

Interim report

1 January 2019 – 30 September 2019



Cibus Interim Report

1 JANUARY – 30 SEPTEMBER 2019

SUMMARY OF THE PERIOD

July – September 2019

(compared with July – September 2018)

- Rental income amounted to EUR 13,154 thousand (12,568)
- Net operating income totalled EUR 12,476 thousand (12,052)
- Profit from property management was EUR 7,285 thousand (7,203)
- Profit for the period amounted to EUR 5,474 thousand (6,577), corresponding to EUR 0.2 (0.2) per share

January – September 2019

- Rental income amounted to EUR 38,361 thousand
- Net operating income totalled EUR 36,058 thousand
- Profit from property management was EUR 21,682 thousand
- Profit for the period amounted to EUR 24,634 thousand, corresponding to EUR 0.8 per share

SIGNIFICANT EVENTS DURING THE PERIOD

On 11 July, Nasdaq approved Cibus listing on First North Premier. The first day of trading on Nasdaq First North Premier was 15 July 2019. The listing on First North Premier is an initial step towards a listing on the Nasdaq Stockholm Main List.

On 30 September, it was announced that Cibus would be terminating its liquidity facility with Pareto Securities AB. The liquidity facility expired on 1 October 2019.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

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

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 6.3% based on the share price at 30 September 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 are 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/.

KEY FIGURES ¹	Q3 2019	Q3 2018	Jan-Sep 2019 ²
No. of properties	139	126	139
Lettable area, thousand sq.m.	500	450	500
Market value of properties, EUR million	862.3	784.2	862.3
NOI, current earnings capacity, EUR million	49.9	46.3	49.9
Equity ratio, %	36.7	41.8	36.7
Senior debt LTV ratio, %	45.4	41.4	45.4
Net debt LTV ratio, %	58.9	55.4	58.9
Interest coverage ratio, multiple	3.4	3.4	3.4
Adjusted EPRA NAV/share, EUR	11.4	11.2	11.4
Approved dividend per share paid for the period, EUR	0.21	0.20	0.61

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

²Cibus has not presented a comparative period for the figures for Jan-Sep. Cibus took possession of the first properties on 7 March 2018, and the Company was subsequently listed on Nasdaq First North on 9 March 2018. Accordingly, the Company did not publish a report for the first quarter of 2018. Earnings from the point at which Cibus took possession of the properties are included in the Company's first annual report, which pertains to the period from 23 November 2017 to 30 June 2018.

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



Building for the future

CEO'S COMMENTS



—

“We are grateful for the confidence that has been shown in us and are continuing to build Cibus vigorously to generate value for shareholders.”

— Sverker Källgård, CEO

BUILDING FOR THE FUTURE

We are continuing to build Cibus to generate stable and reliable dividends for shareholders in the long term. We made numerous transactions during the first two quarters of 2019, and to date this year we have acquired properties for EUR 45 million. The third quarter was quieter in terms of transactions, with no properties being acquired or divested. Although we still have a good inflow of potential acquisitions that we are assessing. We still anticipate achieving our objective of growing by about EUR 50 million annually through good acquisitions, both in Finland and possibly in other Nordic countries.

During the quarter, we continued to build Cibus vigorously for the future by returning both the administration of the company, as well as its asset management, from partners back to the company itself. This was all to prepare the company for listing on the main list of the exchange sometime in the next year. Although it improved notably over the quarter, we find awareness of Cibus remains low, and we are therefore working actively to inform the market about the company. We have been interviewed on several occasions and we have participated in various activities to increase the market's awareness of us. In September, for example, I spoke at the annual EPRA conference in Madrid. There was considerable interest in Cibus and we held numerous meetings with both potential and existing shareholders from all over the world.

MARKET

We hold the largest portfolio of supermarket properties in Finland and are the obvious buyer of both newly built shops and smaller portfolios in that market. For this reason, we maintain an ongoing dialogue with property owners and construction companies in Finland regarding attractive acquisition objects for us. We see the Finnish market as remaining highly attractive and will grow there over the upcoming years.

Now having an organisation in place in Sweden, we are able to actively monitor the rest of the Nordic market too. Our ambition is to open up new markets as soon as possible, although we are anxious that our acquisitions will be in line with our financial targets. Although we are not required to establish operations in other markets, we are aware of attractive objects, in the Swedish market particularly, and are monitoring these with interest.

