity	583,262	458,028	332,869

## Consolidated cash flow statement

	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
TEUR	Audited IFRS	Audited IFRS	Audited IFRS
Cash flow from operating activities	53,261	45,925	27,101
Cash flow from investing activities	-179,675	-392,290	-51,362
Cash flow from financing activities	140,777	357,941	23,465
Cash flow for the year	14,363	11,576	-796

## Specific key risks for the issuer

Specific key risks for  
Cibus

## Risks related to changes on the property market

Investments in properties are associated to the value of the properties and Cibus is thus exposed to risks which influences property valuations. When valuing the Group's properties, the most important factors are supply and demand for commercial properties and the return investors are willing to accept when purchasing properties. Further, the property market is influenced by the vacancy rate on the market, which in turn is influenced by several factors on a micro and macro level, for example negative changes in the general economic climate, including income for companies and private actors, which may negatively affect the demand for commercial facilities.

## Risks related to completed or future acquisitions

There is a risk that unforeseen costs may occur for the Group related to completed or future acquisitions and that such unidentified risks may have an adverse effect on the Group's earnings and cashflow. Such unidentified risks may be, including but not limited to, environmental remediation, rebuilding and handling of technical character, authority decisions, occurrence of a dispute related to an acquisition and permission of a property. Future acquisitions may also include the Group's commitments to pay additional consideration to the sellers, for example remediation costs of contaminated soil. Such additional payments may have an adverse impact on the Group's earnings and cashflow.

## Risks related to current and new tenants

The Group has entered into leases with different tenants in which more than 90 per cent of the properties are rented to the following companies within the food and grocery industry: (i) Kesko, (ii) Tokmanni, (iii) S-Group, (iv) Coop, (v) Lidl and (vi) Halpa-Halli. This means that the Group is dependent on these tenants and their ability to fulfil its duties in accordance with the leases (for example, payment of rent and operating and maintenance expenses for the rented space). If anyone of Tokmanni, Kesko, S-Group, Coop, Lidl or Halpa-Halli cannot fulfil its duties in accordance with the leases, the Group's earnings and cash flow may be adversely affected.



## Specific key risks for the issuer

### Specific key risks for Cibus

#### Risks related to increased operating costs

The Group's control over its operating costs is partly limited. The tenants accounts for the majority of the operating costs and an increase of operating costs therefore has a limited effect on Cibus. However, it cannot be guaranteed that every direct or indirect increase in operating costs can be compensated in accordance with the terms of the leases, or by renegotiation of the same (for instance by increasing the agreed rent). If such risk were to materialize, the Group's net operating income may be adversely affected.

#### Environmental and environmental technical risks

According to the polluter pays principle under applicable environmental legislation, the operator who has caused pollution will be responsible for remediation. However, should it not be possible to locate the polluter, the property owner can secondarily be held responsible for remediation and associated costs. Consequently, there is a risk that companies within the Group as property owners can be responsible for expensive remediation work.

#### Risks related to polluted land

Soil contamination has been detected in the soil of the property owned by Koomanni Oy and there is a risk that contamination may be identified in the soil in approximately five to ten out of the Group's other properties in addition to the property owned by Koomanni Oy. If the purpose of use of such contaminated properties changes to a more sensitive business, from an environmental point of view, the Group may have to pay costs for remediation, which would affect the Group's business, earnings and financial position negatively.

#### Risks related to refinancing and current loan terms and conditions

There is a risk that the Group may have to refinance, in whole or in part, the outstanding debts, including the bonds, to be able to continue to conduct the Group's business. Cibus' ability to successfully refinance its debts depends, *inter alia*, on the terms of the loan capital market and the financial market situation by the time of the refinancing. If Cibus is unable to refinance its debt obligations on advantageous terms, or at all, it may have a material adverse effect on the Group's business, financial position and earnings.

#### Risks related to the Group's debts and interest expenses

As of 31 December 2021, the Group had bank loans of approximately EUR 724,180 thousand (622,505) with an average weighted variable interest margin of 1.7 per cent + 3m EURIBOR or 3m STIBOR, depending on the exchange rate, and a weighted average tenor of 2.6 years. If the interest rate increases with one percentage point, the effect on the Group's earnings before taxes would amount to approximately EUR -7,242 thousand. At an increase of interest rates of 2 percentage points, the effect would be approximately EUR -14,484 thousand.

#### Risks related to asset securities approved by a third party

The Group have issued securities to existing loan agreements, including securities of, *inter alia*, property certification, shares, accounts, Group-internal loans and rental income. Due to third party creditors have been issued securities, bondholders will be subordinated the right to payment of assets which are securities placed by such creditors, in the event of bankruptcy, reorganization or liquidation of Cibus. If a creditor, which holds a security, would like to use the security due to a company within the Group breaching the applicable loan agreement, the demand would have an adverse effect on the Group's assets, business and financial position.

## Key information on the securities

### The main features of the securities

#### About the securities

#### Key information about the securities

As of the date of the Prospectus, there is one share class in the Company. The ISIN-code for the Company's current share is SE0010832204. According to the Company's articles of association, the share capital may not be less than EUR 250,000 and not more than EUR 1,000,000, and the number of shares may not be less than 25,000,000 and not more than 100,000,000.

The board of directors of the Company have proposed that the annual general meeting in Cibus resolves to adopt amended articles of association and to implement a new share class, Common shares of class D, and to carry out a bonus issue of Common shares of class D. The ISIN-code for the Common shares of class D will be SE0017615701 and the Common shares of class D will be traded under the ticker "CIBU D". According to the proposed articles of association, the existing shares in the Company will be renamed to Common shares of class A. In addition, the limits of the share capital will be changed to not less than EUR 550,000 and not more than EUR 2,200,000, and the limits of the number of shares shall be not less than 55,000,000 and not more than 220,000,000. Each class of shares may be issued in an amount corresponding to a maximum of 100 per cent of the share capital. In connection with renaming the Company's existing shares to Common shares of class A, the ISIN-code for the shares will be changed to SE0017615693. In connection hereto, the ticker for the Company's existing shares will be changed to "CIBU A".

As of the date of the Prospectus, all shares carry one vote per share and each shareholder is entitled to vote for all of the shares in the Company held by the shareholder. According to the articles of association proposed by the board of directors, Common shares of class A will entitle the shareholder to one (1) vote at general meetings of shareholders and each Common share of class D will entitle to one tenth (1/10) of a vote at general meetings of shareholders. Each shareholder will still be entitled to vote for all of the shares in the Company held by the shareholder.

The Company's shares are denominated in EUR and each share has a quota value of EUR 0.01. The Company's shares have been issued in accordance with Swedish law. All issued shares are fully paid and freely transferable. No public takeover bid relating to the Company's shares has occurred during the current or preceding financial year.

#### Preferential rights to subscribe for new shares etc.

If the Company issues new shares, warrants or convertibles in a cash issue or set-off issue, the shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.



**About the securities****Rights to dividends and balances in the event of liquidation**

All shares in the Company carry equal rights to dividends and the Company's assets and any surpluses in the event of liquidation. However, Common shares of class D will be entitled to no more than eleven (11) EUR per share in the event of liquidation.

Decisions regarding dividends in limited liability companies are made by the general meeting of shareholders. Entitlement to receive dividends accrues to those who, on the record date adopted by the general meeting of shareholders, are registered as shareholders in the share register maintained by Euroclear. Dividends are normally distributed to the shareholders as a cash amount per share through Euroclear, but may also be distributed in forms other than cash (distribution in kind). Should a shareholder be unable to be reached through Euroclear, the shareholder will continue to have a claim against the Company with regard to the dividend limited in time pursuant to a ten-year statute of limitation. Should the claim become barred by the statute of limitations, the dividend amount accrues to the Company.

All shares shall have the same rights to dividend without preferential rights in relation to each other. However, after the Bonus Issue is carried out and the new share class, Common shares of class D, is implemented, and after adopting the amended articles of association, if any dividend is declared, Common shares of class D will be entitled to five (5) times the total dividend on Common shares of class A, however, no more than EUR 0.08 per share and month.

No restrictions on the right to receive dividends apply to shareholders residing outside of Sweden. With reservation for any limitations imposed by the banks and clearing systems in the jurisdictions concerned, distributions to such shareholders are conducted in the same manner as to shareholders in Sweden. Shareholders who do not have a tax domicile in Sweden are normally subject to Swedish withholding tax.

**Dividend policy**

On 16 December 2020, the board of directors of Cibus adopted a dividend policy, with the intention of paying monthly dividends. According to the Company's dividend policy, the Company strives for increased dividends by five per cent per year for the following years. After the Bonus Issue and the new share class, Common shares of class D, is implemented, the Company's dividend policy will be amended. According to the new dividend policy, an annual increase by five per cent on Common shares of class A will be strived for. According to the articles of association, if any dividend is declared, Common shares of class D will be entitled to five (5) times the total dividend on Common shares of class A, however, no more than EUR 0.08 per share and month.

**Where will the securities be traded?****Application for admission to trading on Nasdaq Stockholm**

Cibus' Common share of class D is subject to an application for admission to trading on Nasdaq Stockholm. The Company's Common share of class D will be traded under the ticker "CIBU D", provided that the application is approved. The expected first day of trading in Common shares of class D on Nasdaq Stockholm is 13 May 2022. Nasdaq Stockholm is a regulated market as defined in the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

**What are the key risks specific to the securities?****Key risks that are specific to Cibus' shares****Trade in the Company's share has been, and may in the future be, inactive and illiquid, and the price of the share may also be volatile**

From a historical perspective, the price at which the shares of Cibus have been traded has at times been volatile. From time to time, the share has been subject to a limited trade and the distance between the purchase price and selling price may from time to time be large. There is a risk that investors may lose their investment fully or partly. There is also a risk that shareholders will not have the opportunity to sell their holding at every given point in time, since the trade forward may be inactive or illiquid. Major differences between purchase price and selling price generally means higher transaction costs for investors and an increased risk of a volatile trade in the Company's share.

**Influence of major shareholders' and sales of shares in the Company**

The major shareholders' interest may deviate from, or compete with, the Company's or other shareholder's interests and there is a risk that major shareholders will exercise its influence over the Company in a way that is not in line with the interest of other shareholders. The price of the shares in Cibus may decrease if there is a large sale of the Company's shares. Especially if Cibus' board members, senior executives or major shareholders sell their shares, or when a larger amount of shares are sold.

**Key information on admission to trading on a regulated market****Under which conditions and timetable can I invest in these securities?****Admission to trading on the regulated market Nasdaq Stockholm**

This Prospectus has been prepared in connection with the admission to trading of the Common shares of class D in Cibus Nordic Real Estate AB (publ) on the regulated market Nasdaq Stockholm. The Prospectus does not contain an offer to subscribe for or otherwise acquire shares or other financial instruments in the Company.

**Why is this Prospectus being produced?****Background and reasons****Background and reasons**

The reasons for the Bonus Issue of Common shares of class D proposed by the board of directors, and the application for admission to trading of the Common shares of class D on Nasdaq Stockholm, is to enable increased flexibility in future capital raisings and enable continued growth with limited dilution for existing shareholders. By implementing the new share class, Cibus is expected to further increase the conditions for achieving the Company's growth targets as well as the chances to meet the criteria for an investment grade credit rating. Such credit grade rating is expected to reduce the Company's financial risks and is also expected to increase profits from property management as a result of lower financing costs. It is the board of directors' assessment that this in the long run will create better conditions for future value creation to the Company's shareholders.

**Material conflicts of interest**

The Company believes that there are no material conflicts of interest regarding the Admission.

# Risk factors

*An investment in securities involves risks. This section describes the risk factors and important circumstances which are considered material for Cibus' business and future development. In accordance with the Regulation (EU) 2017/1129 the risk factors mentioned in this section are limited to the risks assessed to be specific to the Company and the Company's shares and which are deemed to be material for an investor to be able to make an informed investment decision. Cibus has assessed the materiality of the risks on the basis of the likelihood of the risks to occur as well as the expected magnitude of the adverse impact if the risks were to materialize. In case the expected adverse effect of the risks has not been able to quantify, the magnitude has been graded on a qualitative scale with the designations (i) low, (ii) medium and (iii) high. In such cases, the Company has also graded the likelihood of the risks to occur using a corresponding scale.*

*The risk factors presented below are based on the Company's assessment and available information as of the date of the Prospectus. The risk factors that are deemed to be most significant as of the date of the Prospectus are presented first within each category, while the following risk factors are presented without any particular ranking.*

## Risks related to the property industry

### Risks related to changes on the property market

Investments in properties are associated to the value of the properties and Cibus is thus exposed to risks which influences property valuations. When valuing the Group's properties, the most important factors are supply and demand for commercial properties and the return investors are willing to accept when purchasing properties. Further, the property market is influenced by the vacancy rate on the market, which in turn is influenced by several factors on a micro and macro level, for example negative changes in the general economic climate, including income for companies and private actors, which may negatively affect the demand for commercial facilities. The available capacity is also affected by construction and renovating activities. In addition, the property market is affected by the demand on the kinds of properties owned by the Group. The type of properties owned by the Group are suited for grocery and food retailers, which as a result involves risks of tough competition of few property objects during certain periods and it may be difficult for the Group to acquire coveted objects for a reasonable price. During other periods, it may be difficult for the Group to sell property objects to a reasonable price. A decrease in the properties' value would negatively affect the valuation of the Group's property portfolio and consequently negatively affect the Group's financial position. Cibus assesses the probability of the risks materializing as uncertain and if the risk materializes the expected adverse effect, is medium.

### Risks related to completed or future acquisitions

From time to time, the Group evaluates potential property acquisitions which are in line with the Group's strategic goals and such acquisitions has also been conducted earlier by the Group. There is a risk that unforeseen costs may occur for the Group related to completed or future acquisitions and that such unidentified risks may have an adverse effect on the Group's earnings and cashflow. Such unidentified risks may be, including but not limited to, environmental remediation, rebuilding and handling of technical character, authority decisions, occurrence of a dispute related to an acquisition and permission of a property. Future acquisitions may also include the Group's commitments to pay additional consideration to the sellers, for example remediation costs of contaminated soil. Such additional payments may have an adverse impact on the Group's earnings and cashflow.

There is a risk that future acquisitions will result in certain financial, managerial and operative risks. Such risks include, *inter alia*, difficulties when integrating and/or separating businesses from current businesses. Such a risk is that the acquirer does not reach the Group's expected rental levels and profitability, which the Group formed the basis for its investment decisions. If the ongoing or future acquisitions are not successfully integrated, there is a risk that the Group's business, financial position and earnings will be adversely affected. There is also a risk that future acquisitions will result in debt, contingent liabilities, depreciation costs, impairments of goodwill or reconstruction costs, which will have an adverse effect on the Group's financial position. In addition, there is a risk that agreed and planned acquisitions cannot be completed, for several reasons. If such agreed or planned acquisitions are not completed, the Group's strategic goals may be adversely affected. Cibus assesses the probability of the risk materializing as low to medium and if the risk materializes, the expected negative effect is low.

### Risks related to the return from the properties

The Group is dependent on the return of the properties, which on a significant level is affected by the amount of rental income from the properties, the expenditures and costs of maintenance, renovation, reparation and management of the properties, necessary property investments and changes in the properties' market value. The properties' rental income and market value is influenced by general conditions in the economy, such as growth in the general gross product, employment trends, inflation and interest rate changes. The property value and the rental income may both be influenced by competition from other property owners, information regarding potential buyers, the attractiveness of tenants, comfort of the properties and security related to the properties. Since the rental income corresponds to the majority of the Group's income and turnover, a decrease of the properties market value and rental income would have an adverse impact on the Group's income, earnings and its financial position. For example, during the financial year 2021, the Company's rental income amounted to EUR 81,058 thousand. A change in rental income of +/- five per cent during 2021 would have affected the rental income of approximately +/- EUR 4,053 thousand.

### Risks related to property valuations

Property and property related assets are in themselves difficult to value due to the individual character of every property and due to the fact that there is not necessarily a liquid market or a clear price mechanism connected to properties. As a result of the Group having a niche property portfolio strategy, i.e. to acquire, refine and develop properties to companies within the grocery and daily-goods industry (i.e. food and grocery retailers), with mainly food and grocery retailers as tenants, the property valuations may be subject to significant uncertainties. There is a risk that estimates from valuation statements does not reflect the actual selling price. Any future recessions on the property market could significantly affect the value of the properties and consequently the Group's financial position, its ability to refinance certain or all external debts. As of 31 December 2021, the value of the investment properties in the Group's balance sheet amounted to EUR 1,499,626 thousand. A change in the reported market value of the Group's properties of +/- five per cent would entail an effect of approximately +/- EUR 75,000 thousand.

### Legal and regulatory risks

The Group's business concept is to acquire, refine and develop properties. Therefore, legislative changes regarding ownership of land may have an adverse effect on the Group's financial position. New legislation may be implemented and affect environmental planning, land use or development regulations. Governments and authorities are actively involved in issuing and executing rules and provisions regarding taxation, land use, zoning, planning restrictions, environmental protection, security and other issues. Legislation and application of such laws and regulations may lead to an increase in expenditures and a decrease in return for the Group. This may as a consequence, adversely affect the value of the properties. If the requirements for expropriations are fulfilled, governments may use the right of expropriation of the Group's properties. Expropriation entitles the Group compensation, but the Group's financial position may be adversely affected even if such compensation is obtained. Cibus assesses the probability of the risk materializing as low to medium and if the risk materializes, the expected negative effect is low.

### Risks related to senior executives and key individuals

Cibus is in a growth phase and has only conducted its business since the beginning of 2018. Hence, the Company has a short business history and depends on its senior executives, i.e. Sverker Källgård (CEO), Pia-Lena Olofsson (CFO and Head of IR), Lauri Tiensuu (Head of Business Development/CIO Finland), Peter Lövgren (CIO Sweden) and Marcus Kruus (CIO Norway) to implement its growth strategy and to conduct the business.

As of 31 December 2021, the Group had six employees. The number of employees in Cibus are relatively few due to large parts of the Company's property management and easier administrative functions are outsourced. Every employee is therefore crucial and has a significant impact on Cibus' development. Cibus' employees may become unavailable for Cibus during shorter or longer periods, which can be a result of many reasons, including but not limited to illness (including as a result of the Covid-19 pandemic), strikes or notice of termination. Further, the Group has key individuals and some other consultants, entrepreneurs and other service providers with specific special competence which may be hard to replace. There is a risk that the Group may not be able to procure consultant, management, or other necessary services on advantageous terms or in general. Since there is a significant demand of people with experience of the industry and special competence within the Group's sector as well as a fierce competition to employ or hire these people, it may result in an increase in employment costs for Cibus. If the Group cannot employ or hire and keep their senior executives, key individuals and consultants, the Group may fail to reach its strategic goals. In addition, its growth strategy and business may be adversely affected. Cibus assesses the probability of the risk materializing as medium and if the risk materializes, the expected adverse effect is medium.

### Risks related to the Covid-19 pandemic

The world economy has been strongly adversely affected by the corona virus (Covid-19) since its outbreak during the first quarter 2020. As a consequence, both large and small companies within many industries and sectors, has in one way or another been affected. The daily-goods industry is an industry which has not been materially adversely affected by the Covid-19 pandemic on a general economic level and since Cibus' tenants conducts its business within this industry, the pandemic has not entailed any significant decrease of rental income for the Group, as of the date of this Prospectus. The Company assesses that the most important risks associated with the pandemic are related to the tenants' employees' inability to work as a consequence of illness or restrictions or that product deliveries to stores have been delayed or failed to be delivered. There is also a risk that the well-being of the Company's employees may significantly deteriorate by the pandemic. This may affect the operational business and Cibus' ability to achieve its strategic goals.

In a longer perspective, the Company assesses that the extent of the pandemic and the long-term economic effects which may follow, as unknown. The Covid-19 pandemic has entailed an interference of the global market conditions and thus affected countries, companies and the banks' future prospects as well as their operating results and financial positions. There is no guarantee that the government's incentive package or other measures will lead to rapid or adequate improvements of the market conditions. If the situation deteriorates further or further restrictions are introduced, or if the current or new restrictions remains during a longer time-period, it may have a significant effect on the global economy which in addition may be long-term. There is a risk that the pandemic complicates the Company's ability to cover its liquidity or debt financing need in the near future, since the pandemic has already adversely affected the global economy and there is a world-wide uncertainty on the capital markets which may lead to a decreasing will to invest in Cibus and that the possibilities to ascertain debt financing deteriorates. If the Covid-19 pandemic continues for a longer time-period, the Company's ability to secure its long-term debt financing would be further affected. Cibus assesses the probability of the risk materializing as uncertain and if the risk materializes, the expected adverse effect is low.



## Risks related to the Group's tenants

### Risks related to current and new tenants

The Group has entered into leases with different tenants in which more than 90 per cent of the properties are rented to the following companies within the food and grocery industry: (i) Kesko, (ii) Tokmanni, (iii) S-Group, (iv) Coop, (v) Lidl and (vi) Halpa-Halli. This means that the Group is dependent on these tenants and their ability to fulfil their duties in accordance with the leases (for example, payment of rent and operating and maintenance expenses for the rented space). If anyone of Tokmanni, Kesko, S-Group, Coop, Lidl or Halpa-Halli cannot fulfil their duties in accordance with the leases, the Group's earnings and cash flow may be adversely affected. There is also a risk that several of the Group's properties may be vacant if any of Tokmanni, Kesko, S-Group, Coop, Lidl and Halpa-Halli were to terminate their leases with the Group, due to economic issues or other reasons and if the Group, where applicable, cannot replace therefore vacant properties with new tenants. The Group's strategy is to enter into agreements with new tenants with a strong credit rating and which holds leading market positions. The Group's ability to attract such tenants and to successfully negotiate new leases on advantageous terms is material for the Group to be able to conduct its business and be profitable. It is not certain that the Group will be able to enter into such advantageous agreements or enter into agreements with tenants at all. The Group's ability to enter into long-term leases with good returns depends especially on the property market's economic cycle at the time of agreement negotiations, which may change significantly over time from the current situation as of the day of the Prospectus. Cibus assesses the probability of the risk being materialized as low to medium and if the risk materializes, the expected adverse effect is low.

### Risks related to increased operating costs

The Group's operating costs consists of property maintenance, technical maintenance, utility costs, insurance premiums and ongoing maintenance. During the financial year 2021, the operating costs amounted to EUR 13,791 thousand (EUR -10,023 thousand during 2020). The Group's control over its operating costs is partly limited. The tenants accounts for the majority of the operating costs and an increase of operating costs therefore has a limited effect on Cibus. However, it cannot be guaranteed that every direct or indirect increase in operating costs can be compensated in accordance with the terms of the leases, or by renegotiation of the same (for instance by increasing the agreed rent). If such risk were to materialize, the Group's net operating income may be adversely affected. For example, an increase of operating costs of +/- five per cent for the financial year 2021, would have affected the operating costs of +/- approximately EUR 690 thousand and by extension, an effect on the Group's reported net operating income of +/- approximately EUR 690 thousand.

### Risks related to the lack of or terminated rental security

Several of the leases Cibus has entered into with its tenants lack rental securities, alternatively the agreed securities have been terminated. Therefore, the Group has no security for all tenant's potential breaches of the leases. A company within the Group which acts as landlord in accordance with the leases may therefore experience unforeseen losses as a result of tenants' inability or lack of will to fulfil its duties, such as rental payment. This may have an adverse effect on the Group's liquidity and ability to pay rent for its bonds and loans. Cibus assesses the probability of the risk materializing, as low and if the risk materializes, the expected adverse effect is low.

## Risks related to the environment

### Environmental and environmental technical risks

According to the polluter pays principle under applicable environmental legislation, the operator who has caused pollution will be responsible for remediation. However, should it not be possible to locate the polluter, the property owner can secondarily be held responsible for remediation and associated costs. Consequently, there is a risk that companies within the Group as property owners can be responsible for expensive remediation work. If the purpose of usage of the properties changes to a more sensitive business from an environmental perspective, then the risks of environmentally related risks would be further increased. The distribution of costs related to contamination of soil and groundwater can be agreed otherwise between parties, which is the case in respect of most properties. Consequently, the risk may in some cases be more severe for companies within the Group than what appears from applicable law.

Some properties or areas close to the properties are included in the Finnish Soil status information system (Fi. *Maaperän tilan tietojärjestelmä*) (MATTI) or the Swedish register Method of Surveying Contaminated Sites (Sw. *Metodik för Inventering av Förorenade Områden*) (MIFO-registry) which contain information regarding polluted and potentially contaminated land areas in Finland and Sweden. The properties which have been contaminated or where there is a known risk of pollution, with respect to certain properties or areas nearby the properties, are listed in those registers. There is a risk that some companies within the Group may be responsible for the costs associated with the remediation, if authorities were to demand remediation of polluted areas. Furthermore, there are no reports of completed radon investigations or radon action plans in relation to several properties. To the extent that future radon investigations shows an increase in concentration of radon, companies within the Group may be held responsible for corrective measures and it is not certain that such costs can be passed on to the tenants. Pollution may also limit the use of the properties and result in tenants not being able to use its properties, which may result in termination of leases, compensation claims from the tenants and loss of income. The requirements above and the limitation to use properties may have an adverse effect on the Group's business, earnings and financial position. Cibus assesses the probability of the risk materializing as low to medium and if the risk materializes, the expected adverse effect is medium.

### Risks related to polluted land

Soil contamination has been detected in the soil of the property owned by Koomanni Oy and there is a risk that contamination may be identified in the soil in approximately five to ten out of the Group's other properties in addition to the property owned by Koomanni Oy. If the purpose of use of such contaminated properties changes to a more sensitive business, from an environmental point of view, the Group may have to pay costs for remediation, which would affect the Group's business, earnings and financial position negatively. Cibus assesses the probability of the risk materializing, as low to medium and if the risk materializes, the expected adverse effect is low.

### Risks related to issues with indoor air

For some of the mutually owned property companies within the Group, the indoor air has been an issue. Mutually owned property companies mean that the Group owns parts of a MREC (mutual real estate company), which is a common form of ownership in Finland. Each of the mutually owned property companies may potentially entail high costs of remedial actions related to issues with indoor air, which may not be compensated by the tenants and therefore result in losses in the form of lowering of rents. In a worst-case scenario, issues related to indoor air may entitle affected tenants to terminate the lease. The risks mentioned above may result in the Group having an increase of remediation costs and/or a decrease in rental income, which may adversely affect the Group's business and earnings. Cibus assesses the probability of the risk materializing as low and if the risk materializes, the expected adverse effect is low.

### Financial risks

#### Risks related to refinancing and current loan terms and conditions

As of 31 December 2021, the Group had secured bank loans of approximately EUR 724 million with a weighted average floating interest margin of 1.7 per cent and a weighted average loan maturity of 2.6 years. Cibus has pledged mortgages in the properties as collateral for the interest-bearing liabilities. Further, Cibus has issued (i) one unsecured green bond of SEK 600 million. The bond matures on 12 June 2023 and carries a floating coupon rate of 3m STIBOR + 4.75 per cent, and (ii) one unsecured bond of EUR 135 million. The bond matures on 18 September 2023 and carries a floating coupon rate of 3m EURIBOR + 4.5 per cent. Since 20 July 2020 both bonds are listed on the Nasdaq Stockholm Corporate Bond List. In addition, Cibus has (iii) issued hybrid bonds worth EUR 30 million under a newly established MTN programme. The hybrid bonds have a perpetual maturity with a redemption option after 5.25 years and matures with an interest rate of 3m EURIBOR + 4.75 per cent. The first possible redemption date is set to 24 September 2026 and at each interest payment date that follows. The hybrid bonds are listed on the Nasdaq Stockholm Corporate Bond List since 24 June 2021. Furthermore, in 2022, Cibus issued (iv) senior unsecured green bonds in the amount of EUR 50 million under the MTN programme. The bonds have a tenor of 2.75 years and an interest rate of 3m EURIBOR + 400 basis points.

There is a risk that the Group may have to refinance, in whole or in part, the outstanding debts, including the bonds, to be able to continue to conduct the Group's business. Cibus' ability to successfully refinance its debts depends, *inter alia*, on the terms of the debt capital market and the financial market situation by the time of the refinancing. Even if it is possible for the Group to refinance the outstanding debts, there is still a risk that Cibus may not be able to do so on advantageous terms. If Cibus is unable to refinance its debt obligations on advantageous terms, or at all, it may have a material adverse effect on the Group's business, financial position and earnings. Cibus assesses the probability of a risk materializing as low to medium and the expected adverse effect as high, if the risk materializes.

Some of the Group's existing loan agreements includes obligations which, if breached, may lead to such financing being terminated and due for immediate payment. Especially, there are clauses in existing loan agreements which, *inter alia*, gives the counterpart the right to terminate the agreement if any debt arrangement in the Group (including the bonds) is due or in any other way is due for payment before its maturity. An obligation to prepay a debt may adversely affect the Group's business, financial position and earnings. Cibus assesses the probability of the risk materializing as low and if the risk materializes, the expected adverse effect is medium.

### Risks related to the Group's debts and interest expenses

The Group has incurred and may incur further debts in order to finance its business. Debts, including bonds, and potential future financing arrangements in the Group, may generate interest costs which may be higher than the profits from the investments made by the Group. To lend money to make investments will increase the Group's exposure to capital losses and higher interest expenses. Further, the Group is exposed to interest rate fluctuations through its financial agreements with variable interest. The interest rates are affected by several factors which are out of the Group's control, including but not limited to, changes in interest rates from the central banks and governmental finance political measures. As of 31 December 2021, the Group had bank loans of approximately EUR 724,180 thousand (compared to 622,505 as of 31 December 2020) with a weighted average floating interest margin of 1.7 per cent + 3m EURIBOR or 3m STIBOR, depending on the exchange rate, and a weighted average loan maturity of 2.6 years. If the interest rate increases with one percentage point, the effect on the Group's earnings before taxes would amount to approximately EUR -7,242 thousand. At an increase of interest rates of 2 percentage points, the effect would be approximately EUR -14,484 thousand. Increases in interest rates therefore lead to an increase in the Group's interest liabilities which, depending on the level of the interest rate increase, may have a material adverse effect on the Group's business, financial position and earnings.

