

Cibus
Converting food into yield

Year-end report

1 January 2019 – 31 December 2019



Cibus year-end report

1 JANUARY – 31 DECEMBER 2019

SUMMARY OF THE PERIOD

Q4 2019 (compared with Q4 2018)

- Rental income amounted to EUR 13,170 thousand (12,409)
- Net operating income totalled EUR 12,559 thousand (11,355)
- Profit from property management was EUR 6,984 thousand (7,530)
- Profit for the period amounted to EUR 5,645 thousand (6,848), corresponding to EUR 0.2 (0.2) per share. Unrealised changes in value of investment properties are included in the profit with EUR 33 (2,029) thousand

Full-year 2019 (compared with full-year 2018)

- Rental income amounted to EUR 51,530 thousand (39,733)
- Net operating income totalled EUR 48,618 thousand (37,521)
- Profit from property management was EUR 28,667 thousand (22,871)
- Profit for the period amounted to EUR 30,279 thousand (46,267), corresponding to EUR 1.0 (1.5) per share. Unrealised changes in value of investment properties are included in the profit with EUR 7,034 (32,270) thousand

SIGNIFICANT EVENTS DURING THE PERIOD

On 16 October, it was announced that the Nomination Committee in preparation for the Annual General Meeting had been appointed.

On 4 December, Cibus acquired three properties in Finland. These are leased to Tokmanni on long-term contracts.

On 12 December, Lauri Tiensuu was appointed CIO Finland. He will be responsible for the investment activities in Finland. Lauri Tiensuu began working at Cibus on 7 January 2020.

On 18 December, Cibus called an Extraordinary General Meeting. The Meeting was held at 9:30 am on 23 January at Cibus' premises at Kungsgatan 56, in Stockholm.

On 20 December, Cibus signed an agreement to acquire a property in Pargas Finland. The property is under construction, with Cibus scheduled to take possession in May 2020. The property will be leased to the S Group and Lidl on long-term contracts.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

An Extraordinary General Meeting was held on 23 January 2020. The Meeting resolved to mandate the Board of Directors to approve a new share issue, with or without preferential rights for existing shareholders, corresponding to at most 20% of the number of shares outstanding. It was also resolved that any new shares be eligible for dividends. For further information, see Cibus' website www.cibusnordic.com.

DIVIDEND 2019/2020

The Annual General Meeting on 11 April 2019 resolved that dividends to be paid in a total amount of EUR 0.84 per share, which corresponds to a yield of 6.0% based on the share price at 31 December 2019. The dividend is to be paid on a quarterly basis, with the first dividend payment amounting to EUR 0.20 per share, the second to EUR 0.21 per share, the third to EUR 0.21 per share and the fourth to EUR 0.22 per share. To convey entitlement to dividends, the final trading dates by which shares must have been purchased 18 June 2019, 19 September 2019, 27 December 2019 and 20 March 2020. The planned payment dates are 28 June 2019, 30 September 2019, 10 January 2020 and 31 March 2020. For further information regarding dividends, please see www.cibusnordic.com/investors/the-share/dividend-calendar/.

As of the date of publication of this report, the Board of Directors of Cibus Nordic does not have a final proposal for resolution on dividends for the 2019 financial year to recommend to the Annual General Meeting. It is, however, the intention of the Board of Directors to adhere to Cibus' dividend policy and to recommend that the dividend be raised by slightly more than 5% to a total EUR 0.89 per share for the 2019 financial year, to be paid out over a 12-month period following the Annual General Meeting. A complete proposed resolution will be published prior to the announcement of the Annual General Meeting.

KEY FIGURES¹

	Q4 2019	Q4 2018	Full-year 2019	Full-year 2018
No. of properties	142	132	142	132
Lettable area, thousand sq.m.	506	472	506	472
Market value of properties, EUR million	874.8	816.5	874.8	816.5
NOI, current earnings capacity, EUR million	50.7	48.2	50.7	48.2
Equity ratio, %	36.5	38.8	36.5	38.8
Senior debt LTV ratio, %	46.1	43.4	46.1	43.4
Net debt LTV ratio, %	58.7	58.4	58.7	58.4
Interest coverage ratio, multiple	3.3	3.3	3.4	3.3
Adjusted EPRA NAV/share, EUR	11.4	11.1	11.4	11.1
Approved dividend per share paid for the period, EUR	0.21	0.20	0.82	0.40

¹Refer to page 27 for alternative performance measures and definitions.

By acquiring, refining and developing our properties in the food, grocery and daily-goods segments, we provide a stable and increasing dividend, irrespective of economic fluctuations, to our shareholders.



Growth and favourable returns

CEO'S COMMENTS



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“We perceive many opportunities ahead, both in Finland and the other Nordic countries, and we enter the new financial year with great enthusiasm.”

— Sverker Källgård, CEO

SUSTAINABLE MARKETPLACES AS A BUSINESS CONCEPT

Cibus is driven by the conviction that the decisions we make regarding our property portfolio can contribute to responsible social development. In our acquisitions and management of properties, we seek to foster sustainable development, both for our tenants, as well as for vibrant local communities, and for this to contribute to a favourable long-term profit trend for our shareholders. For Cibus, sustainability entails helping create accessible and climate-smart marketplaces for end-consumers. We achieve this alongside our anchor tenants, who are leading players in the food, grocery and daily-goods segment in Finland. A good example of this is a project in progress with Tokmanni, in which we make the roofs of our properties available for installation of solar panels. Today, 12 properties have solar panels and three more will have them installed in early 2020.

GROWTH TARGET FOR 2019 MET AND 2020 BEGINS WELL

During the quarter, four new properties were acquired in Finland, three with Tokmanni as the tenant and a fourth is under construction with S Group and Lidl as tenants. Cibus is scheduled to take possession of the latter of these properties in the second quarter of 2020. With the three Tokmanni acquisitions, we also achieved our annual growth target of EUR 50 million for 2019 and the property currently under construction sees the start of our growth in 2020.

MARKET

We continue to see Finland as a highly attractive market. We are well established there and are the self-evident purchaser of properties in the food, grocery and daily-goods segments in that country. To strengthen the Finnish organisation, we have recruited Lauri Tiensuu as CIO for Finland and responsible for continuing our expansion there. Lauri Tiensuu began working at Cibus in January 2020.

We are now monitoring the rest of the Nordic market continuously and we are now seeing attractive items come on the market, particularly in Sweden. The Swedish market is similar to the Finnish market in many respects. New shops being built in growth regions are coming up for sale, and small and medium-sized portfolios of grocery stores are also appearing on the market.

SHAREHOLDER VALUE

It is encouraging that people are increasingly becoming aware of Cibus' business concept and appreciate our stable and favourable return combined with good growth. We are proud to have welcomed more than 6,000 new shareholders to Cibus in 2019. In 2020, we will continue building a strong Cibus, developing our organisation with the ambition of transferring the Company to the main list of the stock exchange. We perceive many opportunities ahead, both in Finland and the other Nordic countries, and we enter the new financial year with great enthusiasm.

