



Cibus

Converting food into yield

Interim Report

1 January 2019 – 31 March 2019

Cibus Interim report

1 JANUARY - 31 MARCH 2019

Cibus is a real estate company with the business idea to acquire, develop and manage high-quality properties in the Nordics with reputable daily-goods store chains as their anchor tenants

SUMMARY OF THE PERIOD

- Rental income for the period was TEUR 12,655
- Net operating income for the period totalled TEUR 12,124
- Profit from property management for the period was TEUR 7,625
- Profit for the period amounted to TEUR 8,912, corresponding to EUR 0.3 per share

SIGNIFICANT EVENTS DURING THE PERIOD

On 11 February, the company announced that Sverker Källgården had been employed as CEO. He took office in March. Sverker has a great deal of experience in the property industry, most recently as CEO of ByggPartner. Under his leadership, ByggPartner was listed on Nasdaq First North. Prior to ByggPartner, Sverker held executive positions at NCC and Hufvudstaden, including serving as CEO of AB Nordiska Kompaniet (NK) for seven years.

In February, the company's second senior credit facility was renegotiated. This refinancing will have a positive effect on the company's future cash flow. The new credit facility has a lower margin and a shorter maturity than previously.

In March 2019, the company made two separate acquisitions totalling six properties at a value of MEUR 30, comprising lettable area of 20,300 square metres. The transactions will close during the second quarter 2019. The properties are fully let to Kesko, Tokmanni and Halpa-Halli through long-term leases, and five of the properties are new builds.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On 10 April, Cibus was listed (ISIN: SE 0010740530) on Nasdaq Stockholm's main index for corporate bonds.

On 8 May Pia-Lena Olofsson assumed the position as CFO. Pia-Lena is an experienced CFO, and held the position at the then large CAP listed digital bank Collector AB (publ) during six years. Further, Pia-Lena has previously held several senior positions at, among others, Bure Equity AB (publ) and Visma AB.

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 7.4% based on the share price at 31 March 2019. This corresponds to an annual increase of 5% compared with the previous dividend. The dividend will 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. The proposed record dates for receipt of the dividends are 20 June 2019, 23 September 2019, 2 January 2020 and 24 March 2020. The planned payment dates are 28 June 2019, 30 September 2019, 10 January 2020 and 31 March 2020.

KEY FIGURES¹

2019 Jan-Mar²

No. of properties	132
Lettable area, sq.m.	472 000
Market value properties, MEUR	821
NOI, current earnings capacity, MEUR	47.8
Equity ratio, %	39.3
LTV, senior debt, %	43.2
LTV, total net debt, %	56.7
Interest coverage ratio, multiple	3.6
Adjusted EPRA NAV/share, EUR ³	11.2
Dividend per share p.a., EUR	0.84

¹Refer to page 28 for alternative performance measures and definitions.

²Cibus has not presented a comparative period. The first properties were acquired on 7 March 2018, and the company was subsequently listed on Nasdaq First North on 9 March 2018. Therefore, the company did not publish a report for the first quarter of 2018. The earnings for the period from the acquisition are included in the company's first annual report, which pertains to the period from 23 November 2017 to 30 June 2018.

³No adjustments have been made during this quarter.

Continued positive development

Ceo's comments

During the company's first 12 months, we have demonstrated that our business idea is sound and that we deliver on the promises we make. We are very proud of our business concept and do not deviate from it.



STABLE GROWTH

As the new CEO of Cibus Nordic Real Estate, it is my pleasure to present our first report for the year. We are experiencing stable growth and our earnings are in line with our goal, which is to be a high-yield company for our shareholders. A strong cash flow will allow us to achieve dividend growth. During the company's first 12 months, we have demonstrated that our business idea is sound and that we deliver on the promises we make. We are very proud of our business concept and do not deviate from it.

NEW INVESTMENTS

We are growing steadily as a company through investments of approximately MEUR 50 per year. We have achieved this growth by refinancing our senior credit facilities. By keeping interest expenses stable, we can increase our borrowing and invest in new properties that generate further cash flow and contribute to increased profit. During the quarter, we refinanced the second of three senior credit facilities, and our focus now is on renegotiating the remaining facility at terms that are at least as favourable as the first two.

During the first quarter, we acquired six properties and sold one. The transactions will close during the second quarter, which means that the financial effect of the acquisitions will be noticeable later in the year.

THE FUTURE OF CIBUS

My focus for the rest of the year, on behalf of the Board, is to build up the company's organisation so it can stand on its own two feet, further strengthening our position without increasing costs.

This work has already through the recruitment of Pia-Lena Olofsson as CFO and we will now be able to ensure a smooth transition from the partner currently administering the company.

Market conditions in Finland remain favourable. There are still several potential properties to purchase, and we are continuously evaluating new plans. Finland has a strong economy, and interest in establishing and operating daily-goods stores is strong.

I have introduced myself to several agents in Sweden and let them know of our presence. We currently have no plans to invest in Sweden, but we are monitoring the market and see potential to eventually enter the country.