### Risks related to asset securities approved by a third party

The Group has issued securities to existing loan agreements, including securities of, *inter alia*, property certification, shares, accounts, group-internal loans and rental income. Due to third party creditors having been issued securities, bondholders will be subordinated the right to payment of assets which are securities placed by such creditors, in the event of bankruptcy, reorganization or liquidation of Cibus. If a creditor, which holds a security, would like to use the security due to a company within the Group breaching the applicable loan agreement, the demand would have an adverse effect on the Group's assets, business and financial position. Cibus assesses the probability of the risk materializing as low and the expected adverse effect as medium, if the risk materializes.

### Risks related to currency fluctuations

The reporting currency for Cibus is EUR and the Group's primary business and cashflow are denominated in EUR, SEK and NOK. During 2020, the Group acquired a property portfolio in Sweden and during 2021, the Group acquired a property portfolio in Norway, which have resulted in Cibus having an increased exposure in SEK and NOK. In addition, in March 2022, the Company entered into an agreement to acquire a real property portfolio consisting of 34 properties located in Denmark, which will result in an increased exposure in DKK.<sup>1</sup> Consequently, the Group is exposed to fluctuations between SEK and EUR, NOK and EUR as well as DKK and EUR. Cibus assesses the probability of the risk materializing as uncertain and the expected adverse effect as low, if the risk materializes.

<sup>1</sup>For more information, please refer to the section "Operational and Financial Review – Investments – Ongoing or decided investments".

**Cibus is dependent on other companies within the Group**

All of the Group's assets and income are attributable to Cibus' direct and indirect holdings in subsidiaries. Consequently, Cibus depends on enough income and cashflow related to the subsidiaries' businesses. Therefore, Cibus is dependent on the subsidiaries' cash and cash equivalents and their legal ability to pay administrator fees and dividends. The subsidiaries are separate legal entities and have no obligation to make payments to Cibus of profits which has been generated from their respective business. The subsidiaries ability to make payments to Cibus are limited to, *inter alia*, the subsidiaries' access to cash and cash equivalents, company restrictions and legal limitations (for example limitations of value transfers in accordance with the regulations in the Swedish Companies Act). In addition, lack of liquidity or insolvency in some of the Group's subsidiaries, may lead to obligations for the Group to make payments related to the parent company guarantees with respect to the subsidiaries' obligations. If Cibus cannot receive enough income from its subsidiaries, there is a risk that the Group's financial position may be adversely affected. Cibus assesses the probability of the risk materializing as low and if the risk materializes, the expected adverse effect is low.

**Risks related to the Company's shares****Trade in the Company's share has been, and may in the future be, inactive and illiquid, and the price of the share may also be volatile**

Cibus' existing share is being traded on Nasdaq Stockholm. From a historical perspective, the price at which the shares of Cibus have been traded has at times been volatile. During the financial year 2021, the highest and lowest closing price of Cibus' share amounted to SEK 290.80 (on 30 December 2021) and SEK 160.40 (on 24 March 2021), respectively. Hence, Cibus' share price has varied historically. From time to time, the share has been subject to a limited trade and the distance between the purchase price and selling price may from time to time be large. The liquidity of the Company's share may be affected by several internal and external factors. Internal factors include, *inter alia*, acquisitions of new companies and quarter variations. External factors include, *inter alia*, general economic conditions, industry factors, economic situation and further external factors such as the Covid-19 outbreak which has resulted in higher volatility on the worlds equity markets and which are not necessarily related to the Company's business development. There is a risk that investors may lose part or all of their investment. There is also a risk that shareholders will not have the opportunity to sell their holdings at every given point in time, since trading, going forward, may be inactive or illiquid. Major differences between purchase price and selling price generally means higher transaction costs for investors and an increased risk of a volatile trade in the Company's share.

**Influence of major shareholders' and sales of shares in the Company**

As of the date of the Prospectus, Fjärde AP-fonden, Columbia Threadneedle and AB Sagax are among the Company's major shareholders and control 7.57 per cent, 5.94 per cent and 5.74 per cent of the capital and votes in Cibus, respectively. The shareholders mentioned above will have the ability to exercise a significant influence over the result in matters referred to shareholders for approval, including election of board members and potential increases of share capital, mergers, consolidations or sales in all, or almost all, of Cibus' assets.

The major shareholders' interest may deviate from, or compete with, the Company's or other shareholder's interests and there is a risk that major shareholders will exercise their influence over the Company in a way that is not in line with the interests of other shareholders. The price of the shares in Cibus may decrease if there is a large sale of the Company's shares. Especially if Cibus' board members, senior executives or major shareholders sell their shares, or when a larger amount of shares are sold. Sales of larger number of shares from the major shareholders, or when such a sale is expected, may have a material adverse effect on the Company's share price.

**Future issues may lead to dilution for shareholders and adversely affect the price of the share**

The Company has completed a number of new share issues, and may complete further new share issues in the future, in accordance with the regulations in the Swedish Companies Act, with consideration to the Swedish Securities Council's practice and other applicable laws and regulations. Further new issues of shares and other instruments may lead to dilution of shareholding for shareholders who do not participate in such issues. For example, when shareholders choose not to exercise their subscription right or when potential issues are directed to others than the Company's shareholders, such as non-cash issues or directed cash issues. The same applies to warrants issued by the Company. Historically, the Company has raised capital through issues of shares, in which a few deviated from the shareholders' preferential right. The Company may also decide to complete such issues in the future. This may result in dilution for current shareholders.



# Background and reasons

Cibus is a real estate company. The Company's shares have been listed on Nasdaq Stockholm since June 2021. Cibus' business idea is to acquire, develop and manage high quality properties in the Nordics with daily goods store chains as anchor tenants. As of 31 December 2021, the Company owns more than 400 properties in the Nordics. The main tenants are Kesko, Tokmanni, Coop, Lidl and S Group.

The change of listing venue from Nasdaq First North Premier Growth Market to Nasdaq Stockholm was a natural step in the Company's stated ambition and development process that would increase the Company's visibility among tenants, investors, Cibus as a partner and increase the knowledge about the Company among analysts and media. Another reason for the change of listing venue was to make the Company's share more attractive as a means of payment in connection with potential acquisitions and to enable investments in the Company's shares by institutional players whose focus is shares admitted to trading on a regulated market.

As of 31 December 2019, the property portfolio consisted of 142 properties with a total lettable area of just more than 506,000 sqm, and the market value of the property portfolio amounted to EUR 874,813 thousand. Two years later, as of 31 December 2021, the property portfolio consisted of 400 properties with a total lettable area of approximately 867,000 sqm and the market value of the property portfolio amounted to EUR 1,499,626 thousand. The expansion of the business and operations has reduced the Company's operational and financial risks by an increased diversification of the property portfolio, while the Company's profit from property management and cash flow has increased. The business growth has not occurred to the expense of increased risk-taking – the loan-to-value ratio has decreased from 58.7 per cent to 57.8 per cent with a maintained debt/equity ratio multiple of 1.7, as of 31 December 2021. Cibus estimates that the Company will be able to double the property value of its portfolio to EUR 2.5–3.0 billion, meeting the criteria for an investment grade credit rating by the end of 2023.

The reasons for the Bonus Issue of Common shares of class D proposed by the board of directors, and the application for admission to trading of the Common shares of class D on Nasdaq Stockholm, is to enable increased flexibility in future capital raisings and enable continued growth with limited dilution for existing shareholders. By implementing the new share class, Cibus is expected to further increase the conditions for achieving the Company's growth targets as well as the chances to meet the criteria for an investment grade credit rating. Such credit grade rating is expected to reduce the Company's financial risks and is also expected to increase profits from property management as a result of lower financing costs. It is the board of directors' assessment that in the long run this will create better conditions for future value creation for the Company's shareholders.

*For more information, please refer to the full Prospectus, which has been prepared by the board of directors of the Company in connection with the Admission. The board of directors of the Company is responsible for the content of the Prospectus. To the best of the board of directors' knowledge, the information provided in the Prospectus complies with the factual circumstances and no information has been omitted from the Prospectus that could affect its content.*

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Stockholm, 29 March 2022

**Cibus Nordic Real Estate AB (publ)**  
**The board of directors**





# The Bonus Issue in brief

## Summary

- Shareholders shall receive one (1) common share of class D for every four (4) existing shares held by the shareholder on the record date.
- Common shares of class D are received free of charge and without the shareholder having to take any action.
- Common shares of class D are subject to application for admission to trading on Nasdaq Stockholm, with expected first day of trading on 13 May 2022.

## The Bonus Issue

The board of directors of Cibus have proposed that the annual general meeting to be held on 20 April 2022 resolves on a bonus issue, through which four (4) existing shares, free of charge, entitles to one (1) common share of class D (the **"Bonus Issue"**). 12,100,000 new Common shares of class D are expected to be issued through the Bonus Issue (**"Common shares of class D"**).

In order to enable the Bonus Issue, the board of directors of Cibus have proposed that the general meeting resolves on the following amendments regarding the Company's articles of association; (i) amendments of the limits of the share capital and number of shares; (ii) introducing the new share class, Common shares of class D; and (iii) renaming existing shares to Common shares of class A (**"Common shares of class A"**).

12,100,000 Common shares of class D will be issued through the Bonus Issue, entailing an increase of the share capital by EUR 121,000. Immediately after the Bonus Issue, the Company's share capital will amount to EUR 605,000, divided into a total of 60 500 000 shares, of which 48,400,000 will consist of Common shares of class A and 12,100,000 will consist of Common shares of class D, with an unchanged quota value of EUR 0.01 per share.

Each Common share of class A will entitle the holder to one (1) vote at general meetings and each Common share of class D will entitle the holder to one-tenth (1/10) of a vote at general meetings. According to the Company's articles of association, if any dividend is declared, Common shares of class D are entitled to five (5) times the total dividend on Common shares of class A, however, no more than EUR 0.08 per share and month. For further information regarding the proposed articles of association, refer to the section *"Articles of association"*.

Holders of existing shares do not need to take any measures to participate in the Bonus Issue and will automatically receive new Common shares of class D. The record date for participating in the Bonus Issue is on 11 May 2022. Last day of trading in Common shares of class A including the right to receive new Common shares of class D is on 9 May 2022. First day of trading in Common shares of class A excluding the right to receive new Common shares of class D is on 10 May 2022. The new Common shares of class D is expected to be available in the shareholder's securities account on or about 12 May 2022. Expected first day of trading in Common shares of class D is 13 May 2022.

Directly registered shareholders' excess bonus share rights, due to having a shareholding that is not evenly divisible by four (4), will be collected by the Company and sold by a securities institution, on behalf of the concerned shareholders. The proceeds from the sale of such bonus share rights, less potential sales costs, shall be paid to the relevant shareholders' yield account, as soon as possible after the sale.



# Market overview

*Information concerning market growth and market size, as well as Cibus' market position in relation to its competitors, which is stated in the Prospectus, constitutes Cibus' overall assessment, which is based on both internal and external sources. The information to which Cibus has access has not been verified by independent sources, who may have opinions or views about industry-related information that differ from Cibus' views. Market and business-related information may contain estimates concerning future market tendencies and other forward-looking statements. Forward-looking statements are not guarantees of future financial performance or tendencies and actual outcomes could differ materially from the statements made in the forward-looking information.*

*Information from third parties have been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.*

## Introduction

Cibus operates on the Nordic property market and currently owns properties in Finland, Sweden and Norway. In addition, in March 2022, the Company entered into an agreement to acquire a real property portfolio consisting of 34 properties located in Denmark.<sup>1</sup> For many years, the Nordic property market has been of interest not only to Nordic companies, but also to global and European real estate companies and funds. Transaction volumes have been significant given the size of the market, which means that many companies have looked to the Nordics. The Nordic countries are known for being stable, taking a long-term perspective, and having strong ethics and morals. Corruption is amongst the lowest in the world, which means that it is safe and secure to invest in the Nordic region. The Nordic countries also have strong state finances, which has been apparent during the COVID-19 pandemic, when all of the economies in the Nordic countries managed relatively well since extensive support packages could be launched.

## Macroeconomic development

### Finland<sup>2,3</sup>

The Finnish economy has experienced relative positive growth during the COVID-19 pandemic, and GDP is expected to continue to grow, with a 3.0 per cent increase in 2022, followed by a moderate 1.6 per cent increase in 2023. Wages and salaries have increased more rapidly than they have done for almost a decade. In addition, unemployment has fallen, whilst employment has increased and is close to the peak achieved in 2019. Improvements on the labour market are also expected to continue, and unemployment is expected to fall to 6.5 per cent in 2022. At the same time, wages and salaries are expected to rise by 2.5 and 2.2 per cent in 2022 and 2023, respectively.

Both consumer and retailer confidence deteriorated at the end of 2021 due to the surge in COVID-19. However, the service industry, including accommodation and restaurant services, has remained upbeat and sales are close to pre-COVID-19 pandemic levels. In 2021, fewer vacations were taken abroad than in 2020, which (at least partially) favoured investments in the domestic environment. It is expected that household consumption will strengthen in the first half of 2022 and it is estimated that total consumption will grow by 3.5 per cent in 2022. It is considered that the rate of inflation reached its peak in November 2021, and inflation is estimated to stay at 2.4 per cent for full-year 2022, which is far below the average in the Eurozone.

After an intensive spring and summer, the number of new building permits has abated. However, there is a large number of new homes that are planned to be built and it is estimated that there will be strong demand for construction services in 2022. The business sector has also regained its confidence and a wave of new lending indicates that business investments will increase. A strong 3.8 per cent upturn in capital spending is expected for 2022, followed by 1.5 per cent growth in 2023.

In 2021, import growth was limited whilst exports increased significantly. Forward-looking indicators, such as high industrial sentiment and all-time high new orders, signalled that the increase in exports will continue in 2022, averaging a 5.6 per cent increase.

Government tax receipts are improving, but costs are expected to exceed revenues. The pandemic is weighing on healthcare costs, whilst the geopolitical situation is forcing the government to spend more on defence, which means that the budget will remain in deficit during the forecast period. After a dip in 2022, public debt is expected to increase to 67.5 per cent of GDP in 2023.

<sup>1</sup>For more information, please refer to the section "Operational and Financial Review – Investments – Ongoing or decided investments".

<sup>2</sup>SEB, Nordic Outlook, February 2021, [https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/0A91DEA2B46731A5C1258668004E4F88/\\$FILE/no\\_feb\\_2021\\_sv.pdf](https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/0A91DEA2B46731A5C1258668004E4F88/$FILE/no_feb_2021_sv.pdf)

<sup>3</sup>SEB, Nordic Outlook, February 2022, [https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/\\$FILE/NordicOutlook\\_Feb\\_2022\\_SV.pdf](https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/$FILE/NordicOutlook_Feb_2022_SV.pdf)



**Sweden<sup>1,2,3</sup>**

GDP growth in Sweden in full-year 2021 was 4.9 per cent, which is three tenths of a per cent higher than the GDP forecast. However, there are various worrying elements that increase uncertainty. This uncertainty is expected to result in the international economy losing momentum, while Swedish businesses and households will face rising energy prices and supply disruptions that will dampen consumption and capital spending. As a result, the economy is expected to stagnate in the first half of 2022. The consequences of the Omicron wave are also an adverse contribution, although Swedish restrictions continue to be milder than in most European countries. Therefore, the GDP growth forecast for 2022 has been lowered to 3 per cent from the previous 3.6 per cent. However, the slowdown is expected to be temporary and growth is expected to pick up again in autumn 2022 and reach its pre-COVID-19 pandemic level by early 2023.

The manufacturing sector has displayed a stronger recovery than other sectors since summer 2020. However, exports and industrial production lost momentum at the end of 2021, which was mainly due to supply problems for input goods and a slowdown in international demand. In addition, new orders and production have clearly fallen, and December 2021 levels were only marginally above historic averages. However, production problems are expected to ease by mid-2022, but the projected level of exports is still expected to fall somewhat.

The recovery in housing construction has continued, and housing starts are on a par with 2017 peaks. After sharp price increases earlier, the price trend is now expected to be calmer. The special conditions that prevailed during the pandemic, with a greater focus on living space due to remote work and staycations, are now expected to fade. Moreover, the interest rate outlook is somewhat more uncertain than before. Nonetheless, house prices are expected to continue to rise by around 5 per cent this year, with the upturn expected to slow to 2-3 per cent in 2023.

Household consumption rose sharply in the third quarter 2021 and passed pre-pandemic levels. Moreover, goods consumption is above its historical trend. However, service consumption is still below pre-pandemic levels, despite a rapid rise in mid-2021. When restrictions are eased, the recovery is expected to resume during the second half of 2022. High inflation has resulted in a lowering of the forecast of real household incomes 2022. However, large savings buffers and gradually falling inflation are expected to contribute to an increase in consumption, which is expected to revert to its historical trend in 2023.

Unemployment has fallen significantly in the past year and has begun to approach pre-crisis lows. However, due to decelerating GDP growth and reduced activity in certain sectors due to Omicron, labour market improvement is likely to stop in the short term. However, in the longer term, unemployment is expected to keep falling.

**Norway<sup>4</sup>**

The mainland economy in Norway has recovered from the pandemic. Mainland GDP increased by 2.6 per cent in the third quarter 2021 to 1.8 per cent above the pre-pandemic level. Growth was supported by the reopening of society, which was finalized in September 2021. However, in response to a new surge in infection rates in November, followed by an outbreak of the Omicron variant, the government reinstated national restrictions in mid-December. The restrictions are expected to have an adverse effect on parts of the service sector, which in turn will lower mainland GDP to some extent in the short term. Therefore, GDP is expected to fall by 0.3 per cent during the first quarter 2022. However, mainland GDP is expected to grow by 3.7 per cent for full-year 2022, whilst higher interest rates and a normalized consumption pattern are expected to decelerate growth to 1.6 per cent in 2023.

The reintroduction of restrictions contributed to the government reinstating various fiscal relief measures and implementing a wage support scheme for business as an alternative to redundancies. Moreover, in December 2021, a support scheme was introduced to help households alleviate a proportion of their increased electricity costs, which will end in March 2022. Fiscal relief measures are expected to be phased out later this year, making fiscal policy contractionary in 2023.

The recovery in mainland GDP in 2021 has been driven by a sharp increase in private consumption, which had increased by 9.9 per cent up until November 2021. The upturn is mainly due to an increase in the consumption of services, whilst goods consumption was dented by a fall in purchases of vehicles. Private consumption is expected to fall in the short term due to a reduction in household disposable income caused by the high electricity prices. However, fiscal relief and rising wage growth are expected to partially compensate for the fall in disposable income, which, combined with financial buffers, are expected to contribute to a rebound in consumption in spring 2022. The forecast for consumption growth for full-year 2022 is 6.6 per cent. Higher interest rates are expected to moderate consumption growth to 3.6 per cent in 2023.

**Denmark<sup>5</sup>**

The Danish GDP-growth increased by 1.1 per cent during the third quarter of 2021, which is a 0.9 decrease in comparison to the forecast. In December 2021, restrictions connected to the coronavirus were reintroduced and expected to result in a decrease during the fourth quarter of 2021 and first quarter of 2022. However, the growth is on an overall level intact and BNP is expected to recover during the second quarter of 2022. The BNP-forecast of 2022 has been lowered from 3.5 per cent to 3.3 per cent, while the forecast of 2023 remains at 3 per cent.

After a two-year break with stable credit terms, the household credit demand is increasing. The fiscal policy will become more restrictive when the pandemic restrictions are lifted. However, this is expected to have a minor impact during 2022.

During December 2021, the consumer trust stabilized after a decline the previous three months. The consumer trust has since risen and the positive trend is expected to continue going forward. This is explained by the removal of Corona-restrictions during the first quarter of 2022. Real disposable income has been affected by rising inflation and there is a risk of higher energy prices. To handle the situation, the parliament plans to provide an income support to those most affected. However, the inflation is expected to slow down during 2022 and would result in real wages rising slightly again.

Unemployment rose at the end of 2021, which is thought to be a result of the reintroduced Corona-restrictions that mainly have affected the service sector. For the same reason, the labour market is expected to improve with the easing of restrictions during 2022. Denmark is expected to achieve full employment during 2023 and the unemployment is believed to reach its lowest point since 2008.

GDP growth, year-on-year per cent change	2020	2021	2022E	2023E
<b>The Nordics</b>	-2.2	4.2	3.3	2.5
<b>Sweden</b>	-2.8	4.9	3.0	2.7
<b>Norway</b>	-0.7	3.9	4.0	2.5
<b>Denmark</b>	-2.1	4.0	3.3	3.0
<b>Finland</b>	-2.8	3.5	3.0	1.6

<sup>1</sup>SEB, Nordic Outlook, February 2021, [https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/0A91DEA2B46731A5C1258668004E4F88/\\$FILE/no\\_feb\\_2021\\_sv.pdf](https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/0A91DEA2B46731A5C1258668004E4F88/$FILE/no_feb_2021_sv.pdf).

<sup>2</sup>SEB, Nordic Outlook, February 2022, [https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/\\$FILE/NordicOutlook\\_Feb\\_2022\\_SV.pdf](https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/$FILE/NordicOutlook_Feb_2022_SV.pdf).

<sup>3</sup>The Swedish Central Bank – Monetary Policy Report, February 2021, <https://www.riksbank.se/globalassets/media/rapporter/ppr/svenska/2021/210210/penningspolitisk-rapport-februari-2021.pdf>.

<sup>4</sup>SEB, Nordic Outlook, February 2022, [https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/\\$FILE/NordicOutlook\\_Feb\\_2022\\_SV.pdf](https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/$FILE/NordicOutlook_Feb_2022_SV.pdf).

<sup>5</sup>SEB, Nordic Outlook, February 2022, [https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/\\$FILE/NordicOutlook\\_Feb\\_2022\\_SV.pdf](https://webapp.sebgroup.com/mb/mblib.nsf/alldocsbyunid/8D56784813F0D529C12587D4004DA4C1/$FILE/NordicOutlook_Feb_2022_SV.pdf).

## The nordic property market

As a property market, the Nordics have been less affected by COVID-19 than the rest of Europe thanks to strong economies, sound public finances and well-functioning capital markets. In 2021, there was a lot of activity on the Nordic transaction market, with a stable volume of close to EUR 72 billion, which is an increase of 67 per cent compared to 2020 and an increase of 57 per cent on the 2019 peak.<sup>1</sup>

The Finnish property market had a sluggish start to 2021, with a transaction volume of just under EUR 2.5 billion in the first half-year. The total transaction volume for Finland in 2021 was EUR 7.4 billion, which is an increase of 21 per cent on 2020, but 27 per cent less than the 2017 peak. The number of transactions increased by 29 per cent. In 2021, foreign investors accounted for approximately 53 per cent of the transaction volume, which is a few per cent points lower than the same period in the previous year. The Helsinki region accounted for approximately 54 per cent of the transaction volume in 2021. Tammerfors accounted for 8 per cent, Åbo for 5 per cent, the rest of Southern Finland for 4 per cent, Eastern Finland for 4 per cent, and the rest of Western Finland for 3 per cent. Residential Properties and Portfolios constituted the property sector with the most sales in 2021, accounting for 33 per cent of the total volume (EUR 2.3 billion), followed by Office Properties (29 per cent), Industrial Properties (15 per cent), and Public Use Properties (13 per cent).<sup>2</sup>

The total transaction volume for Sweden in 2021 was SEK 355 billion, which is 93 per cent higher than 2020 and 58 per cent higher than the previous peak in 2019. In 2021, foreign investors accounted for approximately 21 per cent of the transaction volume, which is 6 per cent points lower than the same period in the previous year. For the fifth year in a row, foreign investors are net investors in Sweden, and foreign investors have now also entered the housing market. The Stockholm region accounted for the largest share of the total transaction volume, with approximately 45 per cent. Gothenburg accounted for approximately 9 per cent and Malmö approximately 8 per cent of the volume. Other cities in Sweden accounted for approximately 38 per cent. Residential was the segment with the most sales, accounting for approximately 33 per cent of the total transaction volume in 2021. Offices accounted for 22 per cent and Public Use Properties accounted for 16 per cent of the transaction volume. Other Properties accounted for 1 per cent, the Retail segment accounted for 7 per cent, and Logistics/Industrial 11 per cent.<sup>3</sup>

The total transaction volume for Norway in 2021 was EUR 15.8 billion, which is 54 per cent higher than 2020 and 26 per cent higher than the previous peak in 2015. In 2021, foreign investors accounted for approximately 18 per cent of the transaction volume, and interest is expected to grow in the future, particularly among Swedish investors. Oslo accounted for the largest share of the total transaction volume, with approximately 34 per cent. Viken accounted for approximately 24 per cent, Vestland for approximately 11 per cent, Rogaland for 11 per cent, Vestfold and Telemark for 6 per cent, and Trøndelag for 4 per cent of the volume. The low supply of office properties and falling unemployment indicate a decline in vacancy rates and rising rents in Oslo.<sup>4</sup> Offices was the segment with most sales, accounting for approximately 40 per cent of the total transaction volume in 2021. Logistics/Industrial accounted for 19 per cent and Retail accounted for 16 per cent of the transaction volume. Land and Development Properties accounted for 13 per cent and Other Properties (including hotels and residential properties) accounted for 12 per cent.<sup>5</sup>

During 2021, the total transaction volume for Denmark amounted to 104 billion DKK, which is 59 per cent higher than the volume during 2020 and 51 per cent higher than 2018, which was the previous record year. Year 2021 accounted for the second highest monthly volume ever in December. During 2021, foreign investors accounted for approximately 71 per cent of the total transaction volume, which is nine percentage units higher than the same period the previous year.<sup>6</sup>

The Copenhagen region accounted for the largest proportion of the total transaction volume of approximately 59 per cent. The region of Midtjylland accounted for approximately 18 per cent, the Syddanmark region for approximately 11 per cent of the volume, the Sjælland region for 7 per cent and the Nordjylland region for 3 per cent. Residential was the segment with the highest turnover, and accounted for approximately 55 per cent of the total transaction volume during 2021. The office segment accounted for 15 per cent, the logistic segment for approximately 13 per cent and the retail segment accounted for 6 per cent.<sup>7</sup>

## The food and grocery retail market

### Finland<sup>7</sup>

In Finland, as in other countries, the grocery retail market has steadily increased and been resistant to economic downturns. In the past 20 years, the grocery retail trade has steadily increased, with an average annual rate of growth of approximately 3.4 per cent, which exceeded Finnish GDP growth.

The Finnish food and grocery market is dominated by two retail chains, S Group and Kesko, which have market shares of approximately 46 per cent and approximately 37 per cent, respectively, based on sales of groceries. Kesko is a listed company, whilst S Group comprises 20 regional cooperatives with operations throughout the country. The third grocery retailer based on market share is Lidl, with a market share of approximately 9.6 per cent, and, collectively, the three retailers account for over 92 per cent of the market. Both S Group and Kesko have different store concepts to adapt to local demand throughout the country, whilst Lidl only operates under one concept. For both S-Group and Kesko, the most important store concept is the "Supermarket", i.e. "S-market" and "K-Supermarket", whose market shares lie at 22 per cent and 13 per cent, respectively.

In 2019, approximately 2.3 per cent of grocery retail sales derived from discount stores, and growth from previous years was close to 5 per cent, almost double the total growth on the grocery retail market. The market leader Tokmanni, which is Cibus' second largest tenant, accounted for approximately 80 per cent of all grocery retail sales in discount stores, and its grocery retail sales increased by approximately 13 per cent in 2019. Tokmanni is a national discount chain which is only present in Finland, and competitors in this segment consist of small local stores.

During the COVID-19 pandemic, Finnish grocery retail chains reported strong growth figures. In the second quarter 2020, grocery retail sales in Finland increased by 9.2 per cent compared with the previous year. The growth occurred in the hypermarket and supermarket segments, and only smaller stores with less than 200 square meters of retail space have experienced a decline in sales. The average purchase has increased significantly, and chains have reported strong growth in e-commerce (online sales), particularly in respect of "Click and collect". Click and collect means that consumers buy goods online and then choose to collect the goods at a physical store.

<sup>1</sup>Pangea Property Outlook 2022, Positive outlook for real estate, but inflation a double-edged sword, Nordics, January 2022.

<sup>2</sup>KTI Finland, Transaction volume amounted to €7.0 bn in 2021, <https://kti.fi/en/transaction-volume-amounted-to-e7-bn-in-2021/>.

<sup>3</sup>Pangea Property Outlook 2022, Positive outlook for real estate, but inflation a double-edged sword, Sweden, January 2022.

<sup>4</sup>Pangea Property Outlook 2022, Positive outlook for real estate, but inflation a double-edged sword, Norway, January 2022.

<sup>5</sup>Pangea Property Outlook 2022, Positive outlook for real estate, but inflation a double-edged sword, Norway, January 2022.

<sup>6</sup>Pangea Property Outlook 2022, Positive outlook for real estate, but inflation a double-edged sword, Nordics, January 2022.

<sup>7</sup>Cushman & Wakefield, Denmark Marketbeat <https://www.cushmanwakefield.com/en/insights/denmark-marketbeat>

<sup>8</sup>KTI Finland, The Finnish Property Market, 2021.

Grocery retail usually accounts for a high proportion of sales in Finnish shopping centres. In larger shopping centres, there can be more than one supermarket and even more smaller grocery stores. The importance of grocery retailers as anchor tenants has become even clearer during the COVID-19 pandemic. In 2020, grocery stores and warehouses accounted for 45 per cent of total sales in Finnish shopping centres, an increase from 39 per cent in 2019.