SHAREHOLDER VALUE

We are pleased to welcome many new shareholders to Cibus. During 2019, the number of shareholders has more than tripled. We are grateful for the confidence that has been shown in us and are continuing to build Cibus vigorously to generate value for shareholders. To date this year, the share has performed well, gaining 38%. Combined with our quarterly dividend, this means we provide shareholders with an attractive total yield.

Stockholm, 15 November 2019
Sverker Källgård



— Operations

Earnings capacity

The current earnings capacity for the coming 12 months is based on the property portfolio owned by Cibus as of 30 September 2019.

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

	30 Sep 2018	31 Dec 2018	31 Mar 2019	30 Jun 2019	30 Sep 2019*	Change (Q3'19 / Q3'18)
Rental income	49,150	51,100	51,100	53,350	53,350	
Property expenses	-2,850	-2,900	-2,900	-3,450	-3,450	
Net operating income	46,300	48,200	48,200	49,900	49,900	8%
Central administration	-3,545	-3,620	-3,620	-3,700	-3,700	
Net financial expenses**	-13,900	-13,950	-13,594	-13,550	-13,550	
Profit from property management	28,855	30,630	30,986	32,650	32,650	13%
Profit from property management, EUR/Share	0.93	0.98	1.00	1.05	1.05	13%

*Includes all transactions where Cibus has taken possession of the property prior to and during the third quarter of 2019. **In accordance with IFRS16, site leasehold fees are included among financial expenses for 2019. The comparative figures have been adjusted for comparability.

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 30 September 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

For the coming 12 months, the earnings capacity has improved by 13% compared with the 12-month forecast on the date of the IPO. 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

EARNINGS ANALYSIS JANUARY – SEPTEMBER 2019

Income

Consolidated rental income for the first nine months of 2019 amounted to EUR 38,361 thousand. Service income totalled EUR 6,211 thousand and consisted largely of re-invoiced expenses. The financial letting ratio was 94.5%. At 30 September 2019, the total annual rental value amounted to approximately EUR 56,000 thousand.

Net operating income

The operating expenses for the reporting period totalled EUR 6,806 thousand and net operating income amounted to EUR 36,058 thousand, resulting in a surplus ratio of 94.0%. 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 11,212 thousand and consisted mainly of interest expenses for the period of EUR 9,120 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 loan was 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 21,682 thousand, corresponding to EUR 0.7 per share.

Changes in property values

Property value changes incl acquisitions amounted to EUR 45,817 thousand from the opening balance of EUR 816,478 thousand to the closing balance of EUR 862,295 thousand. Of the value changes, EUR 7,002 thousand was unrealised. During the period, disbursements for acquisitions of properties were made in the amount of EUR 39,733 thousand, while divestments brought in EUR 2,070 thousand. In addition, investments have been made in the properties for EUR 1,152 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 8,221 thousand. Tax assets attributable to these loss carryforwards have been recognised in the consolidated balance sheet in an amount of EUR 1,747 thousand and in the Parent Company's balance sheet in an amount of EUR 1,555 thousand. Cibus recognised total tax for the reporting period of negative EUR 4,040 thousand, of which current tax and deferred tax amounted to negative EUR 700 thousand and negative EUR 3,340 thousand, respectively. A tax expense of EUR 663 thousand was charged to operating activities

Net profit after tax

Profit for the period after tax amounted to EUR 24,634 thousand, corresponding to EUR 0.8 per share.

THIRD QUARTER 2019

Consolidated rental income increased by 5% to EUR 13,154 thousand (12,568) in the third quarter of 2019. Net operating income totalled EUR 12,476 thousand (12,052).

Net financial items for the third quarter amounted to an expense of EUR 3,979 thousand (3,874) and consisted mainly of interest expenses but also included limit fees, expenses for interest rate derivatives and site leasehold fees in accordance with IFRS 16. During the quarter, net financial items were also charged with a non-recurring item regarding a commitment fee of EUR 50 thousand and an adjustment item from the part-owned MRECs amounting to slightly more than EUR 350 thousand. This item is a negative non-recurring adjustment of financial income that should previously have been offset against financial expenses. Profit from property management for the third quarter was EUR 7,285 thousand (7,203), corresponding to EUR 0.2 per share (0.2). During the third quarter and part of the fourth, we will have somewhat higher administrative expenses as previously outsourced services are phased out. For example, the agreement with Pareto Business Partner expires on 20 November 2019.