EPRA MEMBER

We are also a member of the European Public Real Estate Association (EPRA), and the only obstacle preventing us from being on the EPRA index is that we are not listed on the main index. Changing index is the next item on the agenda after the organisation is in place. Being listed on the EPRA index will make the company more visible and further highlight our appeal and strong dividend policy.

Stockholm, 15 May 2019
Sverker Källgård

The share and shareholders

Cibus's shares are listed on Nasdaq First North. Market capitalisation are just over MEUR 350.

PRIMARY REASONS TO INVEST IN THE CIBUS SHARE

HIGH AND STABLE YIELD

Since the listing, the share's yield has never fallen below 7% and Cibus has never lowered its dividend in EUR from one quarter to the next.

QUARTERLY DIVIDENDS THAT INCREASE GRADUALLY

Cibus pays dividends quarterly, with the aim to gradually increase the amount paid by 5% per year.

POTENTIAL FOR FAVOURABLE VALUE GROWTH

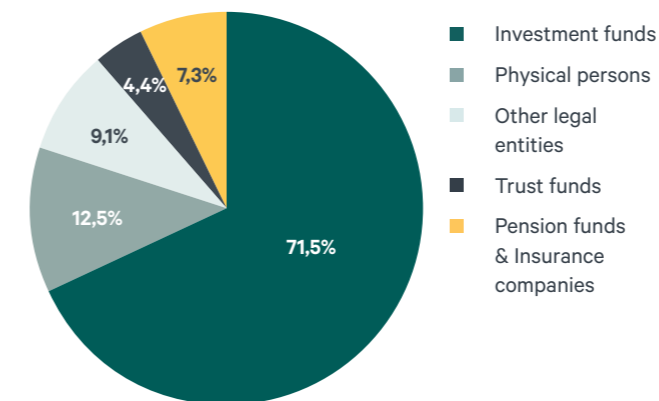
Cibus's investment strategy of acquiring individual properties or property portfolios with a higher yield requirement than the existing portfolio, in combination with planned investments of MEUR 50 per year, creates potential for favourable long-term share value growth.

A SEGMENT WITH LONG-TERM RESILIENCE AND STABILITY

The grocery and daily-goods industry has experienced stable, non-cyclical growth over time. Historically, the grocery industry has grown approximately 3% per year, with growth reported even during recessions. This also demonstrates a strong resilience to the growing trend of e-commerce, which has transformed the stores into a distribution network for goods purchased on the internet.



OWNERSHIP STRUCTURE AS OF 31 MARCH 2019



Source: Modular Finance

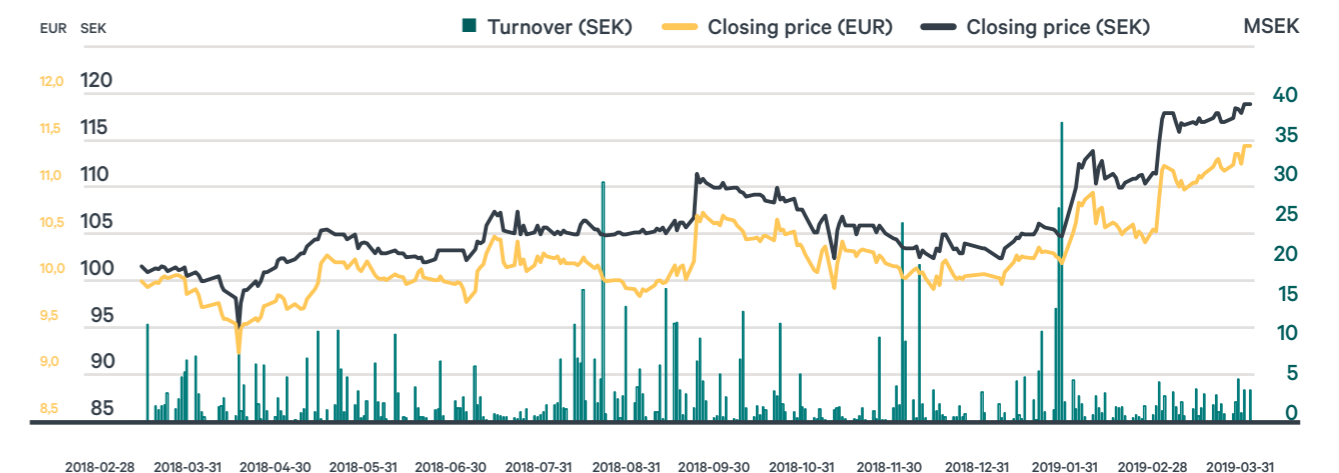
SHAREHOLDERS AS OF 31 MARS 2019

Name	No. of shares	Percentage
SFC Holding S.à r.l.	12,884,443	41.3
Amiral Gestion	1,475,400	4.7
Fjärde AP-fonden	1,405,977	4.5
Carnegie Strategifond	1,288,993	4.1
Nuveen Asset Management	800,000	2.6
Oy Sirius Capital Partners	500,000	1.6
Göran Gustafssons stiftelser	460,000	1.5
Nordnet Pensionsförsäkring	459,444	1.5
Marjan Dragicevic	400,000	1.3
Håkan Roos	350,000	1.1
Subtotal	20,024,257	64.2
Other	11,075,743	35.8
Total	31,100,000	100.0

Source: Modular Finance

SHARE PRICE PERFORMANCE

The share value has been stable since the IPO on 9 March 2018, although the turnover of shares has been relatively high, with a weighted average of MSEK 3.0-3.5 per day until 31 March 2019.