According to Statistics Finland's estimate for retail sales, sales in the grocery retail sector increased by 3.5 per cent in the first half-year in 2021 compared to the same period in 2020, whilst the sales volume increased by 1.4 per cent compared to the same period in 2020.<sup>1</sup>

## Sweden

In Sweden, the grocery retail market has increased steadily and been resistant to economic downturns. Growth in e-commerce in the grocery retail sector amounted to 22 per cent in 2019. The high rate of growth in online grocery retail sales suggest that the market is unsaturated, whilst there could be challenges in terms of both logistics and profitability.<sup>2</sup>

Sales in the retail sector grew by 3.5 per cent in 2020, according to Statistics Sweden's retail index. Both the grocery retail sector and the durables sector experienced positive growth during the year. Growth in the retail sector as a whole was higher than in the three previous years.<sup>3</sup>

In Sweden, as in other countries, the grocery retail market has been one of the biggest winners during the COVID-19 pandemic. The grocery retail sector experienced a very strong upturn in March 2020 (an increase of 11.7 per cent) due to bunkering during the pandemic, which was followed by a number of months of continued strong growth (an increase of 5.3 per cent during the second quarter 2020 and an increase of 3.6 per cent during the third quarter 2020). The average purchase increased significantly, and companies reported strong growth in e-commerce.<sup>4</sup>

Sales in the grocery retail sector increased by 1.3 per cent and sales in stores grew by 0.2 per cent in 2021 compared to 2020. In December 2021, growth amounted to 2.5 per cent, which was the highest growth noted during the year. Online sales increased in 2021 by 24.0 per cent. Online sales with home delivery increased by 16.3 per cent and collection in stores by 32.7 per cent. The share of sales in the grocery retail sector represented by online sales for full-year 2021 amounted to 5.8 per cent, which is an increase of one percentage point compared to 4.8 per cent in 2020.<sup>5</sup>

The Company is of the view that there continues to be a strong interest in retail properties containing grocery retail stores. Shopping centres containing grocery retailers as anchor tenants have performed better in terms of sales than stores specializing in fashion. Individual grocery stores with long-term leases are among the most attractive properties on the market and generally increase demand for grocery stores.

The Swedish grocery retail market is dominated by three companies with a collective market share of approximately 90 per cent, namely ICA, Coop, and Axfood. Other market operators are Bergendahls and Lidl, each with a market share of approximately 5 per cent.<sup>6</sup> ICA was previously a listed company, now owned by ICA-handlarnas Förbund and AMF. ICA's businesses are operated jointly with ICA franchisees, each of which owns and runs their own store. Coop is owned by its 3.7 million members in 28 consumer associations. Axfood is a listed company with brands such as Willys, Hemköp and Tempo.

## Norway

The grocery retail sector in Norway is relatively concentrated, with only three major operators on the market: NorgesGruppen, Coop and Rema 1000, and the somewhat smaller operator Bunnpris. Bunnpris purchases the majority of its goods from NorgesGruppen's wholesaler ASKO. NorgesGruppen is the largest operator on the market, with a market share of 44.1 per cent. After many years of growth in the number of grocery retailers, the number has stabilized in recent years. The number of grocery retailers in 2020 was 3,852, which corresponds to a net growth of 17 stores compared to 2019. Norway is still one of the countries in Europe with the most stores per capita, namely 7.5 stores per 10,000 inhabitants, which can be compared to 5.7 stores per 10,000 inhabitants in Sweden. Norwegian stores are relatively small and average half the size of Swedish stores.<sup>7</sup>

In 2020, sales in the grocery retail sector increased by NOK 31,691 million to total sales of NOK 213,584 million, which corresponds to growth of 17.4 per cent. Sales in the wholesale sector increased by NOK 17,057 million, which corresponds to a percentage increase of 1.7 per cent.<sup>8</sup> Sales in the Norwegian retail sector increased by NOK 56,250 million from 2019 to 2020, which corresponds to 11 per cent. The year 2020 was strongly affected by infection-control measures and restrictions and, as a result, online sales increased. In comparison with the previous year, the sector increased its sales by a total of 37.8 per cent in 2020. The increase was particularly evident in the second half of the year, when sales were at NOK 20,251 million compared to NOK 14,354 million the previous year, which constitutes an increase of 41 per cent.<sup>9</sup>

Other sectors and types of stores experienced a decline in 2020. Examples include tobacco stores and stores specializing in confectionery, whose sales decreased by 65.2 and 62.6 per cent, respectively.<sup>10</sup>

## Denmark

In 2020, the Danish food and grocery retail had total revenues of approximately DKK 160 billion<sup>11</sup>, corresponding to a compound average growth rate of 2.9 per cent between 2016 and 2020. The food segment was the most lucrative segment on the market in 2020, with total revenues of approximately DKK 115 billion<sup>12</sup>. The Danish market for groceries grew at an extraordinary high pace in all markets in 2020. This is estimated to be due to consumers shifting consumption from restaurants to shops, as a result of Corona-restrictions.<sup>13</sup> As in Sweden, the e-commerce market has become increasingly important in Denmark, and in 2019 it accounted for 2.4 percent of total food sales.<sup>14</sup>

The Danish market for groceries is dominated by three retail chains; Salling Group which in 2020 accounted for a market share of 34.2 percent, Coop with a market share of 31.6 percent and Reitangruppen with a market share of 14.8 percent.<sup>15</sup>

<sup>1</sup>Finnish Official Statistics (FOS): Sales within trade [e-publication], [http://www.stat.fi/til/klv/index\\_sv.html](http://www.stat.fi/til/klv/index_sv.html).

<sup>2</sup>Swedish Trade Federation, The situation in trade – 2020 report about economic growth in the sector.

<sup>3</sup>Swedish Trade Federation, The situation in trade – 2021 report about economic growth in the sector.

<sup>4</sup>Swedish Food Retailers Association, Food Retail Index, Full-Year and December 2020.

<sup>5</sup>Swedish Food Retailers Association, Food Retail Index, Full-Year and December 2021.

<sup>6</sup><https://www.axfood.se/om-axfood/marknad-och-trender/den-svenska-dagligvaruhandeln/>.

<sup>7</sup>Næringslivets Hovedorganisasjon, <https://www.nhosh.no/tall-og-fakta/tall-og-trender/tallogtrender2021/handel-tall-og-trender/>

<sup>8</sup>Statistisk sentralbyrå, Omsetning i varehandel, 2020, <https://www.ssb.no/varehandel-og-tjenesteyting/artikler-og-publikasjoner/detaljhandelen-okte-med-11-prosent-i-2020>.

<sup>9</sup>Statistisk sentralbyrå, Omsetning i varehandel, 2020, <https://www.ssb.no/varehandel-og-tjenesteyting/artikler-og-publikasjoner/detaljhandelen-okte-med-11-prosent-i-2020>.

<sup>10</sup>Statistisk sentralbyrå, Omsetning i varehandel, 2020.

<sup>11</sup>Value converted to DKK based on the exchange rate 6.06 DKK/USD.

<sup>12</sup>Value converted to DKK, based on the exchange rate 6.06 DKK/USD.

<sup>13</sup>Food and Grocery Retail in Denmark - Market Summary, Competitive Analysis and Forecast to 2025, <https://www.reportlinker.com/p06072549/Food-and-Grocery-Retail-in-Denmark-Market-Summary-Competitive-Analysis-and-Forecast-to-2025.html>, hämtad 2022-03-15.

<sup>14</sup>Report on the organic industry compiled by Ekoweb, 28 January 2021, <http://www.ekoweb.no/attachments/67/69.pdf>, obtained 2022-03-15.

<sup>15</sup>Market share of selected grocery retailers in Denmark in 2020, <https://www.statista.com/statistics/565747/market-share-of-selected-grocery-retailers-in-denmark/>, obtained 2022-03-15.



## Market trends

The Company has noted the following three market trends, which are described in more detail in this section.

- The macroeconomy in the Nordics remains strong.
- The food and grocery retail sector is stable and predictable.
- The food and grocery retail sector is only marginally affected by e-commerce.

### The macroeconomy in the Nordics remains strong

The Finnish economy has experienced relatively good growth during the COVID-19 pandemic, and GDP is expected to continue to grow, with an increase of 3 per cent in 2022 followed by a moderate increase of 1.6 per cent in 2023. GDP growth in Sweden in 2022 has been adjusted downwards to 3 per cent from the previous 3.6 per cent, but this deceleration in growth is only considered to be temporary, and growth is expected to speed up again in autumn 2022, to return to its pre-pandemic level at the beginning of 2023. The Norwegian mainland economy is considered to have fully recovered from the pandemic. Mainland GDP grew by 2.6 per cent in the third quarter 2021 to a level 1.8 per cent above the pre-pandemic level.

### The food and grocery retail sector is stable and predictable

The food sector is non-cyclical by nature, because food is consumed whatever the economic situation. In a downturn, households tend to reduce the number of times they go to restaurants and cook more food at home. Over a 20-year period, food sales have increased by an average of 3 per cent per year in the Nordics.

### The food and grocery retail sector is only marginally affected by e-commerce<sup>1</sup>

The physical retail sector is under pressure from e-commerce as an increasing number of consumers choose to shop online. The Swedish Retail and Wholesale Council considers that the retail segments that will be most affected by e-commerce are electronics and books, whilst the least affected sector is considered to be grocery retail. According to PostNord, e-commerce has captured the largest market shares in the clothing and footwear, beauty and health products, and consumer electronics segments. E-commerce has not yet broken through in the food sector, which is thought to be due to the fact that many customers want to see the products and choose the best goods themselves. In addition, due to the low margins and high costs for packing and distributing foods (often chilled) to customers, it is becoming unprofitable for the distributor to make home deliveries of the goods. Therefore, customers who shop online are often asked to pick up the goods at a collection point, often a grocery store. As a result, grocery stores are becoming a natural distribution network for other products purchased online, further increasing traffic to grocery stores. In Finland and Denmark, parcel boxes are commonly installed at the entrance to the grocery store, whilst collection is generally handled manually in Sweden and Norway. However, parcel boxes represent a growing trend and most indicators suggest that this will become more common throughout the Nordic region. Therefore, the grocery retail market is considered to be resistant to e-commerce and could in fact be favoured by e-commerce, thanks to the distribution network provided by the stores.

## Competitors

The Company has a relatively small number of competitors in the Nordics, and most of them are owned by institutional investors. The Company assesses that Cibus is the second-largest operator on the market, and the carrying amount of the Group's investment properties was approximately EUR 1,500 million in the Group's balance sheet as of 31 December 2021. The board of directors is of the view that the level of competition for the Company has generally intensified and that the interest in grocery retail properties has increased, but that Cibus has a market advantage that favours the Company in terms of its level of competitiveness.

In terms of size, Trophi is the Company's largest competitor on the market, with a property value amounting to SEK 16,540 million, as of 30 September 2021. Trophi is wholly owned by AP3 and managed by Redito. The properties are dispersed over Sweden and Finland. Trophi has a similar business concept to Cibus, but has focused on slightly larger property units and has a small share of discount stores in its property portfolio. As far as Cibus is aware, Trophi has not made any investments in recent years.

In 2021, Svenska Handelsfastigheter had a portfolio valued at SEK 14,200 million. Svenska Handelsfastigheter is owned by the founders, as well as AP4 and Kåpan Pension. Svenska Handelsfastigheter focuses on development properties and, among other things, operates a major retail project in Storlien for cross-border shopping. The company regularly invests in new properties.

ICA Fastigheter owns two companies, Ancore Fastigheter and Långeberga Logistik, in equal shares together with occupational pensions company Alecta. Ancore Fastigheter's strategy is to acquire and own store properties in Sweden via long-term leases, ICA being the primary tenant. Långeberga Logistik was created in 2013 with the aim of acquiring, extending and then owning ICA's warehouse in Helsingborg in the long term. ICA Fastigheter also owns Secore Fastigheter. At the end of 2021, the estimated market value of ICA Fastigheter's portfolio (both owned and co-owned) was SEK 28,700 million. As far as the Company is aware, neither ICA Fastigheter nor the companies it co-owns are active on the transaction market, other than a few individual exceptions for properties in which ICA is already the primary tenant or to which ICA Fastigheter already owns neighbouring properties.

On the Finnish market, Cibus' competitor is Mercada, a company with the same corporate structure as Ancore and Secore, but which is owned by Kesko together with Ilmarinen and AMF.

<sup>1</sup>The Swedish Retail and Wholesale Council, What happens when Amazon comes?, <https://handelsradet.se/app/uploads/2021/06/Vad-ha-CC%88nder-na-CC%88r-Amazon-kommer.pdf>, obtained 22 February 2022.

# Business Description

## Introduction to Cibus

Cibus' business concept is to acquire, refine and develop high-quality properties in the Nordic region, with reputable grocery and supermarket chains as anchor tenants, to provide a stable, cyclically-resilient and increasing dividend<sup>1</sup> for Cibus' shareholders.

The Company specializes in properties with tenants operating in the grocery and daily-goods sector (i.e. the food and grocery sector), which generally have two main characteristics that distinguish them from most other types of retail properties. These characteristics are the non-cyclical nature of the business and its resilience to the negative effects of e-commerce. The property portfolio comprises a strategic distribution network that is ideal for postal and other services, which is favoured by an increase in e-commerce. The characteristics provide a higher level of stability and a lower risk than other retail properties. The Company aims to deliver a stable and non-cyclical dividend to its shareholders that also increases over time. This is achieved through good profitability in the underlying property portfolio, together with additional investments in new properties. In Cibus' view, the Company will be able to double the size of the property portfolio to a property value of between EUR 2.5 and 3.0 billion by the end of 2023.

Properties with tenants operating in the grocery and daily-goods sector are generally owned by institutions, grocery and daily-goods chains, or a joint venture of both. Cibus offers investors the opportunity to achieve a favourable yield from the stable cash flows of this segment.

The carrying amount of the Group's investment properties in the balance sheet as of 31 December 2021 amounted to EUR 1,499,626 thousand and the Group had a lettable area of 867,000 square metres.

As of 31 December 2021, the Company owned a property portfolio comprising a total of 400 properties, of which 266 properties are located in Finland, 124 in Sweden and 10 in Norway. During the financial year 2021, approximately 84 per cent of the portfolio's net operating income stemmed from properties in Finland, 15 per cent from properties in Sweden and 1 per cent from properties in Norway. The largest tenants were Kesko (corresponding to 41 per cent of net operating income), Tokmanni (22 per cent), Coop (13 per cent), the S-Group (9 per cent) and Lidl (5 per cent). An additional 8 per cent of the properties are leased to other grocery retailers. The property portfolio is spread out in strategic locations, mainly in Southern and South-Western Finland, and in Southern and Central Sweden as well as in Southern Norway. The properties are, to a large extent, located in regions the Company considers have good population growth.

## History

<b>2017</b>	Cibus was founded on 23 November.
<b>2018</b>	On 7 March, Cibus acquired a property portfolio in Finland for EUR 735 million from Sirius Fund I Grocery and Sirius Fund II. On 9 March, Cibus was listed on Nasdaq First North Growth Market. On 27 August, the Company's current chairman of the board Patrick Gylling was elected chairman of the board of Cibus.
<b>2019</b>	On 11 February, Sverker Källgård was employed as CEO of the Group. On 5 April, Cibus published a prospectus for the listing of bonds in the amount of EUR 135 million, which were listed on Nasdaq Stockholm on 10 April. On 31 May, five properties in Finland were acquired from Veikko Laine Oy and Castor Real Estate Oy for EUR 25 million. On 28 June, three properties in Finland were acquired for EUR 15 million. On 15 July, Cibus carried out a change of listing from Nasdaq First North Growth Market to Nasdaq First North Premier Growth Market.
<b>2020</b>	In March, Cibus carried out its first acquisition in Sweden, comprising 111 grocery retail stores with a property value of approximately SEK 1.9 billion. The property portfolio was acquired from Coop and, in connection with the acquisition, Cibus entered into a ten-year triple-net agreement <sup>2</sup> with Coop. On 29 May, Cibus signed an agreement to acquire a portfolio consisting of 18 grocery retail properties in Finland. The properties are leased to the S-Group, Kesko and Tokmanni. On 3 June, Cibus issued senior unsecured green bonds in the amount of SEK 600 million with variable interest and a three-year term. The bonds were listed on Nasdaq Stockholm in July. On 11 June, Cibus issued bonds in the amount of EUR 135 million. In connection with the issue, the outstanding bonds in the amount of EUR 135 million were repurchased and thereby refinanced. The bonds were listed on Nasdaq Stockholm in July. On 29 June, Cibus acquired a portfolio containing five properties in the Uleåborg region in Finland for EUR 14.5 million. The properties were fully let, with the S-Group as the anchor tenant and the possession date on 1 July. On 25 November, Cibus signed the acquisition of a newly constructed retail property in Kalajoki for EUR 12.4 million. On 10 December, Cibus signed an agreement to acquire a property portfolio comprising seven properties in Finland for EUR 102 million, with the possession date on 17 December.

<sup>1</sup>For further information about the Company's dividend policy, please see the section entitled "Share Capital and Ownership Structure – Dividend Policy".

<sup>2</sup>A net lease or triple-net lease means that the tenant, in addition to the rent, pays most of the costs accruing on the property.

2021	<p>On 14 April, Cibus announced that it had acquired three properties in Sweden for SEK 34.5 million, with ICA Sverige as the anchor tenant in all of the properties.</p> <p>On 29 April, Cibus announced that it had acquired a property in Rauma, Finland for EUR 5.3 million. Tokmanni is the anchor tenant.</p> <p>On 14 May, the Company acquired three properties in Finland for EUR 25.5 million.</p> <p>At the annual general meeting held on 15 April 2021, Victoria Skoglund was elected as a new board member, replacing Johanna Skogestig, who resigned from the board.</p> <p>On 28 May, Cibus announced that it had made a further two acquisitions in Finland for EUR 15.9 million.</p> <p>On 1 June, Cibus' shares were admitted to trading on Nasdaq Stockholm after having previously been traded on Nasdaq First Premier North Growth Market. Cibus also announced that it had made a further two acquisitions in Sweden for EUR 4.5 million.</p> <p>On 14 June, Cibus announced that it had established a Medium Term Note programme with a limit of up to SEK 5 billion. The MTN programme allows the Company to issue senior unsecured bonds with a term of at least one year and hybrid bonds.</p> <p>On 15 June, Cibus announced that it had purchased a grocery retail store property in Finland for EUR 2.2 million.</p> <p>On 16 June, Cibus announced that it had entered into an agreement to acquire 72 grocery retail stores in Finland for EUR 71.6 million and agreed to issue 2 million new shares to AB Sagax by way of a private placement.</p> <p>On 17 June 2021, Cibus announced that it had successfully issued hybrid bonds in the amount of EUR 30 million under the recently-established MTN program.</p> <p>On 1 July, Cibus announced that it had signed and completed the acquisition of three properties in Sweden for EUR 4.1 million.</p> <p>On 24 September, Cibus entered into an agreement to acquire five properties in Finland for EUR 5.2 million.</p> <p>On 30 September, Cibus entered the Norwegian market by acquiring a portfolio of eight properties for EUR 27.6 million.</p> <p>On 18 November, Cibus entered into an agreement to acquire a grocery retail store in Finland for EUR 6.8 million.</p> <p>On 29 November, Cibus announced that it had entered into an agreement to acquire a grocery retail property in Sweden for EUR 11.5 million. Cibus also announced that it had signed an agreement to acquire two properties in Sweden for EUR 28.3 million.</p> <p>On 30 November, Cibus announced an increase in the number of shares and voting rights in the Company.</p> <p>On 1 December, Cibus announced a strong transaction flow for potential acquisitions and, consequently, updated its short-term and medium-term growth targets. Cibus is of the view that it will be able to double the size of its property portfolio to a property value of between EUR 2.5 and 3.0 billion and that the criteria for an investment-grade credit rating will be fulfilled at the end of 2023.</p> <p>On 7 December, Cibus announced that a private placement of 2 million new shares had been carried out. A number of Swedish and international institutional investors, including AB Sagax, Bell Rock Capital Management, Clearance Capital and Fjärde AP-fonden, participated in the private placement.</p> <p>On 21 December, the Company acquired two grocery retail properties in Norway for EUR 13.4 million.</p> <p>On 23 December, Cibus announced that it had acquired a portfolio of six properties in Norway for EUR 15.8 million.</p> <p>On 29 December, Cibus announced that it had entered into an agreement to acquire a grocery retail store in Sweden for EUR 15.7 million.</p> <p>On 30 December, Cibus announced an increase in the number of shares and voting rights in the Company.</p>
2022	<p>On 17 February, the Company announced the Nomination Committee's proposal of Patrick Gylling, Elisabeth Norman, Victoria Skoglund and Stefan Gattberg being re-elected as board members and that Nils Styf is elected as new member of the board, since the current board member Jonas Ahlblad declined re-election.</p> <p>On 24 February, the Company published its Year-end report 2021 and announced the proposal for introduction of a new share class and bonus issue.</p> <p>On 21 March, Cibus announced that the Company contemplates issuance of senior unsecured green bonds.</p> <p>On 22 March, Cibus announced that the Company successfully issues senior unsecured green bonds in an amount of EUR 50 million.</p> <p>On 24 March, Cibus successfully completed a directed share issue of 4,400,000 new shares and raises proceeds of approximately SEK 955 million. In connection hereto, Cibus announced that the Company moves into Denmark, entering into binding agreement to acquire a property portfolio consisting of 34 properties with supermarkets with a property value of approximately DKK 2,080 million.</p>

## Financial targets

Cibus has two financial targets, namely:

- To increase the dividend to holders of Common shares of class A by 5 per cent annually.
- For the net debt/equity ratio to be 55 – 65 per cent.

The board of directors intends to revise the net debt/equity ratio target so that it corresponds to the investment grade range.

## The business

Cibus' property portfolio comprises just over 400 strategically-located daily-goods stores (i.e. grocery and food stores) in Finland, Sweden and Norway, which are managed according to a purely Nordic and grocery store-anchored strategy. Cibus benefits from its expertise and its reputation as a reliable partner to leading grocery and food retailers where the Company seeks opportunities within the sector. Supermarkets (i.e. medium-sized grocery stores), which offer a broad range of food and grocery products and are smaller in size and more accessible to consumers than large grocery stores, account for the majority of grocery retail sales in Finland and Sweden and represent the dominant type of store property in the portfolio. Groceries and primarily food are non-cyclical products, which the Company considers follow a stable trend over time. The Company seeks to deliver a high dividend to its shareholders irrespective of economic conditions, which is achieved by way of good profitability in the underlying property portfolio.

No individual property in the portfolio accounts for more than 2.1 per cent of the portfolio's total net operating income, which eliminates the importance of an individual property. Only one property accounts for more than 2.0 per cent of the portfolio's total net operating income.

Medium-sized grocery retail stores account for the majority of the grocery retail trade in Finland, Sweden and Norway, and represent the dominant type of store in the portfolio.

## Property portfolio

As of 31 December 2021, Cibus' property portfolio comprised 400 store properties, located in Finland, Sweden and Norway. More than 90 per cent of the total rental income derived from properties leased by five market-leading tenants: Kesko; Tokmanni; Coop; S-Group; and Lidl. All of the major tenants perceive the properties as well suited for their purpose. Anchor tenants account for 87 per cent of the rental income from grocery retail properties and have an average remaining lease term of 5.5 years.

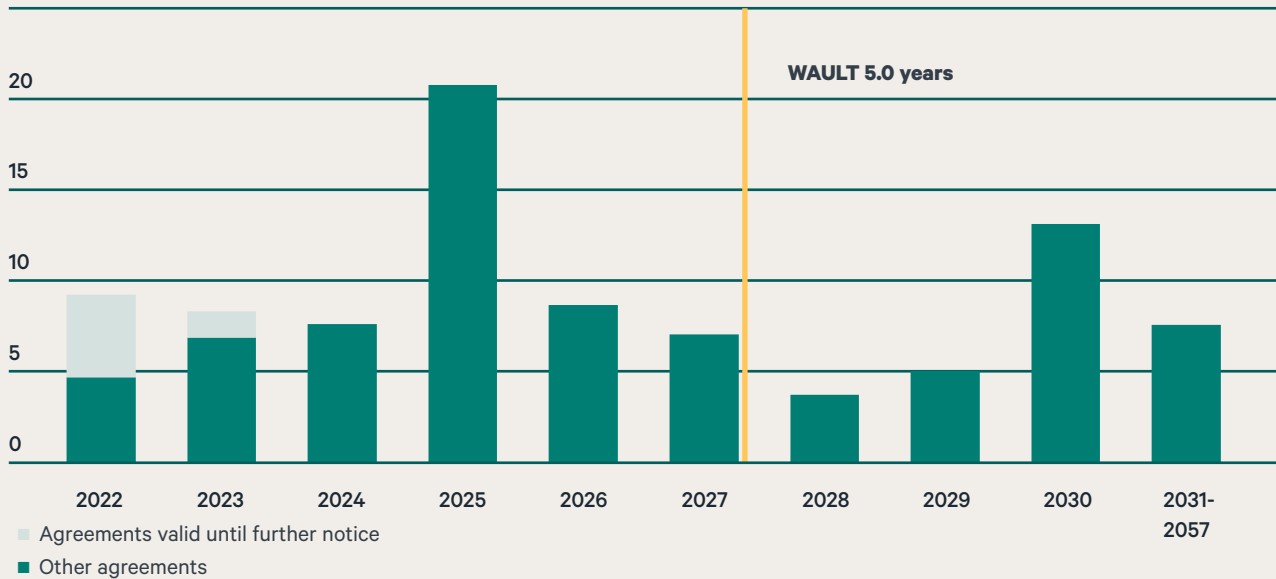
Anchor tenant	No. of properties	Lettable area, sq.m.	Remaining term, years	Anchor tenant's remaining term, years	Anchor tenant's share of rent
Kesko	155	293,117	3.8	4.2	92%
Tokmanni	51	233,599	4.4	4.7	83%
Coop	113	121,786	7.9	8.1	98%
S-Group	38	66,058	6.8	6.9	80%
Lidl	7	42,137	6.4	8.6	69%
Other grocery	26	63,766	6.3	7.3	81%
Other retail	10	46,456	2.9	n/a	n/a
<b>Total portfolio</b>	<b>400</b>	<b>866,920</b>	<b>5.0</b>	<b>5.5</b>	<b>87%</b>



### Leases

The typical lease contains an option for the tenant to extend the lease, usually for three or five years. This is done in the majority of cases. The table below illustrates the terms of the leases if no such options are exercised by the tenants. Since the options are usually exercised, and approximately the same number of leases are extended each year, up to now the average term of the leases has been relatively stable over time and will probably remain so in the future. The average remaining lease term on the portfolio as of 31 December 2021 was 5.0 years.

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Approximately 50 per cent of the leases whose term expires in 2022 are valid until further notice, meaning that both the landlord and the tenant have the right to terminate the lease. Such leases are typically entered into with smaller tenants and this agreement structure provides flexibility to develop the property if, for example, the anchor tenant seeks to expand its premises. In the vast majority of cases, leases valid until further notice have already continued for quite some time.

More than 90 per cent of the leases are classified as net leases, meaning that the risk associated with operating costs is very low for the property owner.

## The business in Finland

### Tenants

As of 31 December 2021, Cibus' property portfolio in Finland consisted of 266 store properties. In Finland, the average remaining lease term on the property portfolio on 31 December 2021 was approximately 4.4 years. More than 90 per cent of net operating income in Finland derived from properties in which Kesko, Tokmanni, the S-Group or Lidl is the anchor tenant. Other grocery and daily-goods tenants include, among others, HalpaHalli. Anchor tenants accounted for just over 87 per cent of rental income from grocery retail properties with a term of 4.9 years.

The Group's properties in Finland are located in over 120 different cities, the majority in the southern and south-western part of the country. The property portfolio includes properties located in nine of Finland's ten largest cities, which create a healthy platform. Medium-sized grocery retailers account for the majority of grocery retail sales in Finland and represent the dominant type of store in the portfolio.

Approximately 50 per cent of the leases entered into by the Company that are due to expire in 2022 are valid until further notice, meaning that both the landlord and the tenant have the right to terminate them, usually on 3–12 months' notice. The Group typically enters into these types of leases with smaller tenants (a smaller tenant being a complementary tenant to the daily-goods stores, such as a pharmacy, hair salon or restaurant, which can lease premises in the same property) and this agreement structure provides flexibility for developing the property if, for example, the anchor tenant seeks to expand its premises. In the vast majority of cases, leases valid until further notice have already continued for quite some time and it can be assumed that neither Cibus nor the tenant will terminate the lease in the near future.

Approximately 90 per cent of the leases are classified as net leases, meaning that the risk associated with operating costs is considerably lower for the property owner since the tenant bears these costs pursuant to the lease.

The Group's properties are located in over a hundred different cities in Finland, a majority of which are located in the southern and south-western part of the country, the largest proportion being in the Helsinki region. The property portfolio includes properties located in all of Finland's ten largest cities, providing a healthy platform and diversifies the risks.

### The business in Sweden

As of 31 December 2021, the Company owned a property portfolio comprising 124 properties in Sweden, with a lettable area of 114,800 square metres. In Sweden, the average remaining lease term on the property portfolio at the end of 2021 was approximately 7.3 years. Of total net operating income in Sweden, 100 per cent derives from properties in which Coop Sverige, ICA, Lidl or Axfood are anchor tenants, with an average remaining lease term of 7.8 years. In Sweden, all of the properties are located in Southern and Central Sweden. The majority are categorized as medium-sized grocery retail stores, the type of store that accounts for the majority of the grocery retail trade in Sweden.

When Cibus acquired the Coop properties, Cibus entered into a ten-year triple-net agreement with Coop, meaning that, in addition to the rent, the tenant pays most of the costs incurred on the property. The transaction resulted in Cibus expanding geographically and establishing a significant presence in Southern and Central Sweden, which is in line with the acquisition strategy Cibus has communicated. Due to the size of the property portfolio, Cibus can continue to execute its strategy cost-effectively to acquire individual properties and portfolios that complement its existing portfolio in Sweden.

## The business in Norway

On 30 September, Cibus entered the Norwegian market by acquiring a portfolio comprising eight properties in South-Eastern Norway for EUR 27.6 million. Possession was taken of the properties on 15 October 2021. As of 31 December 2021, Cibus's Norwegian property portfolio comprised 10 retail and grocery properties with a lettable area of approximately 14,000 sqm. At the end of 2021, the Norwegian portfolio's average remaining lease term was 9.8 years. The largest tenants are Norgesgruppen (with retail brands including Kiwi, Spar and Meny) and Rema 1000. Together, these two anchor tenants account for more than 90 per cent of the annual rental income.