Changes in property values amounted to a negative EUR 783 thousand (34). The change in value is attributable to capital expenditure in properties that not yet contributed to higher property value. Since the rating of real estate is ongoing, some of these investments can affect the external valuation in upcoming periods. Total tax amounted to EUR 884 thousand (718), of which current tax amounted to EUR 752 thousand (586) and deferred tax to EUR 1,636 thousand (132). Current tax has been adjusted for the quarter, taking accumulated fiscal depreciation on buildings for the year into account. In the future, this effect will be taken into account on an ongoing basis when calculating current tax.

Net profit after tax for the third quarter amounted to EUR 5,474 thousand (6,577), corresponding to EUR 0.2 (0.2) per share.

CASH FLOW AND FINANCIAL POSITION

Consolidated cash flow from operating activities amounted to EUR 19,568 thousand, corresponding to EUR 0.6 per share. Cash flow from investing activities was negative in the amount of EUR 38,745 thousand and mainly involved acquisitions of properties during the reporting period. Cash flow from financing activities was negative in the amount of EUR 12,088 thousand.

At the end of the period, cash and cash equivalents amounted to EUR 18,453 thousand, corresponding to EUR 0.6 per share. At 30 September 2019, Cibus had net interest-bearing liabilities, after deduction of cash and cash equivalents, of EUR 508,017 thousand. Capitalised borrowing costs amounted to EUR 3,020 thousand.

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 negative EUR 1,297 thousand.

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

At 30 September 2019, the Group comprised 128 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 slightly more than 95% and the weighted average unexpired lease term (WAULT) was 5.0 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, 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 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 interest-rate restrictions will not have an impact 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. On 30 September 2019, Cibus recognised approximately EUR 5,900 thousand 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 expense in net financial items. Expenses at 30 September 2019 amounted to approximately EUR 254 thousand.

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-September 2019, Cibus disbursed a fee of EUR 1,233 thousand to Sirius Retail Asset Management, the parent company of which (Sirius Capital Partners) holds 500,000 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 Källgård. 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.

THE CIBUS SHARE

Cibus Nordic Real Estate (publ) is listed on Nasdaq First North. The last price paid for the share on 30 September 2019 was SEK 143.50, corresponding to a market value of approximately SEK 4.5 billion. At the end of the period, there were approximately 5,700 shareholders. On 30 September 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 are 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/.

REVIEW REPORT

To the Board of Directors of Cibus Nordic Real Estate AB (publ)
Corporate registration number 559135-0599

INTRODUCTION

We have reviewed the interim financial information (Interim Report) of Cibus Nordic Real Estate AB (publ) as at 30 September 2019, and the nine-month period ending on that date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to report our conclusions concerning these interim financial statements on the basis of our limited review.

FOCUS AND SCOPE OF THE REVIEW

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Company's Elected Auditor. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

ANNUAL GENERAL MEETING 2020

The next Annual General Meeting will be held on 23 April 2020 at 9:30 a.m. at Cibus Nordic's premises at Kungsgatan 56 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 were appointed as members of the Committee.

EVENTS AFTER THE END OF THE PERIOD

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

PRESENTATION FOR INVESTORS, ANALYSTS AND MEDIA

A live teleconference will be held at 10:00 a.m. (CET) on 15 November 2019, at which CEO Sverker Källgård 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-q3-2019>. To attend the teleconference, call in on +46 8-566 426 95. The exchange will open at 9:55 a.m. The presentation will subsequently be available at www.cibusnordic.com.

A review has another focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not, in all material respects, prepared in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company, in accordance with the Annual Accounts Act.

Stockholm, 15 November 2019
KPMG AB

Mattias Johansson
Authorised Public Accountant

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 15 November 2019.

Stockholm, 15 November 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

27 February 2020 Year-end report

15 May 2020 Interim Report Q1

The Company's Certified Adviser is FNCA Sweden AB
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23 April 2020 Annual General Meeting

FOR FURTHER INFORMATION, PLEASE CONTACT

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The share and shareholders

CIBUS'S SHARES ARE LISTED ON NASDAQ FIRST NORTH PREMIER

At the end of the third quarter, market capitalisation amounted to slightly more than EUR 400 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

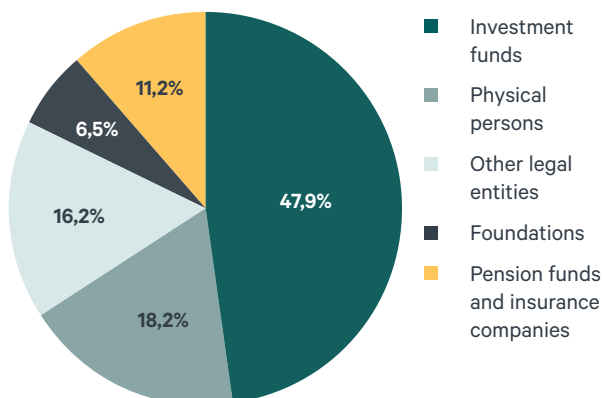
Cibus's investment strategy of acquiring individual properties or property portfolios with a higher yield requirement than the existing portfolio, combined with planned annual investments of EUR 50 million, generates potential for favourable long-term growth in share value.