Stockholm, 27 February 2020

Sverker Källgården



— Operations

Earnings capacity

The current earnings capacity for the coming 12 months is based on the property portfolio owned by Cibus as of 31 January 2020.

Current earnings capacity is not a forecast but should instead be considered a theoretical snapshot for the purpose of presenting income and expenses on an annual basis given the property holding, financing costs, capital structure and organisation at a given point in time. Earnings capacity does not include estimations for the forthcoming period regarding the development of rent, occupancy rate, property expenses, interest rates, changes in value or other items affecting earnings.

CURRENT EARNINGS CAPACITY, EUR THOUSAND

	31 Dec 2018	31 Mar 2019	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Jan 2020*	Change (Jan '20/Dec '18)
Rental income	51,100	51,100	53,350	53,350	54,110	54,350	
Property expenses	-2,900	-2,900	-3,450	-3,450	-3,450	-3,450	
Net operating income	48,200	48,200	49,900	49,900	50,660	50,900	6%
Central administration	-3,620	-3,620	-3,700	-3,700	-3,700	-3,700	
Net financial expenses**	-13,950	-13 594	-13,550	-13,550	-14,000	-14,100	
Profit from property management	30,630	30,986	32,650	32,650	32,960	33,100	8%
Profit from property management, EUR/Share	0.98	1.00	1.05	1.05	1.06	1.06	8%

*Includes all transactions where Cibus has taken possession of the property prior to and during January 2020. **In accordance with IFRS16, site leasehold fees are included among financial expenses for 2019. The comparative figures have been adjusted for comparability. Financial expenses include prepaid arrangement fees not affecting future cash flow.

The following information forms the basis for the estimated earnings capacity:

Rental income based on signed leases on an annual basis (including service charges and potential rental discounts) as well as other property-related income as of 31 December 2019 according to current lease agreements.

Property expenses based on a normal operating year with maintenance. Operating costs include property-related administration. Property tax is calculated based on the current tax values of the properties. Property tax included in the item "Property expenses".

Central administration costs are calculated based on the current organisation and the current size of the property portfolio.

COMMENTS REGARDING CURRENT EARNINGS CAPACITY

As of 31 January 2020, the earnings capacity for the next 12 months improved by 8% compared with the 12-month perspective as of 31 December 2018. This was a result of the acquisitions carried out by the Company since its listing, the refinancing of the Company's three bank loans, and rent increases due to indexation.

Financial development

PROFIT ANALYSIS JAN – DEC 2019

Income

Consolidated rental income for 2019 amounted to EUR 51,530 thousand (39,733). Service income totalled EUR 8,661 thousand (6,674) and consisted largely of re-invoiced expenses. The financial letting ratio was 94.7%. At 31 December 2019, the total annual rental value amounted to EUR 56,605 thousand.

Net operating income

The operating expenses for the reporting period totalled EUR 11,573 thousand (8,886) and net operating income amounted to EUR 48,618 thousand (37,521), resulting in a surplus ratio of 94%. As many leases are triple-net leases, whereby the tenants cover the majority of the expenses, net operating income is one of the most important comparative figures. Depending on the terms of the lease, expenses may be charged to tenants directly or via Cibus. This means that gross rents, expenses and service income may vary over time.

Net financial items

Net financial items amounted to an expense of EUR 14,826 thousand and consisted mainly of interest expenses for the period of EUR 12,175 thousand but also included arrangement fees, expenses for interest rate derivatives and site leasehold fees in accordance with IFRS 16. During the period, the secured loans were renegotiated on more favourable terms. In addition to secured loans, an unsecured bond has been issued in the amount of EUR 135 million. At the end of the period, average interest rate in the loan portfolio, including margins and expenses for interest rate hedging, was 2.4%.

Profit from property management

For the reporting period, profit from property management amounted to EUR 28,667 thousand (22,871), corresponding to EUR 0.9 per share (0.7).

Changes in property values

Including acquisitions, changes in property values amounted to EUR 58,335 thousand from the opening balance of EUR 816,478 thousand to the closing balance of EUR 874,813 thousand. Of the value changes, EUR 7,034 thousand was unrealised. During the period, disbursements for acquisitions of properties were made in the amount of EUR 51,947 thousand, while divestments brought in EUR 2,070 thousand. In addition, investments have been made in the properties for EUR 1,424 thousand.

Tax

The nominal rate of corporation tax in Finland is 20%. Through fiscal depreciation on the buildings and the utilisation of loss carryforwards, a low tax expense arose for the reporting period. The nominal rate of corporation tax in Sweden is 21.4%. The loss carryforwards are estimated at about EUR 6,173 thousand. Tax assets attributable to these loss carryforwards have been recognised in the consolidated balance sheet in an amount of EUR 1,304 thousand and in the Parent Company's balance sheet in an amount of EUR 1,059 thousand. Cibus recognised total tax for the reporting period of negative EUR 5,117 thousand, of which current tax and deferred tax amounted to negative EUR 543 thousand and negative EUR 4,574 thousand, respectively. A tax expense of TEUR 930 was charged to operating activities. The effective tax rate amounts to 14.4 %.

Net profit after tax

Profit for the period after tax amounted to EUR 30,279 thousand (46,267), corresponding to EUR 1.0 per share (1.5). Unrealised changes in value of investment properties are included in the profit with EUR 7,034 (32,270) thousand.

FOURTH QUARTER 2019

Consolidated rental income increased by 6% to EUR 13,170 thousand (12,409) in the fourth quarter of 2019. Net operating income increased by 11% to EUR 12,599 thousand (11,355).

Administration costs amounted to EUR 1,962 thousand (1,379). Administration costs were higher due to previously outsourced services being phased out during the quarter. We also incurred non-recurring costs of approximately EUR 0.5 million for the restructuring of the Group. The restructuring has been implemented to simplify the Group's structure, but also to facilitate internal transfers of funds by increasing internal unrestricted equity. Consolidated equity has not been affected, however. We also incurred items affecting comparability of approximately EUR 0.2 million during the quarter for the mapping of the other Nordic markets.

In Q4 last year, the company received insurance compensation for a burnt down property of TEUR 1,815. The item is under other operating income.

Net financial items for the fourth quarter amounted to an expense of EUR 3,613 thousand (4,261) and consisted mainly of interest expenses but also included limit fees, expenses for interest rate derivatives, prepaid arrangement fees and site leasehold fees in accordance with IFRS 16. Profit from property management for the fourth quarter was EUR 6,984 thousand (7,530), corresponding to EUR 0.2 per share (0.2).

Changes in property values amounted to EUR 33 thousand (2,029). Total tax amounted to EUR 1,077 thousand (2,333), of which current tax amounted to income of EUR 157 thousand (cost 203) and deferred tax to EUR 1,234 thousand (2,130). Current tax has been affected by the application of tax loss carryforwards during the quarter, resulting in a net income.

Net profit after tax for the fourth quarter amounted to EUR 5,645 thousand (6,848), corresponding to EUR 0.2 per share (0.2). Unrealised changes in value of investment properties are included in the profit with EUR 33 (2,029) thousand.