Earnings capacity

The current earnings capacity for the coming 12 months is based on the property portfolio owned by Cibus as of 31 March 2019.

Current earnings capacity is not a forecast but rather should 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, TEUR

	7 Mar 2018	30 Jun 2018	30 Sep 2018	31 Dec 2018	31 Mar 2019	Est. 30 Jun 2019*	Change (Est. Jun'19 / Mar'18)
Rental income	47 900	49 050	49 150	51 100	51 100	52 700	
Property expenses	-3 200	-3 250	-3 250	-3 300	-3 300	-3 400	
Net rental income	44 700	45 800	45 900	47 800	47 800	49 300	10 %
Central administration	-3 500	-3 541	-3 545	-3 620	-3 620	-3 700	
Net financial costs	-13 113	-13 500	-13 500	-13 550	-13 194	-13 600	
Operating income	28 087	28 759	28 855	30 630	30 986	32 000	14 %
Operating income, EUR/Share	0,90	0,92	0,93	0,98	1,00	1,03	14 %

*Includes all transactions that were published in March and April and that will come into Cibus's possession during the second quarter.

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 March 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 THE CURRENT EARNINGS CAPACITY

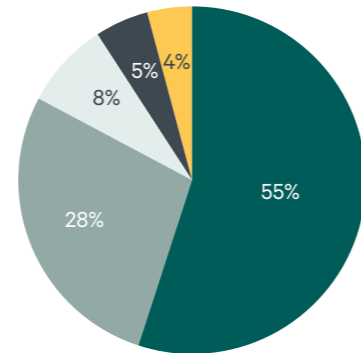
For the coming 12 months, the earnings capacity has improved 14 % compared with the 12-month forecast on the date of the IPO. As a result of the acquisitions carried out by the company since its listing and rent increases due to indexation, the company's rental income has improved.

Tenants and lease structure

TENANTS

More than 90% of Cibus's net operating income comes from properties anchored by Kesko, Tokmanni or S-Group. Other grocery and daily-goods tenants include Lidl and independent grocers. The graph below shows how net operating income is distributed among properties anchored by the various grocery and daily-goods chains.

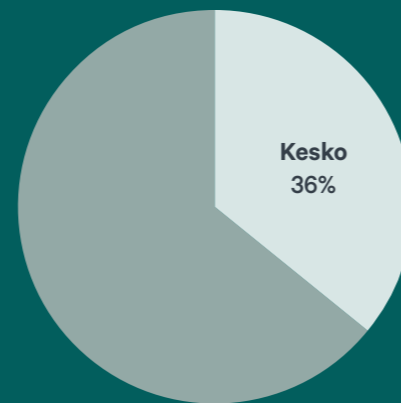
- Kesko
- Tokmanni
- S-Group
- Other daily goods
- Other retail



Kesko

The share of total net operating income from properties rented by Kesko is 55%. Kesko's market share is approximately 36% of grocery sales in Finland.

- Kesko operates within three segments: grocery trade (58%), building and technical trade (32%) and care trade (10%)
- Around 80% of total net sales derive from Finland
- In the Finnish market, independent K-retailers run retail stores in Kesko's chains
- All leases with Cibus are signed with Kesko's parent company, Kesko Abp.

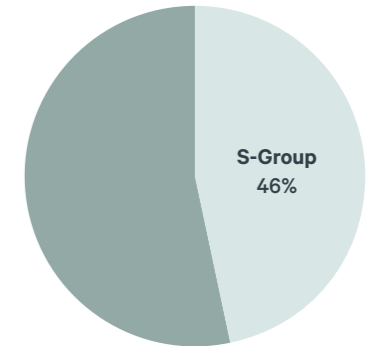


Core business	Grocery	Market share (FI)	36% (of grocery)
No. of FTEs	42,000	No. of stores	~1,800
Sales/EBITDA (2018)	MEUR 10,383/455 (4.4%)	Owners	Nasdaq OMX Helsinki
Core market	Finland (FI)	Market cap	EUR 5.1 billion

S-Group

The share of total net operating income from properties rented by S-Group is 8%. S-Group's market share is approximately 46% of grocery sales in Finland.