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.



OWNERSHIP STRUCTURE AS OF 30 SEPTEMBER 2019



Source: Modular Finance

SHAREHOLDERS AS OF 30 SEPTEMBER 2019

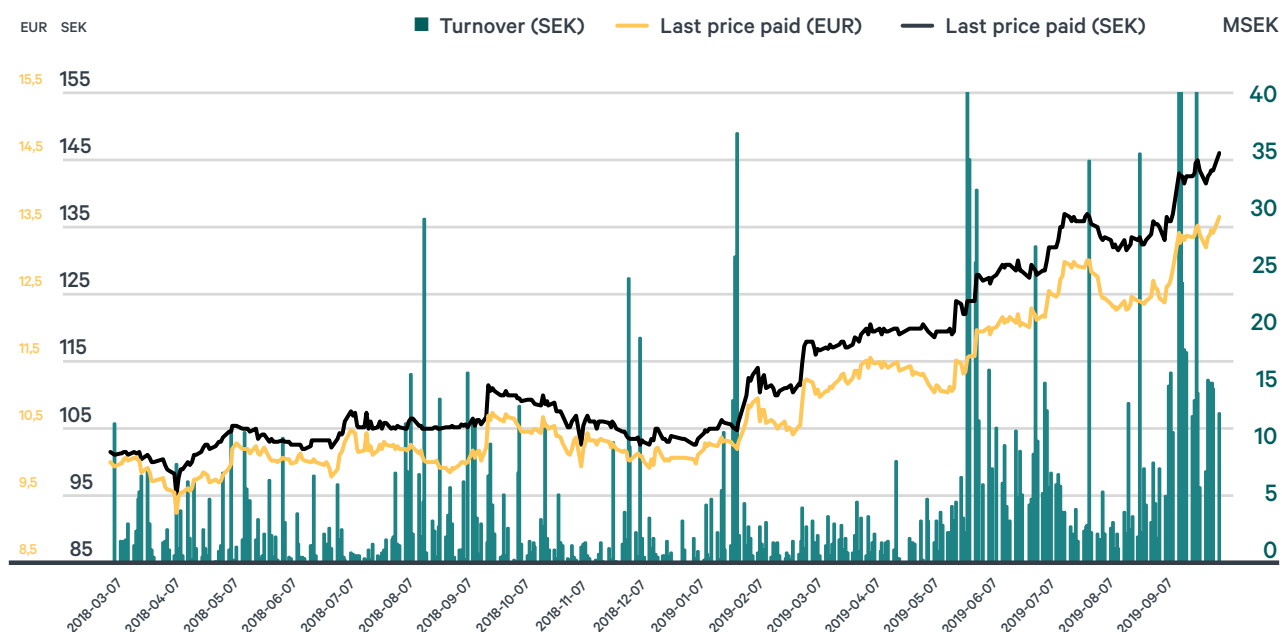
Name	No. of shares	Percentage
SFC Holding S.à.r.l.	3,200,000	10.3
Fjärde AP-fonden	2,311,245	7.4
Amiral Gestion	2,222,764	7.1
Talomon Capital	1,610,520	5.2
Carnegie Strategifond	1,250,000	4.0
Sirius Capital Partners*	830,000	2.7
Svenska Handelsbanken	806,176	2.6
Avanza Pension	709,150	2.3
Dragfast AB	700,000	2.3
Sensor Fonder	690,000	2.2
Norron Fonder	606,492	2.0
Nordnet Pensionsforsakring	522,553	1.7
Goran Gustafssons stiftelser	460,000	1.5
Nuveen Asset Management	430,092	1.4
ICA-handlarnas Förbund	367,133	1.2
Total, 15 largest shareholders	16,716,125	53.7
Other	14,383,875	46.3
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 the weighted average turnover amounted to SEK 7.9 million per day up until 30 September 2019.