Most of the properties are located in southern Norway, in or adjacent to locations including Drammen, Halden, Kristiansand, Moss, Sandefjord and Stavanger.

## Strengths, competitive advantages and opportunities

Cibus' previous financial performance and ability to achieve its future financial targets are based on the following strengths, competitive advantages and opportunities:

- The Group has entered into leases with market-leading and profitable tenants.
- The Group has a high and increasing monthly dividend<sup>1</sup>, with a moderate LTV ratio of 57.8 per cent, including unsecured bonds as of 31 December 2021.
- The Group has a weighted average unexpired lease term (WAULT) of 5.0 years.
- The length of the leases varies, and the expiration of the leases is thus evenly spread.
- A large number of same-sized properties provide limited single-asset risk. No individual property accounts for more than 2.1 per cent of the property portfolio's net operating income.
- Strict cost control given the high cost coverage.
- The Group's network of stores forms a strategic distribution network that is ideal for postal and other services, which is favoured by an increase in e-commerce.

### The Group has entered into leases with market-leading and profitable tenants

More than 90 per cent of the total rental income is derived from properties leased by five market-leading tenants: Kesko, Tokmanni, Coop, the S-Group and Lidl. All of the major tenants perceive the properties as well suited for their purpose. Anchor tenants account for 87 per cent of rental income from grocery retail properties and have a term of 5.5 years.

### The Group has a high and increasing monthly dividend, with a moderate LTV ratio of 57.8 per cent, including unsecured bonds as of 31 December 2021

Since its inception, Cibus has paid a high dividend, and the aim is for the shares in Cibus to be one of the most attractive investments on the stock exchange. As one stage in achieving this, in autumn 2020 Cibus was the first company on the Nordic stock exchanges to pay out monthly dividends. For further information about the Company's dividend policy, please see the section "Share capital and ownership structure – Dividend policy".

<sup>1</sup>For further information about the Company's dividend policy, please see the section entitled "Share Capital and Ownership Structure – Dividend Policy".

**The Group has a weighted average unexpired lease term (WAULT) of 5.0 years**

Rental legislation in Finland, Sweden and Norway differs. For example, there is no indirect security of tenure in Finland. A standard Finnish lease runs for ten years, followed by three extension periods of five years each. This means that, in a large portfolio, the average remaining lease term is approximately five years. At the end of 2021, the Norwegian portfolio's average remaining lease term was 9.8 years. In Sweden, a new ten-year lease was entered into with Coop when that portfolio was acquired.

**The length of the leases varies, and the expiration of the leases is thus evenly spread**

The grocery retail sector is characterized by relatively long-term leases, where the parties are seeking long-term relationships and security in their lease. The Group's maturity curve is evenly spread over the years and, each year, new properties are acquired with long lease terms and a number of leases are extended, meaning that the average remaining lease term is stable, being around five years for the Group.

**No individual property accounts for more than 2.1 per cent of the property portfolio's net operating income**

No individual property in the portfolio accounts for more than approximately 2.1 per cent of the portfolio's total net operating income, which reduces dependence on an individual property.

**Strict cost control given the high cost coverage**

Most of Cibus' leases are referred to as net leases, meaning that the tenant, in addition to rent, pays most of the costs accruing on the property (i.e. most operating and maintenance costs and investments). As a result of the high proportion of net leases in the portfolio, total costs are relatively easy to predict, thereby creating cost control and greater predictability.

**The Group's network of stores forms a strategic distribution network that is ideal for postal and other services, which is favoured by an increase in e-commerce**

Most of the grocery stores in the Nordic region have entered into distribution agreements with the online trade for delivering their products. Traders know that this increases traffic to the store and increases loyalty among customers. Products can be delivered in various ways, from boxes with codes in the entrance to the store to manual delivery whereby the products are placed behind the counter. An increase in the volume of online shopping will also increase traffic to the stores.

**Acquisition strategy**

Cibus' strategy is to own, manage and develop properties within the food and grocery retail sector. The Group currently carries on its business in Finland, Sweden and Norway, where the strategy is to acquire portfolios or individual properties that complement the existing portfolio. In Cibus' view, the Company will be able to double the size of the property portfolio to a property value of between EUR 2.5 and 3.0 billion and that the criteria for an investment grade credit rating will be met by the end of 2023.

## Cibus' sustainability work

### Introduction

Cibus is driven by the conviction that, in its decisions concerning the property portfolio, the Company can contribute to responsible community development. Although, due to legislation and leases, Cibus does not exercise control over all of the decisions relating to its properties, the tools within the Company's control can be used. In the acquisition and management of properties leased primarily to leading grocery retailers in the Nordic region, Cibus' objective is to act in such a way that it can stimulate sustainable development for both tenants and a living community, but also stimulate the long-term profit growth for Cibus' shareholders.

### Materiality analysis

As part of Cibus' value-creation work, in 2019 the Company conducted an analysis of the Company's key stakeholders and sustainability issues. Starting with the key stakeholders, Cibus conducted an analysis, based on experiences and discussions, of the most important expectations of Cibus which the Company can affect. This analysis of stakeholders and material issues forms the basis for Cibus' sustainability work.

The work is carried out within three main areas in which Cibus has determined it can contribute most effectively for society, namely: A Sustainable Partner, The Climate in Focus, and Offer Accessible Marketplaces, which are described in more detail in the section "*The sustainability work takes place within three main areas*" below. The sustainability work will be developed as it is coordinated with stakeholders and adapted in such a way that Cibus can contribute most effectively to a sustainable society.

### Cibus' key stakeholders

When selecting stakeholders, Cibus has started with its value chain and focuses on those stakeholders with a significant influence over and a considerable interest in the Company's sustainability work.

Stakeholders	Expectations of Cibus	Examples of dialogues
Customers/tenants	Commitment, permit for redevelopment, renewable energy, confidentiality	Acquisitions, Customer meetings Annual sustainability dialogue Ongoing management
Local communities	Access to societal functions, service, trade, climate-smart solutions	Acquisitions, Indirect engagement via tenants
End-consumers	Access to public transport and local services, secure marketplaces, climate-smart solutions	Indirect engagement via tenants
Investors	Transparent information, financial results, stable operations, ethical and secure transactions	Individual meetings and presentations for investors and the capital market, quarterly reports, Annual Report, Annual General Meeting
Board	Transparent information, financial results, stable operations, ethical and secure transactions, climate	Board meetings, one of which each year is a strategy meeting
Media	Transparent information	Interviews, press releases quarterly reports, Annual Report
Employees	Good working environment, long-term employer, regulatory compliance, development opportunities,	Employee development interviews, business planning



### The sustainability work takes place within three main areas

Cibus' sustainability work takes place within three main areas, which are presented below and can be summarized as follows.

#### A sustainable partner

- Financial performance
- Committed and present partner
- Ethical and secure transactions
- Transparent information for investors

#### The climate in focus

- The climate footprint around our marketplaces and in our own operations
- Rejuvenated and energy-efficient property portfolio

#### Accessible marketplaces

- Establishing and developing marketplaces
- End-consumer access to stores and services
- Recycling for end-consumers

#### A sustainable partner

Most of Cibus' tenants are part of high-quality grocery retail chains, which themselves have ambitious objectives regarding their external impact. In an effort to best find solutions to tenants' challenges, Cibus engages in dedicated and present property management. As a property owner, a key measure in meeting the right needs is to maintain ongoing sustainability discussions with the grocery retail chains. As a long-term partner with a good awareness of the grocery retail industry, Cibus is able to offer its tenants innovative and commercial arrangements. This stimulates tenants' sustainability work while improving Cibus' ability to both extend leases and acquire new properties.

Crucial to Cibus entering into these long-term relationships is the Company's capacity to be a stable and sound partner, as well as a respectable player in the property sector. Accordingly, a priority within Cibus is to conduct its business characterized by clear principles of business ethics, without risking suspicion of, for example, corruption, questionable tax arrangements or lack of integrity. Cibus' ability to achieve set financial targets while providing transparent and accurate market information has a significant impact on the Company's reputation, particularly with regard to the Company's continued access to the capital market.

#### The climate in focus

In order to minimize the impact of the operations on the environment and the global climate trend, continuous efforts are being made to minimize the direct and indirect climate footprint of the properties, since the footprint of the Company's own business is marginal. Through various means, Cibus can stimulate tenants to reduce their climate footprint, despite the fact that the properties are leased on contracts exclusive of heating and water, meaning that Cibus does not control their electricity consumption.

The primary environmental target is to reduce the climate footprint from Cibus' properties and in the day-to-day business at the two offices. Cibus' climate footprint is dominated by heating and electricity consumption in the properties it owns, which is fully determined by the tenants when the properties are leased on contracts exclusive of heating and water. Cibus can affect the climate by prioritizing tenants with the aim of reducing their climate footprint and to be accommodating of requests for permits regarding redevelopment and extension of the properties to facilitate investment in renewable energy. In 2018, electricity consumption in 85 per cent of the property portfolio amounted to 128,736 MWh. In 2019, solar panels were installed on the roof in a number of properties. Furthermore, more environmentally-friendly light sources were installed in a large proportion of the property portfolio. Electricity consumption in the day-to-day business amounted to 1,205 KWh. In terms of electricity consumption in the day-to-day business at the offices, the Company only purchases electricity from companies that guarantee electricity production from renewable sources.

An example of such a tool is to be quick and accommodating of tenants' requests for permits regarding redevelopment and extension of the properties to facilitate investment in renewable energy. At present, 39 properties in the property portfolio, which are leased to Tokmanni, have had solar panels installed on the roof. However, in line with lower investment costs for solar energy, the proportion is expected to increase, thereby reducing electricity consumption. Another means is to gradually rejuvenate the property portfolio in connection with acquisitions and investments, which helps to reduce the property portfolio's climate footprint. In addition, continued investment in highly accessible properties contributes to continued store openings and, for end-consumers, to a healthier climate footprint because people don't have to travel to stores or services.

#### Offer accessible marketplaces

Investing in properties in the food and grocery retail sector in favourable geographical locations with the potential to develop into key marketplaces is a conceptual cornerstone of Cibus' business. The property investments safeguard vibrant communities for people who thereby gain a safe place in which to run errands. By establishing and strengthening these local communities adjacent to residential areas and in locations with public transport connections, as well as in smaller towns, end-consumers gain access to services, groceries and deliveries in places to which they can walk, cycle or take public transport. The trend is reinforced by Cibus' efforts to actively rent out premises for complementary services and increase the attractiveness of the marketplaces in other ways. Therefore, in urban areas, Cibus invests in properties located near commuter railway stations or other public transport connections, which is an important prerequisite for the development of the marketplace and the ability of end-consumers to run errands without causing a greater climate footprint than necessary. In smaller towns, the grocery store represents an important social function, as it usually attracts other services and shops, and local residents avoid having to travel to a neighbouring town to run errands.






### Management of sustainability work

To a large extent, sustainability work constitutes an integral part of Cibus' business to such an extent that, for example, important sustainability issues are included in the decision-making documentation for a property transaction, and that, in a number of respects, tenant-related property management results in sustainable solutions. Sustainability targets were set at the beginning of 2020, and the outcome of these targets was reported in the Company's sustainability report in the annual reports relating to 2020 and 2021.

### Frameworks and positions

As a responsible company, Cibus must be involved in and propel development towards a sustainable society. Cibus supports the principles of the United Nations Global Compact and seeks to contribute to the global agenda in line with the UN's Global Sustainable Development Goals. The United Nations Global Compact was formed at the World Economic Forum in Davos. The objective was to create international principles for businesses in the areas of human rights, labour, the environment and anti-corruption. The principles are based on the UN's Universal Declaration of Human Rights, the ILO's fundamental conventions on human rights at work, the Rio Declaration, and the United Nations Convention against Corruption.

Cibus has chosen the following objectives.

SDG area	Goal	Cibus' contribution
	<b>5.5</b> "Ensure full participation of women in leadership and decision-making"	Equal participation and equal opportunities in our processes.
	<b>7.2</b> "Increase the share of renewable energy in the world"	Create change through innovative arrangements for our customers.
	<b>9.1</b> "Create sustainable, resilient and inclusive infrastructures". or	Promote an inclusive and sustainable local community through appropriate property investments.
	<b>11.3</b> "Inclusive and sustainable urbanisation"	
	<b>16.5</b> "Combating corruption and bribery"	Conduct sound and secure transactions and do not accept corruption

### Business ethics and whistleblower function

For Cibus, business ethics means that the Company's customers and partners must be treated professionally. Cibus should always be perceived as straightforward and easy to work with. Returning customers and long-term leases with good cooperation with tenants is one of Cibus' focus areas. Business ethics also plays a part in contributing to a sustainable society.

Cibus maintains a code of conduct based on its core values of Commitment, Responsibility and Enjoyment. It describes the behaviour Cibus' stakeholders can expect of Cibus' employees. The code of conduct also combats the risks of corruption, bribery and other violations. Cibus has implemented a whistleblower function that can be accessed through the Company's website. This makes it possible to report suspected corruption or other offences via an independent external party.

## Corporate culture, organizational structure and employees

### Corporate culture

Cibus is a large company in terms of property values but small in terms of the number of employees. This is because large parts of Cibus' property management operations and simpler administrative functions are outsourced. Therefore, each individual employee is very important and has a major impact on Cibus' development. In order to attract and retain talented employees, Cibus must be an attractive employer, not only by offering market-based terms, but also by having a strong and sound corporate culture. Cibus' corporate culture is characterized by a strong set of values, the core values being Commitment, Responsibility and Enjoyment, which are described below.

- Commitment means passion, energy and participation.
- Responsibility means ethics, honesty, transparency and respect. Business should be conducted in a fair and sustainable manner, with respect to Cibus' responsibility in its relations with stakeholders and the society in which it operates.
- Enjoyment means development, friendship and having fun at work. To be able to perform at your best, you need to enjoy your work and maintain a healthy balance between your private life and working life.

### Senior executives and organizational structure

The Group's senior executives have extensive experience of the construction and property sector, and comprise CEO Sverker Källgård, CFO and Head of IR Pia-Lena Olofsson, Chief Investment Officer Sweden Peter Lövgren and Chief Investment Officer Norway Marcus Kruus, all of whom are based in Sweden. Head of Business Development/Chief Investment Officer Finland Lauri Tiensuu is also a member of senior management and is based in Finland.

For further information about senior executives, please see the section entitled *"Board of Directors, Senior Executives and Auditors – Senior Executives"*.

### Employees

Satisfied and committed employees is a key to Cibus' success, and, due to the size of the organization, individual employees have a high impact on the business. At the end of 2021, there were six employees and one consultant. Employee interviews are conducted annually with the aim of developing employees and the organization. Cibus wants to offer employees a healthy and safe working environment. Therefore, Cibus offers employees annual wellness grants and, in 2021, sick leave was 0.8 per cent and no work-related accidents occurred.

Furthermore, Cibus strives to achieve an even gender balance in the organization. At the end of 2021, 29 per cent of employees were women and 71 per cent men. At the end of 2021, the age distribution among employees was 71 per cent aged between 30 and 50, and 29 per cent aged over 50.

## Financing of the business

The Company's business is financed by a combination of shareholders' equity and debt financing. The equity derives from the generation of profits from the business and/or from the capital market, for example by way of directed share issues.

The Company's debt financing partially comprises secured loans from reputable Nordic banks and institutions. As of 31 December 2021, the Group had secured bank loans in the amount of EUR 724 million with a weighted average floating interest margin of 1.7 per cent over STIBOR and EURIBOR, with a floor of zero and a weighted average loan maturity of 2.6 years. Cibus has pledged mortgages in the properties as collateral for the interest-bearing liabilities. In Cibus' assessment, the financing agreements have been entered into on market terms.

The Company has also carried out two bond issues – namely an unsecured green bond in the amount of SEK 600 million, which matures on 12 June 2023 and carries a floating coupon rate of 3m STIBOR + 4.75 per cent; and an unsecured bond in the amount of EUR 135 million, which matures on 18 September 2023 and carries a floating coupon rate of 3m EURIBOR + 4.5 per cent. Both sets of bonds have been listed on the Nasdaq Stockholm Corporate Bond list since 20 July 2020.

In 2021, Cibus established a Medium Term Note Programme with a limit of SEK 5 billion or its equivalent in EUR, NOK or DKK (the **"MTN Programme"**). The MTN Programme allows the Company to issue senior unsecured bonds with a maturity date of at least one year and hybrid bonds. In June 2021, Cibus announced that it had issued hybrid bonds in the amount of EUR 30 million under the MTN Programme. The hybrid bonds have a perpetual maturity date with the right to first redemption after 5.25 years and matures with an interest rate of 3m EURIBOR + 4.75 per cent. The first possible redemption date is 24 September 2026 as well as on each subsequent interest payment date. Since 24 June 2022, the hybrid bonds are listed on the Nasdaq Stockholm Corporate Bond List.

In March 2022, Cibus announced that the Company had issued senior unsecured green bonds in an amount of EUR 50 million under the MTN Programme. The bonds have a tenor of 2.75 years and an interest rate of 3 months EURIBOR + 400 basis points.

In March 2022, Cibus announced that the Company had carried out a directed share issue of 4,400,000 shares based on the authorisation granted by the extraordinary general meeting held on 17 February 2022. Through the directed share issue the Company received proceeds of approximately SEK 955 million. For further information please refer to the sections *"Operational and financial review – Investments – Ongoing or decided investments"*, *"Share capital and ownership structure – Share capital development"* and *"Share capital and ownership structure – General information – Current authorisations"*.

In the Company's view, apart from the above, there have been no material changes to the Company's loan and financing structure since 31 December 2021 up to the date of the Prospectus.



# Property portfolio valuation

## Valuation certificates

The following valuation certificates regarding the Company's investment properties have been issued by independent expert valuers on behalf of the Company. The valuation certificates regarding the Company's Swedish investment properties has been issued by Newsec Advice AB ("**Newsec Sweden**") with address: Stureplan 3, SE-103 96, Stockholm, Sweden. The valuation certificate regarding the Company's Finnish investment properties has been issued by Newsec Advisory Finland Oy ("**Newsec Finland**") with address Mannerheiminaukio 1 A, FI-00101 Helsinki, Finland. The valuation certificate regarding the Company's Norwegian investment properties have been issued by Cushman & Wakefield Realkapitals ("**Cushman & Wakefield**") with address Kronprinsesse Märthas plass 1, 0160 Oslo, Norway. Newsec Sweden, Newsec Finland and Cushman & Wakefield have all agreed that the valuation certificates are included in the Prospectus.

Newsec Sweden estimates the market value for the entire portfolio of investment properties as of 31 December 2021 to approximately EUR 249,637,000 regarding the Swedish investment properties. Newsec Finland estimates the market value for the entire portfolio of investment properties as of 31 December 2021 to approximately EUR 1,208,655,000 regarding the Finnish investment properties. Cushman & Wakefield estimates the market value for the entire portfolio of investment properties as of 23 March 2022 to approximately EUR 60,310,000 regarding the Norwegian investment properties.

The carrying amount regarding the Group's investment properties in the balance sheet as of 31 December 2021 amounted to EUR 1,499,626 thousand. The difference is mainly due to the fact that the Company has applied a different valuation method when determining the value of the property Limingan Halpa-Halli, in light of the fact that the property has certain problems associated with sinking floors in the building. Therefore, the management has estimated the value to be approximately EUR 1,200,000 less than Newsec Finland's valuation. Management agrees to Cushman & Wakefield's assessment of the valuation regarding the Norwegian properties, but, considering precautionary principles, value the properties Slip 1 Senter in Rognan and Hundvågssenteret in Stavanger, on basis of the purchase price instead. Therefore, management considers that the value of the Norwegian properties is approximately EUR 42,539,437. The Company assess that there have been no material changes regarding the valuations since the valuation certificates were issued.

Information from third parties have been accurately reproduced that as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.



# Valuation certificate regarding Cibus Swedish investment properties



## Newsec Advisory Sweden AB

Stureplan 3  
P.O Box 7795  
SE-103 96 Stockholm  
Tel +46 8 454 40 00  
Fax +46 8 454 40 01  
VAT SE 556695-7592

## VALUATION REPORT AS OF DECEMBER 31, 2021

### Instruction

Newsec Advisory Sweden AB ("Newsec") has been instructed by Cibus Nordic Real Estate AB, through Sverker Källgården, to carry out valuations of 127 properties/leasehold properties situated in various locations throughout Sweden (see Appendix 1). The valuations have been carried out with the Valuation Date 31<sup>st</sup> of December 2021. The aim of the valuations is to assess the market value of the properties. Any portfolio premium / discount has not been taken into account. Details on use of the valuation report is described in the attached "General Terms And Conditions For Valuation Reports" (see Appendix 2).

### The valuation objects

The total value of the properties/leaseholds amounts to 2 546 300 Td SEK, corresponding to 249 637 Td EUR (exchange rate €/SEK of 10,20 as per 31 December 2021).

122 of the objects are freehold and 5 are leasehold. The value of the leaseholds amounts to 96 900 Td SEK, which corresponds to 9 500 Td EUR. This is approx. 3,8% of the total value.

All objects have been inspected during 2019-2021.

### Financial data

Information about rental- and lease-conditions have been collected through a schedule of tenants. Should the current rent deviate from the assessed market rent, these have been adjusted at the end of the lease-period. The long-term vacancy has been assessed for each property with regards to the object's size, character and location.

Estimated operating and routine maintenance costs, as well as allocations for long term scheduled maintenance, are based on statistics, information from Cibus Nordic Real Estate AB, details obtained from contractual agreements as well as comparisons to similar properties. The operating costs are estimated to follow the rate of inflation during the cash flow period

### Value assessment

The basis for all market value assessments is the analysis of sold properties combined with knowledge about how the market investors view different types of properties and about their way of thinking as well as knowledge of market levels of rent etc.

The value has been assessed by means of a discounted cash flow calculation adapted to market trends whereby market expectations about the property are analyzed by means of the simulation of calculated future income and costs (10 years or longer). The value assessment is based on the analysis of sold properties. Factors of great importance when choosing the rate of return are the assessment of the object's future rental development, change in value and possible value-added opportunities, as well as the property's maintenance condition and investment needs.





#### Valuation standard

The valuations have been prepared in accordance with the definitions of market value according to RICS Red Book and comply with the definitions and value concepts stated in International Valuation Standards 2017 (IVS 2017) established by the International Valuation Standard Council (IVCS) as follows:

"Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

The valuation reports meets the requirements of paragraphs 128-130 of ESMA's update of CESR's recommendations for consistent implementation of European Commission Regulation No 809/2004 on the implementation of the prospectus directive.

The property has been valued by a valuer who is qualified for the purpose and who is in a position to provide an objective and unbiased valuation. We confirm that we have sufficient local and national knowledge of the property market involved and have the skills and understanding to undertake the valuation competently.

The use of this report is only for the party to whom it is issued for and the specific purposes set forth herein and no liability is accepted from third parties for all or part of its contents.

#### Final assessment

According to the value assessment reported in each property's cash-flow calculation, we estimate the total market value as of the valuation date 31<sup>st</sup> of December 2021 at **2 546 300 000 SEK (two billion five hundred and forty-six million three hundred thousand Swedish kronor)** corresponding to **249 637 000 EUR (two hundred and forty-nine million six hundred and thirty-seven thousand euros)**.

(exchange rate €/SEK of 10,20 as per 31 December 2021)

Stockholm 17<sup>th</sup> of March 2022

Newsec Advisory Sweden AB

Annika Drotz

MRICS, Authorised by Samhällsbyggarna (the Swedish professionals for the built environment)

#### AUTHORISED REAL ESTATE VALUER



SAMHÄLLSBYGGARNA

Appendix 1      Property list  
Appendix 2      General terms and conditions for valuation reports



## Appendix 1: Property list:

Fastighet	Kommun	Tomträtt	Värdetidpunkt
Starrkärr 1:68	Ale		2021-12-31
Aringsås 19:25	Alvesta		2021-12-31
Prästgården 2:21	Arboga		2021-12-31
Motorn 3	Askersund		2021-12-31
Elefanten 4	Bjuv		2021-12-31
Gästgivaren 18	Borgholm		2021-12-31
Byttorpsklint 7	Borås		2021-12-31
Holmens Gärd 3	Borås		2021-12-31
Arlöv 6:7	Burlöv		2021-12-31
Tågarp 21:146	Burlöv		2021-12-31
Tågmästaren 1	Eksjö		2021-12-31
Torshälla 5:42	Eskilstuna		2021-12-31
Lippizanern 2	Eslöv		2021-12-31
Vittskövle 2	Eslöv		2021-12-31
Stridshästen 1	Falkenberg		2021-12-31
Boktryckaren 15	Falköping		2021-12-31
Kjusorna 13	Finspång	T	2021-12-31
Orresta 2:153	Flen		2021-12-31
Krokodilen 17	Gislaved		2021-12-31
Ätterås 3:139	Gislaved		2021-12-31
Backa 39:1	Göteborg	T	2021-12-31
Biskopsgården 830:907	Göteborg		2021-12-31
Järnbrott 126:11	Göteborg	T	2021-12-31
Kallebäck 8:2	Göteborg		2021-12-31
Fyllinge 20:481	Halmstad		2021-12-31
Husan 4	Halmstad		2021-12-31
Mörmon 5:69	Hammarö		2021-12-31
Trossen 1	Helsingborg		2021-12-31
Flugsvampen 8	Herrljunga		2021-12-31
Klammern 3	Hjo		2021-12-31
Kiosken 2	Hultsfred		2021-12-31
Triangeln 3	Hässleholm		2021-12-31
Borgvik 1	Hörby		2021-12-31
Förrådet 1	Höör		2021-12-31
Importen 1	Jönköping		2021-12-31
Talltitan 1	Jönköping		2021-12-31
Syrenen 10	Kalmar		2021-12-31
Visiret 1	Kalmar		2021-12-31
Kvarnen 1	Karlshamn		2021-12-31
Skolgården 2	Karlskoga		2021-12-31
Kvartermästaren 4	Karlstad		2021-12-31
Strandslutet 1	Karlstad		2021-12-31
Vägskalet 18	Katrineholm		2021-12-31
Brisen 6	Kristianstad		2021-12-31
Karlsholm 1:18	Kristinehamn		2021-12-31
Sockerbruket 1	Kävlinge		2021-12-31
Fylgia 3	Köping		2021-12-31
Hermelinen 4	Landskrona		2021-12-31
Rutan 1	Landskrona		2021-12-31
Bjursnäs 2:35	Laxå		2021-12-31
Gösen 1	Lidköping		2021-12-31
Mosstorven 1	Lidköping		2021-12-31
Centralen 5	Lilla Edet		2021-12-31
Grävlingen 1	Linköping		2021-12-31
Ritboken 1	Linköping		2021-12-31
Björken 5	Ljungby		2021-12-31
Bjärred 31:6	Lomma		2021-12-31
Trossen 1	Lund		2021-12-31
Vildgäsen 5	Lund		2021-12-31
Ripan 15	Malmö		2021-12-31
Storhög 3	Malmö		2021-12-31
Insekten 27	Mariestad		2021-12-31
Bofinken 1	Mariestad		2021-12-31
Markaryd 14:7	Markaryd		2021-12-31

VALUATION CERTIFICATE REGARDING CIBUS  
SWEDISH INVESTMENT PROPERTIES

NEWSEC

Fastighet	Kommun	Tomträtt	Värdetidpunkt
Hyveln 8	Mjölby		2021-12-31
Buggen 1	Motala		2021-12-31
Sjöryd 1:141	Mullsjö		2021-12-31
Ängen 1	Mönsterås		2021-12-31
Algutsrum 20:21	Mörbylånga		2021-12-31
Gluggen 2	Norrköping		2021-12-31
Härbärget 3	Norrköping		2021-12-31
Konduktören 3	Norrköping		2021-12-31
Konduktören 4	Norrköping		2021-12-31
Kassörskan 1	Nybro		2021-12-31
Blomberg 5	Nässjö		2021-12-31
Blomberg 12	Nässjö		2021-12-31
Osby 192:106	Osby		2021-12-31
Alvarsberg 4	Oskarshamn		2021-12-31
Loket 1	Oxelösund		2021-12-31
Stensötan 8	Perstorp		2021-12-31
Laxen 3	Sjöbo		2021-12-31
Tulpanen 21	Skövde		2021-12-31
Stanstorp 1:534	Staffanstorps		2021-12-31
Surahammar 10:585	Surahammar		2021-12-31
Södra Svalöv 9:237	Svalöv		2021-12-31
Svedala 25:15	Svedala		2021-12-31
Svenljunga 1:48	Svenljunga		2021-12-31
Säffle 3:3	Säffle		2021-12-31
Hantverkaren 2	Sävsjö		2021-12-31
Havren 1	Södertälje		2021-12-31
Island 1	Sölvesborg		2021-12-31
Sparven 3	Tibro		2021-12-31
Macken 1	Trelleborg		2021-12-31
Trädgårdsmästaren 1	Trelleborg		2021-12-31
Silkesfjärilen 8	Trollhättan		2021-12-31
Soltomta 3	Töreboda		2021-12-31
Stockrosen 2	Ulricehamn		2021-12-31
Götastrand 1:18	Vaggeryd		2021-12-31
Stationen 1	Vetlanda		2021-12-31
Abborren 21	Vimmerby		2021-12-31
Skövde 1:177	Värgårda		2021-12-31
Linjalen 3	Vänersborg		2021-12-31
Sadelmakaren 2	Värnamo		2021-12-31
Kolven 2	Västervik		2021-12-31
Rullstenen 7	Västervik		2021-12-31
Ängsviolen 2	Västerås		2021-12-31
Hällefrintan 1	Växjö		2021-12-31
Överskötaren 1	Växjö		2021-12-31
Lotsen 8	Ystad		2021-12-31
Päskiljan 1	Ängelholm		2021-12-31
Tegelslageriet 5	Örebro		2021-12-31
Vindflöjeln 7	Örebro		2021-12-31
Sparven 10	Örkelljunga		2021-12-31
Berget 1:25	Jönköping		2021-12-31
Fjällbo 10:1	Hällefors		2021-12-31
Hässjan 19	Nora		2021-12-31
Blåstern 1	Karlskoga	T	2021-12-31
Hildero 1:5	Eskilstuna		2021-12-31
Lidabacke 1:42	Katrineholm		2021-12-31
Iggesund 14:279	Hudiksvall		2021-12-31
Turkiet 1 & 4 (part of)	Örnsköldsvik		2021-12-31
Boxholm 17:1	Boxholm		2021-12-31
Pressaren 7	Norrköping	T	2021-12-31
Svalan 11	Kinda		2021-12-31
Klaven 1 & Pengen 1	Eda		2021-12-31

**Appendix 2: General terms**

**GENERAL TERMS AND CONDITIONS FOR VALUATION REPORTS**

These General Terms and Conditions have been produced jointly by CBRE Sweden AB, Cushman & Wakefield Sweden AB, Forum Fastighetsekonomi AB, FS Fastighetsstrategi AB, Newsec Advisory Sweden AB, Savills Sweden AB and Svefa AB. They have been drafted based on generally accepted principles regarding valuations, which are produced by Samhällsbyggarna (Swedish professionals for the built environment) Property Valuation Section and are intended for use by registered valuers at Samhällsbyggarna. The terms and conditions shall apply as of 27 January 2022 for valuations of whole and parts of properties, site leasehold rights, buildings on non-freehold land and similar valuation services in Sweden. The following shall apply unless otherwise stated in the valuation report:

**1 Scope of the valuation report**

- 1.1 The object of the valuation covers, in the valuation report, the real property or the equivalent stated, with appurtenant rights and obligations in the form of easements, rights of way, community association and other rights or obligations stated in extracts from the Land Register (*Sw. Fastighetsregistret/ The Real Property Register*) pertaining to the object of the valuation.
- 1.2 The valuation report also covers, where applicable, fixtures and fittings of the property and fixtures and fittings of the building relating to the object of the valuation, however not industrial fixtures and fittings to an extent other than as set forth in the report.
- 1.3 Registered rights in respect of the property have been verified by means of an extract from the Land Register. Since the information obtained from the Land Register has been assumed to be accurate and complete, no further investigation has been conducted of the legal relations and rights of use. Legal relations beyond those set forth in the Land Register have only been taken into account to the extent information thereon has been provided in writing by the client/owner or his representative. Other than as set forth in extracts from the Land Register and information provided by the client/owner or his representative, it has been assumed that the object of the valuation is not encumbered by any unregistered easements, right of use agreements or any other agreements which limit, in any respect, the property owner's right to use the property and that the object of the valuation is not encumbered by onerous expenses, fees or other encumbrances. It has also been assumed that the object of the valuation is, in no respect, the subject of a dispute.