- S-Group is a Finnish network of companies operating in the retail and service sectors, consisting of 20 independent, regional cooperatives owned by their co-op members
- S-Group's key business areas are supermarkets, department stores and specialist stores
- S-Group paid MEUR 334 in bonus payments to its co-op members in 2017



Core business	Grocery	Market share (FI)	46% (of grocery)
No. of FTEs	37,000	No. of stores	~1,800
Sales/EBITDA (2018)	MEUR 11,500/520 (4.5%)*	Owners	20 independent regional cooperatives
Core market	Finland (FI)	Market cap	Privately owned company

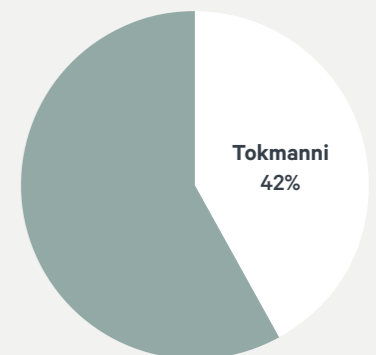
*S-Group does not present its EBITDA. MEUR 520 is Cibus's estimate. S-Group's EBIT amounts to MEUR 355, equivalent to an EBIT margin of 2.6% in 2018.

Sources: S-Group's 2018 Annual Report, Finnish Grocery Trade Association.

Tokmanni

The share of total net operating income from properties rented by Tokmanni is 28%. Tokmanni's market share of discount retail is approximately 42%, while its market share of grocery sales is approximately 2%.

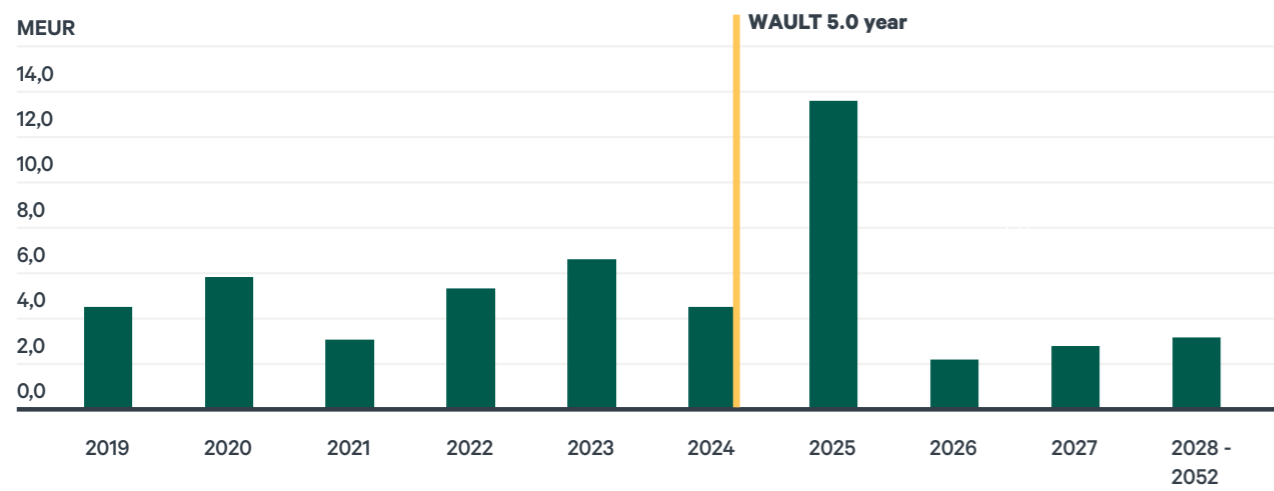
- Tokmanni is the largest general discount retailer in Finland, measured by the number of stores and revenue
- Tokmanni is also the largest discount retailer in the Nordics in terms of net sales, followed by the Swedish retailer Jula and the Norwegian retailer Europris
- Discount retail is generally growing faster than the overall retail market, which is also the case for Tokmanni
- Its business concept is to offer quality products at affordable prices



Core business	Discount retail	Market share (FI)	42% (of discount retail in 2015)
No. of FTEs	3,200	No. of stores	175
Sales/EBITDA (2018)	MEUR 870/65 (7.5%)	Owners	Nasdaq OMX Helsinki
Core market	Finland (FI)	Market cap	MEUR 498

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, typically for three or five years, under the same terms as the current lease. 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. This is why the average duration of the portfolio at 31 March 2019 was broadly the same as it was at the end of September and December 2018.



Approximately 54% of the leases are defined as net leases, approximately 35% as triple-net leases and approximately 11% as gross leases. This means that the risk associated with operating costs is very low for the property owner.

TRIPLE-NET LEASES:

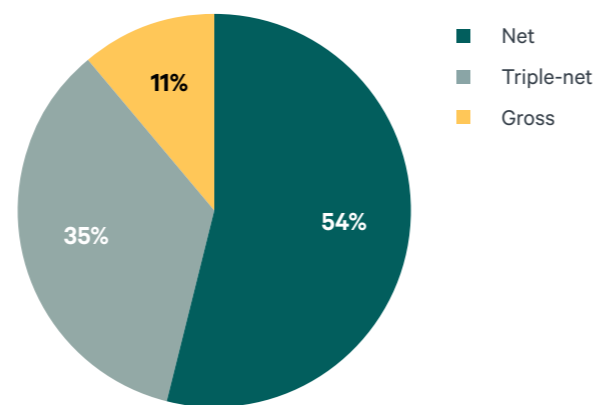
The tenant is responsible for all property-related costs.

NET LEASES:

The tenant is responsible for all costs excluding costs such as property tax, property insurance and capex.

GROSS LEASES:

The property owner is responsible for all property-related costs.