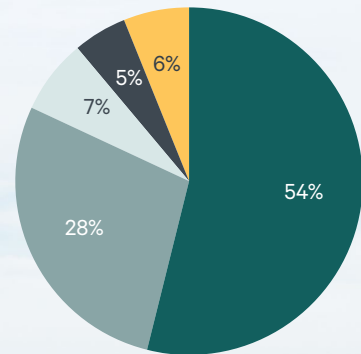


Tenants and lease structure

TENANTS

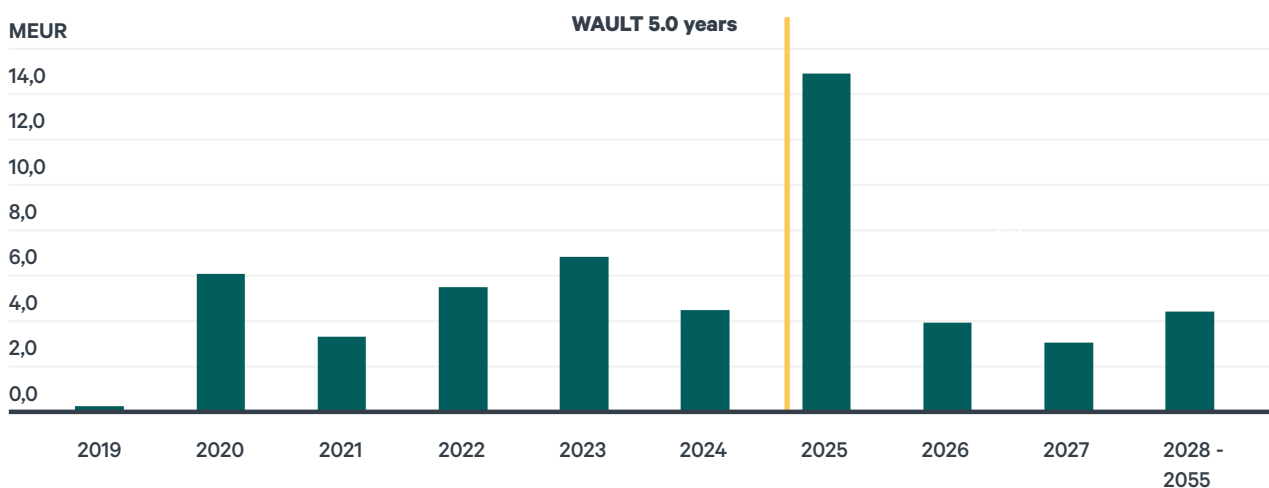
About 90% of Cibus's net operating income comes from properties where Kesko, Tokmanni or S-Group are the anchor tenants. Other grocery and daily-goods tenants include Lidl and independent traders. The graph below shows how net operating income is distributed among properties where the different grocery 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 per 30 September 2019, the weighted average unexpired lease term (WAULT) in the portfolio was 5.0 years.



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

At 30 September 2019, Cibus's property portfolio comprised 139 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.

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 more than 80% of rental income and have an average unexpired lease term of 5.3 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	223,166	4.8	5.2	85%
Tokmanni	36	172,983	5.8	5.7	87%
S-Group	14	32,092	4.1	4.9	68%
Other daily goods	8	33,246	5.2	5.2	71%
Other retail	6	34,102	3.8	n/a	n/a
Portfolio total	139	495,589	5.0	5.3	83%