**2 Assumptions for the valuation report**

- 2.1 The information included in the valuation report has been obtained from sources which are deemed to be reliable. All information obtained from the client/owner or his representative and any holders of rights of use has been assumed to be accurate. The information has only been verified through a general assessment of reasonableness. In addition, it has been assumed that no information of relevance to the valuation opinion has been omitted by the client/owner or his representative. Unless specifically requested, we have not made detailed enquiries into the covenant strength of occupational tenants.
- 2.2 The land areas which form the basis of the valuation have been obtained from the client/owner or his representative. The valuer has relied on these land areas and has not measured them on site or on drawings, but the areas have been verified by means of an assessment of reasonableness. The areas have been assumed to be measured in accordance with the "Swedish Standards" applicable from time to time.
- 2.3 As regards tenancies and leasehold conditions relating to land or other rights of use, the valuation opinion has, where applicable, been based on applicable leases of property and leases of land, and other rights of use agreements. Copies of these, or other documents, indicating relevant terms and conditions have been obtained from the client/owner or his representative.
- 2.4 It has been assumed that the object of the valuation complies with all requisite requirements from public authorities and terms and conditions applicable to the property, such as plans, etc., and has obtained all requisite permits from public authorities for its use in the manner stated in the report.

**3 Environmental matters**

- 3.1 The valuation opinion is conditional on land or buildings relating to the object of the valuation not being in need of an environmental clean-up and there being no form of environmental encumbrance.

- 3.2 In light of the provisions of 3.1, the valuer shall not be liable for any loss incurred by the client or a third party as a consequence of the inaccuracy of the valuation opinion due to the object of the valuation being in need of an environmental clean-up or there being any form of environmental encumbrance.

- 3.3 It is assumed that the valuation object holds no environmental certification if not provided with other information.

**4 Inspection, technical condition**

- 4.1 The physical condition of the facilities (buildings, etc.) as described in the report is based on an overall ocular inspection. The inspection conducted has not been of such a nature as to satisfy the seller's duty of disclosure or the buyer's duty to investigate pursuant to Chapter 4, Section 19 of the Land Law Code (*Sw. Jordabalken SFS 1970:994/Code of Land Laws*). The object of the valuation is assumed to be in a condition and to be of the standard which the ocular inspection indicated at the time of the inspection.
- 4.2 The valuer assumes no liability whatsoever for any latent defects or circumstances which are not obvious on the property, under the ground or in the building and which might affect the value. No liability is assumed for:
  - any matter which would require specialist expertise or special knowledge to discover;
  - the functionality (freedom from defects) and/or the condition of fixtures of buildings, mechanical equipment, pipes or electrical components.
  - defects in parts of the building not inspected

**5 Liability**

- 5.1 Any claims for damages arising from proven loss arising from any error in the valuation report must be made within one year from the date of the valuation (the date on which the valuation is signed).
- 5.2 The maximum amount of damages which may be payable for proven loss arising from an error in the valuation report is 25 times the price base amount at the date of the valuation.

**6 Validity of the valuation report**

- 6.1 Depending on whether the factors influencing the market value of the object of the valuation change, the valuation opinion referred to in the report is only valid at the date of the valuation subject to the assumptions and reservations set forth in the report.
- 6.2 Future incoming payments and outgoing payments and growth in value as declared in the report, where applicable, have been based on a scenario which, in the opinion of the valuer, reflects the future projections of the property market. The valuation opinion does not constitute any undertaking as regards actual future growth in cash flow and growth in value.

**7 Use of the valuation report**

- 7.1 The content of the valuation report and its appendices is the property of the client and shall be used in its entirety for the purpose set forth in the report.
- 7.2 Where the valuation report is used for legal matters, the valuer shall only be liable for direct and indirect loss which may effect the client provided that the report is used in accordance with 7.1. The valuer shall have no liability whatsoever for any loss incurred by any third party as a consequence of such third party having used the valuation report or information provided therein.
- 7.3 Prior to the valuation report or parts thereof being reproduced or referred to in any other written document, the valuation company must approve the content and the manner in which the report is to be referred to.
- 7.4 Any third party may only use the valuation report with written consent from the valuer.

# Valuation certificate regarding Cibus Finnish investment properties

## VALUATION STATEMENT

### CIBUS NORDIC REAL ESTATE PORTFOLIO VALUATION

VALUATION STATEMENT OF 266 RETAIL PROPERTIES IN FINLAND

DECEMBER 2021





## **1 The statement**

### **1.1 Objective and purpose**

Newsec Advisory Finland Oy has received an assignment to appraise the current market value of 266 retail properties owned by Cibus Nordic Real Estate AB. The valuation is to be used for financial reporting and for financing and security purposes.

The portfolio has been valued earlier. The first valuation was conducted in October 2017 and this is an update to the original valuation.

### **1.2 Client**

The client of the valuation was Cibus Nordic Real Estate AB and Lauri Tiensuu acted as contact person.

### **1.3 Assumptions**

The market value has been considered for a whole portfolio as a single entity. This valuation report does not contain valuation opinion assuming that the assets are sold separately. Market value of a single asset may vary from portfolio value in case assets are sold separately.

### **1.4 Subject of valuation**

The interest to be valued was 266 retail direct properties or Mutual Real Estate Companies.

### **1.5 Sources of Information**

We have carried out our work based on information supplied to us by the client. Following information was received from the client:

- Rent roll of all properties
- Cost budget 2022
- List of vacant premises
- Capex reservations for years 2022 – 2024

The information was assumed right in case they seemed sensible and we have not verified them, for example areas have not been control measured.

### **1.6 Date of valuation**

The date of valuation was 31.12.2021 and date of the valuation report was 7.1.2022.

### **1.7 Compliance with Valuation Standards**

The valuation was conducted in accordance with the Finnish Valuation Standards, standards on good practice in real estate valuation from Finnish Central Chamber of Commerce and the International Valuation Standards (IVS). The valuation was conducted using income approach and Discounted Cash Flow (DCF) method.

### **1.8 Market value of the portfolio**

Based on the market value assessment, we conclude the market value of the total retail portfolio on the date of valuation, 31.12.2021, was

**The total market value of portfolio is EUR 1,208,655,000**

(One billion two hundred eight million six hundred fifty-five thousand euros)

The accuracy of the valuations is +/- 10%.

**Coronavirus pandemic effects on the valuation**

VALUATION CERTIFICATE REGARDING CIBUS  
FINNISH INVESTMENT PROPERTIES

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, we consider that we can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. Indeed, the current response to COVID-19 means that we are faced with an unprecedented set of circumstances on which to base a judgement.

Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of this portfolio under frequent review.

Helsinki, 7 January 2022



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# Valuation certificate regarding Cibus Norwegian investment properties



## Valuation certificate

### 1.1 Statement

#### 1.1.1 Purpose

Cushman & Wakefield Realkapital has assessed the market value of 16 commercial properties owned by Cibus Nordic Real Estate AB. The valuation is performed for use in financial reporting and financing objectives. We have not been performed any site visits in connection with the valuation.

Cushman & Wakefield Realkapital has previously valued the portfolio in connection with acquisitions in 2021.

#### 1.1.2 Client

The client is Cibus Nordic Real Estate AB with Marcus Kruus as contact person.

#### 1.1.3 Prerequisites

The market value is assessed on a single asset basis.

#### 1.1.4 The subject matter of the valuation

The valuation refers to 16 commercial properties.

#### 1.1.5 Source of information

We have performed the valuations based on the information provided to us by the client. The following information was provided by the client:

- Rentroll CIBUS NORGE per 07.03.22

The information is assumed to be correct, and we have not specifically verified it, for example, the stated areas have not been subject to control measurements.

#### 1.1.6 Date of valuation

The valuation date was 23 March 2022 and the valuation declaration is dated 23 March 2022.

#### 1.1.7 Compatibility with valuation standards

The valuation is performed in accordance with Norwegian valuation standards and International Valuation Standards (IVS). The valuation was performed using a discounted cash flow method (DCF).

#### 1.1.8 Market value of the portfolio

Based on the assessment, the market value of the real estate portfolio at the valuation date 23 March 2022 amounts to

NOK 603 100 000 (six hundred three million one hundred thousand NOK)

EUR 60 310 000 (sixty million three hundred and ten thousand EUR).

The deviation margin of the valuation is +/- 10%.

For Cushman & Wakefield Realkapital, dept. Valuation

A handwritten signature in blue ink that reads "Arne TW Eriksen".

Oslo, 23.03.2022

Arne TW Eriksen, MRICS, REV

Head of Valuation, Partner

1.1.9 List of assets

Address	Gnr. /Bnr.	Municipality	Valuation date
Iddeveien 29	162/1	Halden	23.03.2022
Bruveien 6	230/147	Halden	23.03.2022
Skiringssalveien 9A	169/51	Sandefjord	23.03.2022
Spikkestadveien 80A	214/24	Røyken	23.03.2022
Bekkefare 1	69/576	Porsgrunn	23.03.2022
Nyli Ringvei 21 A	507/1267	Arendal	23.03.2022
Stasjonsveien 12A	104/52	Moss	23.03.2022
Stasjonsgata 73	77/681	Hokksund	23.03.2022
Hundvågsenteret	7/190	Stavanger	23.03.2022
Gyldenløves Gate 14	150/365	Kristiansand	23.03.2022
Lundevegen 52	5/704	Vennesla	23.03.2022
Marie Føreids Vei 2_4	473/27	Søgne	23.03.2022
Odden 4	200/1808	Grimstad	23.03.2022
Sentrumsvegen 40-42	6/382	Vennesla	23.03.2022
Sentrumsvegen 64	6/512	Vennesla	23.03.2022
Slip 1 Senter	43/949	Rognan	23.03.2022



# Selected Historical Financial Information

The following tables below presents the Company's selected historical financial information as of and for the financial years ending 31 December 2021, 2020 and 2019. The selected historical financial information has been derived from the audited consolidated statements for the same periods. The Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act (Sw. *Årsredovisningslagen*), the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups) and the EU-approved International Financial Reporting Standards ("IFRS") together with the interpretation issued by the IFRS Interpretation Committee (IFRIC).

The information in this section should be read together with the sections "Operational and financial review" and "Capital structure, indebtedness and other financial information", as well as the Company's historical financial information, including accompanying notes, as set out in the annual reports as of and for the financial years ending 31 December 2021, 2020 and 2019. The reports are incorporated in the Prospectus by reference, refer to the section "Documents incorporated by reference".

The amounts stated in the tables below have been rounded to TEUR, while the calculations have been performed with a larger number of decimals. Therefore, the tables do not necessarily always add up exactly.

## Consolidated income statement

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
	Audited	Audited	Audited
	IFRS	IFRS	IFRS
Rental income	81,058	65,033	51,530
Service income	12,696	9,346	8,661
Operating expenses	-13,791	-10,023	-8,950
Property tax	-3,637	-2,961	-2,623
<b>Net operating income</b>	<b>76,326</b>	<b>61,395</b>	<b>48,618</b>
Administration expenses	-6,385	-6,520	-5,294
Other operating income	-	-	169
Financial income	-	34	16
Financial expenses	-	-21,421	-14,842
Net financial items	-22,200	-	-
<b>Profit from property management</b>	<b>47,741</b>	<b>33,488</b>	<b>28,667</b>
Unrealised change in value of investment properties	10,644	6,461	7,034
Realised change in value of investment properties	-	-	425
Unrealised change in value of interest-rate derivatives	980	-357	-730
<b>Earnings before tax</b>	<b>59,365</b>	<b>39,592</b>	<b>35,396</b>
Current tax	-81	-21	-543
Deferred tax	-7,914	-4,974	-4,574
<b>Profit for the year</b>	<b>51,370</b>	<b>34,597</b>	<b>30,279</b>

# Consolidated statement of financial position

TEUR	31 December 2021	31 December 2020	31 December 2019
	Audited IFRS	Audited IFRS	Audited IFRS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	1,499,626	1,272,514	874,813
Right-of-use assets	9,649	8,218	5,878
Other tangible assets	55	36	31
Intangible assets	200	11	–
Deferred tax assets	4,675	3,648	1,304
Other non-current receivables	33	36	224
<b>Total non-current assets</b>	<b>1,514,238</b>	<b>1,284,463</b>	<b>882,250</b>
<b>Current assets</b>			
Rental receivables	764	679	431
Other current receivables	1,165	453	3,384
Prepaid expenses and accrued income	3,493	1,576	1,931
Cash and cash equivalents	51,054	36,783	24,746
<b>Total current assets</b>	<b>56,476</b>	<b>39,491</b>	<b>30,492</b>
<b>TOTAL ASSETS</b>	<b>1,570,714</b>	<b>1,323,954</b>	<b>912,742</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	440	400	311
Other contributed capital	507,496	422,275	300,794
Reserves	2,884	–	–
Translation reserve	–	4,408	–
Profit brought forward, incl. profit for the year	43,435	–	–
Retained earnings	–	-3,652	1,485
Profit for the year	–	34,597	30,279
<b>Shareholders' equity attributable to Parent company shareholders</b>	<b>554,255</b>	<b>458,028</b>	<b>332,869</b>
Hybrid bond	29,007	–	–
<b>Total equity</b>	<b>583,262</b>	<b>458,028</b>	<b>332,869</b>
<b>Non-current liabilities</b>			
Borrowings	911,494	810,202	535,212
Deferred tax liabilities	31,161	20,294	13,565
Interest rate derivatives	391	736	2,163
Other non-current liabilities	13,080	9,296	6,162
<b>Total non-current liabilities</b>	<b>956,126</b>	<b>840,528</b>	<b>557,102</b>
<b>Current liabilities</b>			
Current portion of borrowing	2,396	2,762	–
Current portion interest rate derivatives	703	–	–
Accounts payable	774	438	218
Current tax liabilities	1,533	37	34
Other current liabilities	3,519	3,739	17,362
Accrued expenses and deferred income	22,401	18,422	5,157
<b>Total current liabilities</b>	<b>31,326</b>	<b>25,398</b>	<b>22,771</b>
<b>Total liabilities</b>	<b>987,452</b>	<b>865,926</b>	<b>579,873</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,570,714</b>	<b>1,323,954</b>	<b>912,742</b>

# Consolidated cash flow statement

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
	Audited IFRS	Audited IFRS	Audited IFRS
<b>Operating activities</b>			
Earnings before tax	59,365	39,592	35,396
Adjustments for non-cash items:			
- Financial items	1,936	1,625	1,114
- Unrealised changes in value, investment properties	-10,644	-6,461	-7,034
- Unrealised changes in value, interest-rate derivatives	-980	357	730
- Unrealised exchange rate differences	-2,788	2,819	-
- Changes in deferred tax	1,930	-	-
Tax paid	-	-609	-930
<b>Cash flow from operating activities before changes in working capital</b>	<b>48,819</b>	<b>37,323</b>	<b>29,276</b>
<b>Cash flow from changes in working capital</b>			
Change in current receivables	22,078	3,037	-2,528
Change in accounts payable	-	220	28
Change in other current liabilities	-17,636	5,345	325
<b>Cash flow from operating activities</b>	<b>53,261</b>	<b>45,925</b>	<b>27,101</b>
<b>Investing activities</b>			
Property acquisitions	-177,150	-386,122	-51,948
Property sales	-	270	2,070
Investments in current buildings	-2,247	-4,262	-1,424
Other investments	-278	-2,176	-60
<b>Cash flow from investing activities</b>	<b>-179,675</b>	<b>-392,290</b>	<b>-51,362</b>
<b>Financing activities</b>			
New share issue	48,088	123,214	-
Hybrid issue	30,000	-	-
Warrants	121	54	32
Issue expenses	-1,107	-2,160	-
Dividend to shareholders	-37,520	-39,587	-25,191
Dividend, hybrid bond	-652	-	-
Proceeds from borrowings	105,610	454,923	263,348
Repayment of debt	-2,192	-175,667	-214,232
Loan arrangement fees	-1,571	-2,836	-492
<b>Cash flow from financing activities</b>	<b>140,777</b>	<b>357,941</b>	<b>23,465</b>
<b>Cash flow for the year</b>	<b>14,363</b>	<b>11,576</b>	<b>-796</b>
<b>Cash and cash equivalents at the start of the financial year</b>	<b>36,783</b>	<b>24,746</b>	<b>25,542</b>
Exchange rate difference in cash and cash equivalents	-92	461	-
<b>Cash and cash equivalents at the close of the financial year</b>	<b>51,054</b>	<b>36,783</b>	<b>24,746</b>

## Key ratios for the group

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The guidelines aim to make alternative performance measures in financial statements more comprehensible, reliable and comparable, and thereby promote their usability. Alternative performance measures are financial measures of historical or future financial performance, financial position, financial result or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework; IFRS or the Swedish Annual Accounts Act.

Cibus also applies key ratios defined by EPRA (European Public Real Estate Association). Cibus is a member of EPRA, which is an interest group for listed property companies. EPRA's objective is to encourage greater investments in listed European property companies and to strive for common key figures and methods within accounting, financial reporting and corporate governance in order to provide high quality information and to increase comparability between different companies.

Cibus considers that the performance measures presented below provide a better understanding of the Company's financial position and are widely used by the Company's management team, investors, securities analysts and other stakeholders as complementary measures of performance. These alternative performance measures, as Cibus has defined them, are not directly comparable to similar performance measures presented by other companies, since not all companies calculate financial performance measures in the same way. For definitions and description of the reason for use of these and other financial performance measures, refer to the section "Definitions of alternative performance measures not defined in accordance with IFRS" below.

The key performance measures in this section has not been audited or reviewed, unless otherwise stated.

### IFRS key performance measures

TEUR (unless otherwise stated)	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Rental income	81,058	65,033	51,530
Earnings per share <sup>1)</sup> , EUR	1.25	0.95	0.97
Earnings before tax	51,370	34,597	30,279

<sup>1)</sup> Before and after dilution.

### Alternative performance measures not defined in accordance with IFRS

TEUR (unless otherwise stated)	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Net operating income	76,326	61,395	48,618
Profit from property management	47,741	33,488	28,667
Cash and cash equivalents	51,054	36,783	24,746
Total assets	1,570,714	1,323,954	912,742
EPRA NRV/share, EUR	13.5	12.1	11.4
EPRA NTA/share, EUR	13.5	12.1	11.4
EPRA NDV/share, EUR	12.8	11.6	11.0
EPRA result, TEUR	41,148	33,110	27,394
EPRA earnings per share, EUR	1.02	0.91	0.88
EPRA vacancy rate, %	5.3	4.0	5.2
Return on equity, %	9.9	8.7	9.2
Senior debt LTV ratio, %	48.3	48.9	46.1
Net debt LTV ratio, %	57.8	61.3	58.7
Interest coverage ratio, multiple	3.5	3.3	3.4
Equity ratio, %	37.1	34.6	36.5
Debt/equity ratio, multiple	1.7	1.9	1.7
Surplus ratio, %	94.2	94.4	94.3

### Operational key figures

TEUR (unless otherwise stated)	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Market value of properties	1,499,626	1,272,514	874,813
Economic occupancy rate, %	94.3	95.3	94.7
Proportion grocery and daily goods store, %	94.6	95.0	93.3



## SELECTED HISTORICAL FINANCIAL INFORMATION

### Share-related key figures

Number	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
No. of shares outstanding	44,000,000	40,000,000	31,100,000
Average No. of shares outstanding	40,284,932	36,459,344	31,000,000

### Definitions of alternative performance measures not defined in accordance with IFRS

Key figure	Definition	Purpose
Net operating income	Reported rental income and service income less operating costs and property tax.	This key figure measure Cibus' surplus from property management.
Profit from property management	Net operating income plus other operating income and financial income excluding administration and financial expenses.	This key figure measures Cibus' profit of the operational business by owning and managing properties.
Cash and cash equivalents	Cash and cash equivalents at the end of the financial year.	This key figure shows Cibus' cash and cash equivalents at the end of the financial year.
EPRA NRV/share, EUR	Reported equity with reversal of derivatives, deferred tax and unpaid dividends, in cases where the record date has not yet passed.	EPRA NRV highlights long-term net asset value, adjusted for unpaid dividends, unless the record date has not yet passed, expressed by share, for the Company's shareholders.
EPRA NTA/share, EUR	Reported equity with reversal of derivatives, deferred tax and unpaid dividends, in cases where the record date has not yet passed, divided by the number of shares outstanding.	EPRA NTA per share highlights current net asset value per share, adjusted for unpaid dividends, unless the record date has not yet passed for the Company's stakeholders. Since Cibus aims to own the properties long-term, this key figure does not deviate from the long-term EPRA NRV.
EPRA NDV/share, EUR	Reported equity with reversal of derivatives, deferred tax receivables and unpaid dividends, in cases where the record date has not yet passed, divided by the number of shares outstanding.	EPRA NDV per share highlights the disposal value per share, adjusted for unpaid dividends, unless the record date has not yet passed for the Company's stakeholders.
EPRA result, TEUR	Reported profit for the year adjusted with unrealised and realised change in value of investment properties and deferred tax on EPRA adjustments.	EPRA result is a comparable performance measure between different property companies.
EPRA vacancy rate, %	Estimated rental value for vacant space in relation to estimated rental value for entire portfolio.	EPRA vacancy rate is a comparable performance measure between different property companies.
Return on equity, %	Earnings after tax divided by average equity. At the end of the interim period, the return has been recalculated on an annual basis.	Return on equity illustrates Cibus' capacity to generate profit on shareholder capital.
Senior debt LTV ratio, %	Liabilities to senior creditors divided by the market value of properties.	Cibus uses this key figure to highlight the Company's financial risk in relation to secured debt.
Net debt LTV ratio, %	Liabilities to credit institutions less cash and cash equivalents divided by the market value of the properties.	Cibus uses this key figure to highlight the Company's financial risk in relation its company's net debt.
Interest coverage ratio, multiple	Net operating income less administration expenses and plus financial income divided by interest expenses including hedging expenses for interest rate ceiling.	The Company uses this key figure to highlight how sensitive the Company's earnings are to interest rate fluctuations.
Equity ratio, %	Adjusted equity divided by total assets.	The equity ratio is used to illustrate Cibus' financial stability.
Debt/equity ratio, multiple	Total liabilities divided by equity.	The debt/equity ratio illustrates the extent to which Cibus is leveraged in relation to shareholder capital.
Surplus ratio, %	Net operating income in relation to rental income.	The Company uses this key figure to measure profit from property management before taking into account financial income and expenses, as well as unrealised changes in value.
Economic occupancy rate, %	Rental income in relation to rental value.	This key figure is used to highlight vacancies where a high economic occupancy rate, as a per centage, reflects a low economic vacancy rate.
Proportion grocery and daily goods stores, %	The area used for grocery and daily goods stores divided by the total property area.	The Company uses this key figure to highlight the Company's exposure to grocery properties.

# SELECTED HISTORICAL FINANCIAL INFORMATION

## Reconciliation of alternative performance measures not defined in accordance with IFRS

### EPRA NRV/share, EUR

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Reported equity, excluding hybrid bonds	554,255	458,028	332,869
Reversal of			
- derivatives	1,094	736	2,163
- deferred tax	26,486	16,646	12,261
- unpaid dividends	10,560	9,200	6,842
<b>Sum EPRA NRV</b>	<b>592,395</b>	<b>484,610</b>	<b>354,135</b>
No. of shares outstanding	44,000,000	40,000,000	31,100,000
<b>EPRA NRV/share, EUR</b>	<b>13.5</b>	<b>12.1</b>	<b>11.4</b>

### EPRA NTA/share, EUR

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Reported equity, excluding hybrid bonds	554,255	458,028	332,869
Reversal of			
- derivatives	1,094	736	2,163
- assessed fair value of deferred tax	26,486	16,646	12,261
- unpaid dividends	10,560	9,200	6,842
<b>Sum EPRA NTA</b>	<b>592,395</b>	<b>484,610</b>	<b>354,135</b>
No. of shares outstanding	44,000,000	40,000,000	31,100,000
<b>EPRA NTA/share, EUR</b>	<b>13.5</b>	<b>12.1</b>	<b>11.4</b>

### EPRA NDV/share, EUR

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Reported equity, excluding hybrid bonds	554,255	458,028	332,869
Reversal of			
-derivatives	1,094	736	2,163
-assessed fair value of deferred tax assets	-4,675	-3,648	-1,304
-unpaid dividend	10,560	9,200	6,842
<b>Sum EPRA NDV</b>	<b>561,234</b>	<b>464,316</b>	<b>-</b>
No. of shares outstanding	44,000,000	40,000,000	31,100,000
<b>EPRA NDV/share, EUR</b>	<b>12.8</b>	<b>11.6</b>	<b>11.0</b>

### EPRA result, TEUR

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Profit for the year	51,370	34,597	30,279
Interest on hybrid bonds	-993	-	-
Profit for the year incl. interest on hybrid bonds	50,377	-	-
Average No. of shares outstanding	40,284,932	36,459,344	31,000,000
Earnings per share, EUR	1.25	0.95	0.97
Exclusion of			
-unrealised change in value of investment properties	-10,644	-6,461	-7,034
-realised change in investment properties	-	-	-425
unrealised change in value of interest-rate derivatives	-980	357	-
-deferred tax on EPRA adjustments	2,395	1,257	4,574
<b>Adjustments to calculate EPRA revenue</b>	<b>-9,229</b>	<b>-4,847</b>	<b>-2,885</b>
<b>EPRA result TEUR</b>	<b>41,148</b>	<b>29,750</b>	<b>27,394</b>
<b>EPRA earnings per share, EUR</b>	<b>1.02</b>	<b>0.82</b>	<b>0.88</b>

# SELECTED HISTORICAL FINANCIAL INFORMATION

## EPRA vacancy rate, %

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Estimated rental value for vacant space	5,114	3,241	2,954
Estimated rental value for entire portfolio	96,562	81,452	56,605
<b>EPRA vacancy rate, %</b>	<b>5.3</b>	<b>4.0</b>	<b>5.2</b>

## Return on equity, %

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Earnings after tax	51,370	34,597	30,279
Average equity	520,645	395,449	328,680
<b>Return on equity, %</b>	<b>9.9</b>	<b>8.7</b>	<b>9.2</b>

## Senior debt LTV ratio, %

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Liabilities to senior lenders	724,180	622,505	403,028
Market value of properties	1,499,626	1,272,514	874,813
<b>Senior debt LTV ratio, %</b>	<b>48.3</b>	<b>48.9</b>	<b>46.1</b>

## Net debt LTV ratio, %

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Liabilities to credit institutions	917,860	817,283	538,028
Cash and cash equivalents	-51,054	-36,783	-24,746
Net debt	866,806	780,500	513,282
Market value of properties	1,499,626	1,272,514	874,813
<b>Net debt LTV ratio, %</b>	<b>57.8</b>	<b>61.3</b>	<b>58.7</b>

## Interest coverage ratio, multiple

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Net operating income	76,326	61,395	48,618
Administration expenses	-6,385	-6,520	-5,294
Financial income	35	34	16
<b>Total</b>	<b>69,976</b>	<b>54,909</b>	<b>43,340</b>
Interest expenses including hedging expenses for interest rate caps	20,177	16,672	12,833
<b>Interest coverage ratio, multiple</b>	<b>3.5</b>	<b>3.3</b>	<b>3.4</b>

# SELECTED HISTORICAL FINANCIAL INFORMATION

Equity ratio, %

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Adjusted equity	583,262	458,028	332,869
Total assets	1,570,714	1,323,954	912,742
Equity ratio, %	37.1	34.6	36.5

Debt/equity ratio, multiple

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Total liabilities	987,452	865,926	579,873
Equity	583,262	458,028	332,869
Debt/equity ratio, multiple	1.7	1.9	1.7

Surplus ratio, %

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Net operating income	76,326	61,395	48,618
Rental income	81,058	65,033	51,530
Surplus ratio, %	94.2	94.4	94.3



# Operational and financial review

*The information below should be read together with the sections "Selected historical financial information" and "Capital structure, indebtedness and other financial information", as well as the Company's audited consolidated financial statements as of and for the financial years ended 31 December 2021, 2020 and 2019, including the related notes, which are incorporated into the Prospectus by reference, refer to the section "Documents incorporated by reference".*

*This section contains forward-looking statements that are subject to various risks, uncertainties and other factors. The Company's actual results may deviate significantly from what is predicted in the forward-looking statements due to many different factors, including but not limited to, what is described in the section "Risk Factors".*

## Comparison between financial years 2021 and 2020

### Income

During the financial year 2021, the Group's rental income amounted to EUR 81,058 thousand, an increase of EUR 16,025 thousand or approximately 24.6 per cent compared to EUR 65,033 thousand during the financial year 2020.