CASH FLOW AND FINANCIAL POSITION

Consolidated cash flow from operating activities amounted to EUR 27,101 thousand (21,384), corresponding to EUR 0.9 per share (0.7). Cash flow from investing activities was negative in the amount of EUR 51,362 thousand (negative 240,200) and mainly involved acquisitions of properties during the reporting period. Cash flow from financing activities amounted to EUR 23,465 thousand (244,358).

At the end of the period, cash and cash equivalents amounted to EUR 24,746 thousand (25,542), corresponding to EUR 0.8 per share (0.8). At 31 March 2019, Cibus had net interest-bearing liabilities, after deduction of cash and cash equivalents, of EUR 513,282 thousand (463,370). Capitalised borrowing costs amounted to EUR 2,816 thousand (2,799).

PARENT COMPANY

Cibus Nordic Real Estate AB (publ) is the Parent Company of the Group and owns no properties directly. Its operations comprise owning shares, managing stock market-related issues and Group-wide business functions such as administration, transactions, management, legal issues, project development and finance. The Parent Company's profit for the period amounted to EUR 1,396 thousand (4,214).

GENERAL INFORMATION

Cibus Nordic Real Estate AB (publ) ("Cibus"), corporate registration number 559135-0599, is a public limited company registered in Sweden and domiciled in Stockholm. The Company's address is Kungsgatan 56, SE-111 22 Stockholm, Sweden. The operations of the Company and its subsidiaries ("the Group") encompass owning and managing grocery and daily-goods properties.

LEGAL STRUCTURE

As of 31 December, the Group comprised 146 limited companies with Cibus Nordic Real Estate AB (publ) as the Parent Company. All properties are owned by subsidiaries and 19 of the subsidiaries are mutual real estate companies (MRECs). This is a common partnership arrangement in Finland that allows direct ownership of a specified part of a property.

RISKS AND UNCERTAINTIES

Cibus is exposed to a number of risks and uncertainties. The Company has procedures in place to minimise these risks. Cibus also has a strong financial position. Beyond the risks and uncertainties described below, refer to Cibus's 2018 Annual Report under "Risks and uncertainties" on pages 41-42 and Note 4 on pages 57-62.

Properties

Changes in property values

The property portfolio is measured at fair value. Fair value is based on a market valuation performed by an independent valuation institute, which was Newsec for this reporting period.

The value of the properties was largely influenced by the cash flows generated in the properties in terms of rental income, operating and maintenance expenses, administration costs and investments in the properties. Therefore, a risk exists in terms of changes in property values due to changes in cash flows as well as changes in yield requirements and the condition of the properties. Risk to the Company includes the risk of vacancies in the portfolio as a consequence of tenants terminating existing leases and the financial position of the tenants.

In turn, the underlying factors influencing cash flows stem from current economic conditions as well as local external factors in terms of competition from other property owners and the geographic location that may affect the supply and demand equilibrium.

Cibus's focus on offering active, tenant-centric management with the aim of creating good, long-term relationships with tenants creates favourable preconditions for sustaining a stable value trend for the property portfolio. The Company's property development expertise enables the proactive management of risks pertaining to the properties' values by securing the quality of the holdings.

Rental income

Cibus's results are affected by the portfolio's vacancy rate, customer losses and possibly by the loss of rental income. The (financial) letting ratio for the portfolio at the end of the period was 95% and the weighted average unexpired lease term (WAULT) was 4.9 years. About 90% of the Company's income stems from properties rented to three tenants in the grocery and daily-goods sector. The risk of vacancies, lost customers and a loss of rental income is impacted by tenants' inclination to continue renting the property and by tenants' financial positions as well as other external market factors.

To manage the risks, Cibus is creating a more diversified contract base but is also continuing to retain and improve existing relationships with the Group's three largest tenants, which are leaders in Finland's grocery and daily-goods sector.

Operating and maintenance expenses

The Group runs a risk of cost increases that are not compensated by regulation in the lease. This risk is limited, however, as 90% of all leases are triple-net agreements or net leases, meaning that the tenant, in addition to the rent, pays most of the costs incurred on the property. Even unforeseen maintenance needs pose a risk to operations. Active and ongoing maintenance is conducted to retain and improve the properties' standard and to minimise the risk of needs for repair.

Financing

The Group is exposed to risks associated with financial activities in the form of currency and interest-rate risks. Currency risk arises when agreements are signed in currencies other than the euro. Interest-rate risk pertains to the impact on consolidated earnings and cash flow from changes in interest rates.

To reduce the risk of interest-rate increases, the Group has interest-rate derivatives in the form of interest-rate caps.

Taxes and legislative amendments

On 1 January 2019, the new rules limiting interest deductibles came into effect in Sweden. These new regulations entail a right to deduction of 30% of taxable EBITDA and a reduction of corporate income tax from 22% to 20.6%. The reduction in corporation taxation is being implemented in two stages, with a decrease in the first two years, 2019 and 2020, to 21.4%. The maximum interest expense that can always be deducted at Group level is EUR 500 thousand.

Similar rules concerning interest-rate restrictions also came into force in Finland, although with certain differences. The right to deduction is limited to 25% of taxable EBITDA and the maximum amount of net interest expense that can always be deducted will be EUR 500 thousand per company.

The new rules concerning limits on interest deductibles are not assessed to have affected to Group during the reporting period.

ACCOUNTING POLICIES

Cibus Nordic Real Estate AB (publ) applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. Disclosures according to IAS 34 16A are presented in the financial statements and related notes as well as in other parts of the report.

IFRS 16 Leases applies from 1 January 2019 and replaces IAS 17. Under the new standard, all leases are recognised in the balance sheet, except for leases with a term of 12 months or less or where the underlying asset is of a low value. In its capacity as a lessee, Cibus has conducted a detailed review and analysis of the Group's leases, during which site leasehold agreements were identified as the most important. As of 31 December 2019, Cibus recognised approximately EUR 5,878 thousand as an asset and a corresponding liability item under "Right-of-use assets" and "Other non-current liabilities" respectively. As of 1 January 2019, the opening balance of right-of-use assets amounted to EUR 5,860 thousand, with the discounted interest rate of 5.8% used. Site leasehold fees linked to these agreements, which were previously recognised as net operating income, are recognised as a financial expense in net financial items. As of 31 December 2019, costs amounted to approximately negative EUR 341 thousand, of which negative EUR 300 thousand affected the cash- flow statement.

Assets and liabilities are recognised at cost, other than investment properties and interest-rate derivatives, which are measured at fair value. Refer to pages 54-56 of the most recent annual report for information about fair value measurement.

In preparing the interim report, management must make a number of assumptions and judgements that affect the Group's earnings and financial position. The same assessments and accounting and valuation policies have been applied as those used in the annual report except IFRS 16; refer to the 2018 Annual Report for Cibus Nordic Real Estate AB (publ).

The company publishes five reports each year: three interim reports, a year-end report and an annual report.