GEOGRAPHIC LOCATIONS

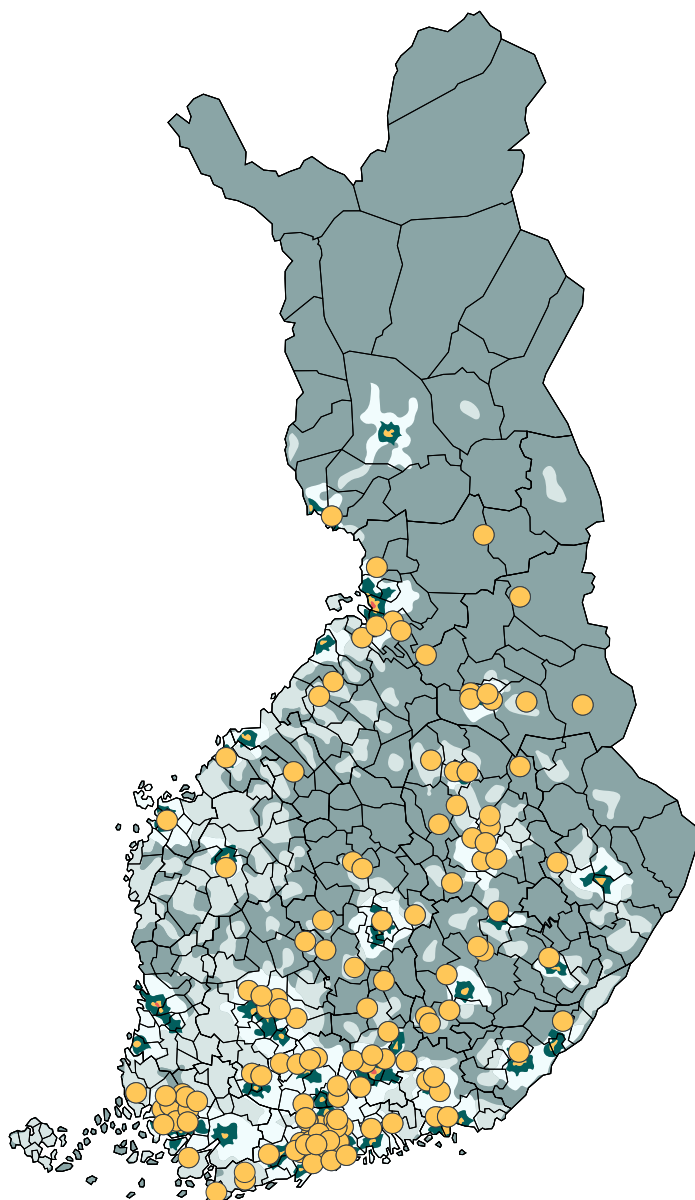
The portfolio is spread across all of Finland. It is, however, strongly concentrated in growing communities. Two thirds of the portfolio is located in southern and southwestern Finland, around the cities of Helsinki, Tampere and Turku. The properties generally enjoy highly favourable microlocations, 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 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	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
(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 eight of the properties each 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 49.9 million (current earnings capacity), based on Cibus portfolio as of 30 September 2019.

Number of properties	139
Total lettable area, thousand sq.m.	500
Lettable area/property sq.m.	3,597
Net operating income (current earnings capacity), EUR million	49.9
Net operating income, EUR/sq.m (let area)	106
WAULT, years	5.0



Financing

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

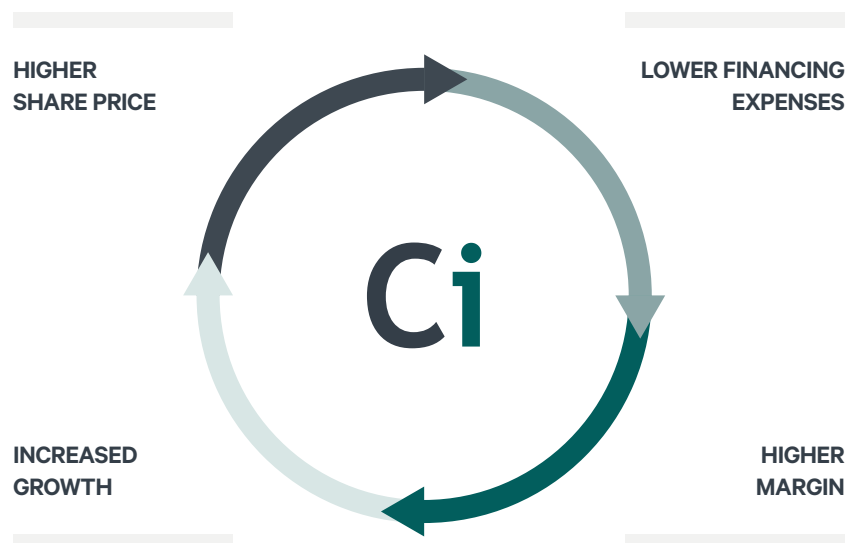
As of 30 September 2019, the Group had secured bank loans of EUR 392 million with a weighted average floating interest margin of 1.6% and a weighted average loan maturity of 3.8 years. Cibus has pledged mortgages in the properties as collateral for the interest-bearing liabilities. In Cibus's assessment, 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 3.2 years.

Of the Group's bank loans, around 73% are hedged using interest-rate derivatives in the form of interest-rate caps. The Group's average fixed-interest tenor is 2.8 years.

The LTV ratio including the bond is 58.9%. The secured bank loan has an LTV of 45.4%.

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. In the foreground, a small dog is sleeping on a desk. The background is a blurred office setting with shelves and papers. The entire image has a light blue overlay.

