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PRESS RELEASE

4 March 2020

## Cibus Nordic Real Estate AB (publ) moves into Sweden, announces intention to acquire a property portfolio with supermarkets from Coop and obtains new financing

**INSIDER INFORMATION:** Cibus Nordic Real Estate AB (publ) ("Cibus" or the "Company") is on the verge of completing its first acquisition in Sweden with its intention to acquire a property portfolio consisting of 111 supermarkets, with a property value of approximately SEK 1,900 million, from Coop (the "Transaction"). The properties are located in southern and central Sweden and are rented out with new ten-year triple net agreements with Coop as the tenant. The rentable area amounts to approximately 118,000 square meters. The property portfolio was part of Coops acquisition of Netto's Swedish business during 2019. Cibus and Coop intend to enter into a binding agreement regarding the acquisition prior to the commencement of trading on Nasdaq First North Premier Growth Market on 5 March 2020, conditioned upon the Company's financing being secured through a directed share issue carried out by way of an accelerated book building procedure, which will be announced through a separate press release in connection herewith. Closing of the Transaction is estimated to take place on 10 March 2020.

### The Transaction in brief

- The property value of the Transaction amounts to approximately SEK 1,900 million which will be paid in cash in its entirety in connection with the closing, which is estimated to take place on 10 March 2020.
- When the transaction agreement is entered into (which is estimated to occur prior to the commencement of trading on Nasdaq First North Premier Growth Market on 5 March 2020) there will be no remaining conditions for the completion of the Transaction.
- The Transaction is Cibus' first acquisition in Sweden and is in line with the Company's communicated strategy to increase its property holdings in new geographic areas.
- Financing of the Transaction consists of a combination of external financing and funds from a directed share issue intended to be carried out by way of an accelerated book building procedure, which will be announced through a separate press release in connection herewith.

*"We are very happy to have this opportunity to move into Sweden. The negotiations with Coop have been very constructive and we have agreed on a triple net arrangement which makes this transaction unique in Sweden. We are accustomed to the triple net arrangement from our Finnish portfolio and we are pleased that Coop agrees with us regarding the benefits this arrangement brings for both parties. The transaction is strategically important for us since the properties are relatively newly built and purely built as good-*

*sized supermarkets and we can now continue our successful strategy of acquiring single properties and portfolios that complement this transaction in a new geographic area. We look forward to a long and successful partnership with Coop, who is a large and serious player who focuses on the customer and has a clear sustainability perspective, which are important points for us."*, says Sverker Källgård, CEO of Cibus.

## **Background and reasons**

Cibus is an active real estate company whose business idea is to acquire, develop and manage high quality properties in the Nordics with a clear orientation towards food and grocery trade. Cibus current property portfolio is spread out across strategically sound locations, mainly in the southern and southwestern Finland and the properties are for the most part located in regions with strong population growth. The Company is specialized in properties with tenants who operate in the food and grocery trade, who in general have two main features that separate them from other types of commercial properties. These features are the business' resistance to economic cycles and negative effects of e-commerce. The portfolio also constitutes a natural distribution network ideal for mail and other services, which is an advantage considering the trend within e-commerce. These qualities entail higher stability and lower risk compared to other commercial properties. The Company strives to create high dividends that is not affected by economic cycles for its shareholders. This is achieved through a stable profitability in the underlying property portfolio. Properties with tenants who operate in the food and grocery trade are generally owned by institutions, food and grocery stores or a joint venture between the two. Cibus contributes to a responsible development of society by working together with its tenants to create readily available and climate-smart solutions.

The Coop portfolio consists of 111 supermarkets, which were a part of the acquisition of Netto's Swedish business during 2019. The rentable surface amounts to approximately 118,000 square meters and the rent income amounts to EUR 10.6 million per year. In connection with the transaction Cibus will enter into ten-year triple net agreements with Coop.

The Transaction results in Cibus expanding geographically and establishing a significant presence in southern and central Sweden which is in line with the Company's communicated strategy. The property portfolio's size leads to Cibus being able to, in a cost efficient manner, continue to execute its strategy to acquire single properties to complement the Transaction in Sweden. Through the Transaction, Cibus property portfolio amounts to 253 properties valued at approximately EUR 1,055 million. Cibus assesses that the Transaction, considering its size and geographical location, entails increased visibility for the Company in regards to customers, creditors and investors.

## Key performance indicator table<sup>1</sup>

KPIs	Cibus pre-transaction (FY19)	Coop-portfolio	Cibus post-transaction
Total area (m <sup>2</sup> )	506,000 m <sup>2</sup>	118,000 m <sup>2</sup>	624,000 m <sup>2</sup>
Properties (#)	142	111 <sup>2</sup>	253
Net rental income (EURm)	EUR 50.9m	EUR 10.6m	EUR 61.5m
Net rental income per m <sup>2</sup> (EUR)	EUR 100.6	EUR 92.8	EUR 98.5
WAULT (years)	4.9 years	10.0 years	5.5 years
Vacancy (%)	5.3%	0.0%	4.4%
NOI-margin (%)	94.3%	100.0%	95.3%
Investment properties (EURm)	EUR 875m	EUR 180m	EUR 1,055m
Implied yield based on share price (%)	5.3%	5.9%	5.4%

An investor presentation regarding Cibus and the Transaction which includes, *inter alia*, information about the property portfolio and the Transaction is attached to this press release and will be published on Cibus' webpage, [www.cibusnordic.com](http://www.cibusnordic.com).