RELATED-PARTY TRANSACTIONS

During the period January-December 2019, Cibus disbursed a fee of EUR 1,586 thousand to Sirius Retail Asset Management, the parent company of which (Sirius Capital Partners and other holdings of Sirius co-owners) holds in total 830,000 Cibus shares. For more information, see Note 22 in the 2018 Annual Report from Cibus Nordic Real Estate AB (publ).

At the Annual General Meeting on 11 April, a resolution was taken to establish a warrant programme allotting 186,600 warrants to CEO Sverker Källgården. The subscription price is 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. The purpose of the warrants programme is to strengthen the connection between the work of the CEO and shareholder value.

AUDIT

This report has not been subject to review by the Company's auditors.

THE CIBUS SHARE

Cibus Nordic Real Estate (publ) is listed on Nasdaq First North Premier Growth Market. The Company transferred to Premier on 1 July 2019. The last price paid for the share on 31 December 2019 was SEK 145.50, corresponding to a market value of approximately SEK 4.5 billion. At the end of the period, there were approximately 7,000 shareholders. On 31 December 2019, there were 31,100,000 ordinary shares outstanding. The Company has one (1) class of shares. Each share entitles the holder to one vote at the Annual General Meeting.

DIVIDEND

The Annual General Meeting on 11 April 2019 resolved that dividends be paid in a total amount of EUR 0.84 per share. The dividend is to be paid on a quarterly basis, with the first dividend payment amounting to EUR 0.20 per share, the second to EUR 0.21 per share, the third to EUR 0.21 per share and the fourth to EUR 0.22 per share. To convey entitlement to dividends, the final trading dates by which shares must have been purchased 18 June 2019, 19 September 2019, 27 December 2019 and 20 March 2020. The planned payment dates are 28 June 2019, 30 September 2019, 10 January 2020 and 31 March 2020. For further information regarding dividends, please see www.cibusnordic.com/investors/the-share/dividend-calendar/.

As of the date of publication of this report, the Board of Directors of Cibus Nordic does not have a final proposal for resolution on dividends for the 2019 financial year to recommend to the Annual General Meeting. It is, however, the intention of the Board of Directors to adhere to Cibus' dividend policy and to recommend that the dividend be raised by slightly more than 5% to a total EUR 0.89 per share for the 2019 financial year, to be paid out over a 12-month period following the Annual General Meeting. A complete proposed resolution will be published prior to the announcement of the Annual General Meeting.

EXTRAORDINARY GENERAL MEETING AND ANNUAL GENERAL MEETING 2020

Cibus held an Extraordinary General Meeting on 23 January 2020 at 9:30 am at Cibus Nordic' Real Estates premises at Kungsgatan 56 in Stockholm. For further information, please see www.cibusnordic.com.

The next Annual General Meeting will be held on 24 April 2020 at 9:30 a.m. at Stockholm City Conference Centre, Norra Latin, Drottninggatan 71B in Stockholm.

NOMINATION COMMITTEE

On 16 October, the composition was announced of the Nomination Committee in preparation for the 2020 Annual General Meeting. Matti-Pekka Sävelkoski representing SFC Holding, Olof Nyström representing AP4, Jussi Nyrölä representing Talomon Capital and Patrick Gylling Chairman of the Board of Cibus Nordic Real Estate were appointed as members of the Committee.

EVENTS AFTER THE END OF THE PERIOD

An Extraordinary General Meeting was held on 23 January 2020. The Meeting resolved to mandate the Board of Directors to approve a new share issue, with or without preferential rights for existing shareholders, corresponding to at most 20% of the number of shares outstanding. It was also resolved that any new shares be eligible for dividends. For further information, please see Cibus website www.cibusnordic.com.

PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live teleconference will be held at 9:30 a.m. (CET) on 27 February 2020, at which CEO Sverker Källgården and CFO Pia-Lena Olofsson present the report. The presentation will be held in English and will be broadcast live at <https://tv.streamfabriken.com/cibus-nordic-real-estate-q4-2019>. To attend the teleconference, call in on +46 8 50558351. The switchboard will open at 9:25 a.m. The presentation will subsequently be available at www.cibusnordic.com.

DECLARATION BY THE BOARD

The Board of Directors and the CEO hereby certify that the report provides a fair and accurate overview of the Company's and the Group's operations, financial position and results, and describes the material risks and uncertainties faced by the Company and the companies included in the Group.

The interim report for Cibus Nordic Real Estate AB (publ) was adopted by the Board on 27 February 2020.

Stockholm, 27 February 2020
Cibus Nordic Real Estate AB (publ)
Corporate registration number 559135-0599

PATRICK GYLLING

Chairman

ELISABETH NORMAN

Board member

JOHANNA SKOGESTIG

Board member

JONAS AHLBLAD

Board member

SVERKER KÄLLGÅRDEN

CEO

This interim report has been published in Swedish and English. In case of any discrepancy between versions, the Swedish version is to take precedence.

REPORTING CALENDAR

15 May 2020	Interim Report Q1	The Company's Certified Adviser is FNCA Sweden AB info@fnca.se +46 8 528 00 399
20 August 2020	Interim Report Q2	
12 November 2020	Interim Report Q3	
25 February 2021	Year-end report	

24 April 2020	Annual General Meeting
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FOR FURTHER INFORMATION, PLEASE CONTACT

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The share and shareholders

CIBUS'S SHARES ARE LISTED ON NASDAQ FIRST NORTH PREMIER GROWTH MARKET

On 31 December 2019, market capitalization amounted to slightly more than EUR 430 million.

PRIMARY REASONS TO INVEST IN THE CIBUS SHARE

High and stable yield

Cibus strives to earn a high and stable yield for shareholders. Since the listing, the share's yield has been about 7% and, from the outset, Cibus has never lowered its dividend in EUR per share from one quarter to the next.

Gradually rising quarterly dividends

Cibus pays dividends quarterly and aims to gradually increase them by 5% annually.

Potential for favourable value growth

Cibus's investment strategy of acquiring individual properties or property portfolios with a higher yield requirement than the existing portfolio, combined with planned annual investments of EUR 50 million, generates potential for favourable long-term growth in share value. The investment target of EUR 50 million was achieved in both 2018 and 2019.

A segment with long-term resilience and stability

The grocery and daily-goods sector has experienced stable, non-cyclical growth over time. Historically, the grocery sector has grown by approximately 3% annually, even during periods of recession. It also shows strong resilience to the growing e-commerce trend that has made the stores into a distribution network for goods purchased online.



CIBUS' SHAREHOLDERS

Cibus is listed on Nasdaq First North Premier Growth Market Stockholm under ISIN SE0010832204. As of 31 December 2019, the Company had more than 7,000 shareholders. The 10 largest shareholders hold approximately 46% of the votes. The holding of one of these, SFC Holding S.à.r.l, accounted for 10% or more of the votes in Cibus as of 31 December 2019. On the same date, there were 31,100,000 shares outstanding.