Service income amounted to EUR 12,696 thousand during the financial year 2021, an increase of EUR 3,350 thousand or 35.8 per cent compared to EUR 9,346 thousand during the financial year 2020 and consisted largely of re-invoiced expenses.

The economic occupancy rate was 94.3 per cent compared to 95.3 per cent during 2020. Total annual rental value amounted to approximately EUR 94,754 thousand, an increase of EUR 13,302 thousand or approximately 16.3 per cent compared to EUR 81,452 thousand during the financial year 2020.

### Net operating income

The operating expenses (including property tax) for the financial year 2021 amounted to EUR -17,428 thousand, an increase of EUR 4,444 thousand or approximately 34.2 per cent compared to EUR -12,984 thousand during the financial year 2020. Net operating income amounted to EUR 76,326 thousand, an increase of EUR 14,931 thousand or approximately 24.3 per cent compared to EUR 61,395 thousand during 2020, resulting in a surplus ratio of 94.2 per cent compared to a surplus ratio of 94.4 per cent during 2020.

### Net financial items

The Group's net financial items amounted to EUR -22,200 thousand during 2021, a decrease of EUR 813 thousand or approximately 3.8 per cent compared to EUR -21,387 thousand during 2020 and consisted mainly of interest expenses for the year of EUR -19,289 thousand (-16,083) but also of exchange rate differences of EUR 468 thousand (0).

At the end of the year, average interest rate in the total loan portfolio, including senior unsecured bonds and including margins and expenses for interest rate hedging, was 2.3 per cent (2.4).

### Profit from property management

Profit from property management amounted to EUR 47,741 thousand during the financial year 2021, an increase of EUR 14,253 thousand or approximately 42.6 per cent compared to EUR 33,488 thousand during 2020.

### Tax

During the financial year 2021 the Group's total tax amounted to EUR -7,995 thousand, of which current tax and deferred tax amounted to EUR -81 (-21) thousand and EUR -7,914 thousand (-4,974), respectively, a difference of EUR 3,000 thousand or approximately 60.1 per cent compared to EUR -4,995 thousand during 2020. The effective tax rate amounted to 13.5 per cent (12.6).

### Cash flow

The Group's cash flow from operating activities amounted to EUR -53,261 thousand during 2021, an increase of EUR 7,336 thousand or approximately 16.0 per cent compared to EUR 45,925 thousand during 2020.

Cash flow from investing activities amounted to EUR -179,675 thousand during the financial year 2021, a decrease of EUR 212,615 thousand or approximately 54.2 per cent compared to EUR -392,290 thousand during the financial year 2020. The decrease was mainly due to acquisitions of properties.

Cash flow from financing activities amounted to EUR 140,777 thousand, a decrease of EUR 217,164 thousand or approximately 60.7 per cent compared to EUR 357,941 thousand during 2020.

## Comparison between financial years 2020 and 2019

### Income

During the financial year 2020 the consolidated rental income amounted to EUR 65,033 thousand, an increase of EUR 13,503 thousand or approximately 26.2 per cent compared to EUR 51,530 thousand during the financial year 2019. The increase was mainly due to acquisitions, although rental income also increases because rents are index-linked.

Service income amounted to EUR 9,346 thousand during the financial year 2020, compared to EUR 8,661 thousand during the financial year 2019 and consisted largely of re-invoiced expenses. The increase of EUR 685 thousand or approximately 7.9 per cent was mainly due to re-invoiced expenses in newly acquired properties.

The economic occupancy rate was 95.3 per cent compared to 94.7 per cent during 2019, due to a lower economic vacancy rate.

### Net operating income

The operating expenses for the financial year 2020 totalled EUR -12,984 thousand, an increase of EUR -1,411 thousand or approximately 12.2 per cent compared to EUR -11,573 thousand during the financial year 2019. Net operating income amounted to EUR 61,395 thousand, an increase of EUR 12,777 thousand or approximately 26.3 per cent compared to EUR 48,618 thousand during 2019, resulting in a surplus ratio of 94.4 per cent compared to a surplus ratio of 94.3 per cent during 2019. The increase was mainly due to acquisitions of new properties and indexation of rents.

### Net financial items

The Group's net financial items amounted to EUR -21,387 thousand during 2020, an increase of EUR -6,561 thousand or approximately 44.3 per cent compared to EUR -14,826 thousand during 2019, and consisted mainly of interest expenses of EUR -16,083 thousand (-12,175) but also of items affecting comparison of EUR -3,433 thousand pertaining to redemption premiums for the early redemption of the EUR bond and arrangement fees.

At the end of the year, average interest rate in the loan portfolio, including margins and expenses for interest rate hedging, was 2.4 per cent (2.4).

### Profit from property management

Profit from property management amounted to EUR 33,488 thousand during the financial year 2020, an increase of EUR 4,821 thousand or approximately 16.8 per cent compared to EUR 28,667 thousand during 2019. The increase was mainly due to acquisitions of new properties and indexation of rents.

### Tax

During the financial year 2020 the Group's total tax amounted to EUR -4,995 thousand, of which current tax and deferred tax amounted to EUR -21 thousand and EUR -4,974 thousand, respectively. The difference of EUR 122 thousand or approximately 2.4 per cent compared to EUR -5,117 thousand during 2019 was mainly due to greater fiscal depreciations. The effective tax rate amounted to 12.6 per cent (14.4).

### Cash flow

Consolidated cash flow from operating activities amounted to EUR 45,925 thousand during 2020, an increase of EUR 18,824 thousand or approximately 69.5 per cent compared to EUR 27,101 thousand during 2019. The increase was mainly due to new acquisitions of properties, but also due to less liquidity tied up in the working capital.

Cash flow from investing activities amounted to EUR -392,290 thousand during the financial year 2020, an increase of EUR -340,928 thousand or approximately 663.8 per cent compared to EUR -51,362 thousand during the financial year 2019. The increase was mainly due to acquisitions of properties.

Cash flow from financing activities amounted to EUR 357,941 thousand, an increase of EUR 334,476 thousand or approximately 1,425.4 per cent compared to 23,465 during 2019. The increase was mainly due to raising of new loans and new share issues.

### Liquidity and financial position

As of the balance sheet date 31 December 2021, the Group's cash and cash equivalents amounted to EUR 51,054 thousand, an increase of EUR 14 271 thousand compared to the financial year 2020, where cash and cash equivalents amounted to EUR 36,783 thousand. As of the balance sheet date 31 December 2021, the equity amounted to EUR 583 262 thousand, an increase of EUR 125,234 thousand compared to 31 December 2020, where equity amounted to EUR 458,028 thousand.

As of the balance sheet date 31 December 2020, the Group's cash and cash equivalents amounted to EUR 36,783 thousand, an increase of EUR 12,037 thousand compared to the corresponding period 2019, where cash and cash equivalents amounted to EUR 24,746 thousand. As of the balance sheet date 31 December 2020, the Group's equity amounted to EUR 458,028 thousand, an increase of EUR 125,159 thousand compared to the corresponding period 2019, when the Group's equity amounted to EUR 332,869 thousand.

The Group's interest coverage ratio has historically not been subject to major changes. During the financial years 2020, 2019, 2018 and 2017 the Group's interest coverage ratio amounted to 3.3 multiple, 3.4 multiple, 3.4 multiple and 2.7 multiple, respectively. The cause for the historically unchanged interest coverage ratio has been the stability of earnings relative to interest expenses. During the financial year 2021, the Group's interest coverage ratio amounted to 3.5 multiple compared to 3.3 multiple during the financial year 2020.

During the financial years 2020, 2019, 2018 and 2017, the Group's debt/equity ratio amounted to 1.9 multiple, 1.7 multiple, 1.6 multiple and 1.4 multiple, respectively. The historical increase is explained by higher indebtedness due to acquisitions. During the financial year 2021, the Group's debt/equity ratio amounted to 1.7 multiple compared to 1.9 multiple during the financial year 2020.

During the financial years 2020, 2019, 2018 and 2017, the Group's equity/assets ratio amounted to 34.6 per cent, 36.5 per cent, 38.8 per cent and 42.2 per cent, respectively. The historical decrease is explained by higher indebtedness due to external financing for acquisitions. During the financial year 2021, the Group's equity/assets ratio amounted to 37.1 per cent compared to 34.6 per cent during the financial year 2020.

During the financial years 2020, 2019, 2018 and 2017 the Group's LTV ratio regarding its net liabilities, amounted to 61.3 per cent, 58.7 per cent, 58.4 per cent and 57.7 per cent respectively. The historical increase is explained by higher indebtedness due to external financing for acquisitions. During the financial year 2021 the LTV ratio regarding the Group's net liabilities, amounted to 57.8 per cent compared to 61.3 per cent during the financial year 2020.

### Investments

The Company aims to deliver a stable and non-cyclical dividend level to its shareholders that also increases over time, which is achieved through good profitability in the underlying property portfolio. For further information about the Company's dividend policy, refer to the section "*Share capital and ownership structure – Dividend policy*". The Company has reached its previous investment target, to grow by 50 – 100 million EUR per year in the form of additional investments in new properties, for all financial years covered by the historical financial information in the Prospectus. Given that the Company's previous investment targets have been exceeded, Cibus has updated its short to medium-term growth targets. Cibus' assessment is that the Company will be able to double its property portfolio to between 2.5 and 3.0 billion EUR in property value, and that the investment grade credit rating criteria will be met by the end of 2023.

In the sections set out below, the Company's investments for the period covered by the historical financial information in the Prospectus until the day of the Prospectus is set out. The significant ongoing and/or decided investments for which firm commitment has been made, as of the date of the Prospectus, are presented in the section "*Ongoing or decided investments*".

The Company's main investments consists of acquisitions of properties and investments in current properties. All investments shown in the table below have been made in Finland, Sweden and Norway. All investments are financed with the funds available for the Company, as described in the section "*Business description – Financing of the business*".

TEUR	1 January – 31 December 2021	1 January – 31 December 2020	1 January – 31 December 2019
Property acquisitions	-177,150	-386,122	-51,948
Investments in current buildings	-2,247	-4,262	-1,424

### Ongoing or decided investments

On 24 March 2022, Cibus announced that the Company had entered into an agreement to acquire a real property portfolio consisting of 34 properties, with a property value of approximately DKK 2,080 million (approximately EUR 280 million). The properties are located in Denmark and are rented out with an average lease length of 5.3 years with, among others, Coop Denmark, Salling Group, Dagrofa and Reitangruppen as tenants. The rentable surface amounts to approximately 76,600 square meters and the Company assesses that with this acquisition the net operating income on an annual basis, within its earnings capacity, will increase to EUR 102.2 million after the transaction has been completed. The acquired properties are estimated to be taken in possession on 6 April 2022.

The actual purchase price for the shares depends on the capital structure of the acquired group at closing and has been estimated to approximately DKK 1,045 million. As of the date of this Prospectus, closing is not subject to any conditions. The transaction is financed by way of a combination of funds from available cash, a directed share issue carried out on 24 March 2022 by way of an accelerated bookbuilding procedure, together with external financing. The external financing amounts to approximately DKK 1,300 million.

Apart from the above, the Company have no other ongoing or decided investments as of the date of the Prospectus.

### Significant Estimates and Assessments

Preparation of the accounts in accordance with IFRS and generally accepted accounting principles requires that management and the board of directors make assessments and assumptions that could significantly impact the Group's earnings and financial position. These are based on experience and the assumptions that are considered reasonable in view of the prevailing circumstances. Actual outcomes may differ from these assessments and assumptions if the conditions change.

As of the date of the Prospectus, the key assumptions about the future and other important sources of uncertainty in estimates that pose a significant risk of significant adjustments in reported values for assets and liabilities, are presented below.

### Valuation of properties

By their nature, property and property-related assets are difficult to value due to the special nature of each property and the fact that it is not necessarily a liquid market. As a result, valuations can be subject to considerable uncertainty. There are no guarantees that the estimates arising from the valuation process will reflect the actual selling price. A future recession in the property market can significantly affect the value of property. The valuations are based on estimated future cash inflows and outflows, and on a discounting of these with respect to the risk-free interest rate and a mark-up. Accordingly, all of these factors comprise future assessments and are uncertain.

Fair value has been determined by a cash flow analysis, which consists of an assessment of the present value of future cash flows. The calculation period amounts to ten years. During the calculation period, the property's net operating income is based on agreed rental levels until the contract period ends. Thereafter, the rental income is calculated to the assessed market rent. Operating and maintenance expenses has been assessed on the basis of the Company's actual expenses and have been adjusted to the condition and age of the property. Expenses are expected to increase in line with inflation of 1-2 per cent depending on the year. Investments have been assessed based on actual requirements. Property tax is estimated based on the most recent tax assessment value. Long-term vacancies are estimated on the basis of the property's location and condition. The cost of capital and yield requirement are based on the external valuers' experience-based assessments of market return requirements.

### Acquisition of companies

On the acquisition of a company, the acquisition is assessed on the basis of whether it comprises an asset acquisition or a business combination. Companies that solely contain properties without any property management/administrative functions are normally classified as asset acquisitions.

### Loss carryforwards

When valuing loss carryforwards, an assessment is made of the likelihood that the carryforwards can be utilised. Established loss carryforwards that can be offset with a high degree of certainty against future profits are used for calculating the deferred tax receivable.

### Significant changes to the Group's financial position since 31 december 2021 until the date of the Prospectus

For significant changes to the Group's financial position since 31 December 2021 until the date of the Prospectus, refer to "Business Description – The Business – Financing of the Business", "Operational and Financial Review – Investments – Ongoing or decided investments" and to "Share Capital and Ownership Structure – Share Capital Development".

Apart from the above, there have been no material changes to the Group's financial position since 31 December 2021 up to the date of the Prospectus.

# Capital structure, indebtedness and other financial information

The tables in this section show the Company's capital structure at Group level as of 31 December 2021. The tables presented in this section should be read together with the section "Selected financial information", "Operational and financial review" and the Company's financial information, with accompanying notes, which has been incorporated in the Prospectus by reference, refer to the section "Documents incorporated by reference".

## Statement of capitalisation

The table set out below summarizes the Company's capital structure as of 31 December 2021. The table only includes interest bearing liabilities.

TEUR	31 december 2021
<b>Total current debt</b>	
Guaranteed	2,396
Secured <sup>1</sup>	–
Unguaranteed/unsecured	28,930
<b>Total current debt (including current portion of non-current debt)</b>	<b>31,326</b>
<b>Total non-current debt</b>	
Guaranteed	–
Secured <sup>2</sup>	724,180
Unguaranteed/unsecured	231,946
<b>Total non-current debt (excluding current portion of non-current debt)</b>	<b>956,126</b>
<b>Shareholder equity</b>	
Share capital	440
Legal reserve(s)	507,496
Other reserves <sup>3</sup>	62,836
<b>Total Shareholder equity</b>	<b>570,772</b>
<b>Total</b>	<b>1,558,224</b>

<sup>1</sup>Pledged mortgages in properties.

<sup>2</sup>Pledged mortgages in properties.

<sup>3</sup>Including Reserves, Hybrid bond and Profit brought forward excl. profit for the year.



## Statement of indebtedness

The table set out below summarizes the Company's net indebtedness as of 31 December 2021. The table only includes interest bearing liabilities.

<b>TEUR</b>	<b>31 december 2021</b>
A – Cash	51,054
B – Cash equivalents	–
C – Other financial assets	–
<b>D – Liquidity (A + B + C)</b>	<b>51,054</b>
E – Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	-703
F – Current portion of non-current financial debt	-2,396
<b>G – Current financial indebtedness (E + F)</b>	<b>-3,099</b>
<b>H – Net current financial indebtedness (G - D)</b>	<b>47,955</b>
I – Non-current financial debt (excluding current portion and debt instruments)	-911,494
J – Debt instruments	-391
K – Non-current trade and other payables	–
<b>L – Non-current financial indebtedness (I + J + K)</b>	<b>-911,885</b>
<b>M – Total financial indebtedness (H + L)</b>	<b>-863,930</b>

## Working capital statement

It is Cibus opinion that the working capital available is sufficient for the Company's needs for the following twelve months. Working capital refers to the Company's ability to access cash and cash equivalents to fulfil its payment obligations as they become due.

## Trends

The Company's assessment is that, as of the date of the Prospectus, other than stated in the sections "Market overview – Trends", there are no known trends, related to production, sales, stock, costs and sales prices during the period from the end of the last financial year to the date of the Prospectus. The Company is not aware of any material changes regarding the Group's financial results from the end of the last financial year for which financial information has been published until the date for the approval of the Prospectus. Furthermore, the Company is not aware of any measures regarding public, financial, fiscal or monetary policy, or other political actions that, directly or indirectly, have had or could have a significant impact on the Group's business and prospects for the current financial year.

# Board of directors, senior executives and auditors

## Board of directors

As of the date of the Prospectus, the Company's board of directors consists of five members, including the chairman of the board, who have been appointed for the period until the end of the annual general meeting 2022. According to the Company's articles of association, the board of directors shall consist of a minimum of three and a maximum of eight ordinary members, without deputies. All board members and senior executives may be contacted through the Company's address in the section "Addresses".

<i>Independent of the:</i>				
Name	Position	Appointed	Company and executive management	Major shareholders
Patrick Gylling	Chairman of the Board	2018	Yes	Yes
Elisabeth Norman	Board Member	2018	Yes	Yes
Victoria Skoglund	Board Member	2021	Yes	Yes
Jonas Ahlblad	Board Member	2018	Yes	Yes
Stefan Gattberg	Board Member	2020	Yes	Yes

### PATRICK GYLLING (BORN 1975)

Chairman of the Board

**Education:** MSc in Economics and Business from Hanken School of Economics.

**Background:** Patrick Gylling has been involved in building the Cibus portfolio and holds significant experience from more than sixty real estate transactions totaling approximately three billion euro. Patrick and his team were previously awarded best Finnish developer and investment manager by Euromoney. Previous experience includes founding the real estate private equity firm Sirius Capital Partners and HGR Property partners, as well as holding key positions at Sveafastigheter, Morgan Stanley and Advium Corporate Finance. He currently serves as a board member of Livräntestalten Hereditas Ab.

**Current assignments:** CEO and board member of Oy Sirius Capital Partners Ab, as well as CEO and board member of Golden Oriol Investments Oy and Oriolidae Invest Ab.

**Previous assignments (last five years):** CEO of Gyllbon Ab.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Patrick Gylling holds 500,000 shares in the Company, through Oriolidae Invest Ab. Patrick Gylling does not hold any warrants in the Company.

### ELISABETH NORMAN (BORN 1961)

Board Member

**Education:** BA from Uppsala University.

**Background:** Elisabeth Norman has more than thirty years of experience from the construction and real estate industry, which includes board positions in companies listed on Nasdaq Stockholm and Nasdaq First North Growth Market. She has previously been involved in several boards, for example, the listed real estate company NP3 Fastigheter AB (publ), Bygga Bo i Pajala AB (owned by Balder and PEAB) and Amasten Fastighets AB (publ). Elisabeth Norman currently serves as chairman of the board of directors in the real estate companies Nivika Fastigheter AB (publ) and Enköpings Hyresbostäder, as well as board member of ByggPartner i Dalarna Holding AB (publ), Sveriges Allmännyttas AB and Björnrike Syd Utvecklings AB. Elisabeth Norman has previous experience in retail property development. Further, Norman has held positions as partner and CEO of RSD, as well as several years of experience in implementing sustainability programmes for listed companies.

**Current assignments:** Chairman of the board of directors of Aktiebolaget Enköpings Hyresbostäder and Nivika Fastigheter AB (publ). Board member of Sveriges Allmännyttas AB, ByggPartner i Dalarna Holding AB (publ) as well as one subsidiary within the group, Björnrike Syd Utvecklings AB as well as subsidiaries within the group, and Salnecke Slott AB.

**Previous assignments (past five years):** Chairman of the board of directors of VR Bostad Norr 1 AB. Board member of ByggaBo i Pajala AB, Amasten Fastighets AB (publ) as well as one subsidiary within the group, Kittelfjäll Utveckling AB as well as one subsidiary within the group, NP3 Fastigheter AB (publ) and Ruta Ett Entertainment AB.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Elisabeth Norman holds 1,500 shares privately and 7,000 shares via Salnecke Slott AB in the Company. Elisabeth Norman does not hold any warrants in the Company.

**VICTORIA SKOGLUND (BORN 1976)**

Board Member

**Education:** Master of Laws from Stockholm University.

**Background:** Victoria Skoglund works as lawyer and has a Master of Laws from Stockholm University. Victoria has worked at various law firms since 2001 and is, of the day of the Prospectus, partner at Advokatfirman Lindahl in Stockholm. Victoria specializes in public M&A, stock market law, corporate governance and association law.

**Current assignments:** Board member of Bmondo AB, Gastropa utvecklings AB and VIE SPAC AB, as well as partner at Advokatfirman Lindahl.

**Previous assignments (past five years):** Board member, CEO and partner at Advokatfirman Westermark Anjou AB, as well as partner at KANTER Advokatbyrå. Deputy board member of FE Fonder AB, FredErik Holding AB, Hunky Dory AB, HCMonthan Advokat AB and Karolina Pekkari Advokat AB.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Victoria Skoglund holds 1,500 shares in the Company. Victoria Skoglund does not hold any warrants in the Company.

**JONAS AHLBLAD (BORN 1977)**

Board Member

**Education:** MSc in Economics and Business from Hanken School of Economics.

**Background:** Jonas Ahlblad has been involved in building the Cibus portfolio and holds a significant experience from the Nordic real estate transaction market. He is one of the founding partners and the CIO of the real estate private equity firm Sirius Capital Partners. Prior to co-founding Sirius, Jonas Ahlblad was co-head of investments and a member of the board of Sveafastigheter. Previous experiences also include founding and heading the Finnish operations of Leimdörfer (today Nordanö).

**Current assignments:** CEO and board member of Salba Holding Oy. Founder, board member and CIO at Oy Sirius Capital Partners Ab.

**Previous assignments (past five years):** -

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Jonas Ahlblad holds 110,000 shares, through Salba Holding Oy, in the Company. Jonas Ahlblad does not hold any warrants in the Company.

**STEFAN GATTBERG (BORN 1981)**

Board Member

**Education:** Master of Laws from Lund University.

**Background:** Stefan Gattberg has been involved in the establishment of Cibus when he was in charge of financing and introducing the portfolio to the capital market. During recent years he has led a series of sizeable real asset transactions as principal in the Nordics including both real estate and infrastructure. Gattberg is the founder of Altaal, a principal led investment firm focusing on investments in alternative assets. Previous experience includes Head of Investment Banking and Board Member at Pareto Securities as well as CEO at Skuld UK.

**Current assignments:** Chairman of the board of directors of Green Yield Nordic RE AB (publ) and Altaal Advisory AB. Board member of S.K. Gattberg AB and Altaal AB, as well as several subsidiaries in the group.

**Previous assignments (past five years):** Board member of Conjeco AB (publ), Mälaråsen Fastigheter i Märsta AB, Mälaråsen Fastigheter i Stockholm AB, Kävlinge Fastighets AB, MI Etablering I AB, MI Etablering II AB and Stensö Holding AB.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Stefan Gattberg holds 7,743 shares in the Company. Stefan Gattberg does not hold any warrants in the Company.

## Senior executives

Name	Position	Position held since
Sverker Källgård	VD	March 2019
Pia-Lena Olofsson	CFO & Head of IR	May 2019
Lauri Tiensuu	Head of Business Development/ CIO Finland	January 2020
Peter Lövgren	CIO Sweden	August 2020
Marcus Kruus	CIO Norway	March 2022

### SVERKER KÄLLGÅRDEN (BORN 1968)

**Education:** MSc in Civil Engineering from the Royal Institute of Technology.

**Background:** Sverker Källgård has more than twenty years of experience from the real estate and construction industry. Most recently as CEO of ByggPartner. Under his leadership, ByggPartner was successfully listed on Nasdaq First North. Prior to ByggPartner, Sverker Källgård held executive positions at NCC and Hufvudstaden, including serving as CEO of AB Nordiska Kompaniet (NK) for seven years.

**Current assignments:** Chairman of the board of directors of Charlottenberg Handelspark AB, as well as board member of Källgård&Co AB. Deputy board member of Anna K konsult AB.

**Previous assignments (past five years):** CEO of Bygg Partner i Dalarna Aktiebolag and ByggPartner i Dalarna Holding AB (publ), as well as board member in several subsidiaries within the group. Board member of Fastighets AB Ståket Holding and Britsarvslövet i Falun Aktiebolag.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Sverker Källgård holds 5,000 shares and 186,600 warrants<sup>1</sup> in the Company.

### PIA-LENA OLOFSSON (BORN 1972)

**Education:** Executive MBA University of Warwick and MBA from Gothenburg University.

**Background:** Pia-Lena Olofsson is an experienced CFO and held the position at the Large Cap listed digital bank Collector AB (publ). Further, Pia-Lena Olofsson has previously held several senior positions at, among others, Bure Equity AB (publ) and Visma AB.

**Current assignments:** Board member of Charlottenberg Handelspark AB.

**Previous assignments (past five years):** Group level CFO of Catena Media Plc, including board assignments. CFO (at group level) of Collector AB (publ). Board member of Catena Media AB Owner and board member of Two Oak Consulting Ltd.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Pia-Lena Olofsson holds 5,000 shares and 120,000 warrants<sup>2</sup> in the Company.

### LAURI TIENSUU (BORN 1986)

**Education:** Master's degree in Technology from Aalto University.

**Background:** Lauri Tiensuu has extensive experience from Advium Corporate Finance Ltd where he advised clients in real estate transactions.

**Current assignments:** -

**Previous assignments (past five years):** -

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Lauri Tiensuu holds 7,000 shares and 80,000 warrants<sup>2</sup> in the Company.

### PETER LÖVGREN (BORN 1977)

**Education:** MSc in Civil Engineering from the Royal Institute of Technology.

**Background:** Peter Lövgren has extensive experience from the real estate business. He was employed by Hufvudstaden as, among other things, Head of Transaction and Senior Property Manager. Peter's latest position was as Head of Business Development at Genova where he has been responsible for the company's transactions.

**Current assignments:** Board member of Charlottenberg Handelspark AB, as well as deputy board member of Balayage Stockholm AB, Balayage Holding AB, Gnestahöjdens Fastighets AB, Headeducations AB and AnnLöv Fastighets AB.

**Previous assignments (past five years):** Board member of Genova Viby Fastighets AB and Genova Viby Holding AB, as well as deputy board member of Gbg Inom Vallgraven 3-2 AB.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Peter Lövgren holds 1,000 shares and 80,000 warrants<sup>2</sup> in the Company.

### MARCUS KRUUS (BORN 1975)

**Education:** Master of Science degree from Chalmers University of Technology and an MBA from the Gothenburg School of Economics.

**Background:** Marcus Kruus has 20 years of experience working with real estate investments, business development, property development and investment funds in the European construction and real estate market.

**Current assignments:** Board member of Aquilion Real Estate AB and chairman of the board of Aquilion AB as well as CEO of CTV Properties AB (publ).

**Previous assignments (past five years):** Previously, Marcus Kruus served in leading positions including Fund Manager and Director of Obligo Investment Management (Oslo, Norway) with responsibilities for the company's operations in Luxembourg. Prior to joining Obligo, Marcus Kruus worked as Executive Director and Head of European Investment & Asset Management of Realkapital Partners (Luxembourg), as well as Head of Business Development at NCC in Sweden.

**Holdings in the Company (including related parties):** As of the date of the Prospectus, Marcus Kruus holds no shares or warrants in the Company.

<sup>1</sup>The warrants have been issued in accordance with the terms and conditions of Warrant Programme 2019, which are described in more detail in the section "Share capital and ownership structure – Convertibles, warrants, etc. – Warrant Programme 2019".

<sup>2</sup>The warrants have been issued in accordance with the terms and conditions of Warrant Programme 2020 and Warrant Programme 2021, which are described in more detail in the sections "Share capital and ownership structure – Convertibles, warrants, etc. – Warrant Programme 2020" and "Share capital and ownership structure – Convertibles, warrants, etc. – Warrant Programme 2021".



## Other information on the board of directors and senior executives

There are no family relationships between any of the board members or senior executives. None of the Company's board members or senior executives have any private interests that could conflict with those of the Company. However, as described above, several board members and senior executives have financial interests in the Company through their shareholdings and/or warrants. None of the board members or senior executives have been chosen or elected as a result of a specific arrangement with major shareholders, customers, suppliers or other parties.

None of the board members or senior executives in the Company have during the past years; (i) been convicted in fraud-related offences; (ii) been a representative of a company which has been declared bankrupt, put into liquidation or undergone corporate structuring; (iii) been subject to accusations or sanctions by statutory or regulatory authorities (including recognized professional bodies); or (iv) been disqualified by a court from acting as a member of an issuer's administrative, managing or supervisory body or from acting in the management or conduct affairs of any issuer.