The property portfolio

GENERAL OVERVIEW

At 31 March 2019, Cibus's property portfolio comprised 132 relatively modern store properties, located in various growth regions across Finland. Half of the properties in the portfolio are located in southern and southwestern Finland.

More than 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 for their operations. Anchor tenants account for 81% of rental income and have an average remaining term of 5.5 years.

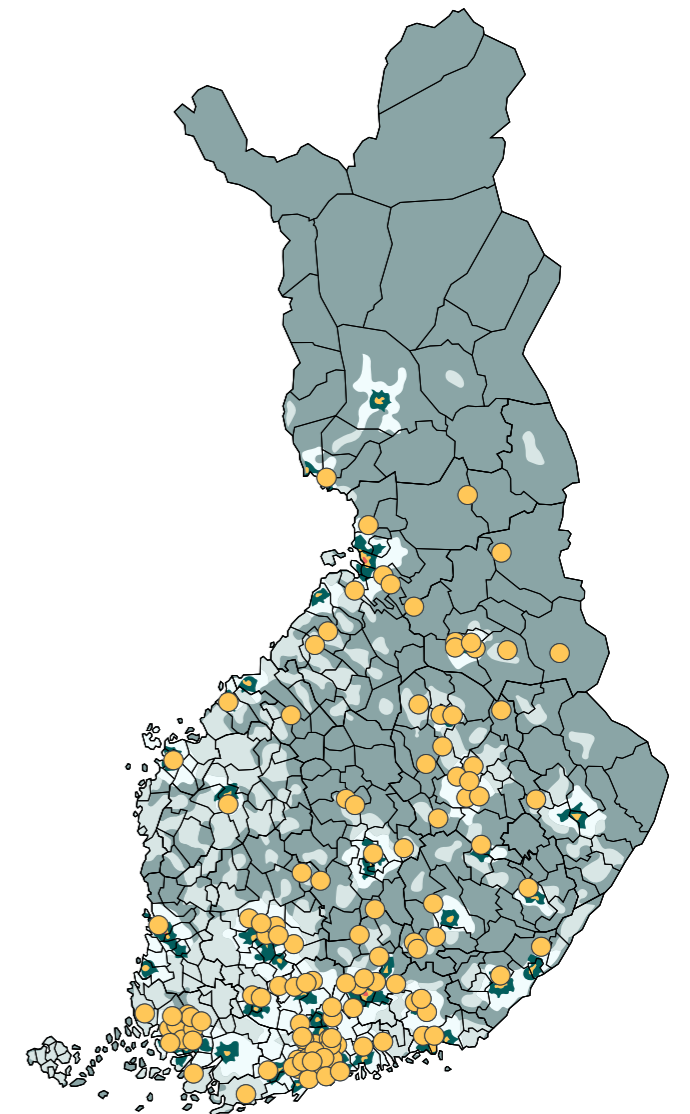
Anchor tenant	No. of properties	Lettable area, sq. m.	Duration	Anchor tenant's duration	Anchor tenant's share of rent
Kesko	73	217,974	4.6	4.9	83%
Tokmanni	32	161,293	5.8	6.1	82%
S-Group	15	33,792	4.5	7.2	70%
Other daily goods	6	24,489	5.3	5.3	62%
Other retail	6	34,201	4.0	-	-
Portfolio total	132	471,748	5.0	5.5	81%

GEOGRAPHIC LOCATIONS

The portfolio is spread across all of Finland, although it has a strong concentration in growth areas. Two thirds of the portfolio is located in southern and southwestern Finland, around the cities of Helsinki, Tampere and Turku. In every neighbourhood, the properties generally have a very good microlocation, close to residential areas in dense suburban centres. As is the case for many other developed countries, Finland is undergoing national urbanisation, with its rural areas becoming depopulated in favour of the larger cities.

The map below shows the geographic locations of the properties. As the map indicates, almost all the properties are located in regions with historical population growth as well as regions with forecast population growth. The estimated average annual population growth between 2018 and 2025 is 0.3%, which is almost 50% higher than the estimated growth in the EU.

Region type	Growth history 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
(southern and southwestern Finland)



PORTFOLIO DIVERSIFICATION

No single property in the portfolio accounts for a larger share than 3.0% of the portfolio's total net operating income, which eliminates property dependency. Only 11 of the properties account for more than 2.0% of the portfolio's total rental income.

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

KEY FIGURES

Annual net operating income is estimated at about MEUR 47.8, based on the portfolio Cibus owned as of 31 March 2019.