— Financial statements

CONSOLIDATED INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	2019 Q3	2018 Q3	2019 Jan-Sep	2018* Full-year
Rental income	13,154	12,568	38,361	39,733
Service income	1,925	2,046	6,211	6,674
Operating expenses	-1,914	-2,047	-6,806	-7,264
Property tax	-689	-515	-1,708	-1,622
Net operating income	12,476	12,052	36,058	37,521
Administration expenses	-1,212	-975	-3,333	-3,805
Other operating income	-	-	169	1,815
Financial income	-336	114	16	599
Financial expenses	-3,643	-3,988	-11,228	-13,259
Profit from property management	7,285	7,203	21,682	22,871
Unrealised change in value of investment properties	-783	-34	7,002	32,270
Unrealised change in value of interest-rate derivatives	-144	126	-440	-278
Realised change in value of investment properties	-	-	430	-173
Profit before tax	6,358	7,295	28,674	54,690
Current tax	752	-586	-700	-859
Deferred tax	-1,636	-132	-3,340	-7,564
Profit for the period	5,474	6,577	24,634	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	0.8	1.5

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	2019 Q3	2018 Q3	2019 Jan-Sep	2018 Full-year
Profit for the period	5,474	6,577	24,634	46,267
Other comprehensive income	-	-	-	-
Total comprehensive income**	5,474	6,577	24,634	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)	30 Sep 2019	30 Sep 2018	31 Dec 2018
Non-current assets			
Investment properties	862,295	784,179	816,478
Deferred tax assets	1,747	1,896	1,602
Site leasehold, right-of-use asset	6,098	130	709
Total non-current assets	870,140	786,205	818,789
Current assets			
Rental receivables	427	-	422
Other current receivables	1,279	1,363	2,052
Prepaid expenses and accrued income	2,278	1,355	880
Cash and cash equivalents	18,453	25,208	25,542
Total current assets	22,437	27,926	28,896
TOTAL ASSETS	892,577	814,131	847,685
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders			
Share capital	311	311	311
Other contributed capital	300,794	300,762	300,762
Retained earnings including profit for the period	26,119	39,478	27,607
Total equity	327,224	340,551	328,680
Non-current liabilities			
Borrowings	523,450	456,806	486,132
Deferred tax liabilities	12,671	7,382	9,218
Financial derivatives	1,889	1,222	1,938
Other non-current liabilities	6,099	171	232
Total non-current liabilities	544,109	465,581	497,520
Current liabilities			
Accounts payable	322	284	190
Current tax liabilities	406	986	863
Other current liabilities	15,095	2,149	15,913
Accrued expenses and deferred income	5,421	4,580	4,519
Total current liabilities	21,244	7,999	21,485
Total liabilities	565,353	473,580	519,005
TOTAL EQUITY AND LIABILITIES	892,577	814,131	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	-	-	24,634	24,634
Total comprehensive income, 1 Jan 2019 – 30 Sep 2019	-	-	24,634	24,634
Transactions with shareholders				
Issue of warrants	-	32	-	32
Dividend	-	-	-26,122	-26,122
Total transactions with shareholders	-	32	-26,122	-26,090
Closing equity, 30 Sep 2019*	311	300,794	26,119	327,224

*Equity is entirely attributable to Parent Company shareholders

CONSOLIDATED CASH-FLOW STATEMENT

Amounts in thousand euro (EUR thousand)	2019 Q3	2018 Q3	2019 Jan-Sep	2018 Full-year
Operating activities				
Profit before tax	6,358	7,295	28,674	54,690
Adjustments for:				
Financial items	1,151	-	-208	-23
Unrealised changes in value, investment properties	783	34	-7,002	-32,270
Unrealised changes in value, interest-rate derivatives	144	-126	440	278
Tax paid	184	-	-663	-152
Cash flow from operating activities before changes in working capital	8,620	7,203	21,241	22,523
Cash flow from changes in working capital				
Increase/decrease in other current receivables	-313	1,827	-629	-767
Increase/decrease in accounts payable	130	-	132	-543
Increase/decrease in other current liabilities	-526	-1,695	-1,176	171
Cash flow from operating activities	7,911	7,336	19,568	21,384
Investing activities				
Property acquisitions	-	-16,010	-39,733	-236,417
Divestments	-	-	2,070	-
Investments in current buildings	-605	-324	-1,082	-3,647
Acquisitions of financial fixed assets	-	-	-	-136
Cash flow from investing activities	-605	-16,334	-38,745	-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	-	16,799	111,848	298,400
Loan arrangement fees	-	-	-455	-2,752
Repayment of debt	-	-	-74,146	-346,143
Dividend	-6,531	-	-25,191	-6,220
Cash flow from financing activities	-6,531	16,799	12,088	244,358
Cash flow for the period	775	7,800	-7,089	25,542
Cash and cash equivalents at start of period	17,678	17,408	25,542	-
Cash and cash equivalents at end of period	18,453	25,208	18,453	25,542