## Auditor

According to the Company's articles of association, one auditor or one registered accounting firm shall be appointed for the review of the Company's annual report and the administration of the board of directors and the CEO. The Company's auditor is KPMG AB, with Mattias Johansson (born 1973) being the auditor-in-charge since 2019. Mattias Johansson is an authorized public accountant and a member of FAR. KPMG AB's visiting address is Vasagatan 16, SE-111 20 Stockholm, Sweden (postal address box 382, SE 102 27, Stockholm, Sweden).

Deloitte AB, with Malin Luning (born 1980) was the auditor-in-charge for the period 3 December 2018 – 2 May 2019, partly encompassed by the historical financial information in the Prospectus. Deloitte AB's visiting address is Rehnsgatan 11, SE-113 57, Stockholm, Sweden.

# Corporate governance

Cibus is a Swedish public limited liability company, whose shares have been listed on Nasdaq Stockholm since 1 June 2021. The Company's shares were previously listed on Nasdaq First North Growth Market since 9 March 2018 and Nasdaq First North Premier Growth Market since 15 July 2019. As of the listing on Nasdaq First North Premier Growth Market, the Company's corporate governance has been based on Swedish legislation, the Swedish Corporate Governance Code (the "**Code**"), the Rulebook of Nasdaq First North Growth Market, as well as internal rules and regulations. Since the listing on Nasdaq Stockholm, the Company has continued to apply the same laws and regulations regarding the Company's corporate governance, with the exception that the Company has applied "Nasdaq Nordic Main Market Rulebook for Issuers of Shares" instead of the "Nasdaq First North Growth Market – Rulebook".

Companies that apply the Code are not required to comply with all of the rules in the Code, but rather have the possibility of choosing alternate solutions that the company deems better suited to the company and its business, provided that any deviations are presented, that the alternate solution is described and that the reasons are explained in the corporate governance report (the "Comply or explain principle"). As of the date of the Prospectus, the Company does not expect to report any deviations from the rules of the Code in the corporate governance report for the financial year 2022.

## General Meeting of shareholders

Pursuant to the Swedish Companies Act, the general meeting of shareholders is the Company's highest decision-making body. At the general meeting, the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of the Company's profit, discharge from liability of board members and the CEO, election of board members and auditors, and remuneration of the board of directors and auditors.

In addition to the annual general meeting, extraordinary general meeting may be convened. In accordance with the Company's articles of association, notice of the annual general meeting and notice of an extraordinary general meeting at which the matter of an amendment to the articles of association is to be addressed are to be issued not earlier than six weeks and not later than four weeks prior to the meeting. Notices of other extraordinary meetings shall be issued not earlier than six weeks and not later than three weeks prior to the meeting. Notices to attend annual general meetings and extraordinary meetings are made through an announcement in the Official Swedish Gazette (Sw. *Post- och Inrikes Tidningar*) and by making the notice available on the Company's website. An announcement that notice has been issued shall be published in Svenska Dagbladet.

### Right to attend general meetings

All shareholders who are directly registered as shareholders in the share register maintained by Euroclear Sweden AB six (6) banking days before the general meeting and have notified the Company of their intention to participate in the general meeting not later than the date stated in the notice convening the general meeting have the right to attend the general meeting and vote for the number of shares they hold. Shareholders can normally register for general meetings in several different ways, as stated in the notice to the general meeting.

### Shareholder initiatives

Shareholders who wish to have a matter considered at the general meetings must submit a written request to the board of directors. The request shall normally have been received by the board of directors no later than seven weeks before the general meeting.

## Nomination committee

According to the Code, the Company shall have a nomination committee, the purpose of which is to submit proposals regarding the Chairman of the general meeting, board member candidates (including the chairman), fees and other remuneration to each of the board members as well as remuneration for committee work, election of and remuneration to external auditors and proposals for the nomination committee for the following annual general meeting. The nomination committee's proposals are presented in the notice convening the annual general meeting.

In accordance with a resolution by the 2021 annual general meeting, Cibus shall have a nomination committee comprising a total of four members, one of which being the chairman of the board. Each of the three largest shareholders appoint a representative who is not a member of the Company's board of directors, to constitute, together with the chairman of the board, a nomination committee for the period until a new nomination committee is appointed. The largest shareholders will only be represented in the nomination committee if they wish to do so. Changes in ownership occurring less than two months before the annual general meeting shall not be taken into account.

The nomination committee appoints one of its members to chair the nomination committee. The chairman of the board of the Company may not be appointed chairman of the nomination committee. The composition of the nomination committee must be published no later than six months before the next annual general meeting. The members of the nomination committee do not receive any fees. The nomination committee's work shall include submitting proposals to the annual general meeting regarding the board of directors, the chairman of the board and the auditor. The nomination committee shall also submit recommendations to the annual general meeting regarding the fees to be paid to the board of directors and the auditors as well as the principles for appointing a new nomination committee. Further, to the extent it is deemed necessary, the nomination committee prepare and propose changes to the instruction for the nomination committee.

Prior to the 2022 annual general meeting, the nomination committee comprises:

- Olof Nyström, representing Fjärde AP-fonden (chairman of the nomination committee);
- Markus Dragicevic, representing Dragfast AB;
- Johannes Wingborg, representing Länsförsäkringar Fondförvaltning AB (publ); and
- Patrick Gylling, chairman of the board of Cibus Nordic Real Estate.

## Board of directors

The Company's board of directors is the highest decision-making body after the general meeting.

In accordance with the Swedish Companies Act, the board of directors is responsible for the management and organization of the Company, which means that the board of directors is responsible for, *inter alia*, establishing procedures and strategies, ensuring set goals are evaluated, continuously evaluating the Company's financial position and performance, and evaluating the executive management. The board of directors is also responsible for ensuring that the annual reports and consolidated financial statements, as well as the interim reports are prepared in a timely manner. The board of directors also appoints the CEO.

The board of directors follow a written procedure that is revised annually and adopted at the statutory board meeting every year, or by other means if necessary. The rules of procedure regulate, *inter alia*, board practice, functions and the distribution of work between the board members and committees, as well as 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 according to an annually established schedule. In addition to these board meetings, additional board meetings may be convened to address issues that cannot be referred to an ordinary board meeting. In addition to the board meetings, the chairman of the board and the CEO have an ongoing dialogue regarding the management of the Company and the Group.

The board members are elected every year at the annual general meeting for the period until the end of the next annual general meeting. In accordance with the Company's articles of association, the board of directors shall consist of at least three and not more than eight members. As of the date of the Prospectus, the board of directors consists of five elected members who are presented in greater detail in the section "*Board of directors, senior executives and auditor – Board of directors*". The chairman of the board is elected by the annual general meeting and has a particular responsibility for managing the board of directors' work and ensuring that it is well organized and effectively implemented.

#### Audit and Remuneration Committee

Cibus has not established a separate audit or remuneration committee. The board of directors has decided that the board of directors in its entirety shall perform the duties of such committees. The board of directors has adopted instructions, for the work and actions to be undertaken by the board of directors in this regard.

The audit committee's work includes reviewing the Company's financial reporting and the efficiency of the Company's internal control and risk management. The audit committee's work also focuses on the quality and accuracy of the Group's financial reporting and related reporting. The audit committee monitors how accounting principles and accounting requirements develop and discusses other significant issues related to the Company's financial accounting. The audit committee also evaluates the auditor's work, qualifications and independence and follows up in particular on whether the auditor provides the Company with services other than auditing services. The work of the remuneration committee includes evaluating applicable remuneration programmes and structures.

The board members are presented in the section "*Board of directors, senior executives and auditors – Board of directors*".

#### CEO

The CEO is subordinated to the board of directors and is responsible for the day-to-day management and daily operations of the Company. The division of work between the board of directors and the CEO is regulated in the rules of procedure for the board of directors and in the instructions to the CEO. The CEO is also responsible for preparing reports and compiling information from the management for the board meetings, as well as presenting the material at the board meetings. In accordance with the guidelines for financial reporting, the CEO is responsible for the Company's financial reports and for ensuring that the board of directors receives sufficient information to assess the Company's financial position on an ongoing basis. The CEO and other senior executives are presented in the section "*Board of directors, senior executives and auditors – Senior executives*".

#### Internal Control

The board of directors bears the overall responsibility for ensuring that Cibus maintains satisfactory internal control. The CEO is responsible for ensuring that there is a satisfactory system of internal control covering all significant risks in the ongoing business. Cibus has built its organisation and established governance documents and control systems. Each year the board of directors adopts governance documents in the form of instructions for the CEO and guidelines. The instructions for the CEO provide guidance and clarify which decisions are made by the board of directors and which are made by the CEO. Given Cibus' business, organisational structure and how financial reporting is organised in other regards, the board of directors finds no need for a specific audit function in the form of internal audit.

The board of directors continuously assesses the financial reporting on a quarterly basis, covering the Company's financial position, the property portfolio, debt, dividend capacity and other important circumstances. The CEO and CFO, who report to the board of directors, are responsible for maintaining an effective control environment and the ongoing processes of internal control and risk management. The board of directors maintains an ongoing dialogue with the Company's auditor regarding the scope and quality of the Company's financial reporting, as well as an assessment of the efficiency of the internal control and governance.

#### Risk assessment

The Company continuously monitors risks and updates its analyses and assessments of risks that could lead to errors in the financial reporting. This is achieved mainly through documented processes for internal control and governance, as well as contacts between the CEO and CFO and the accounting/finance function. Once a year, management conducts a workshop with the board of directors to identify the areas where risks of strategic, financial or operational errors are increased. In accordance with the risk policy, the board of directors analyses, at least once annually, the outcome of the Company's risk assessment and risk management to ensure it covers all significant risk areas. Sustainability issues are an ongoing part of the risk analysis and assessment.

#### Control activities

Cibus has established several control activities that are both preventive and aimed at avoiding losses or errors in the financial reporting. Financial reports for the Group are prepared each quarter. These include detailed reviews of how each property is performing. They also include specific analyses of operating net, letting ratio, cost follow-up, investments, cash flow and financing. At these meetings special emphasis is placed on reviewing any issues and safeguarding accurate financial reporting. Checks are performed at several levels in the Company to ensure that inaccuracies are rectified.

The control environment is created by how the operations are organised, the corporate culture, rules and guidelines, communication and follow-up. The main task of the management and its employees is, in part, to apply, assess and maintain Cibus control procedures and, in part, to perform internal control focused on business-critical issues. The audit committee evaluates and assesses internal efficiency. Each year, the Company's auditor reviews a selection of controls and processes and reports any areas of improvement to Company management and the board of directors. As of the date of the Prospectus, nothing has emerged that indicates that the control system would not work as intended.

#### Remuneration to the board of directors, the CEO and other senior executives

##### Remuneration to the board of directors

The remuneration to the chairman of the board and other members of the board of directors is determined at the general meeting. At the annual general meeting held on 15 April 2021, it was resolved that remuneration to each board member, excluding the chairman of the board, shall amount to EUR 11,875 per month, corresponding to a total amount of EUR 142,500. It was further resolved, that remuneration to the chairman of the board shall amount to EUR 57,000, corresponding to EUR 4,750 each month. The Company's board of directors are not entitled to any benefits after their resignation.

##### Guidelines for the remuneration to senior executives

The following guidelines for remuneration to senior executives in the Group were adopted by the annual general meeting on 24 April 2020.

### **Guidelines for the remuneration of senior executives in Cibus Nordic Real Estate AB (publ)**

The guidelines encompass the CEO, CFO and other members of Group Management. The guidelines shall apply to remunerations agreed as well as changes made to remunerations previously agreed, following the adoption of the guidelines. The guidelines do not cover remunerations determined by the annual general meeting.

### **How the guidelines foster the Company's business strategy, long-term interests and sustainability**

The Company's business strategy is to acquire, develop and manage high-quality properties in the Nordic region with daily goods retail chains as the anchor tenants. A successful implementation of the Company's business strategy and the safeguarding of the Company's long-term interests, including its sustainability, presupposes that the Company can recruit and retain qualified employees. This requires that the Company be able to offer competitive remuneration. These guidelines make it possible to offer senior executives competitive overall remuneration.

The Company has established a long-term warrant programme for the CEO. This was approved by the general meeting and is therefore not covered by these guidelines. For the same reason, the long-term warrant programmes adopted by the annual general meeting 2020 and by the annual general meeting 2021 is not included. The performance requirements used to assess the outcome of the programmes are clearly connected with the business strategy and therefore with the Company's long-term generation of value, including its sustainability. The programmes also require participants to make personal investments and to maintain their holdings for a period of several years. Variable cash remunerations covered by these guidelines shall aim to foster the Company's business strategy and long-term interests, including its sustainability.

### **Forms of compensation, etc.**

Remunerations shall be market-based and competitive and may include the following components: fixed cash salary, variable cash compensation, pension benefits and other benefits. In addition, the general meeting may determine, for example, share and share price-related remunerations. The fulfilment of criteria for payment of variable cash compensation shall be measurable over a period of one or more years. Variable cash compensation may amount to a maximum of 50 per cent of the total fixed cash salary during the measurement period. Pension benefits, including health insurance, shall be defined-contribution benefits, insofar the executive is not covered by defined-benefit pension in accordance with the provisions of mandatory collective agreements. The pension premiums for defined-contribution pensions may not exceed 30 per cent of pensionable income. With regard to employment relationships subject to rules other than those applicable in Sweden, pension and other benefits may be adjusted appropriately to comply with mandatory rules or established local practices, such that the overall purpose of these guidelines is, as far as possible, met.

### **Termination of employment**

In the event of termination by the Company, the notice period may not exceed twelve months. Fixed cash salary during the notice period and severance pay may not in total exceed an amount corresponding to the fixed cash salary for two years. In the event of termination by the executive, the notice period may not exceed six months, without entitlement to severance pay. Compensation may also be paid for any competition-limiting undertaking. This shall compensate for any loss of income and shall only be paid to the extent that the former executive is not entitled to severance pay. The compensation shall be based on the fixed cash salary at the time of termination and shall be paid during the period in which the undertaking to limit competition applies, which shall be a maximum of six months after the termination of employment.

### **Criteria for distribution of variable cash compensation**

Variable cash compensation shall be linked to predetermined and measurable financial or non-financial criteria. It may also comprise individualised quantitative or qualitative targets. The criteria shall be designed so that they promote the Company's business strategy and long-term interests, including its sustainability, by, for example, being clearly connected with the business strategy or by fostering the executive's long-term development. When the measurement period for fulfilling the criteria for payment of variable cash compensation has ended, it must be assessed and determined to what extent the criteria have been met. The board of directors is responsible for such an assessment with regard to variable cash remuneration to the CEO, and the CEO is responsible for the assessment in relation to other senior executives. The fulfilment of financial criteria shall be determined based on the financial information most recently published by the Company.

### **Salary and terms of employment for employees**

In preparing the board of directors' proposal for these remuneration guidelines, salaries and terms of employment for the Company's employees have been considered, by having employees' total remuneration, remuneration components and the increase and rate of increase over time form part of the basis for the board of directors' decisions in assessing the reasonableness of these guidelines and the limitations they impose.

### **The decision-making process for establishing, reviewing and implementing the guidelines**

The board of directors shall prepare proposals for new guidelines when there is a need for significant changes and at least once every four years. The proposal shall be submitted for adoption by the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting. The board of directors shall also monitor and assess programmes for variable remunerations for Company Management, the application of the guidelines on the remuneration of senior executives and applicable remuneration structures and levels within the Company. Neither the CEO nor other members of Company Management shall attend the meetings at which the board of directors considers or determines remuneration-related matters, insofar as they are affected by those matters.

### **Deviations from the guidelines**

The board of directors may decide to temporarily deviate entirely or in part from the guidelines if there are specific reasons for this in an individual case and if a deviation is necessary to meet the Company's long-term interests, including its sustainability, or to safeguard the Company's financial viability.

### **Remuneration to the CEO and senior executives**

Remuneration of the CEO and other senior executives is subject to annual review in accordance with the Company's applicable guidelines for remuneration of senior executives.

**Remuneration during the financial year 2021**

The following table presents reported expenses regarding remuneration paid to the board members and senior executives during the financial year 2021.

TEUR	Remuneration	Pension costs	Social security costs incl. Tax on pension costs	Total
<b>Board of directors</b>				
Patrick Gylling	-57	-	-12	-69
Elisabeth Norman	-29	-	-9	-37
Victoria Skoglund	-29	-	-9	-37
Jonas Ahlblad	-29	-	-6	-35
Stefan Gattberg	-29	-	-9	-37
<b>Total</b>	<b>173</b>	<b>-</b>	<b>45</b>	<b>215</b>

EUR	Fixed remuneration	Variable remuneration	Pension costs	Other benefits	Non-recurring items	Total remuneration	Proportion fixed and variable remuneration, % <sup>1)</sup>
<b>Senior executives</b>							
Sverker Källgård, CEO	280,097	103,515	84,029	11,137	-	478,778	76 / 24
Pia-Lena Olofsson, CFO	225,470	85,400	60,877	8,954	-	380,701	75 / 25
Lauri Tiensuu, Head of Business Development/ CIO Finland	207,648	90,000	52,535	-	-	350,183	74 / 26
Peter Lövgren, CIO Sweden	138,134	29,576	30,389	258	-	198,357	85 / 15
<b>Total senior executives</b>	<b>851,349</b>	<b>308,491</b>	<b>227,830</b>	<b>20,349</b>	<b>-</b>	<b>1,408,019</b>	<b>N/A</b>

1) Pension that in their entity refer to fixed remuneration and are defined-contribution have been reported as fixed remuneration.

None of the senior executives are entitled to remuneration in the event of termination (with the exception of salary and any benefits in accordance with the terms of employment during the notice period). The Company has no amounts accrued or capitalized for pensions or similar benefits in the event of an executive's termination of employment.

**Auditing**

The auditor shall review the Company's annual accounts and the annual report, as well as the administration by the board of directors and the CEO. After each financial year, the auditor shall submit an audit report to the annual general meeting. The Company's auditor is presented in the section "Board of directors, senior executives and auditors - Auditor".

During the financial year 2021, the remuneration to the auditor amounted to EUR 554 thousand.



# Share capital and ownership structure

## General information

According to the Company's articles of association, as of the date of the Prospectus, the share capital may not be less than EUR 250,000 and not more than EUR 1,000,000, and the number of shares may not be less than 25,000,000 and not more than 100,000,000. As of the reporting date on 31 December 2021, the Company's share capital amounted to EUR 440,000, divided amongst 44,000,000 shares, each share with a quota value of EUR 0.01.

As of the date of the Prospectus (i.e., prior the Bonus Issue), the Company's share capital amounts to EUR 484,000, divided among 48,400,000 shares, each share with a quota value of EUR 0.01. Prior the Bonus Issue, the Company has only one class of shares. The Company's existing shares have the following ISIN code: SE0010832204.

The Company's shares are denominated in EUR and the shares have been issued in accordance with Swedish law. All issued shares are fully paid and freely transferable. No public takeover bid relating to the Company's shares has occurred during the current or preceding financial year.

The board of directors of Cibus have proposed that the annual general meeting to be held on 20 April 2022 resolves on a bonus issue for Common shares of class D. According to the board of directors' proposal regarding the Bonus Issue, four (4) existing shares will entitle to one (1) Common share of class D. According to the proposal, the amount by which the share capital shall be increased shall be provided from non-restricted equity. Current shareholders will receive Common shares of class D in relation to their current shareholdings, without having to take any action. The annual general meeting is proposed to resolve on 11 May 2022 to be the record date for the Bonus Issue.

In order to enable the Bonus Issue, the board of directors of Cibus have proposed that the general meeting resolves on the following amendments regarding the Company's articles of association; (i) amendments of the limits of the share capital and number of shares, with the meaning that the share capital may not be less than EUR 550,000 and not more than EUR 2,200,000, and the number of shares may not be less than 55,000,000 and not more than 220,000,000; (ii) introducing the new share class, Common shares of class D; and (iii) renaming existing shares to Common shares of class A.

12,100,000 Common shares of class D will be issued through the Bonus Issue, entailing an increase of the share capital by EUR 121,000. Immediately after the Bonus Issue, the Company's share capital will amount to 605,000 EUR, divided into a total of 60,500,000 shares, of which 48,400,000 will consist of Common shares of class A and 12,100,000 will consist of Common shares of class D, with an unchanged quota value of EUR 0.01 per share. In connection with renaming the Company's existing shares to Common shares of class A, the ISIN code for the share will be changed to SE0017615693. In connection hereto, the ticker for the Company's existing shares will be changed to "CIBU A". The ISIN code for the Company's Common shares of class D is SE0017615701 and the Common shares of class D will be traded under the ticker "CIBU D".

The Company's Common shares of class A will continue to be denominated in EUR and issued in accordance with Swedish law. All issued shares are fully paid and freely transferable. The Company's Common share of class D will be denominated in EUR and issued in accordance with Swedish law. All issued shares will be fully paid and freely transferable.

## Certain rights associated with the shares

The rights associated with shares issued by the Company, including those that follow from the articles of association of the Company, can only be amended in accordance with the procedures stated in the Swedish Companies Act (2005:551).

## Voting rights

As of the date of the Prospectus, all shares carry one vote per share and each shareholder is entitled to vote for all of the shares in the Company held by the shareholder.

After the Bonus Issue is carried out and the new share class, Common shares of class D, is implemented, and after amending the articles of association, Common shares of class A will entitle the shareholder to one (1) vote at general meetings of shareholders and each Common share of class D will entitle to one tenth (1/10) of a vote at general meetings of shareholders. Each shareholder will still be entitled to vote for all of the shares in the Company held by the shareholder.

## Preferential rights to subscribe for new shares etc.

If the Company issues new shares, warrants or convertibles in a cash issue or set-off issue, the shareholders shall, as a general rule, have preferential rights to subscribe for such securities proportionally to the number of shares held prior to the issue.

## Rights to dividends and balances in the event of liquidation

All shares in the Company carry equal rights to dividends and the Company's assets and any surpluses in the event of liquidation. However, after that the Bonus Issue is carried out and the new share class, Common shares of class D, is implemented, and after adopting the amended articles of association, Common shares of class D will be entitled to no more than eleven (11) EUR per share.

Decisions regarding dividends in limited liability companies are made by the general meeting of shareholders. Entitlement to receive dividends accrues to those who, on the record date adopted by the general meeting of shareholders, are registered as shareholders in the share register maintained by Euroclear. Dividends are normally distributed to the shareholders as a cash amount per share through Euroclear, but may also be distributed in forms other than cash (distribution in kind). Should a shareholder be unable to be reached through Euroclear, the shareholder will continue to have a claim against the Company with regard to the dividend limited in time pursuant to a ten-year statute of limitation. Should the claim become barred by the statute of limitations, the dividend amount accrues to the Company.

All shares shall have the same rights to dividend without preferential rights in relation to each other. However, after the Bonus Issue is carried out and the new share class, Common shares of class D, is implemented, and after adopting the amended the articles of association, if any dividend is declared, Common shares of class D will be entitled to five (5) times the total dividend on Common shares of class A, however, no more than EUR 0.08 per share and month. If the dividend on common share of class D is lower than EUR 0.08 per share, the maximum permitted dividend of EUR 0.08 shall be increased so that the shortfall up to EUR 0.08 per month may be distributed later if sufficient dividends on shares are declared subsequently, whereupon the maximum permitted dividend shall be EUR 0.08. Record dates for payment of dividends shall be the last business day in each month, or such day that the general meeting (or the board of directors based on an authorization granted by the general meeting) decides.

No restrictions on the right to receive dividends apply to shareholders residing outside of Sweden. With reservation for any limitations imposed by the banks and clearing systems in the jurisdictions concerned, distributions to such shareholders are conducted in the same manner as to shareholders in Sweden. Shareholders who do not have a tax domicile in Sweden are normally subject to Swedish withholding tax.

### **Applicable rules in the event of a public takeover bid**

In the event of any public bid is submitted to acquire the shares in the Company, the Financial Instruments Trading Act (1991:980), the Swedish Takeover Act (2006:451) and Nasdaq Stockholm's Takeover Rules dated 1 January 2021 will apply.

If the board of directors or the CEO of the Company, based on information arising from a party intending to submit a public takeover bid for the shares of the Company, has justifiable grounds to assume that such an offer is imminent, or if such an offer has been submitted, then pursuant to that stated under Chapter 5, Section 1 of the Swedish Takeover Act, the Company may on following a resolution passed by the general meeting of shareholders, implement measures intended to impair the conditions for submission or completion of the takeover bid. Notwithstanding the above, the Company may seek alternative offers.

Furthermore, a party who holds no shares or holds shares representing less than three-tenths of the voting rights for all shares in the Company and who, through acquisition of shares in the Company, alone or together with another closely related party, attains a shareholding representing at least three-tenths of the voting rights for all shares in the Company shall immediately, pursuant to Chapter 3, Section 1 of the Swedish Takeover Act, make public the extent of his or her shareholding in the Company, and within four weeks thereafter launch a takeover bid in respect of the remaining shares in the Company (mandatory bid).

During a public takeover bid or a mandatory bid, shareholders are free to determine whether they wish to sell of their shares in the public takeover bid or the mandatory bid. Following a public takeover bid or a mandatory bid, if the party that submitted the offer has thereafter obtained not less than nine tenths of the shares, the party is entitled to purchase the remaining shareholders' shares in accordance with the general rules on compulsory redemptions set out in Chapter 22 of the Swedish Companies Act (2005:551).

The shares in the Company are not subject to any offer made due to a mandatory bid, redemption rights or buy-out obligation. Nor has any public takeover bid been submitted regarding the shares during the current or preceding financial year.

### **Current authorisations**

The extraordinary general meeting held on 17 February 2022 resolved to authorise the board of directors to, on one or more occasions, for the period until the next annual general meeting, issue new shares, with or without pre-emption rights for the shareholders. The total number of shares that may be issued by virtue of the authorization may not exceed 4,400,000. The authorization was fully exercised on 24 March 2022 and is therefore as of the date of the Prospectus fully exercised.

The annual general meeting held on 15 April 2021 resolved to authorise the board of directors to, for the period until the next annual general meeting, issue new shares, with or without pre-emption rights for the shareholders. The authorization was exercised partly on 30 September 2021, and partly on 7 December 2021, and is as of the date of the Prospectus fully exercised.

### Dividend policy

On 16 December 2020, the board of directors of Cibus adopted a dividend policy, with the intention of paying monthly dividends. According to the Company's dividends policy, the Company strives for increased dividends by five per cent a year for the next years.

In connection with the Bonus Issue and the new share class, Common shares of class D, is implemented, and after adopting the amended articles of association, the Company's dividend policy will be amended. According to the new dividend policy, an annual increase by five per cent on Common shares of class A will be strived for. According to the articles of association, if any dividend is declared, Common shares of class D will be entitled to five (5) times the total dividend on Common shares of class A, however, no more than EUR 0.08 per share and month. If the dividend on Common share of class D is lower than EUR 0.08 per share, the maximum permitted dividend of EUR 0.08 shall be increased so that the shortfall up to EUR 0.08 per month may be distributed later if sufficient dividends on shares are declared subsequently, whereupon the maximum permitted dividend shall be EUR 0.08. Record dates for payment of dividends shall be the last business day in each month, or such day that the general meeting (or the board of directors decides based on an authorization granted by the general meeting) decides.

The new Common shares of class D will entitle to dividends the first time on the first record date for dividends occurring after that the issue has been registered with the Swedish Companies Registration Office and in the Company's share register kept by Euroclear Sweden, as well as for the following periods, provided that any dividend is declared.

The dividend on Common shares of class D that is payable following the first time Common shares of class D are issued by the Company shall correspond to the accrued dividend amount that the owner should have been entitled to if Common shares of class D had been held already at the time of the record date in April 2022.

The table set out below shows total dividends as declared by the annual general meeting of Cibus, financial years encompassed by the historical financial information in the Prospectus.

General meeting	Declared dividend per share	Total declared dividends, EUR
Annual general meeting held on 15 April 2021	0.94 EUR (0.78 EUR based on the number of shares in the Company as of the date of the Prospectus)	EUR 37,600,000
Extraordinary general meeting held on 14 September 2020	0.67 EUR (0.52 EUR based on the number of shares in the Company as of the date of the Prospectus)	EUR 25,004,400
Annual general meeting held on 24 April 2020	0.22 EUR (0.17 EUR based on the number of shares in the Company as of the date of the Prospectus)	EUR 8,210,400

### Central securities depository

The Company's shares are registered in a central securities depository register in accordance with the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479). This register is maintained by Euroclear, Box 191, SE-101 23 Stockholm. No share certificates have been issued for the Company's shares. The account operator is Euroclear.

### Share capital development

The following table presents the changes to the Company's share capital for the period encompassed by the historical financial information in the Prospectus, including any known changes after that date.

Registration date	Event	Number of shares		Share capital (EUR)		Subscription price
		Difference	Total	Difference	Total	
25 March 2022	New share issue	4,400,000	48,400,000	44,000	484,000	SEK 217.00
9 December 2021	New share issue	2,000,000	44,000,000	20,000	440,000	SEK 246.00
30 November 2021	New share issue	2,000,000	42,000,000	20,000	420,000	SEK 189.37
3 December 2020	New share issue	2,680,000	40,000,000	26,800	400,000	SEK 156.00
5 Mars 2020	New share issue	6,220,000	37,320,000	62,200	373,200	SEK 142.50
31 January 2018	Reduction <sup>1)</sup>	-6,000,000	31,100,000	-60,000	311,000	–
31 January 2018	New share issue	31,100,000	37,100,000	311,000	371,000	EUR 10.00
23 November 2017	New formation	–	6,000,000	–	60,000	–

<sup>1)</sup> Reduction of the share capital by retirement of shares. The purpose of the reduction was repayment to the shareholders.

The board of directors of the Company is not aware of any shareholders' agreement or any other agreement between the Company's shareholders, aiming at creating a common influence over the Company. Also, the board of directors of the Company is not aware of any agreements or similar that may result in a change of control of the Company.