Number of properties	132
Total lettable area, sq. m.	472,000
Lettable area/property, sq. m.	3,576
Net operating income (current earnings capacity, MEUR)	47.8
Net operating income, EUR/sq. m.	101
WAULT, years	5.0

Financing

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

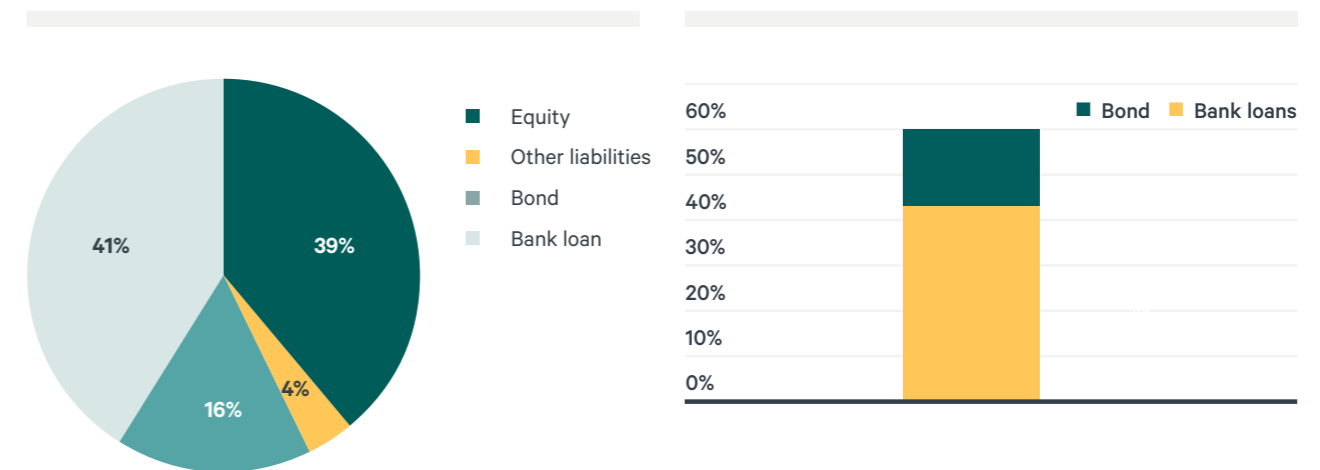
As of 31 March 2019, the Group has bank loans of around TEUR 355,000 with a weighted average floating interest margin of 1.8% and a weighted average tenor of 3.1 years. The loans are free of amortisation payments. Cibus has lodged the properties' mortgage deeds as collateral for the interest-bearing liabilities subject to what the company considers to comprise market terms.

In addition to the bank loans, Cibus has issued an unsecured bond amounting to TEUR 135,000. The bond matures on 26 May 2021 and carries a floating coupon rate of 4.5% + 3m EURIBOR. The bond is listed on the corporate bond list of Nasdaq Stockholm. The first day of trading was 3 May 2018. The Group's total tenor amounted to 3.2 years.

Of the Group's bank loans, around 68.3% are hedged using interest-rate derivatives in the form of interest-rate caps. After taking interest-rate caps into consideration, the Group's average fixed-interest tenor is 2.3 years.

The LTV ratio including the bond is 56.7%. the secured bank loan has an LTV of 43.2%.

Since the listing, two of the company's three senior credit facilities have been renegotiated. Thanks to a lower margin, the total interest expense increased only moderately despite increased debt. The company is in the process of renegotiating the remaining third senior credit facility.



Financial statements

KEY FINANCIAL RATIOS¹, GROUP (SEE NOTE 23 FOR DEFINITIONS)

Unless otherwise stated all amounts are in thousand euro (TEUR).	1 Jan 2019 – 31 Mar 2019 ²
Rental income	12,655
Net operating income	12,124
Profit from property management	7,625
Net profit after tax	8,912
Earnings per share, EUR	0.3
Total assets	857,943
Cash and cash equivalents	24,424
Market value of properties	820,588
Adjusted EPRA NAV	347,349
Adjusted EPRA NAV per share ³	11.2
No. of shares outstanding	31,100,000
Return on equity, %	10.7
Senior debt LTV ratio, %	43.2
Net debt LTV ratio, %	56.7
Interest coverage ratio, multiple	3.6
Equity ratio, %	39.3
Debt/equity ratio, multiple	1.5
Surplus ratio, %	95.8
Economic occupancy rate, %	95.1

¹Refer to page 28 for alternative performance measures and definitions.

²Cibus has not presented a comparative period. The first properties were acquired on 7 March 2018, and the company was subsequently listed on Nasdaq First North on 9 March 2018. Therefore, the company did not publish a report for the first quarter of 2018. The earnings for the period from the acquisition are included in the company's first annual report, which pertains to the period from 23 November 2017 to 30 June 2018.

³No adjustments have been made during this quarter.

EARNINGS

Profit for the period after tax amounted to TEUR 8,912, corresponding to EUR 0.3 per share. Unrealised changes in property values totalled TEUR 2,771.

Income

The consolidated rental income for the reporting period amounted to TEUR 12,655. Service income totalled TEUR 2,687 and consisted largely of re-invoiced costs. The economic occupancy rate was 95.1%. At 31 March 2019, the total annual rental value amounted to approximately TEUR 53,000.

Net operating income

The operating costs for the reporting period totalled TEUR 2,698 and net operating income amounted to TEUR 12,124, which resulted in a surplus ratio of 95.8%. As the majority of leases are triple-net or net leases, whereby the tenants cover the majority of the costs, net operating income is one of the most important comparative figures. Depending on the lease terms and conditions, the costs can be debited to tenants directly or via Cibus, which means that gross rents and service income can vary over time.