### Property value and payment of the purchase price

- The property value in the Transaction amounts to approximately SEK 1,900 million, which corresponds to the purchase price on a cash and debt free basis.<sup>3</sup>
- The purchase price for the shares in the property companies shall be paid in its entirety in cash in connection with the closing, which is estimated to take place on 10 March 2020.

### Conditions for completion of the Transaction

The Company will enter into a binding acquisition agreement which will be unconditional prior to the commencement of trading on Nasdaq First North Premier Growth Market on 5 March 2020 provided that a directed share issue, which the Company will announce in connection herewith, is successful.

The Transaction is otherwise not subject to any conditions.

### Financing

The Transaction is intended to be financed by way of a combination of funds from the directed share issue, as mentioned above, together with additional external financing.

The external financing consists of credit facilities that the Company today has entered into with Swedbank, amounting to approximately SEK 1,300 million.

<sup>1</sup> All of the KPIs are unaudited.

<sup>2</sup> The property portfolio consists of 110 properties and land leases, three leases (of which two are building on restricted grounds) as well as a cooperative locale. For the avoidance of doubt, the property portfolio consists of 111 supermarkets across 114 properties.

<sup>3</sup> The actual purchase price for the shares will depend on the capital structure the seller has in place at the closing and has been estimated to approximately SEK 1,000 million.

## Time plan for completion of the Transaction

- **4-5 March:** signing of unconditional acquisition agreement as well as completion of the directed share issue
- **10 March:** closing and payment

## Advisors

Pareto Securities AB and Swedbank AB (publ) (together the "**Managers**") are acting as financial advisors in relation to the directed share issue and the book building procedure. Roschier Advokatbyrå AB is acting as legal advisor to the Company in relation to the directed share issue and the Transaction. Baker & McKenzie Advokatbyrå KB is acting as legal advisor to the Managers in relation to the directed share issue and the book building procedure.

## Responsible person

This information is such information Cibus Nordic Real Estate AB (publ) is obliged to make public in accordance with the (EU) Market Abuse Regulation. The information in this press release has been made public through the agency of the responsible person as set out below for publication at the time stated by Cibus' news distributor, beQuoted, at the publication of this press release. The person below may be contacted for further information.

## For additional information, please contact:

Sverker Källgård, CEO

sverker.kallgarden@cibusnordic.com

+46 761 444 888

## About Cibus Nordic Real Estate AB (publ)

Cibus is a real estate company listed on Nasdaq First North Premier Growth Market in Stockholm. The Company's business idea is to acquire, develop and manage high quality properties in the Nordics with daily goods store chains as anchor tenants. The Company currently owns approximately 140 properties in Finland. The main tenants are Kesko, Tokmanni and S-Group. FNCA Sweden AB, +46 (0) 8-528 00 399 [info@fnca.se](mailto:info@fnca.se), is appointed Certified Adviser.

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for new shares in connection with the directed share issue must be made on the basis of all publicly available information, which has not been independently verified by the Managers. The Managers are acting for the Company in connection with the transaction and no one else. The Managers will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

This press release does not constitute a recommendation concerning any investor's option with respect to the directed share issue. Each investor or prospective investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and all publicly available information. The price and value of securities can go down as well as up. Past performance is not a guide to future performance. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Failure to comply with these instructions may result in a violation of the Securities Act or applicable laws in other jurisdictions.

### **Forward-looking statements**

This press release contains forward-looking statements that relate to the Company's intentions, assessments or expectations regarding the Company's future results, financial position, liquidity, development, prospects, expected growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that do not refer to historical facts and can be identified through statements which includes, but is not limited to, terms such as "consider", "expects", "anticipates", "intends", "appreciates", "will", "can", "assumes", "should", "could" and, in any case, negations thereof, or similar expressions. The forward-looking statements in this press release are based on various assumptions, which in many cases are based on additional assumptions. Although the Company considers that the assumptions reflected in these forward-looking statements are reasonable, it cannot be guaranteed that the assumptions will occur or that they are correct. Since these assumptions are based on assumptions or estimates and are subject to risks and uncertainties, the actual result or outcome may, for many different reasons, differ materially from the forward-looking statements. Such risks, uncertainties, eventualities and other significant factors may cause actual events to deviate significantly from the expectations expressly or implicitly stated in this press release through the forward-

looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are correct and the recipients of this press release should not unduly rely on the forward-looking statements in this press release. The information, perceptions and forward-looking statements expressly or implicitly set forth herein are provided only as of the date of this press release and may change. Neither the Company nor anyone else undertakes to review, update, confirm or publicly announce any revision of any forward-looking statement to reflect events or circumstances that occurs relating to the content of this press release.

### **Information to distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in Cibus have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in Cibus may decline and investors could lose all or part of their investment; the shares in Cibus offer no guaranteed income and no capital protection; and an investment in the shares in Cibus is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the directed share issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in Cibus.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in Cibus and determining appropriate distribution channels.