## Convertibles, warrants, etc.

As of the date of the Prospectus, the Group has three outstanding incentive programs for employees and key personnel with the purpose of ensuring consistent incentives between shareholders and the persons operating in the Company, which are described in more detail below. As of the date of this Prospectus the Company, except for what is described below, does not have any outstanding warrants, convertibles or other financial instruments that, if exercised, could entitle the holder to subscribe for shares or otherwise affect the Company's share capital.

If all the warrants held or may be subscribed for by the holders of warrants are exercised in full in order to subscribe for new shares, the total number of shares will increase by 466,600 shares, and the share capital will increase by EUR 4,666, which means a deviation of 0.96 per cent, based on the number of shares as of the date of the Prospectus.

### Warrant Programme 2019

At the annual general meeting on 11 April 2019, a resolution was taken to initiate a warrant programme allotting 186,600 warrants to CEO Sverker Källgård. Each warrant entitles the holder to subscribe for one new share in the Company. All warrants were subscribed for and are being held by Sverker Källgård. The subscription price was set at the average price for the Cibus share on 16 – 29 May 2019 and amounts to EUR 10.70 per share. Subscription may take place no earlier than 15 April 2022 and no later than 15 June 2023, and during the following periods: 15 April 2022 – 15 June 2022, 15 August 2022 – 15 September 2022, 15 October 2022 – 15 December 2022, 15 January 2023 – 15 March 2023 and 15 April 2023 – 15 June 2023. The purpose of the warrant programme is to strengthen the connection between the CEO and created shareholder value.

If all warrants held by the holder of the warrants are exercised in order to subscribe for new shares, the total number of shares will increase by 186,600 shares, and the share capital will increase by EUR 1,866 which means a dilution of 0.39 per cent, based on the number of shares as of the date of the Prospectus.

### Warrant Programme 2020

The annual general meeting of 24 April 2020 resolved to initiate a warrant programme comprising 160,000 warrants for Cibus' management, excluding the Company's CEO. Each warrant entitles the holder to subscribe for one new share in the Company. All warrants were subscribed for and are being held by senior executives. The subscription price was set at the average price for the Cibus share on 18 – 25 May 2020 and amounts to EUR 12.20 per share. Subscription may take place no earlier than 17 April 2023 and no later than 14 June 2024, and during the following periods: 17 April 2023 – 16 June 2023, 14 August 2023 – 15 September 2023, 16 October 2023 – 15 December 2023, 15 January 2024 – 15 mars 2024 and 15 April 2024 – 14 June 2024. The purpose of the warrant programme, and the reason for deviating from the shareholders' preferential rights, is to strengthen the link between the work of the management team and created shareholder value.

If all warrants held by the holder of the warrants are exercised in order to subscribe for new shares, the total number of shares will increase by 160,000 shares, and the share capital will increase by EUR 1,600 which means a dilution of 0.33 per cent, based on the number of shares as of the date of the Prospectus.

### Warrant programme 2021

The annual general meeting of 15 April 2021 resolved to initiate a warrant programme comprising 120,000 warrants for Cibus' management, excluding the Company's CEO. Each warrant entitles the holder to subscribe for one new share in the Company. All warrants were subscribed for and are being held by senior executives. The subscription price was set at the average price for the Cibus share on 18 – 28 June 2021 and amounts to EUR 20.00 per share. Subscription may take place no earlier than 15 April 2024 and no later than 9 June 2025, and during the following periods: 15 April 2024 – 10 June 2024, 12 August 2024 – 16 September 2024, 14 October 2024 – 9 December 2024, 13 January 2025 – 10 mars 2025 and 14 April 2025 – 9 June 2025. The purpose of the warrant programme, and the reason for deviating from the shareholders' preferential rights, is to strengthen the link between the work of the management team and created shareholder value.

If all warrants held by the holder of the warrants are exercised in order to subscribe for new shares, the total number of shares will increase by 120,000 shares, and the share capital will increase by EUR 1,200 which means a dilution of 0.25 per cent, based on the number of shares as of the date of the Prospectus.

However, subscription of shares may not take place during such period when trading with the shares in Cibus is prohibited pursuant to Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (the Market Abuse Regulation), or any corresponding legislation applicable at the relevant point in time.

## Ownership structure

The table below shows the Company's ten largest shareholders as of the date of the Prospectus. The Company is not, directly or indirectly, owned or controlled by any party.

Shareholder	Number of shares and votes	Per centage of the number of shares and votes
Fjärde AP-fonden	3,664,813	7.57
Columbia Threadneedle	2,873,283	5.94
AB Sagax	2,776,973	5.74
Dragfast AB	1,879,000	3.88
Marjan Dragicevic	1,620,000	3.35
Länsförsäkringar Fonder	1,354,474	2.80
BlackRock	1,282,290	2.65
Avanza Pension	1,220,871	2.52
Sensor Fonder	1,096,000	2.26
Vanguard	575,409	1.19
<b>Total ten largest shareholders</b>	<b>18,343,113</b>	<b>37.90</b>
Other shareholders	30,056,887	62.10
<b>Total</b>	<b>48,400,000</b>	<b>100.00</b>

## Admission to trading of the Company's Common share of Class D on Nasdaq Stockholm

Through the Bonus Issue, Common shares of class D are issued. The board of directors of Cibus has applied for the Company's Common shares of class D to be admitted to trading on Nasdaq Stockholm, once the Bonus Issue is carried out. The Company's Common share of class D will be traded under the ticker "CIBU D", provided that the application is approved. The expected first day of trading in Common shares of class D on Nasdaq Stockholm is 13 May 2022. Nasdaq Stockholm is a regulated market as defined in the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.



# Articles of association<sup>1</sup>

Articles of association for Cibus Nordic Real Estate AB (publ), reg. No. 559135-0599, proposed to be adopted at the annual general meeting held on 20 April 2022.

## § 1 Name of the Company

The name of the company is Cibus Nordic Real Estate AB (publ). The company is a public limited company.

## § 2 Registered office

The registered office of the company is situated in Stockholm.

## § 3 Objectives of the company

The company shall directly or indirectly own and manage intangible property whose main orientation is trade.

## § 4 Share capital

The share capital shall be not less than EUR 550,000 and not more than EUR 2,200,000.

## § 5 Shares

The number of shares shall be not less than 55,000,000 and not more than 220,000,000.

Shares may be issued in two classes, common shares of class A and common shares of class D. Common shares of class A and common shares of class D will hereafter jointly be referred to as shares.

Each common share of class A entitles the holder to one (1) vote at general meetings and each common share of class D entitles the holder to one-tenth (1/10) of a vote at general meetings. Each class of shares may be issued in an amount corresponding to a maximum of 100 per cent of the share capital.

## Share profit distribution

All shares shall have the same rights to dividend without preferential rights in relation to each other. If any dividend is declared, common shares of class D are entitled to five (5) times the total dividend on common shares of class A, however, no more than EUR 0.08 per share and month.

If the dividend on common share of class D is lower than EUR 0.08 per share, the maximum permitted dividend of EUR 0.08 shall be increased so that the shortfall up to EUR 0.08 per month may be distributed later if sufficient dividends on shares are declared subsequently, whereupon the maximum permitted dividend shall be EUR 0.08. Record dates for payment of dividends shall be the last business day in each month, or such day that the general meeting (or the board of directors based on an authorization granted by the general meeting) decides.

The dividend on common shares of class D that is payable following the first time common shares of class D are issued by the company shall correspond to the accrued divided amount that the owner should have been entitled to if common shares of class D had been held already at the time of the record date in April 2022.

## The company's dissolution

Upon dissolution of the company, all shares will have the same right to distribution proceeds. However, common shares of class D will be entitled to no more than eleven (11) EUR per share.

## Shares issues

For new share issues paid in cash or via offset, shareholders have pre-emption rights to the new shares in the following way: old shares shall entitle the holder to pre-emption rights on new shares of the same class; any shares not subscribed for by such eligible shareholders will be offered to all holders of shares and, in instances where the entire number of shares are not subscribed for via the latter offer, the shares will then be distributed amongst holders in relation to the number of shares they owned before and, to the extent that this is not possible, through lottery.

For new share issues paid in cash or via offset of only one class of shares, shareholders have pre-emption rights to the new shares in relation to the number of shares they owned before.

For issues of warrants in exchange for cash or via offset, shareholders have pre-emption rights to subscribe for warrants as if the issue pertained to the shares that could possibly be newly subscribed for because of the warrant. Likewise, for issues of convertibles in exchange for cash or via offset, shareholders have pre-emption right to subscribe for convertibles, as if the issue pertained to the shares that the convertibles could possibly be exchanged for.

The above provisions shall not in any way limit the ability to make decisions on issues of shares, warrants or convertibles with deviation from the shareholders' preferential rights.

An increase in share capital through a bonus issue may, when common shares of both class A and class D are outstanding, only occur through the issuance of common shares of class A and common shares of class D. The interrelationship between the common shares of class A and common shares of class D that were issued by the bonus issue and the previously issued common shares of class A and common shares of class D shall remain unchanged. The bonus shares shall be distributed amongst shareholders according to the number of shares of the same share type that they owned before. The foregoing shall not impose any restriction on the possibility of, via a bonus issue or requisite change to the articles of association, issue shares of a new class.

## § 6 The board of directors

The Board of Directors shall be comprised of at least three (3) and at most eight (8) members, with no deputies.

## § 7 Auditor

For the review of the company's annual report and the administration of the board of directors and the CEO, one auditor or one registered accounting firm shall be appointed.

## § 8 Right to attend a general meeting

In order to attend the meeting, shareholders must notify the company of their intention to participate at the latest on the day indicated in the announcement of the meeting. This latter date shall not be a Sunday, other public holiday, Saturday, Midsummers Eve, Christmas Eve or New Year's Eve and shall not be earlier than five working days before the meeting.

Shareholders may be accompanied by one or two assistants at the meeting provided that the shareholder has notified the company hereof in accordance with the above paragraph.

<sup>1</sup>N.B. this is an unofficial translation.

#### **§ 9 Notice to general meeting**

Notice to attend general meetings shall be published in Post- och Inrikes Tidningar (the Swedish Official Gazette) and be kept available on the company's website. At the time of the notice, an announcement with information that the notice has been issued shall be published in Svenska Dagbladet.

#### **§ 10 Annual general meeting**

The following matters shall be addressed at the annual general meeting:

1. Election of a chairman of the meeting.
2. Preparation and approval of the voting register.
3. Election of one or more persons to attest the minutes.
4. Determination of whether the meeting was duly convened.
5. Approval of the proposed agenda.
6. Presentation of the annual report and auditor's report and, where applicable, the consolidated financial statements and auditor's report for the group.
7. Resolutions regarding:
  - a. Adoption of the income statement and balance sheet and, where applicable, the consolidated income statement and consolidated balance sheet;
  - b. Allocation of the company's profit and loss according to the adopted balance sheet and, when applicable, the adopted consolidated balance sheet;
  - c. Discharge from liability for board members and the managing director.
8. Determination of fees for the board of directors and the auditors.
9. Election of:
  - a. Board members;
  - b. Auditors and alternates when applicable.
10. Any other business incumbent on the meeting according to the Companies Act or the articles of association.

#### **§ 11 Financial year**

The Company's financial year shall be 1 January - 31 December.

#### **§ 12 Central security depository clause**

The Company's shares shall be registered with a central security depository register, pursuant to the Swedish financial instruments accounts act (SFS 1998:1479).

#### **§ 13 Voting by post**

The board of directors may resolve, ahead of a general meeting of shareholders, that the shareholders shall be entitled to exercise their voting rights by post prior to the general meeting.

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**These articles of association were adopted by the annual general meeting on 20 April 2022**

# Legal considerations and supplementary information

## Approval of the Prospectus

The Prospectus has been approved by the SFSA, as the national competent authority under the Regulation (EU) 2017/1129. The SFSA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Regulation (EU) 2017/1129. Such approval from the SFSA should not be considered as an endorsement of the quality of the Company or of the securities that are subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

This Prospectus has been prepared in connection with the admission to trading of 12,100,000 Common shares of class D that will be issued through the Bonus Issue. The Common shares of class D are subject to application for admission to trading on Nasdaq Stockholm. The Prospectus does not contain an offer to subscribe for or otherwise acquire shares or other financial instruments in Cibus either in Sweden or in any other jurisdiction.

## General company information

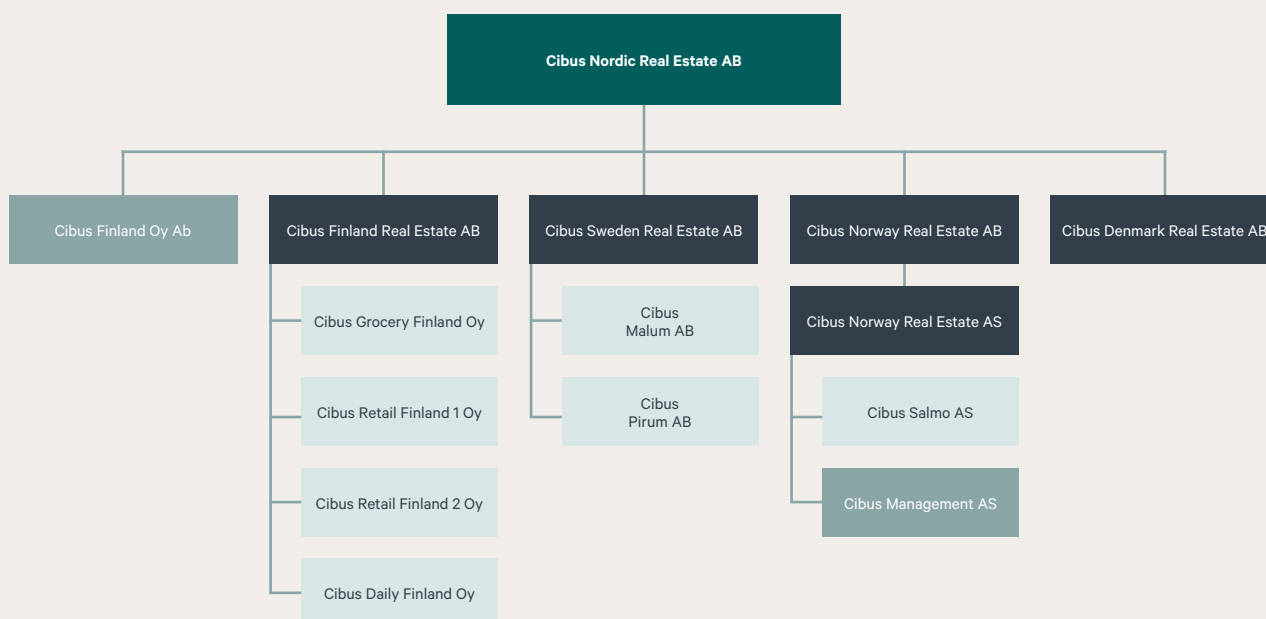
Cibus Nordic Real Estate AB (publ) is a Swedish public limited liability company that was formed in Sweden and registered with the Swedish Companies Registration Office on 23 November 2017. Bolagsrätt Sundsvall AB founded the Company. The Company's name was registered on 19 February 2018. Cibus corporate registration number is 559135-0599 and the registered seat is located in Stockholm municipality, Stockholm county. The Company operates in accordance with the Swedish Companies Act (2005:551). The Company's Legal Entity Identifier (LEI) code is 549300PW36MFK96GCR23. The address of the Company's head office is Kungsgatan 56, SE-111 22 Stockholm, Sweden, and the Company can be reached by telephone at +46(0) 708 580 453. The Company's website is [www.cibusnordic.com](http://www.cibusnordic.com). The information on the Company's website does not form part of this Prospectus, unless incorporated by reference to the Prospectus.

## Legal group structure

Cibus Nordic Real Estate AB is the parent company of the Group. Cibus Sweden Real Estate AB, corporate registration number 559229-6643, Cibus Denmark Real Estate AB, corporate registration number 559318-4616, Cibus Norway Real Estate AB, corporate registration number 559332-0509, Cibus Finland Real Estate AB, corporate registration number 559121-3284 and Cibus Finland Oy Ab, corporate registration number 3003070-2 are directly owned subsidiaries. Cibus Sweden Real Estate AB holds the shares in Cibus Malum AB, corporate registration number 559229-6650 and Cibus Pirum AB, corporate registration number 559289-0015. Cibus Finland Real Estate AB holds the shares in Cibus Grocery Finland Oy, Cibus Retail Finland 1 Oy, Cibus Retail Finland 2 Oy and Cibus Daily Finland Oy. Cibus Norway Real Estate AB holds the shares in Cibus Norway Real Estate AS and Cibus Management AS.

All properties are owned by Cibus' subsidiaries. The business is conducted by Cibus' subsidiaries and all of the Group's assets and revenues refer to the Company's indirect subsidiaries, and the Company is thus dependent on these subsidiaries to generate revenue and profit.

As of 31 December 2021, the Group comprised 376 Swedish, Norwegian and Finnish subsidiaries, of which 147 are Swedish limited companies, 18 Norwegian companies, and 211 Finnish companies, including 50 MRECs (mutual real estate companies). A simplified legal group chart is presented below.



## Material agreements

During the two-year period prior the date of the Prospectus, the Company has not entered into any material agreements outside the Company's normal business operations or that otherwise implicate a right or obligation that is material to the Group as a whole.

## Agreements with tenants

Cibus is party to a large number of leases. The most important tenants consist of grocery stores in Finland, Sweden and Norway. The typical lease contains a renewal option clause allowing the tenant to renew the lease, generally for three or five years. This occurs in most cases. Since the options are generally exercised, and approximately the same number of leases are extended each year, average lease terms have been relatively stable over time. As of 31 December 2021, the weighted average unexpired lease term (WAULT) in the portfolio was 5.0 years.

## Litigations and Governmental proceedings

The Company is not, and has not during the last twelve-month period, been party to any material administrative proceedings, legal proceedings, arbitration proceedings or settlement proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had in the recent past significant effects on the Company's financial position or profitability.

## Intellectual property rights

### Figurative mark

The Company has applied for trade mark protection regarding the figurative mark "CIBUS". The Company does not hold any intellectual property rights that are assessed to be material to the Company's business.

## Insurances

As of the date of the Prospectus, Cibus believes that its insurance cover is satisfactory with regard to the nature and scope of its operating activities. However, the Company cannot guarantee that any claims directed against the Group will be covered by existing insurances or that the Group's insurance will be renewable at the same terms and costs as previously possible.

## Related-party transactions

For information regarding related-party transactions performed during the period encompassed by the historical financial information in the Prospectus, please refer to each note respectively, in the Company's financial reports as below.

- Regarding the financial year 2021, note 21 in the audited annual report for the financial year 2021;
- Regarding the financial year 2020, note 22 in the audited annual report for the financial year 2020;
- Regarding the financial year 2019, note 22 in the audited annual report for the financial year 2019;

The financial reports referred to above, have been incorporated by reference to the Prospectus, please refer to the section "Documents incorporated by reference".

No related party transactions have occurred in the Company as of 31 December 2021 until the date of the Prospectus.

## Interests regarding the Admission

The Company believes that there are no material conflicts of interest regarding the Admission.

## Costs related to the Bonus Issue and the Admission

The Company's costs in connection with the Bonus Issue and the Admission are estimated to amount to approximately EUR 385 thousand, corresponding to approximately SEK 4 million. The costs are mainly related to legal advice and auditors.

Roschier Advokatbyrå AB is legal counsel in connection with the Bonus Issue and Admission, for which customary remuneration will be paid. The legal advisor has also, from time to time, provided, and may in the future provide, the Company with legal advice within the scope of the daily operations in connection with other transactions.

## Tax consequences for investors

Investors should note that the tax legislation in Sweden or in another state to which the investor has a connection or in which the investor is domiciled for tax purposes may impact how the proceeds from the securities is taxed. Each shareholder should, individually, obtain tax advice to ascertain the tax consequences which may arise based on the shareholder's specific situation, including the applicability of foreign legislation, agreements and treaties. For more information, please refer to the section "Tax considerations in Sweden".

## Websites mentioned in the Prospectus

Information on the Company's website, or other references to websites provided in the Prospectus, do not form part of the Prospectus and has not been reviewed or approved by the SFSA unless explicitly stated that this information is incorporated in the Prospectus through references, please refer to the section "Documents incorporated through reference".

## Documents available for inspection

The following documents are available on the Company's head office, weekdays during business hours, and on the Company's website, [www.cibusnordic.com](http://www.cibusnordic.com), for the period during which the Prospectus is valid:

- 1) The Company's articles of association and certificate of registration;
- 2) The Company's audited financial reports for the periods encompassed by the historical financial information in the Prospectus;
- 3) The valuation certificates found on page 30–40 in the Prospectus; and
- 4) The Prospectus.

# Documents incorporated by reference

The parts in the documents set out below forms part of the Prospectus and shall be incorporated by reference. The non-incorporated parts of the documents are deemed by the Company either not relevant for the investor or are included elsewhere in the Prospectus. Copies of the Prospectus and of the documents incorporated by reference may be obtained from the Company electronically via the Company's website, [www.cibusnordic.com](http://www.cibusnordic.com), or may be obtained from the Company in paper format at the Company's office. The address of the Company is found at the end of the Prospectus.

<b>Annual report 2021</b>	<b>Page reference</b>
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Cibus annual report for the financial year 2021 is available on the following link:

[https://www.bequoted.com/bolag/cibus/download/?file=annual-report-2021-94246/Cibus\\_Annual\\_Report\\_2021.pdf](https://www.bequoted.com/bolag/cibus/download/?file=annual-report-2021-94246/Cibus_Annual_Report_2021.pdf)

<b>Annual report 2020</b>	<b>Page reference</b>
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Cibus annual report for the financial year 2020 is available on the following link:

[https://www.bequoted.com/bolag/cibus/download/?file=annual-report-2020-84290/Annual\\_report\\_2020.pdf](https://www.bequoted.com/bolag/cibus/download/?file=annual-report-2020-84290/Annual_report_2020.pdf)

<b>Annual report 2019</b>	<b>Page reference</b>
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Cibus annual report for the financial year 2019 is available on the following link:

[https://www.bequoted.com/bolag/cibus/download/?file=annual-report-2019-75654/Cibus\\_Annual\\_report\\_2019.pdf](https://www.bequoted.com/bolag/cibus/download/?file=annual-report-2019-75654/Cibus_Annual_report_2019.pdf)



# Tax considerations in Sweden

*Below is a summary of certain Swedish tax consequences that may arise for unlimited tax liable Swedish individual shareholders and limited liability company (Sw. aktiebolag) shareholders unless otherwise stated in relation to the proposed issuing of Common shares of class D through a bonus issue. The analysis is not exhaustive and does not, for example, generally cover (i) securities acquired by trading companies (Sw. handelsbolag) or securities held as inventory assets, (ii) the special rules for tax-free dividends and capital gains, including a ban on deductions for capital losses, in the corporate sector that may apply when shareholders hold shares that are classified as business-related under the Swedish participation exemption regime, (iii) the special rules that may apply to holding companies that are or have been closely-held companies (Sw. fåmansföretag) or securities acquired on the basis of qualified shares in closely-held companies, (iv) shares held in an investment savings account (Sw. investeringssparkonto) or endowment insurance (Sw. kapitalförsäkring), (v) or relates to a shell company (Sw. skalbolag) as defined in tax legislation. Special legislations apply for special situations where shares are held by investment companies as defined in the tax legislation, insurance companies or investment funds (Sw. värdepappersfonder, försäkringsbolag and specialfonder) and these rules are not included in this summary. Nor does the summary cover the regulations in relation to foreign taxes. Overall, it is recommended that investors consult their own tax advisor for more detailed advice on the tax implications based on their specific facts and circumstances, including the applicability and effect of foreign rules and tax treaties.*

## Shareholders with unlimited tax liability in Sweden

In this case, “unlimited tax liability” refers to shareholders who are (a) an individual owner who is resident or has habitual abode in Sweden or who has been resident in Sweden and has an essential connection with Sweden, or (b) any limited liability company incorporated in Sweden or due to its registered office or such circumstance is deemed to constitute a Swedish legal entity.

### Natural persons with unlimited tax liability in Sweden

#### Shares received through the Bonus Issue

Natural persons will not be taxed for shares received through the Bonus Issue.

#### Taxation of capital gains and capital losses upon divestment

Divestments of publicly listed shares or other financial instruments may trigger a capital gain or capital loss. Capital gains are subject to Swedish income tax at a 30 percent tax rate. The capital gain or capital loss is calculated as the difference between the sales price, after deduction of expenses relating to the divestment, and the acquisition cost. The sales price is the compensation received less sales costs.

The acquisition cost for shares of the same class and type is calculated by applying the average method. It should be noted that Common shares of class A are not considered to be the same class and type as Common shares of class D and that the acquisition cost for these shares will be calculated separately. As the shares received by the shareholders through the Bonus Issue (Common shares of class D) is of a different class than the shares previously held, the acquisition cost for the received Common share of class D will be SEK 0. The acquisition cost for the previously held shares is not affected by the Bonus Issue. By divestment of publicly listed shares, the standard method could alternatively be applied to calculate the acquisition cost, whereby the acquisition cost would be 20 percent of the received consideration from the sale of the share less transaction costs relating to the disposal.

A capital loss on listed shares or other securities can be fully deducted against capital gains on listed shares or other securities the same year, except for shares in investment companies and investment funds that only contain Swedish receivables (fixed income investment funds). Capital losses not absorbed by these set-off rules are deductible at 70 percent against other forms of capital income. To the extent a capital loss cannot be offset against capital gains, a tax reduction is allowed against municipal and state income tax. A tax reduction is allowed at a rate of 30 percent of the portion of the capital loss that does not exceed SEK 100,000 and 21 percent of the remaining portion. Any excess net loss cannot be carried forward to future tax years.

#### Excess bonus share rights

A sale of the bonus share rights will be seen as a sale in accordance with the above, i.e. the payment for the bonus share rights will be treated as a capital gain or capital loss. The acquisition cost for the bonus share rights will be SEK 0.

#### Change of name and ISIN code

The name change of the current share and subsequent change of the ISIN code is an administrative procedure and should not in itself trigger any tax consequences as no transfer of value occurs between shareholders due to this change.

#### Taxation of dividends

Dividends to natural persons on shares are taxed as capital income at a 30 percent tax rate. Euroclear, or in the case of nominee-registered shares, by the nominee, generally carries out the deduction of preliminary taxes on dividends to natural persons resident in Sweden.

### **Natural persons with limited tax liability**

Natural persons who are subject to limited tax liability in Sweden, are normally not taxed in Sweden for capital gains from the sale of such securities. However, such persons may be subject to taxation in their state of residence. According to a special tax rule, however, shareholders may be subject to Swedish taxation if they have at some point during the divestment year or the previous ten calendar years resided or permanently resided in Sweden. The applicability of this rule may be limited by tax treaties between Sweden and other countries. In order for the rule to be applicable, the relevant shares must have been acquired while the shareholder was resident or permanently resident in Sweden.

### **Limited liability companies with unlimited tax liability in Sweden**

#### **Shares received through the Bonus Issue**

Limited liability companies will not be taxed for shares received upon the Bonus Issue.

#### **Taxation on capital gains and capital losses upon divestment and dividends**

Limited liability companies are generally subject to a 20.6 percent corporate tax on any profit from the disposal of shares or other securities as well as dividends as capital gain. Capital gains and capital losses are calculated in accordance with the same principles as described above for natural persons. Capital losses on shares may only be deducted against taxable capital gains on shares and similar instruments. To the extent a capital loss cannot be offset against capital gains, a tax reduction is allowed against capital gains on shares or other securities within a tax group (Sw. "*koncernbidragsrätt*"). A capital loss that cannot be utilized in a certain year may be saved and set off against taxable capital gains on shares and other co-ownership rights during subsequent tax years without any time limit.

#### **Excess bonus share rights**

A sale of the bonus share rights will be seen as a sale in accordance with the above, i.e. the payment for the bonus share rights will be treated as a capital gain or capital loss. The acquisition cost for the bonus share rights will be SEK 0.

#### **Change of name and ISIN code**

The name change of the current share and subsequent change of the ISIN code is an administrative procedure and should not in itself trigger any tax consequences as no transfer of value occurs between shareholders due to this change.

### **Shareholders with limited tax liability in Sweden**

#### **Taxation upon divestment of shares**

Shareholders and holders of other securities who are subject to limited tax liability in Sweden and whose holdings are not attributable to a permanent establishment in Sweden, are normally not taxed in Sweden for capital gains from the sale of such securities. According to a special tax rule, however, natural persons who are subject to limited tax liability in Sweden may be subject to Swedish taxation on the sale of certain securities (e.g. shares) if they have at some point during the divestment year or the previous ten calendar years resided or permanently resided in Sweden. The applicability of this rule may be limited by tax treaties between Sweden and other countries. In addition to any Swedish taxation, a sale of shares or other securities may result in taxation in the holder's state of residence.

#### **Excess bonus share rights**

A sale of the bonus share rights will be seen as a sale in accordance with the above, i.e. the payment for the bonus share rights will be treated as a capital gain or capital loss. The acquisition cost for the bonus share rights will be SEK 0.

#### **Change of name and ISIN code**

The name change of the current share and subsequent change of the ISIN code is an administrative procedure and should not in itself trigger any tax consequences as no transfer of value occurs between shareholders due to this change.

#### **Taxation of dividends**

Shareholders who are subject to limited tax liability in Sweden and who receive dividends on shares in a Swedish limited liability company, are normally liable to Swedish withholding tax. The tax rate is 30 percent. However, if a tax treaty is applicable the tax rate is generally reduced. Most of Sweden's tax treaties include clauses to reduce the Swedish withholding tax to the treaty rate at the time of the dividend if sufficient information about the person entitled to the dividend is available. In Sweden, the deduction for withholding tax is normally executed by Euroclear, or in the case of nominee-registered shares, by the nominee. In cases where 30 percent coupon tax has been withheld when paying to a person who is entitled to be taxed at a lower tax rate, or too much coupon tax has otherwise been withheld, a refund can be requested from the Swedish Tax Agency before the end of the fifth calendar year after the dividend.

# Addresses

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