Profit from property management

For the reporting period, profit from property management amounted to TEUR 7,625, corresponding to EUR 0.25 per share. The outcome was in line with expectations.

Net financial items

Net financial items totalled an expense of TEUR 3,547 and mainly encompassed interest expenses for the period of TEUR 3,158. At period end, the loan portfolio's average interest rate, including margins, was 2.5%.

Changes in property values

Property value changes amounted to TEUR 4,110 from the opening balance of TEUR 816,478 to the closing balance of TEUR 820,588, of which TEUR 2,771 was unrealised.

Tax

The nominal rate of corporation tax in Finland is 20%. Through fiscal depreciation and amortisation, and the use 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 to amount to about TEUR 7,473. Tax assets attributable to these loss carryforwards have been recognised in the consolidated balance sheet in an amount of TEUR 1,687 and in the Parent Company's balance sheet in an amount of TEUR 1,555. Cibus recognised total tax for the reporting period of negative TEUR 1,059, of which current tax and deferred tax amounted to negative TEUR 547 and negative TEUR 512, respectively. A tax expense of TEUR 757 was charged to operating activities. Moreover, deferred tax on temporary differences attributable to value changes in properties amounted to negative TEUR 512.

CASH FLOW AND FINANCIAL POSITION

Consolidated cash flow from operating activities amounted to TEUR 5,885, corresponding to EUR 0.19 per share. The cash outflow from investing activities amounted to negative TEUR 1 328 during the reporting period and the cash inflow from financing activities was negative TEUR 5,675.

Closing cash and cash equivalents amounted to TEUR 24,424, corresponding to EUR 0.79 per share. At 31 March 2019, Cibus had net interest-bearing liabilities, after deduction of cash and cash equivalents, of TEUR 465,488. Capitalised borrowing costs amounted to TEUR 2,768.

LEGAL STRUCTURE

At 31 March 2019, the Group comprised 120 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.

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. Profit for the period in the Parent Company amounted to negative TEUR 453.

AUDITOR

Since the most recent Annual General Meeting on 11 April, the company has engaged the audit firm KPMG AB. Authorised Public Accountant Mattias Johansson is Auditor-in-Charge for the company.

RISKS AND UNCERTAINTIES

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 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 occupancy rate at the end of the financial year was around 95.1% and the WAULT was 5.0 years. About 91.0% 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, which means 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, new regulations on interest-rate restrictions came into force. 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 TEUR 500.

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 TEUR 500 per company.

The new rules concerning interest-rate restrictions will not have an impact during the first quarter.

CONSOLIDATED INCOME STATEMENT

Amounts in thousand euro (TEUR)

1 Jan 2019

31 Mar 2019

Rental income	12,655
Service income	2,687
Operating costs	-2,698
Property tax	-520
Net operating income	12,124
Administration costs	-952
Financial income	176
Financial costs	-3,723
Profit from property management	7,625
Unrealised change in value of investment properties	2,771
Unrealised change in value of interest-rate derivatives	-425
Profit before tax	9,971
Current tax	-547
Deferred tax	-512
Profit for the year	8,912
No. of shares outstanding	31,100,000
Earnings per share before and after dilution, EUR	0.3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (TEUR)

1 Jan 2019

31 Mar 2019

Profit for the year	8,912
Other comprehensive income	-
Total comprehensive income**	8,912

*Cibus has not presented a comparative period. The first properties were acquired on 7 March 2018, and the company was subsequently listed on Nasdaq First North on 9 March 2018. Therefore, the company did not publish a report for the first quarter of 2018. The earnings for the period from the acquisition are included in the company's first annual report, which pertains to the period from 23 November 2017 to 30 June 2018.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Amounts in thousand euro (TEUR)	31 Mar 2019	31 Dec 2018
ASSETS		
Non-current assets		
Investment properties	820,588	816,478
Deferred tax assets	1,687	1,602
Other non-current receivables	5,776	709
Total non-current assets	828,051	818,789
Current assets		
Rental receivables	462	422
Other current receivables	837	2,052
Prepaid expenses and accrued income	4,169	880
Cash and cash equivalents	24,424	25,542
Total current assets	29,892	28,896
TOTAL ASSETS	857,943	847,685
EQUITY AND LIABILITIES		
Equity attributable to Parent Company shareholders		
Share capital	311	311
Other contributed capital	300,762	300,762
Retained earnings including profit for the year	36,519	27,607
Total equity	337,592	328,680
Non-current liabilities		
Borrowings	487,144	486,132
Deferred tax liabilities	9,791	9,218
Financial derivatives	1,654	1,938
Other non-current liabilities	6,020	232
Total non-current liabilities	504,609	497,520
Current liabilities		
Accounts payable	236	190
Current tax liabilities	607	863
Other current liabilities	8,429	15,913
Accrued expenses and deferred income	6,470	4,519
Total current liabilities	15,742	21,485
Total liabilities	520,351	519,005
TOTAL EQUITY AND LIABILITIES	857,943	847,685