SHAREHOLDERS AS OF 31 DECEMBER 2019

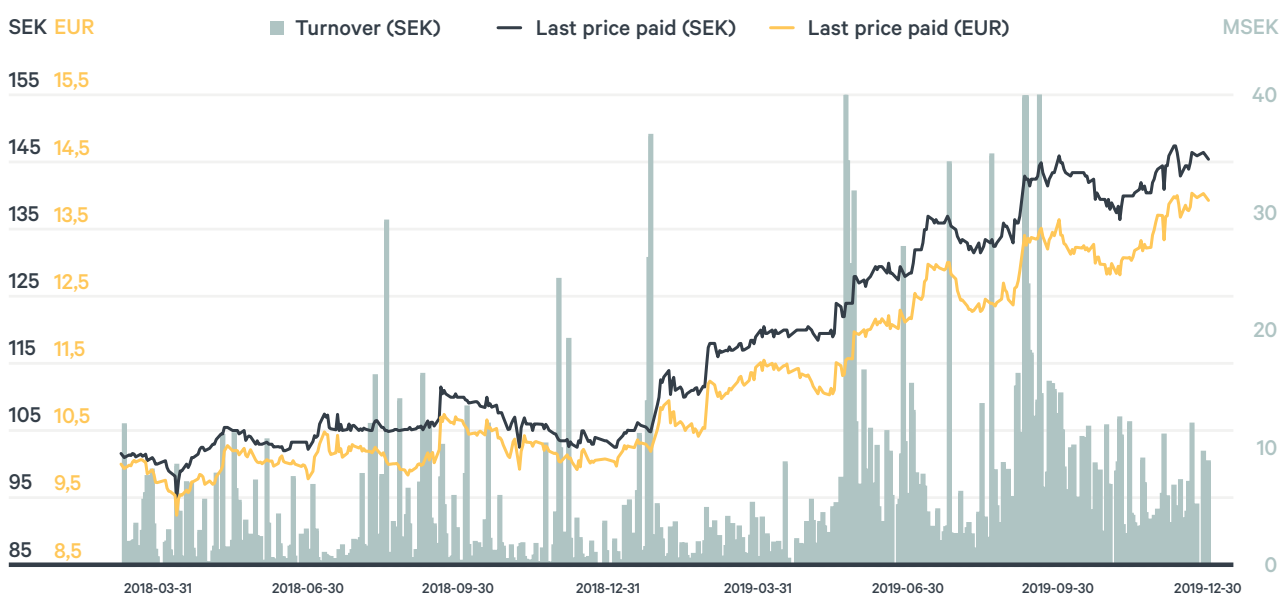
Name	No. of shares	Percentage
SFC Holding S.à r.l.	3,200,000	10.3
Fjärde AP-fonden	2,311,245	7.4
Amiral Gestion	2,062,522	6.6
Talomon Capital	1,539,171	4.9
Carnegie Fonder	1,250,000	4.0
Sirius Capital Partners*	830,000	2.7
Svenska Handelsbanken	802,576	2.6
Avanza Pension	788,294	2.5
Dragfast AB	700,000	2.3
Sensor Fonder	690,000	2.2
Total, 10 largest shareholders	14,173,808	45.6
Other	16,926,192	54.4
Total	31,100,000	100

*Total also includes other holdings among Sirius' shareholders

Source: Modular Finance

SHARE PRICE PERFORMANCE

The share value has shown a favourable trend following the listing on 9 March 2018. Following the sale of a significant portion of its holding by the largest shareholder in May 2019, the share value trend has remained positive. The liquidity of the share has also increased significantly and in 2019 share turnover averaged SEK 11.4 million per day.

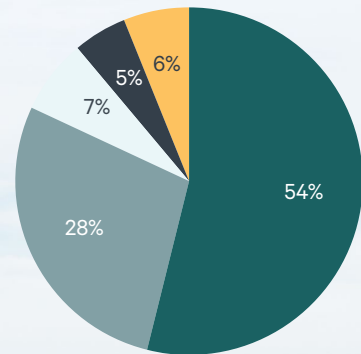


Tenants and lease structure

TENANTS

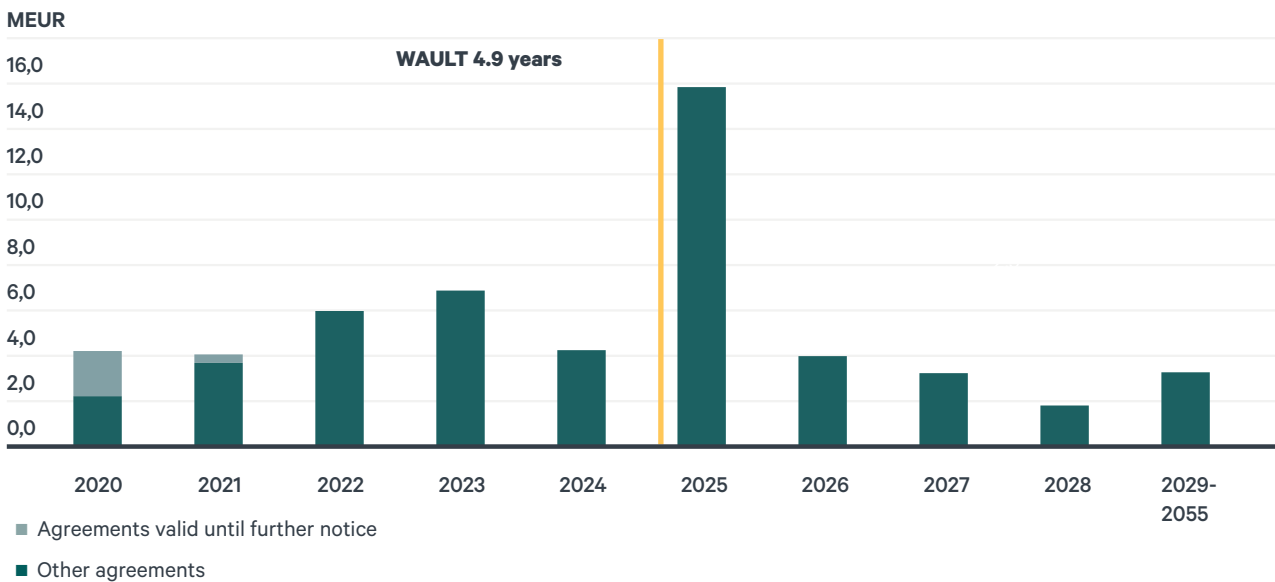
About 90% of Cibus's net operating income comes from properties where Kesko, Tokmanni or S-Group are the anchor tenants. Other grocery and daily-goods tenants include Lidl and independent traders. The adjacent graph shows how net operating income is distributed among properties where the different grocery and daily-goods chains are the anchor tenants.

- Kesko
- Tokmanni
- S-Group
- Other daily goods
- Other retail



SUMMARY OF LEASES

The information below shows that the maturity structure of the leases is well distributed over the coming years. The typical lease contains a renewal option clause allowing the tenant to renew the lease, generally for three or five years, under the same terms as the current lease. This occurs in most cases. The table below presents the maturity of the leases if no such options are exercised by the tenant. Since the options are typically exercised, and approximately the same number of leases are renewed every year, the maturity structure of the leases will likely remain relatively stable over time. As of 31 December 2019, the weighted average unexpired lease term (WAULT) in the portfolio was 4.9 years.