PARENT COMPANY INCOME STATEMENT

Amounts in thousand euro (EUR thousand)	2019 Q3	2018 Q3	2019 Jan-Sep	*2018 Full-year
Net sales	507	-	507	-
Administration expenses	-399	-252	-1,151	-1,207
Operating loss	108	-252	-644	-1,207
Profit/loss from financial items				
Interest income from Group companies	1,333	1,492	4,163	4,833
Interest expenses	-1,607	-1,653	-4,816	-5,146
Loss after financial items	-166	-413	-1,297	-1,520
Appropriations				
Group contributions	-	-	-	4,179
Profit before tax	-166	-413	-1,297	2,659
Tax	-	-	-	1,555
Profit for the period	-166	-413	-1,297	4,214

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousand euro (EUR thousand)	2019 Q3	2018 Q3	2019 Jan-Sep	*2018 Full-year
Profit for the period	-166	-413	-1,297	4,214
Other comprehensive income	-	-	-	-
Total comprehensive income	-166	-431	-1,297	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)	30 Sep 2019	30 Sep 2018	31 Dec 2018
ASSETS			
Non-current assets			
Financial fixed assets			
Shares in subsidiaries	128,485	128,450	128,450
Deferred tax assets	1,555	1,888	1,555
Non-current receivables from Group companies	275,053	302,853	294,853
Other non-current receivables	41	-	-
Total financial fixed assets	405,134	433,191	424,858
Current assets			
Receivables from Group companies	509	1,752	853
Other current receivables	113	22	28
Prepaid expenses and accrued income	741	723	607
Cash and cash equivalents	3,114	1,820	6,795
Total current assets	4,477	4,317	8,283
TOTAL ASSETS	409,611	437,508	433,141
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	311	311	311
Total restricted equity	311	311	311
Unrestricted equity			
Share premium reserve	300,794	300,762	300,762
Retained earnings incl. profit or loss for the period	-41,867	2,578	-14,446
Total unrestricted equity	258,927	303,340	286,316
Total equity	259,238	303,651	286,627
Non-current liabilities			
Borrowings	133,866	133,186	133,356
Total non-current liabilities	133,866	133,186	133,356
Current liabilities			
Current liabilities	2,382	-	-
Accounts payable	19	7	-
Other current liabilities	13,386	9	12,444
Accrued expenses and deferred income	720	655	714
Total current liabilities	16,507	671	13,158
TOTAL LIABILITIES	150,373	133,857	146,514
TOTAL EQUITY AND LIABILITIES	409,611	437,508	433,141

KEY FINANCIAL RATIOS, GROUP

Unless otherwise stated all amounts are in thousand euro (EUR thousand).	2019 Q3	2018 Q3	2019 Jan-Sep	2018 ¹ Full-year
Rental income	13,154	12,568	38,361	39,733
Net operating income	12,476	12,052	36,058	37,521
Profit from property management	7,285	7,203	21,682	22,871
Net profit after tax	5,474	6,577	24,634	46,267
Earnings per share ² , EUR	0.2	0.2	0.8	1.5
Total assets	892,577	814,131	892,577	847,685
Cash and cash equivalents	18,453	25,208	18,453	25,542
Market value of properties	862,295	784,179	862,295	816,478
Adjusted EPRA NAV	353,410	347,259	353,410	344,454
Adjusted EPRA NAV/share, EUR	11.4	11.2	11.4	11.1
No. of shares outstanding	31,100,000	31,100,000	31,100,000	31,100,000
Return on equity, %	6.7	7.8	10.0	14.7
Senior debt LTV ratio, %	45.4	41.4	45.4	43.4
Net debt LTV ratio, %	58.9	55.4	58.9	58.4
Interest coverage ratio, multiple	3.4	3.4	3.4	3.3
Equity ratio, %	36.7	41.8	36.7	38.8
Debt/equity ratio, multiple	1.7	1.4	1.7	1.6
Surplus ratio, %	94.8	95.9	94.0	94.4
Economic occupancy rate, %	94.5	95.8	94.5	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