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in thousand euro (TEUR)	Share capital	Other contributed capital	Retained earnings 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	-	-	8,912	8,912
Total comprehensive income, 1 Jan 2019 - 31 Mar 2019	-	-	8,912	8,912
Closing equity, 31 Mar 2019*				
	311	300,762	36,519	337,592

*Equity is entirely attributable to Parent Company shareholders

CONSOLIDATED CASH-FLOW STATEMENT

Amounts in thousand euro (TEUR)	1 Jan 2019
	31 Mar 2019
Operating activities	
Profit before tax	9,971
Adjustments for:	
Property tax	-1,557
Financial items	-214
Unrealised changes in value, investment properties	-2,771
Unrealised changes in value, interest-rate derivatives	425
Tax paid	-757
Cash flow from operating activities before changes in working capital	5,097
Cash flow from changes in working capital	
Decrease in operating receivables	-312
Increase in accounts payable	128
Increase in other current liabilities	972
Cash flow from operating activities	5,885
Investing activities	
Property acquisitions	-1,282
Investments in current buildings	-46
Cash flow from investing activities	-1,328
Financing activities	
Borrowings	83,848
Loan arrangement fees	-455
Repayment of debt	-82,848
Dividend	-6,220
Cash flow from financing activities	-5,675
Cash flow for the year	-1,118
Cash and cash equivalents at the start of the financial year	25,542
Cash and cash equivalents at the close of the financial year	24,424

PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (TEUR)	1 Jan 2019
	31 Mar 2019
Net sales	-
Administration costs	-279
Operating loss	-279
Profit/loss from financial items	
Interest income from Group companies	1,428
Interest expenses	-1,602
Loss after financial items	-453
Profit before tax	-453
Tax	-
Profit for the year	-453

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (TEUR)	1 Jan 2019
	31 Mar 2019
Profit for the year	-453
Other comprehensive income	-
Total comprehensive income	-453

*Cibus has not presented a comparative period. The first properties were acquired on 7 March 2018, and the company was subsequently listed on Nasdaq First North on 9 March 2018. Therefore, the company did not publish a report for the first quarter of 2018. The earnings for the period from the acquisition are included in the company's first annual report, which pertains to the period from 23 November 2017 to 30 June 2018.

PARENT COMPANY BALANCE SHEET

Amounts in thousand euro (TEUR)

31 Mar 2018

31 Dec 2018

ASSETS

Non-current assets

Financial fixed assets

Shares in subsidiaries	128,450	128,450
Deferred tax assets	1,555	1,555
Non-current receivables from Group companies	289,053	294,853
Total financial fixed assets	419,058	424,858

Current assets

Receivables from Group companies	-	853
Other current receivables	116	28
Prepaid expenses and accrued income	724	607
Cash and cash equivalents	6,929	6,795
Total current assets	7,769	8,283

TOTAL ASSETS	426,827	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	300,762	300,762
Retained earnings incl. profit for the year	-14,899	-14,446
Total unrestricted equity	285,863	286,316

Total equity	286,174	286,627
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Non-current liabilities

Borrowings	133,526	133,356
Total non-current liabilities	133,526	133,356

Current liabilities

Current liabilities	188	-
Accounts payable	73	-
Other current liabilities	6,238	12,444
Accrued expenses and deferred income	628	714
Total current liabilities	7,127	13,158

TOTAL LIABILITIES	140,653	146,514
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TOTAL EQUITY AND LIABILITIES	426,827	433,141
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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 Berzelii Park 9, Box 7415, SE-103 91 Stockholm. The operations of the company and the subsidiaries ("the Group") encompass owning and managing grocery and daily-goods properties.

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. On 31 March 2019, Cibus recognised approximately TEUR 5,800 as an asset and a corresponding liability item under "Other non-current receivables" and "Other non-current liabilities," respectively. Site leasehold fees linked to these agreements, which were previously recognised as net operating income, are recognised as a financial cost in net financial items. Costs at 31 March 2019 amounted to approximately TEUR 84.

Assets and liabilities are recognised at cost, other than investment properties and interest-rate derivatives, which are measured at fair value. Refer to pages 56–57 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 prepares five reports each year: three interim reports, a year-end report and the annual report.

RELATED-PARTY TRANSACTIONS

During the period, Cibus paid a fee of TEUR 448 to Sirius Retail Asset Management, the parent company of which (Sirius Capital Partners) owns 500,000 Cibus shares. For more information, see Note 22 in the 2018 Annual Report from Cibus Nordic Real Estate AB (publ).

AUDIT

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

RISK

The company has procedures in place for managing risks and has a strong financial position. For more information about risks and uncertainties, refer to Cibus's 2018 Annual Report under "Risks and uncertainties" on pages 39–40 and Note 4 on pages 57–62.

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 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 year divided by the average number of shares outstanding

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.

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 costs and plus financial income divided by financial costs

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

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 as of 15 May 2019.

Stockholm, 15 May 2019

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

30 August 2019
15 November 2019

Interim report Q2
Interim report Q3

Corporate registration number: 559135-0599

www.cibusnordic.com

The company's Certified Adviser is FNCA Sweden AB

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FOR FURTHER INFORMATION, PLEASE CONTACT

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