Approximately 47% of the lease agreements that would expire in 2020 are valid until further notice, meaning that both the landlord and the tenant have the opportunity to terminate them. Such leases are typical for smaller tenants and this agreement structure provides Cibus the flexibility for developing the property if, for example, the anchor tenant seeks to expand its premises. In the vast majority of cases, agreements valid until further notice have already continued for quite some time and it can be assumed that neither the landlord nor the tenant will terminate the agreement within the near future.

Approximately 90% of the leases are classified as net leases, meaning that the risk associated with operating costs is very low for the property owner.

The property portfolio

GENERAL OVERVIEW

As of 31 December 2019, Cibus's property portfolio comprised 142 relatively modern store properties, located in various growth regions across Finland. Two thirds of the properties in the portfolio are located in southern and southwestern Finland.

Some 90% of the total rental income is derived from properties anchored by three market-leading tenants: Kesko, Tokmanni and S-Group. All major tenants perceive the properties as well suited to their operations. Anchor tenants account for 87% of rental income and have an average unexpired lease term of 5.6 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	75	223,046	4.6	5.4	90%
Tokmanni	39	183,338	5.5	6.0	89%
S-Group	14	32,088	4.8	6.1	66%
Other daily goods	8	33,660	4.9	5.0	71%
Other retail	6	33,685	4.2	n/a	n/a
Portfolio total	142	505,817	4.9	5.6	87%



GEOGRAPHIC LOCATIONS

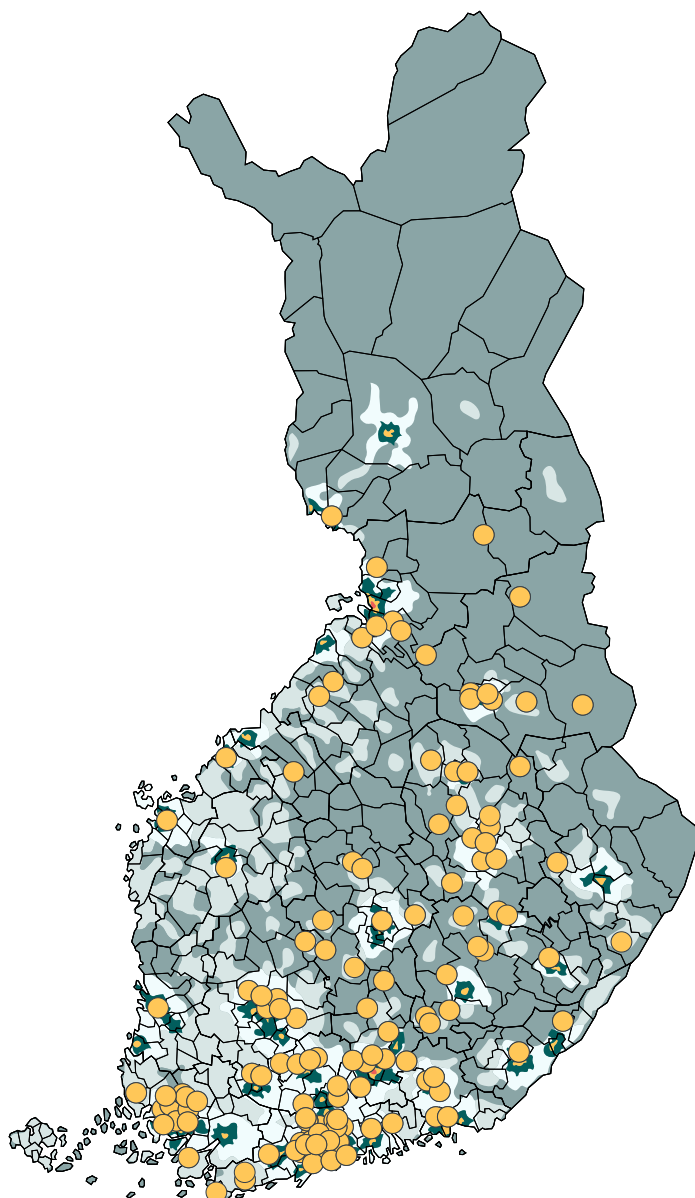
The portfolio is spread across all of Finland. It is, however, strongly concentrated in growing communities. Two thirds of the portfolio is located in southern and southwestern Finland, around the cities of Helsinki, Tampere and Turku. The properties generally enjoy highly favourable microlocations, close to developed areas central to each community. As in many other developed countries, Finland is experiencing nationwide urbanisation, with rural areas becoming depopulated as the larger cities expand.

The map below shows the geographic locations of the properties.

As evident from the map, almost all of the properties are located in regions experiencing population growth. Estimated average annual population growth in Finland between 2020 and 2030 is 0.1%, which is almost 100% higher than the estimated growth in the EU.

Region type	Historic growth 1990-2015
City centre	+21.0 % ■
Rest of inner city	+22.9 % ■
Adjacent suburbs	+27.5 % ■
Suburbs	+6.9 % ■
Countryside	-14.7 % ■
Rural areas	-29.6% ■

2/3 of total NOI from southern and southwestern Finland



PORTFOLIO DIVERSIFICATION

No single property in the portfolio accounts for a larger share than 3% of the portfolio's total net operating income, eliminating dependency on any individual property. Only seven of the properties individually account for more than 2% of the portfolio's total rental income.

Supermarkets account for the majority of the grocery sales in Finland, and represent the dominant type of store property in the portfolio.

KEY FIGURES

Annual net operating income is estimated at about EUR 50.7 million (current earnings capacity), based on Cibus portfolio as of 31 December 2019.

Number of properties	142
Total lettable area, thousand sq.m.	506
Lettable area/property sq.m.	3,562
Net operating income (current earnings capacity), EUR million	50.7
Net operating income, EUR/sq.m (let area)	106
WAULT, years	4.9



Financing

Cibus is financed through ordinary shares from shareholders, secured loans from reputable major Nordic banks and institutes, as well as an unsecured bond.

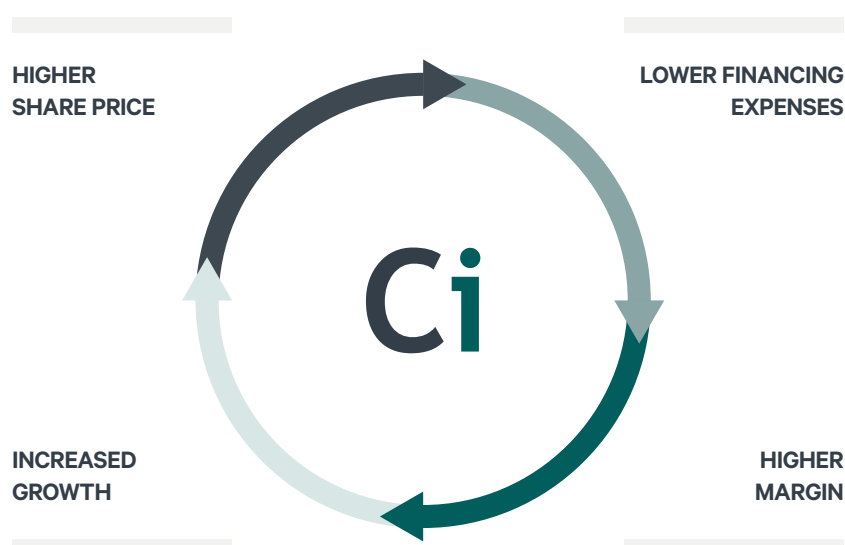
As of 31 December 2019, the Group had secured bank loans of EUR 403 million with a weighted average floating interest margin of 1.6% and a weighted average loan maturity of 3.5 years. Cibus has pledged mortgages in the properties as collateral for the interest-bearing liabilities. In Cibus's assessment, the collateral agreements have been entered on market terms.

Cibus has issued an unsecured bond for EUR 135 million. The bond matures on 26 May 2021 and carries a floating coupon rate of 4.5% + 3m EURIBOR. The bond has been listed on the Nasdaq Stockholm Corporate Bond list since 10 April 2019. The bond is currently trading at a lower implicit interest rate than that at which it was listed, indicating it would probably carry more favourable terms in the event of it being refinanced. The Group's total tenor amounted to 3.0 years.

Of the Group's bank loans, around 71% are hedged using interest-rate derivatives in the form of interest-rate caps. The Group's average fixed-interest tenor is 2.6 years.

The LTV ratio including the bond is 58.7%. The secured bank loan has an LTV of 46.1%.

During the year, the senior loan facilities were renegotiated on more favourable terms. With this refinancing, the Company has secured financing facilities under which our interest expense levels are maintained. With a reduced margin, the total interest expense level will remain at a stable level despite increased debt.



A person's hand is pointing at a laptop screen. The background is a blurred office environment with shelves and papers. The image has a light blue tint.

— Financial statements

CONSOLIDATED INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	2019 Q4	2018 Q4	2019 Full-year	2018* Full-year
Rental income	13,170	12,409	51,530	39,733
Service income	2,449	1,880	8,661	6,674
Operating expenses	-2,144	-2,445	-8,950	-7,264
Property tax	-916	-489	-2,623	-1,622
Net operating income	12,559	11,355	48,618	37,521
Administration expenses	-1,962	-1,379	-5,294	-3,805
Other operating income	-	1,815	169	1,815
Financial income	1	256	16	599
Financial expenses	-3,614	-4,517	-14,842	-13,259
Profit from property management	6,984	7,530	28,667	22,871
Unrealised change in value of investment properties	33	2,029	7,034	32,270
Unrealised change in value of interest-rate derivatives	-291	-205	-730	-278
Realised change in value of investment properties	-4	-173	425	-173
Profit before tax	6,722	9,181	35,396	54,690
Current tax	157	-203	-543	-859
Deferred tax	-1,234	-2,130	-4,574	-7,564
Profit for the period	5,645	6,848	30,279	46,267
No. of shares outstanding	31,100,000	31,100,000	31,100,000	31,100,000
Earnings per share before and after dilution, EUR	0.2	0.2	1.0	1.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	2019 Q4	2018 Q4	2019 Full-year	2018 Full-year
Profit for the period	5,645	6,848	30,279	46,267
Other comprehensive income	-	-	-	-
Total comprehensive income**	5,645	6,848	30,279	46,267

* The period refers to 7 March 2018 – 31 December 2018, since the Company was dormant until possession was taken of the first properties on 7 March 2018.

** Profit for the year and comprehensive income are entirely attributable to Parent Company shareholders.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro (EUR thousand)	31 Dec 2019	31 Dec 2018
Non-current assets		
Investment properties	874,813	816,478
Right-of-use asset	5,878	-
Equipment	31	-
Deferred tax assets	1,304	1,602
Other non-current receivables	224	709
Total non-current assets	882,250	818,789
Current assets		
Rental receivables	431	422
Other current receivables	3,384	2,052
Prepaid expenses and accrued income	1,931	880
Cash and cash equivalents	24,746	25,542
Total current assets	30,492	28,896
TOTAL ASSETS	912,742	847,685
EQUITY AND LIABILITIES		
Equity attributable to Parent Company shareholders		
Share capital	311	311
Other contributed capital	300,794	300,762
Retained earnings	1,485	-18,660
Profit or loss for the period	30,279	46,267
Total equity	332,869	328,680
Non-current liabilities		
Borrowings	535,212	486,132
Deferred tax liabilities	13,565	9,218
Interest-rate derivatives	2,163	1,938
Other non-current liabilities	6,162	232
Total non-current liabilities	557,102	497,520
Current liabilities		
Accounts payable	218	190
Current tax liabilities	34	863
Other current liabilities	17,362	15,913
Accrued expenses and deferred income	5,157	4,519
Total current liabilities	22,771	21,485
Total liabilities	579,873	519,005
TOTAL EQUITY AND LIABILITIES	912,742	847,685

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro (EUR thousand)	Share capital	Other contributed capital	Retained earnings capital including profit for the period	Total equity*
Opening equity, 1 Jul 2018	311	300,762	32,901	333,974
Comprehensive income				
Profit for the period	-	-	13,366	13,366
Total comprehensive income, 1 Jul 2018 – 31 Dec 2018	-	-	13,366	13,366
Transactions with shareholders				
Dividend	-	-	-18,660	-18,660
Total transactions with shareholders	-	-	-18,660	-18,660
Closing equity, 31 Dec 2018	311	300,762	27,607	328,680
Opening equity, 1 Jan 2019	311	300,762	27,607	328,680
Comprehensive income				
Profit for the period	-	-	30,279	30,279
Total comprehensive income, 1 Jan 2019 – 31 Dec 2019	-	-	30,279	30,279
Transactions with shareholders				
Issue of warrants	-	32	-	32
Dividend	-	-	-26,122	-26,122
Total transactions with shareholders	-	32	-26,122	-26,090
Closing equity, 31 Dec 2019*	311	300,794	31,764	332,869

*Equity is entirely attributable to Parent Company shareholders

CONSOLIDATED CASH-FLOW STATEMENT

Amounts in thousand euro (EUR thousand)	2019 Q4	2018 Q4	*2019 Full-year	2018 Full-year
Operating activities				
Profit before tax	6,722	9,122	35,396	54,690
Adjustments for:				
Financial items	1,321	1,796	1,114	-23
Unrealised changes in value, investment properties	-33	-2,029	-7,034	-32,270
Unrealised changes in value, interest-rate derivatives	291	205	730	278
Tax paid	-266	-152	-930	-152
Cash flow from operating activities before changes in working capital	8,035	8,942	29,276	22,523
Cash flow from changes in working capital				
Increase/decrease in other current receivables	-1,899	-709	-2,528	-767
Increase/decrease in accounts payable	-104	-543	28	-543
Increase/decrease in other current liabilities	1,501	1,287	325	171
Cash flow from operating activities	7,533	8,977	27,101	21,384
Investing activities				
Property acquisitions	-12,215	-6,202	-51,948	-236,417
Disposals of properties	0	-2,714	2,070	-3,647
Investments in current buildings	-342	-	-1,424	-136
Other investments	-60	-	-60	-
Cash flow from investing activities	-12,617	-8,916	-51,362	-240,200
Financing activities				
Formation of companies	-	-	-	60
Reduction of share capital	-	-	-	-60
New share issue	-	-	-	311,000
Issue expenses	-	-	-	-9,927
Issue of warrants	-	-	32	-
Borrowings	151,500	146,601	263,348	298,400
Loan arrangement fees	-37	-711	-492	-2,752
Repayment of debt	-140,086	-139,397	-214,232	-346,143
Dividend	0	-6,220	-25,191	-6,220
Cash flow from financing activities	11,377	273	23,465	244,358
Cash flow for the period	6,293	334	-796	25,542
Cash and cash equivalents at start of period	18,453	25,208	25,542	-
Cash and cash equivalents at end of period	24,746	25,542	24,746	25,542

*The effect of IFRS 16 amounted to negative EUR 300 thousand in the cash-flow statement for 2019 full-year.

PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	2019 Q4	2018 Q4	2019 Full-year	*2018 Full-year
Net sales	81	-	588	-
Administration expenses	-846	-443	-1,997	-1,207
Operating loss	-765	-443	-1,409	-1,207
Profit/loss from financial items				
Financial income	3	-	3	-
Interest income from Group companies	4,342	1,464	8,506	4,833
Interest expenses	-1,590	-1,602	-6,406	-5,146
Loss after financial items	1,990	-581	694	-1,520
Appropriations				
Group contributions	1,198	2550	1,198	4,179
Profit before tax	3,188	1,969	1,892	2,659
Tax	-496	-333	-496	1,555
Profit for the period	2,692	1,636	1,396	4,214

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	2019 Q4	2018 Q4	2019 Full-year	*2018 Full-year
Profit for the period	2,692	1,636	1,396	4,214
Other comprehensive income	-	-	-	-
Total comprehensive income	2,692	1,636	1,396	4,214

* The period refers to 7 March 2018 – 31 December 2018, since the Company was dormant until possession was taken of the first properties on 7 March 2018.

PARENT COMPANY BALANCE SHEET

Amounts in thousand euro (EUR thousand)

31 Dec 2019

31 Dec 2018

ASSETS**Non-current assets**

Equipment	23	-
Total non-current assets	23	-

Financial fixed assets

Shares in subsidiaries	128,544	128,450
Deferred tax assets	1,059	1,555
Non-current receivables from Group companies	271,953	294,853
Other non-current receivables	20	-
Total financial fixed assets	401,576	424,858

Current assets

Receivables from Group companies	1,198	853
Other current receivables	148	28
Prepaid expenses and accrued income	81	607
Cash and cash equivalents	9,709	6,795
Total current assets	11,136	8,283

TOTAL ASSETS	412,735	433,141
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EQUITY AND LIABILITIES**Equity****Restricted equity**

Share capital	311	311
Total restricted equity	311	311

Unrestricted equity

Share premium reserve	300,794	300,762
Retained earnings	-40,570	-18,660
Profit or loss for the period	1,396	4,214
Total unrestricted equity	261,620	286,316

Total equity	261,931	286,627
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Non-current liabilities

Borrowings	134,036	133,356
Total non-current liabilities	134,036	133,356

Current liabilities

Current liabilities	2,500	-
Accounts payable	34	-
Other current liabilities	13,393	12,444
Accrued expenses and deferred income	841	714
Total current liabilities	16,768	13,158

TOTAL LIABILITIES	150,804	146,514
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TOTAL EQUITY AND LIABILITIES	412,735	433,141
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KEY FINANCIAL RATIOS, GROUP

Unless otherwise stated all amounts are in thousand euro (EUR thousand).	2019 Q4	2018 Q4	2019 Full-year	2018 ¹ Full-year
Rental income	13,170	12,409	51,530	39,733
Net operating income	12,559	11,355	48,618	37,521
Profit from property management	6,984	7,530	28,668	22,871
Net profit after tax	5,645	6,848	30,279	46,267
Earnings per share ² , EUR	0.2	0.2	1.0	1.5
Total assets	912,742	847,685	912,742	847,685
Cash and cash equivalents	24,746	25,542	24,746	25,542
Market value of properties	874,813	816,478	874,813	816,478
Adjusted EPRA NAV	354,135	344,454	354,135	344,454
Adjusted EPRA NAV/share, EUR	11.4	11.1	11.4	11.1
No. of shares outstanding	31,100,000	31,100,000	31,100,000	31,100,000
Return on equity, %	6.8	8.2	9.2	14.7
Senior debt LTV ratio, %	46.1	43.4	46.1	43.4
Net debt LTV ratio, %	58.7	58.4	58.7	58.4
Interest coverage ratio, multiple	3.3	3.3	3.4	3.3
Equity ratio, %	36.5	38.8	36.5	38.8
Debt/equity ratio, multiple	1.7	1.6	1.7	1.6
Surplus ratio, %	95.4	91.5	94.3	94.4
Economic occupancy rate, %	94.7	95.5	94.7	96.0

¹The period refers to 7 March 2018 – 31 December 2018, since the Company was dormant until possession was taken of the first properties on 7 March 2018.

²Before and after dilution.

FINANCIAL PERFORMANCE MEASURES

The Company presents certain financial performance measures in the interim reports that are not defined in accordance with IFRS. The Company is of the opinion that these performance measures provide valuable supplementary information to investors and the Company's management, since they enable an evaluation of the Company's performance. Since not all companies calculate financial performance measures in the same way, they are not always comparable with the performance measures used by other companies. Therefore, these performance measures are not to be considered a replacement for measures defined in accordance with IFRS. The following financial performance measures are not defined in accordance with IFRS: Adjusted EPRA NAV, Adjusted EPRA NAV per share; Senior debt LTV ratio; Net debt LTV ratio; Interest coverage ratio; and Economic occupancy rate. Definitions for these and other financial performance measures are presented under "DEFINITIONS" in the following section.

DEFINITIONS

Earnings per share

Profit for the period divided by the average number of shares outstanding

Adjusted EPRA NAV

Reported equity with reversal of derivatives, deferred tax and unpaid dividends, in cases where the record date has not yet passed.

Adjusted EPRA NAV per share

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.

Return on equity

Profit for the period divided by average equity. At the end of the interim period, the return has been recalculated on an annual basis.

Senior debt LTV ratio

Liabilities to senior creditors divided by the market value of the properties

Net debt LTV ratio

Liabilities to credit institutions less cash and cash equivalents divided by the market value of the properties

Interest coverage ratio

Net operating income less administration expenses and plus financial income divided by interest expenses including hedging expenses for interest rate ceiling.

Equity ratio

Adjusted equity divided by total assets

Debt/equity ratio

Total liabilities divided by equity

Surplus ratio

Net operating income in relation to rental income

Economic occupancy rate

Rental income in relation to rental value